

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS
CIVIL DIVISION

STATE OF ARKANSAS, *ex rel.*
TIM GRIFFIN, ATTORNEY GENERAL

PLAINTIFF

v.

CASE NO. _____

CAPITAL CITY TREE SERVICE, LLC,
CHARLES SHAW, MATTHEW SHAW,
and JANET SHAW

DEFENDANTS

COMPLAINT

I. INTRODUCTION

1. On March 31, 2023, a category three tornado ravaged the central Arkansas area. Tornado winds reached peaks of over 165 miles per hour and caused an estimated \$5 billion in property damage over a 34-mile radius. Sixty thousand people were without power. Eighty people were injured, and five people were killed.

2. On May 26, 2024, another deadly event in Arkansas occurred when 17 tornadoes and numerous other thunderstorms struck primarily in the northwestern and north-central portions of the state. This was the most tornadoes to touch down in one day since April 25, 2011. Benton County experienced seven tornadoes, including a category three tornado that set a record for its path width of 3,200 yards. One-hundred and twenty thousand people were without power, and 10 fatalities occurred due to the severe thunderstorms and tornadoes.

3. During these times of suffering and devastation, Capital City Tree Service, LLC (“CCTS”) operated throughout the State of Arkansas as a tree removal service. Like a vulture waiting for vulnerable prey, CCTS took advantage of Arkansas consumers in their time of need in hopes of enriching itself. In order to maximize profit, CCTS used unfair and deceptive trade practices in connection with tree removal services, including, but not limited to, price gouging, material misrepresentations, and omissions of critical details.

4. For example, CCTS routinely charged over \$20,000—and in at least one instance as high as \$35,948—to remove a single tree. To accomplish this unconscionable and price-gouging scheme, CCTS employed its emergency service contract that required consumers to pay a minimum of eight hours for all equipment and crew used for the services, even though the jobs were routinely done in just a few hours.

5. CCTS routinely failed to explain or make consumers aware of the eight-hour minimum requirement for all equipment and crew in the emergency service contract.

6. CCTS enticed consumers to sign service contracts by making empty promises to the consumers about out-of-pocket costs. Specifically, CCTS affirmatively claimed it would work with the consumers’ insurance companies to cover the costs of the services and repeatedly told consumers “not to worry” about any amount insurance would not cover. However, after providing services, CCTS failed to accept insurance estimates or payments and routinely returned insurance checks uncashed if they were for less than the invoiced amount.

7. CCTS routinely failed to provide quotes to consumers prior to beginning work. Instead, CCTS would provide a resource list of all equipment and labor at its disposal and how much each was per hour. When questioned by consumers about what equipment would be needed, CCTS routinely represented that minimal equipment would be needed for that consumer’s job.

8. After declining reasonable payment for services, CCTS would aggressively request the consumers to pay the total amount invoiced or face steep late fees and potential legal action, including, but not limited to, filing a lien against their property and attorney's fees. In one instance, CCTS's attorney informed the consumer they could take out a home equity loan to pay the outstanding balance or simply deed their house to his client.

9. Consumers also suffered harm even when a grossly excessive invoice was paid by an insurer. If the consumer's coverage for a particular storm event is capped, then payment of a grossly excessive tree services invoice may leave the consumer without sufficient funds to make other home repairs. The consumer can also experience increased rates to maintain insurance coverage in future years.

10. CCTS's patterned misconduct could also cause increased insurance rates for Arkansans to whom they were not providing tree services. A recent Wall Street Journal article observed how the surging cost of homeowner's insurance is burdening consumers. According to the article, "[r]ates rose by more than 10% on average in 19 states in 2023 after a series of big payouts related to floods, storms, wildfires and other natural disasters across the U.S. ..."¹

11. Tim Griffin, Attorney General of the State of Arkansas, brings this action under the Arkansas Deceptive Trade Practices Act (the "ADTPA"), Ark. Code Ann. §§ 4-88-101 et seq., to hold Defendants accountable for the deceptive, unfair, and unconscionable business practices committed upon Arkansas consumers. This action is critical to protect the public interest, the legitimate business community, and the public's welfare.

12. The State seeks an order imposing civil penalties, restitution for affected consumers, injunctive relief, costs and fees, and other relief against Defendants.

¹ Exhibit 1.

II. PARTIES

13. Plaintiff is the State of Arkansas, *ex rel.* Tim Griffin, Attorney General. Attorney General Griffin is the chief legal officer of the State. Under Ark. Code Ann. §§ 4-88-104 and 4-88-113, the State may seek civil enforcement of the ADTPA, including Ark. Code Ann. § 4-88-301 et seq.

14. Defendant Capital City Tree Service, LLC is an Arkansas limited liability company registered with the Arkansas Secretary of State. Its agent address is listed as 6622 Baseline Road, Little Rock, Arkansas 72209. The registered agent is R. Steve Hix.

15. Defendant Charles Shaw is the principal owner and manager of CCTS. Upon information and belief, Charles Shaw had the authority to control the actions of CCTS during the relevant time period.

16. Defendant Janet Shaw is married to Defendant Charles Shaw and is an employee of CCTS. Upon information and belief, Defendant Janet Shaw possesses management and decision-making responsibilities with regards to CCTS.

17. Defendant Matthew Shaw is the son of Defendants Charles and Janet Shaw and the general manager of CCTS. Upon information and belief, Defendant Matthew Shaw possesses management and decision-making responsibilities for CCTS.

III. JURISDICTION AND VENUE

18. This Court has jurisdiction over this matter under Ark. Code Ann. § 4-88-104 and the common law of the State of Arkansas.

19. This Court has jurisdiction over the Defendants under Ark. Code Ann. § 4-88-113(d)(1), which states: “Every person, or every partner, officer, or director of another person who directly or indirectly controls another person or who is in violation of or liable” under the ADTPA

“shall be jointly and severally liable for any penalties assessed and any monetary judgments awarded in any proceeding for civil enforcement of this chapter, if the persons to be held jointly and severally liable knew or reasonably should have known of the existence of the facts by reason of which the violation or liability exists.” Ark. Code Ann. § 4-88-113(d)(1). Each person subject to liability under Ark. Code Ann. § 4-88-113(d)(1) “shall be deemed, as a matter of law, to have purposely availed himself or herself of the privileges of conducting activities within Arkansas sufficient to subject the person to the personal jurisdiction” of the Court. Ark. Code Ann. § 4-88-113(d)(3).

20. Venue is proper under to Ark. Code Ann. §§ 4-88-104, 4-88-112, 16-60-104, and the common law of the State of Arkansas.

IV. FACTUAL ALLEGATIONS

21. CCTS is a tree service company located in central Arkansas. CCTS claims it provides tree services, such as: (1) tree trimming and pruning; (2) tree removal; (3) stump removal; (4) true 24-hour emergency tree removal; and (5) bracing and cabling to stabilize trees.²

22. CCTS advertises that consumers should choose them for the following reasons, among others: (1) free estimates; (2) fully licensed and insured service; (3) competitive pricing; (4) senior and military discounts; (5) full cleanup after tree trimming or tree removal; (6) 24-hour emergency tree removal service; (7) will work with insurance companies to help consumers settle claims; (8) customer satisfaction guaranteed; and (9) certified arborist.³

23. The State has received numerous consumer complaints against Defendants for their business practices related to tree removal services, including, but not limited to, services provided

² Exhibit 2.

³ *Id.*

after severe thunderstorms and tornados occurred in 2023 and 2024 throughout Arkansas.

24. Most of these complaints describe the same pattern of behavior by Defendants, namely that: (1) the consumer was a victim of severe thunderstorms or natural disaster, such as a tornado, and required tree removal services during a state of emergency; (2) Defendants required an eight-hour minimum for all projects; (3) Defendants would not provide the consumer with an estimate prior to a service contract being executed and services being rendered, or if an estimate was provided, it was much lower than the final price; (4) Defendants told the consumer that CCTS would work with their insurance company and the consumer would not be responsible for any out-of-pocket cost; (5) Defendants informed consumers who inquired about equipment prices that minimal equipment would be necessary; (6) Defendants sent a grossly excessive invoice for the services provided given that many jobs took far less than the eight-hour minimum; (7) the consumer or consumer's insurance company attempted to negotiate with Defendants, but Defendants refused to accept any amount other than what was invoiced; and (8) Defendants threatened a 20% fee for nonpayment and legal action, including, but not limited to, placing a lien on the consumer's home and attorney's fees.

25. If the consumer's insurance company was unwilling to cover the entire amount invoiced by Defendants, then CCTS required the consumer to pay the difference, a direct contradiction of the marketing promises made to consumers. If the consumer did not pay the difference, then Defendants would threaten to place, or on multiple occasions, actually placed a lien on the consumer's home for the full amount invoiced.

26. To institute the unconscionable and excessive pricing scheme, CCTS employed an emergency service contract where CCTS charged consumers an eight-hour minimum for all crew, equipment, or resources, utilized for the services provided, regardless of the time needed for the

job. The emergency service contract also included a 20% fee for any balance not paid in full upon completion of the work. In some instances, the 20% fee alone would increase the cost to the consumer by more than \$7,000. CCTS knew or should have known that consumers would be unable to pay the amounts invoiced under the emergency service contract. Through the “late fee,” CCTS ensured that either: (1) its inflated and unconscionable prices are paid; or, (2) consumers willing to fight the inflated prices have another 20% tacked on to the final cost for tree removal services.

27. By the fall of 2023, CCTS amended the emergency service contract to include a service charge of one and a half percent per month (18% annum), or the greatest amount allowed under the law if the invoiced amount was not paid in full within 30 days of the invoice being issued.

28. During a declared state of emergency, and for up to as many as 180 days thereafter, Arkansas law prohibits any person, contractor, business, or other entity from selling or offering to sell any services used for emergency cleanup for a price greater than 10% of the price of the services immediately prior to the state of emergency. Ark. Code Ann. §§ 4-88-303(a)(1) and 4-88-303(b)(1). “Services” specifically includes work and labor in connection with the repair of property. Ark. Code Ann. §§ 4-88-302(k).

29. During states of emergency, specifically in 2023 and 2024, CCTS charged prices for tree removal services that were grossly in excess of the price immediately prior to the states of emergency.

30. To demonstrate the unconscionable and price-gouging effect of CCTS’s emergency service contract, CCTS charges \$1,000 per hour for use of a crane and \$255 per hour for crane operator, for a total of \$1,255 per hour. Absent inflation under CCTS’s emergency service contract,

a tree removal job taking two hours would cost \$2,510, a four-hour job would cost \$5,020, and a six-hour job would cost \$7,530. However, when the emergency service contract that mandates an eight-hour minimum is in place, a job that requires a crane costs an astounding \$10,040, *regardless of the amount of time the job takes*. In other words, a two-hour job now has a combined crane and operator rental rate of \$5,020 per hour, a 300% increase over the normal, non-emergency rate. A four-hour job has a crane rental rate of \$2,510 per hour, a 100% increase over the normal, non-emergency rate. A six-hour job has a crane rental rate of \$1,673.33 per hour, an approximate 33% increase over the normal, non-emergency rate.

31. Upon information and belief, Defendants billed Arkansas consumers more than **\$450,000** in April of 2023 alone for tree removal services.

2023 Tornadoes and Severe Thunderstorms

32. On March 31, 2023, a category three tornado ravaged the central Arkansas area. The wake of its devastation spanned 34 miles, hitting residences and businesses in Jacksonville, Cabot, Little Rock, and Conway, Arkansas.

33. Tornado winds reached peaks of over 165 miles per hour and caused an estimated \$5 billion in property damage. Sixty thousand people were without power. At least eighty people were injured, and five were killed.

34. On March 31, 2023, the Governor of Arkansas declared a state of emergency in Executive Order 23-20. The Governor issued Proclamation DR 23-05, declaring a regional state of emergency in Arkansas in response to the natural weather disaster that generated severe thunderstorms and tornadoes causing dangers, hardships, and suffering throughout the state.⁴

⁴ Exhibit 3.

35. Similarly, on April 1, 2023, Mayor Frank Scott, Jr., declared a Natural Disaster Emergency within the city of Little Rock, Arkansas.⁵ On April 2, 2023, President Joseph Biden declared that Little Rock, Arkansas, was part of a National Disaster Zone.

36. On April 3, 2023, Mayor Terry C. Hartwick issued a Disaster Emergency Proclamation due to the devastating tornado that passed through several miles of the City of North Little Rock on March 31, 2023.⁶

37. On April 10, 2023, the Governor of Arkansas renewed the state of emergency issued on March 31, 2023, and declared the state of emergency to be effective until emergency conditions cease to exist.⁷

38. On June 20, 2023, the Governor of Arkansas issued Proclamation EO 23-25 declaring the initial state of emergency declared in EO 23-20 continued to exist.⁸

39. The Governor issued Proclamation EO 23-07 on June 25, 2023, declaring a state of emergency in response to severe thunderstorms and high winds in Arkansas that continued to cause dangers, hardships, and suffering throughout Arkansas.⁹

Consumer 1

40. Robert Brown (“Brown”) is over 60 years of age and is an “elder person” considered particularly vulnerable under the ADTPA, Ark. Code Ann. § 4-88-201(2).¹⁰

⁵ Exhibit 4.

⁶ Exhibit 5.

⁷ Exhibit 6.

⁸ *Id.*

⁹ *Id.* at pp. 3–4

¹⁰ Exhibit 7, p.1, ¶ 1.

41. Brown lives in Little Rock, Arkansas and suffered property damage as a result of the March 31st tornado.¹¹

42. On April 1, 2023, Brown learned about CCTS's services from a neighbor. Brown contacted CCTS who stated they would be in his area and could stop by to assess the damage.¹²

43. Defendant Charles Shaw met with and assured Brown that CCTS would work with his insurance company and not to worry about costs.¹³

44. Defendant Charles Shaw presented Brown with a service contract on an iPad and went over the agreement very quickly. Brown signed the contract with CCTS through the iPad.¹⁴

45. Prior to signing the service contract and services being performed, Brown asked CCTS how much the tree removal services would cost. The representative of CCTS initially stated he did not know. However, after Brown asked for an estimate again, the representative stated it would cost approximately \$15,000 to \$20,000 for the services.¹⁵

46. The service contract between Brown and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days of the service. The service contract also stated that payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee.¹⁶

¹¹ *Id.* at ¶ 4.

¹² *Id.* at ¶ 5.

¹³ *Id.*, pp. 1–2, ¶ 6.

¹⁴ *Id.*

¹⁵ *Id.*, p. 2, ¶ 7.

¹⁶ *Id.*, pp. 5–12.

47. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹⁷

48. Prior to signing the service contract and services being performed, CCTS informed Brown that it would have to use a crane that would most likely damage his driveway. However, other than a crane, CCTS did not provide Brown with an indication of what other resources would be required for the tree removal services prior to services being rendered.¹⁸

49. CCTS removed four or five trees from Brown's property over the course of two days, beginning on or about April 1, 2023. On the first day, CCTS worked approximately two to three hours. On the second day, CCTS worked approximately four to five hours. Different equipment was used each day.¹⁹

50. On April 17, 2023, CCTS issued Invoice No. 1771 to Brown for a total amount of **\$28,080** with payment due in 10 days.²⁰

51. Invoice No. 1771 provides a description and total for each resource charged. For the first day where CCTS worked two to three hours, CCTS invoiced Brown eight hours' use for each resource used: \$8,000 for the use of a Merlo 50.35 (\$1,000 per hour), \$2,040 for an equipment operator (\$255 per hour), \$2,720 for two ground workers (\$170 per hour each), and \$400 for two chainsaws (\$25 per hour each).²¹

¹⁷ *Id.*

¹⁸ *Id.*, p. 2, ¶ 8.

¹⁹ *Id.* at ¶ 9.

²⁰ *Id.*, pp. 13–25.

²¹ *Id.*

52. For the second day where CCTS worked four to five hours, CCTS invoiced Brown eight hours for each resource used: \$8,000 for a 40-ton stick crane (\$1,000 per hour), \$200 for crane cribbing (\$25 per hour), \$2,040 for a climber (\$255 per hour), \$4,080 for three ground workers (\$170 per hour each), and \$600 for three chainsaws (\$25 per hour each).²²

53. Invoice No. 1771 provides:²³

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

54. The first time CCTS communicated the “above prices” to Brown was in Invoice No. 1771.²⁴

55. For each day CCTS was present at Brown’s property, it invoiced Brown eight hours for each resource used.²⁵ Stated another way, CCTS invoiced Brown for 16 hours of work when it only took, at most, eight hours total to complete the job.

56. After receiving Invoice No. 1771, Brown forwarded the invoice to his insurance company, United Home. United Home refused to pay the inflated invoice and attempted to engage in negotiations with CCTS.²⁶ According to United Home, a fair and reasonable estimate for tree and debris removal totaled \$7,777.82. Contradictory to the assurance CCTS made to Brown, CCTS

²² *Id.*

²³ *Id.*, p. 16.

²⁴ *Id.*, p. 2, ¶ 12.

²⁵ *Id.* at ¶ 10.

²⁶ *Id.* at ¶ 13.

refused to work with Brown's insurance company. United Home attempted to negotiate the invoice, but CCTS was unwilling to do so.²⁷

57. On or about July 19, 2023, CCTS issued a Notice of Intent to File Lien against Brown's property in the amount of \$28,080 for the removal of trees and debris on April 1, 2023, and completed on April 2, 2023. The Notice of Intent to File Lien was signed by Charles Shaw.²⁸

58. On August 2, 2023, CCTS recorded a lien in the Circuit Court of Pulaski County, Arkansas, against Brown's home.²⁹

59. On August 9, 2023, Brown sent a letter to CCTS with an enclosed check for \$7,777.82, which represented the amount United Home valued the services performed by CCTS.³⁰

60. CCTS refused to accept the amount Brown's insurance company tendered for the tree removal services.³¹

61. On November 15, 2023, CCTS issued a letter attempting to collect on the amount invoiced. According to the letter, the total amount owed by Brown had increased to \$33,846, which included the original amount billed plus imputed late fees of \$5,616 and an administration fee of \$150. The letter also threatened Brown that he would have to pay for attorney's fees if legal action occurred, and that failure to pay as directed might impact his credit history.³²

²⁷ *Id.*, pp. 46–47.

²⁸ *Id.*, p. 26.

²⁹ *Id.*, pp. 27–43.

³⁰ *Id.*, pp. 44–45.

³¹ *Id.*, p. 3, ¶ 14.

³² *Id.*, p. 48.

62. On January 23, 2024, CCTS's attorney, Gregory Taylor, issued a letter to Brown regarding Invoice No. 1771.³³ The letter stated that Brown owed \$33,846 for the invoiced amount and late fees, along with \$2,500 for attorney's fees, and included the following statements:³⁴

The least desirable option is to simply file suit against you for a breach of the contract and have the court award damages, interests, penalties, and attorney's fees. We wish to avoid that if possible. It has been stated to me that you own the house that you currently live in, without any mortgage or other encumbrance. If that is the case, it may be possible for you to take a home equity loan to pay what you owe to Capital City Tree Services. Another possible avenue is to simply deed over ownership of the house to Capital City Tree Services and any lien or right to sue you will be relinquished by Capital City Tree Services. Please work with us so that this matter can be resolved without the need for further escalation.

63. CCTS's attorney told Brown that the fees would only continue to increase.³⁵

64. A lawyer offered to reach out to CCTS pro bono for Brown. The attorney attempted to negotiate the invoice, but CCTS refused.³⁶

65. On April 18, 2024, CCTS filed a lawsuit against Brown for breach of contract and unjust enrichment.³⁷

66. Because Brown was scared of losing his home, he agreed to pay CCTS \$37,000 to have the lien removed.³⁸

³³ *Id.*, p. 49.

³⁴ *Id.*

³⁵ *Id.* at ¶ 20.

³⁶ *Id.*, p. 3, ¶ 18.

³⁷ *Id.*, pp. 50–54.

³⁸ *Id.*, p. 3, ¶ 21.

67. CCTS invoiced Brown **\$28,080** for eight hours worked on April 1 and 2, 2023, immediately after the tornado and while states of emergency were in effect. If this job had taken place on March 30, 2023, before the tornado, it would have cost approximately **\$14,260**, which is closer to the verbal estimate provided to Brown. This represents approximately a **97%** increase in price, and a **159%** increase based on the amount Brown actually paid CCTS, attributable to nothing but the occurrence of a natural disaster and CCTS’s utilization of its emergency service contract.

Consumer 2

68. Christopher Fettes (“Fettes”) lives in Little Rock, Arkansas and suffered property damage as a result of the March 31, 2023, tornado.³⁹

69. On March 31, 2023, Fettes contacted CCTS to remove one tree from his property and entered into a service contract with CCTS to perform tree removal services. Defendant Matthew Shaw signed the service contract.⁴⁰

70. The service contract between Fettes and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract also stated that payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee.⁴¹

71. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.⁴²

³⁹ Exhibit 8, p. 1, ¶ 4.

⁴⁰ *Id.* at ¶¶ 4–5.

⁴¹ *Id.*, pp. 4–11.

⁴² *Id.*

72. CCTS failed to provide Fettes an estimate or any indication of what resources would be required for the tree removal services prior to services being rendered.⁴³

73. CCTS arrived at Fettes's property to begin performing tree removal services on April 2, 2023, which was more than 24 hours after being scheduled.⁴⁴

74. The job took CCTS approximately four hours to complete.⁴⁵

75. On April 17, 2023, CCTS issued Invoice No. 1743 to Fettes for a total amount of **\$19,140** with payment due in 10 days.⁴⁶

76. Invoice No. 1743 provides a description, rate, quantity, and total for each resource charged. CCTS invoiced Fettes eight hours' use for the following equipment: 40-ton crane (\$1,000 per hour), turf mats (\$25 per hour), two chainsaws (\$25 per hour each), and a mini skid steer (\$250 per hour). CCTS invoiced Fettes for four workers, including two ground workers (\$170 per hour each), one climber (\$255 per hour), and one equipment operator (\$255 per hour). CCTS charged Fettes a 10% debris removal fee based on the total cost of the job.⁴⁷

77. Invoice No. 1743 states:⁴⁸

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

⁴³ *Id.*, p. 1, ¶ 6.

⁴⁴ *Id.*, p. 2, ¶ 7.

⁴⁵ *Id.*

⁴⁶ *Id.*, pp. 12–18.

⁴⁷ *Id.*

⁴⁸ *Id.*, p. 14.

78. The first time CCTS communicated to Fettes the resources utilized to complete the tree removal services and the “above prices” was in Invoice No. 1743.⁴⁹

79. Fettes provided Invoice No. 1743 to his insurance adjuster who stated the amount was unusually high.⁵⁰

80. Fettes was also informed by his insurance adjuster that the amount paid to CCTS would potentially reduce the amount he would have to make other repairs to his house.⁵¹

81. On May 4, 2023, Defendant Matthew Shaw stated that full payment was due immediately and that failure to do so would result in a 20% fee or legal action. Specifically, Shaw stated that if Fettes failed to pay by *the next day*, May 5, 2023, Shaw would report him for theft of services:⁵²

collected for the work and per the contract payment is due immediately. As stated in my last email, payment is due immediately. If payment is not received by tomorrow May 5th, 2023 it will be turned over to our attorney for theft of services with a 20% late fee, plus attorney fees, court costs etc. All of which is stated in our contract. Any funds that you keep from insurance that is designated to pay us for services performed is insurance fraud. Please lets get this handled and resolve this issue.

82. The invoiced amount was eventually paid by Fettes’s insurance company.⁵³

83. CCTS invoiced Fettes **\$19,140** for four hours worked on April 2, 2023, while the states of emergency were in effect. If this job was done before the tornado on March 30, 2023, it would have cost approximately **\$9,570**. This represents a **100%** increase, attributable to nothing but the occurrence of a natural disaster and CCTS’s utilization of its emergency service contract.

⁴⁹ *Id.*, p. 2, ¶ 9.

⁵⁰ *Id.* at ¶ 10.

⁵¹ *Id.* at ¶ 11.

⁵² *Id.*, p. 21.

⁵³ *Id.*, p. 2, ¶ 13.

Consumer 3

84. Karen Irons (“Irons”) is over 60 years of age and is an “elder person” considered particularly vulnerable under the ADTPA, Ark. Code Ann. § 4-88-201(2).⁵⁴

85. Irons resides in North Little Rock. Following the March 31, 2023 tornado, Irons had approximately three trees that needed to be removed from her property.⁵⁵

86. Irons learned about CCTS by searching the internet and contacted them to remove the three trees.⁵⁶

87. On or about April 6, 2023, an employee of CCTS asked Irons to download an application on her phone to sign a document that would allow CCTS to bill her insurance company. Irons was unable to download the application on her phone, but the employee accessed the document for her to sign on his iPad.⁵⁷

88. As CCTS was setting up its equipment outside, the employee rushed Irons through the document and did not provide her the opportunity to read through it as she signed where the employee told her to do so. When Irons asked about the costs of the services, the employee assured her that the contract gave CCTS the ability to bill her insurance and not to worry about the cost of the services because CCTS would *only* bill her insurance.⁵⁸

89. The service contract between Irons and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract also stated that

⁵⁴ Exhibit 9, p. 1, ¶ 1.

⁵⁵ *Id.* at ¶¶ 2–4.

⁵⁶ *Id.* at ¶ 5.

⁵⁷ *Id.*, pp. 1–2, ¶¶ 6–7.

⁵⁸ *Id.*

payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee.⁵⁹

90. Irons was unaware of the eight-hour minimum contained in the service contract as she was not provided the opportunity to read through the contract.⁶⁰

91. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.⁶¹

92. CCTS failed to provide Irons an estimate or any indication of what resources would be required for the tree removal services prior to services being rendered.⁶²

93. On or about April 6, 2023, CCTS removed three trees from Irons's property. This took CCTS approximately one and a half hours to complete.⁶³

94. On April 17, 2023, CCTS issued Invoice No. 1840 to Irons for a total amount of **\$20,680** with payment due in 10 days.⁶⁴

95. Invoice No. 1840 provides a description, rate, quantity, and total for each resource charged. CCTS charged Irons eight hours for the following equipment: knuckle boom crane (\$1,000 per hour), mini skid steer (\$250 per hour), and support truck (\$250 per hour). CCTS also charged Irons two equipment operators (\$255 per hour each) and two ground workers (\$170 per

⁵⁹ *Id.*, pp. 4–12.

⁶⁰ *Id.*, p. 2, ¶ 14.

⁶¹ *Id.*, pp. 4–12.

⁶² *Id.*, p. 2, ¶ 8.

⁶³ *Id.* at ¶ 10.

⁶⁴ *Id.*, pp. 13–21.

hour each). CCTS charged Irons a debris removal fee of 10% of the total cost.⁶⁵

96. Invoice No. 1840 provides:⁶⁶

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

97. The first time Irons learned of the excessive charges provided in Invoice No. 1840 was when her insurance adjuster informed her.⁶⁷

98. On July 19, 2023, CCTS issued a Notice of Intent to File Lien against Irons's property in the amount of \$20,680 for the removal of trees and debris on April 6, 2023.⁶⁸

99. Irons's insurance would not cover the entire amount causing Irons to pay the remaining balance of \$1,356.⁶⁹

100. CCTS invoiced Irons **\$20,680** for one and a half hours worked on April 6, 2023, while the states of emergency were still in effect. If this job had taken place on March 30, 2023, before the tornado, it would have cost approximately **\$3,877.50**. This represents over a **433%** increase, attributable to nothing but the occurrence of a natural disaster and CCTS's utilization of its emergency service contract.

⁶⁵ *Id.*

⁶⁶ *Id.*, p. 4.

⁶⁷ *Id.*, p. 2, ¶ 12.

⁶⁸ *Id.*, p. 22.

⁶⁹ *Id.*, p. 3, ¶ 16.

Consumer 4

101. Jim Kirkland (“Kirkland”) is over 60 years of age and is an “elder person” considered particularly vulnerable under the ADTPA, Ark. Code Ann. § 4-88-201(2).⁷⁰

102. On October 30, 2023, Kirkland’s neighbor hired CCTS to provide tree removal services for a tree that fell on both Kirkland and the neighbor’s property after a severe storm. By the time Kirkland arrived at the property, CCTS had already setup its equipment and just started removing the tree.⁷¹

103. Due to the tree being on both properties, Kirkland agreed to pay one-half of the cost for CCTS to remove the tree since CCTS was already at the property and had started removing the tree.⁷²

104. A CCTS employee pulled up the service contract on Kirkland’s phone for him to sign. CCTS did not explain to Kirkland that the services contract contained an eight-hour minimum for all equipment and crew used. The employee repeatedly asked Kirkland if he had signed the contract. The exchange happened quickly.⁷³

105. Kirkland entered into service contract with CCTS and Defendant Charles Shaw signed the service contract on behalf of CCTS.⁷⁴

106. The service contract between Kirkland and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract stated that

⁷⁰ Exhibit 10, p. 1, ¶ 1.

⁷¹ *Id.* at ¶¶ 4–5.

⁷² *Id.* at ¶ 6.

⁷³ *Id.*, p. 2, ¶¶ 7–8.

⁷⁴ *Id.*, pp. 5–13.

payment was due upon completion, and any balance not paid in full upon completion of work would be subject to a 20% fee. It also required payment of “a service charge of the lesser of 11?2% [sic] per month (18% per annum) or the greatest amount allowed by law on all accounts not paid in full by the 30th day following the invoice date.”⁷⁵

107. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.⁷⁶

108. CCTS failed to provide Kirkland an estimate or any indication of what resources would be required for the tree removal services.⁷⁷

109. Kirkland did not receive a copy of the contract until after the removal was completed.⁷⁸

110. On October 30, 2023, CCTS removed a single tree from Kirkland and the neighbor’s property. It took approximately two to three hours to remove the single tree.⁷⁹

111. On October 30, 2023, CCTS issued Invoice No. 2242 to Kirkland and his neighbor for a total amount of **\$35,300** with payment due in 10 days.⁸⁰ Kirkland’s portion of Invoice No. 2242 was **\$17,650**.

112. Invoice No. 2242 provides a description and total for each resource charged. CCTS

⁷⁵ *Id.*, p. 6.

⁷⁶ *Id.*, pp. 5–13.

⁷⁷ *Id.*, p. 2, ¶ 10.

⁷⁸ *Id.* at ¶ 8.

⁷⁹ *Id.* at ¶ 11.

⁸⁰ *Id.*, pp. 14–27.

charged Kirkland eight hours of use for the following pieces of equipment: 40-ton crane (\$1,000 per hour), crane cribbing (\$125 per hour), Avant 755i skid steer (\$500 per hour), two support service trucks (\$250 per hour each), spider lift (\$825 per hour), three chainsaws (\$25 per hour each), and four all-terrain mats (\$80 an hour). CCTS charged Kirkland for four ground workers at \$170 per hour each and two equipment operators at \$255 per hour each. CCTS also charged Kirkland a \$250 service call fee, a \$190 fuel charge, and a \$500 debris removal fee.⁸¹

113. Invoice No. 2242 provides:⁸²

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

114. The first time CCTS communicated the “above prices” to Kirkland was in Invoice No. 2242.⁸³

115. Kirkland’s insurance company’s estimate for tree removal services was \$5,359.36.⁸⁴

116. Kirkland issued payment to CCTS in the amount of \$5,359.36. However, CCTS would not accept that amount as payment for Kirkland’s portion of Invoice No. 2242 and payment was returned to Kirkland uncashed.⁸⁵

⁸¹ *Id.*

⁸² *Id.*, p. 19.

⁸³ *Id.*, p. 2, ¶ 13.

⁸⁴ *Id.*, p. 31.

⁸⁵ *Id.*, p. 2, ¶ 14.

117. Kirkland received a letter from Defendant Janet Shaw instructing him to contact his insurance company and to provide an update to CCTS.⁸⁶

118. Kirkland's insurance company and CCTS could not reach a fair and reasonable amount for Kirkland's portion of the services rendered for the removal of the single tree, as CCTS was unwilling to negotiate and would only accept the full amount invoiced.⁸⁷

119. On January 24, 2024, CCTS issued a Notice of Intent to File Lien against Kirkland's property in the amount of \$17,650 for the removal of trees and debris.⁸⁸ On March 11, 2024, CCTS recorded a lien in the Circuit Court of Pulaski County, Arkansas, against Kirkland's property.⁸⁹

120. To clear the lien, Kirkland was required to pay the difference between the amount his insurance company would cover and the amount CCTS invoiced, a total of \$12,290.64.⁹⁰

121. On May 31, 2024, Kirkland issued a cashier's check to CCTS for \$17,650.⁹¹

122. CCTS invoiced Kirkland **\$17,650** for his share of two to three hours worked. If CCTS did not employ its unconscionable emergency service contract that required an eight-hour minimum, the job would have cost between **\$4,966.50** (two hours) and **\$7,328.75** (three hours). This represents anywhere from a **155% to 270%** increase, attributable to nothing but the occurrence of a severe thunderstorm and CCTS's utilization of its emergency service contract.

⁸⁶ *Id.*, p. 35.

⁸⁷ *Id.*, p. 3, ¶ 16.

⁸⁸ *Id.*, p. 36.

⁸⁹ *Id.*, p. 3, ¶ 17.

⁹⁰ *Id.*, p. 3, ¶ 18.

⁹¹ *Id.*

Consumer 5

123. Jordan Karasek (“Karasek”) lives in Little Rock.⁹² Following the March 31, 2023 tornado, Karasek had two trees that needed to be removed from his property.⁹³

124. Without power at his house, Karasek searched for tree removal companies on his phone and discovered CCTS. Karasek contacted CCTS and entered into a service contract on April 3, 2023, using his phone.⁹⁴ Defendant Charles Shaw signed the service contract for CCTS.⁹⁵

125. The service contract between Karasek and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract also stated that payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee.⁹⁶

126. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.⁹⁷

127. CCTS failed to provide Karasek an estimate prior to signing the service contract or services being rendered. Karasek was also not informed of what resources would be necessary for the tree removal services.⁹⁸

⁹² Exhibit 11, p. 1, ¶ 2.

⁹³ *Id.* at ¶ 4.

⁹⁴ *Id.* at ¶¶ 4–6.

⁹⁵ *Id.*, pp. 4–11.

⁹⁶ *Id.*

⁹⁷ *Id.*

⁹⁸ *Id.*, p. 2, ¶ 7.

128. CCTS, however, assured Karasek that not all of the listed resources would be required for the tree removal services, and that it was typical for one or two items to be needed.⁹⁹

129. On or about April 4, 2023, a subcontractor of CCTS removed two trees from Karasek's property. In the process, the subcontractor damaged Karasek's air conditioner by dropping debris on it. Initially, CCTS and the subcontractor disputed they damaged the air conditioner and claimed it was already damaged by the tornado. However, Karasek provided a video of the subcontractor dropping debris on the air conditioner.¹⁰⁰

130. The job took CCTS's subcontractor four to six hours to complete.¹⁰¹

131. On April 7, 2023, CCTS issued Invoice No. 1799 for a total amount of **\$35,244** with payment due in 10 days.¹⁰²

132. Invoice No. 1799 provides a description, rate, quantity, and total for each resource charged. CCTS invoiced Karasek eight hours use of the following equipment: 40 Ton Stick Crane (\$1,000 per hour), all terrain mats (\$25 per hour), spider lift (\$825 per hour), skid steer (\$500 per hour), mini skid steer (\$250 per hour), support truck (\$250 per hour), and two chainsaws (\$25 per hour each). CCTS invoiced Karasek for five workers, including three equipment operators (\$255 per hour each) and two groundworkers (\$170 per hour each). CCTS charged Karasek a 10% debris removal fee based on the total job cost.¹⁰³

⁹⁹ *Id.* at ¶ 8.

¹⁰⁰ *Id.* at ¶9.

¹⁰¹ *Id.* at ¶10.

¹⁰² *Id.*, pp. 12–26.

¹⁰³ *Id.*

133. To grossly inflate the amount invoiced to Karasek, CCTS or its subcontractor utilized multiple resources, including, but not limited to, the following: (1) a 40-ton stick crane; (2) a spider lift; (3) a skid steer; (4) a mini skid steer; and (5) support truck. Because CCTS charged Karasek a minimum of eight-hours per resource utilized, these five resources amounted to **\$28,720** of the total amount invoiced.

134. Invoice No. 1799 provides:¹⁰⁴

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

135. The first time CCTS communicated the “above prices” to Karasek was in Invoice No. 1799.¹⁰⁵

136. Karasek’s insurance offered to pay CCTS \$10,000 for the tree removal services provided. However, CCTS refused the offer.¹⁰⁶ Instead of working with Karasek’s insurance company as advertised, CCTS threatened to add non-payment fees to the total invoiced amount of \$35,244 and to put a lien on Karasek’s residence if the invoiced amount was not paid in full.¹⁰⁷

137. After approximately a year, Karasek’s insurance covered the invoiced amount and CCTS was paid \$35,244 for the removal of two trees.¹⁰⁸

¹⁰⁴ *Id.*, p. 16.

¹⁰⁵ *Id.*, p. 2, ¶ 12.

¹⁰⁶ *Id.*, p. 2, ¶ 13.

¹⁰⁷ *Id.* at ¶ 14.

¹⁰⁸ *Id.* at ¶ 15.

138. CCTS invoiced Karasek **\$35,244** for approximately four to six hours worked. If this job had taken place on March 30, 2023, before the tornado, it would have cost somewhere between **\$17,622** (four hours) and **\$26,433** (six hours). This represents approximately a **33%** to **100%** increase, attributable to nothing but the occurrence of a natural disaster and CCTS's utilization of its emergency service contract.

Consumer 6

139. On March 31, 2023, Bettie Mhoon ("Mhoon") was a victim of the tornado in Little Rock, Arkansas, when a single tree fell on her house.¹⁰⁹

140. On April 2, 2023, a representative of CCTS was in Mhoon's neighborhood. Unprompted, CCTS's representative approached Mhoon and stated CCTS could provide tree removal services that same day.¹¹⁰

141. CCTS assured Mhoon that CCTS would not request any money from her if her insurance did not pay for the amount invoiced for tree removal services.¹¹¹

142. Mhoon entered into a service contract with CCTS.¹¹²

143. The service contract between Mhoon and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract also stated that payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee.¹¹³

¹⁰⁹ Exhibit 12, p. 1, ¶ 4.

¹¹⁰ *Id.*, p. 1, ¶ 5.

¹¹¹ *Id.* at ¶ 6.

¹¹² *Id.*, pp. 4–11.

¹¹³ *Id.*

144. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹¹⁴

145. CCTS failed to provide Mhoon an estimate or any indication of what resources would be required for the tree removal services prior to signing the service contract or services being performed.¹¹⁵

146. On or about April 2, 2023, CCTS removed two trees from Mhoon's property. CCTS agreed to remove the second tree for approximately \$2,000, which Mhoon paid separately.¹¹⁶

147. It took CCTS approximately four to five hours to complete the job, including removal of the second tree, separately invoiced and paid.¹¹⁷

148. On April 7, 2023, CCTS issued Invoice No. 1778 to Mhoon for a total amount of **\$26,048** for the removal of a single tree, with payment due in 10 days.¹¹⁸

149. Invoice No. 1778 provides a description and total for each resource charged. CCTS invoiced Mhoon eight hours use for the following equipment: Merlo roto 50.35 (\$1000 per hour), 40 Ton Stick Crane (\$1,000 per hour), and chainsaw (\$25 per hour). CCTS invoiced Mhoon eight hours for two equipment operators (\$255 per hour each), a ground worker (\$170 per hour), and a climber (\$255 per hour). CCTS charged Mhoon a 10% debris removal fee of the total project.¹¹⁹

¹¹⁴ *Id.*

¹¹⁵ *Id.*, p. 2, ¶ 7.

¹¹⁶ *Id.* at ¶ 8.

¹¹⁷ *Id.* at ¶ 9.

¹¹⁸ *Id.*, pp. 12–20.

¹¹⁹ *Id.*

150. Invoice No. 1778 provides:¹²⁰

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

151. The first time CCTS communicated the “above prices” to Mhoon was in Invoice No. 1778.¹²¹

152. Mhoon’s insurance company estimated the services to cost approximately half the amount invoiced by CCTS.¹²² CCTS refused partial payment for the services provided to Mhoon and demanded payment of \$26,048.¹²³ Instead of working with Mhoon’s insurance company as advertised, CCTS threatened legal action against Mhoon if payment in full was not received.¹²⁴

153. Mhoon’s insurance company eventually paid CCTS \$26,048 for the removal of a single tree.¹²⁵

154. CCTS invoiced Mhoon **\$26,048** for four to five hours worked. If this job had taken place on March 30, 2023, before the tornado, it would have cost at most, somewhere between **\$13,024** (four hours) and **\$16,280** (five hours). Given that this four-to-five-hour timeframe included a second, separately invoiced and paid job, it is highly likely that less than four hours

¹²⁰ *Id.*, p. 14.

¹²¹ *Id.*, p. 2, ¶ 11.

¹²² *Id.* at ¶ 12.

¹²³ *Id.* at ¶ 13.

¹²⁴ *Id.*

¹²⁵ *Id.* at ¶ 14.

were spent on the single tree represented in Invoice No. 1778. Still, using the four-to-five-hour range, this represents approximately a **60% to 100%** increase, attributable to nothing but the occurrence of a natural disaster and CCTS’s utilization of its emergency service contract.

Consumer 7

155. Yanbin Ye (“Ye”) was a victim of the tornado that occurred on March 31, 2023, in Little Rock, Arkansas when three central Arkansas properties owned by Ye required, among other things, tree removal services.¹²⁶

156. Ye became aware of CCTS when he was approached by a salesperson for CCTS. The salesperson promised him that CCTS had an agreement with Ye’s insurance company for tree removal services, and that they would be paid in accordance with their agreement. The salesperson also told Ye to not worry about the charges.¹²⁷

157. Ye confirmed with the salesperson through text message that CCTS had an agreement with his insurance company and there would be no obligation for payment from him for the tree removal services.¹²⁸

Thanks for letting me know. Here is my understanding 1) the scope of work is clear and agreed and any works not clearly addressed should be notified 2) any rights to be grant to your company mentioned in the document are only limited to the scope of work on the specified property within the timeframe due to the nature of the urgency for this job 3) All the works in the scope will be charged to the insurance directly and it is your company’s responsibility to make sure the works are aligned with the insurance company’s policies.

Are these correct?

Yes sir

Correct

¹²⁶ Exhibit 13, p. 1, ¶ 4.

¹²⁷ *Id.* at ¶¶ 5-6.

¹²⁸ *Id.*, p. 2, ¶ 7, pp. 4–11.

158. Ye only signed a service contract with CCTS for one of his properties.¹²⁹

159. The terms of the service contract CCTS presented to Ye were contradictory to what was communicated by the salesperson. However, the salesperson promised that the service contract was a “glitch” and would not apply to Ye, but the service contract would allow CCTS to begin work if Ye signed it.¹³⁰

160. The service contract between Ye and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract also stated that payment was due upon completion, and any balance not paid in full upon completion of work would be subject to a 20% fee.¹³¹

161. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹³²

162. CCTS failed to provide Ye an estimate or an indication of what resources would be required for the tree removal services prior to signing the service contract or services rendered.¹³³

163. On April 2, 2023, CCTS provided tree removal services for all three properties owned by Ye. It took CCTS less than eight hours total to complete the tree removal services for all three properties.¹³⁴

¹²⁹ *Id.*, p. 2, ¶ 8.

¹³⁰ *Id.* at ¶ 9.

¹³¹ *Id.*, pp. 12–19.

¹³² *Id.*

¹³³ *Id.*, p. 2, ¶ 10.

¹³⁴ *Id.* at ¶ 11.

164. On April 20, 2023, CCTS issued three invoices to Ye for a total amount of **\$65,956** with payment due in 10 days: (1) Invoice No. 1858 – totaled \$38,940;¹³⁵ (2) Invoice No. 1859 – totaled \$12,760;¹³⁶ and, (3) Invoice No. 1860 – totaled \$14,256.¹³⁷ The invoices provided a description, rate, quantity, and total for each item charged.

165. In Invoice No. 1858, CCTS invoiced Ye eight hours' use of the following equipment: knuckle boom crane (\$1,000 per hour), spider lift (\$825 per hour), skid steer (\$500 per hour), excavator (\$500 per hour), mini skid steer (\$250 per hour), and three chainsaws (\$25 per hour each). CCTS invoiced Ye eight hours for six workers, including two equipment operators (\$255 per hour each), one climber (\$255 per hour), and three groundworkers (\$170 per hour each). CCTS charged Ye a 10% debris removal fee based on the total job cost.¹³⁸

166. Invoice No. 1858 was grossly inflated because CCTS or its subcontractor utilized multiple resources, including, but not limited to, the following: (1) a knuckle boom crane; (2) a spider lift; (3) a skid steer; (4) a mini skid steer; and (5) an excavator. Because CCTS charged Ye a minimum of eight hours per resource utilized, these five resources amounted to **\$28,680** of the total amount invoiced.

167. Similarly, the use of a crane by CCTS or its subcontractor accounted for over 70% of the total amount charged to Ye in Invoice Nos. 1859 and 1860.

168. In Invoice No. 1859, CCTS invoiced Ye eight hours' use of the following equipment: 65-ton knuckle boom crane (\$1,000 per hour) and crane cribbing mats (\$25 per hour

¹³⁵ *Id.*, pp. 20–34.

¹³⁶ *Id.*, pp. 35–38.

¹³⁷ *Id.*, pp. 39–49.

¹³⁸ *Id.*, pp. 20–34.

each). CCTS invoiced Ye eight hours for two workers: one equipment operator (\$255 per hour) and one groundworker (\$170 per hour). CCTS charged Ye a 10% debris removal fee based on the total job cost.¹³⁹

169. In Invoice No. 1860, CCTS invoiced Ye eight hours' use of the following equipment: 65-ton knuckle boom crane (\$1,000 per hour) and crane cribbing mats (\$25 per hour each). CCTS invoiced Ye eight hours for three workers: one equipment operator (\$255 per hour) and two groundworkers (\$170 per hour each). CCTS charged Ye a 10% debris removal fee based on the total job cost.¹⁴⁰

170. All invoices provided:¹⁴¹

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

171. The first time CCTS communicated the "above prices" to Ye was in Invoice Nos. 1858, 1859, and 1860.¹⁴²

172. CCTS charged Ye an eight-hour minimum for each property, or 24 hours total, for all labor and equipment used.¹⁴³ Stated differently, CCTS charged Ye for 24 hours of work when the total amount of work took eight hours.

¹³⁹ *Id.*, pp. 35–38.

¹⁴⁰ *Id.*, pp. 39–49.

¹⁴¹ *Id.*, pp. 24, 38, 42.

¹⁴² *Id.*, p. 2, ¶ 13.

¹⁴³ *Id.*, p. 3, ¶ 14.

173. On July 19, 2023, CCTS sent Ye a Notice of Intent to File a Lien against all three properties for the total amounts invoiced.¹⁴⁴

174. CCTS filed a mechanic's lien on all three properties for the total amounts invoiced on November 8, 2023.¹⁴⁵

175. CCTS invoiced Ye **\$65,956** for less than eight hours worked. If this job had taken place on March 30, 2023, before the tornado, it would have cost approximately **\$22,150.34**. This represents approximately a **197%** increase, attributable to nothing but the occurrence of a natural disaster and CCTS's utilization of its emergency service contract.

2024 Tornadoes and Severe Thunderstorms

176. On May 26, 2024, the deadliest event in Arkansas that year occurred when 17 tornadoes struck Arkansas, primarily in the northwestern and north-central portions of the state. This was the most tornadoes to touch down in one day since April 25, 2011.

177. Benton County experienced seven tornadoes, including a category three tornado that set a record for its path width of 3,200 yards. Over 120,000 people were without power, and 10 fatalities occurred due to the severe thunderstorms and tornadoes.

178. On May 26, 2024, the Governor of Arkansas issued Executive Order EO 24-07, declaring a state of emergency in Arkansas in response to severe thunderstorms, flooding, and tornadoes causing danger, hardship, and suffering upon the citizens of Arkansas.¹⁴⁶

179. On May 27, 2024, Barry Moehring, County Judge of Benton County, issued an emergency disaster proclamation in response to the severe weather and tornado that occurred in

¹⁴⁴ *Id.*, pp. 68, 84, 93.

¹⁴⁵ *Id.*, pp. 50–94.

¹⁴⁶ Exhibit 14.

Benton County, Arkansas, on May 26, 2024.¹⁴⁷

180. Upon information and belief, CCTS purposefully sent more than one crew to Northwest Arkansas after the severe weather and tornadoes to provide tree removal services to consumers outside its normal service area.

Consumer 8

181. Because of the tornado in Northwest Arkansas on May 26, 2024, Amye Buckley (“Buckley”) had a tree approximately 36 inches in diameter and 50-feet tall fall close to her house in Rogers, Arkansas.¹⁴⁸

182. On May 29, 2024, CCTS was performing tree removal services in Buckley’s neighborhood. She approached CCTS while it was performing tree removal services at her neighbor’s property.¹⁴⁹

183. CCTS provided Buckley a verbal estimate of \$8,000.00 to \$10,000.00 for the tree removal services that would be required at her property. CCTS assured Buckley that it would work with her insurance company, it would bill her insurance company directly, and she would not incur any out-of-pocket expenses.¹⁵⁰

184. On May 29, 2024, Buckley signed a service contract with CCTS.¹⁵¹

185. The service contract between Buckley and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract stated that

¹⁴⁷ Exhibit 15.

¹⁴⁸ Exhibit 16, p.1, ¶ 4.

¹⁴⁹ *Id.*, p. 1, ¶ 5.

¹⁵⁰ *Id.* at ¶ 6.

¹⁵¹ *Id.*, p. 2, ¶ 7.

payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee. It also required payment of “a service charge of the lesser of 1 1?2% [sic] per month (18% per annum) or the greatest amount allowed by law on all accounts not paid in full by the 30th day following the invoice date.”¹⁵²

186. The service contract did not provide an estimated total cost of the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹⁵³

187. CCTS failed to provide Buckley any indication of what resources would be required for the tree removal services prior to services being rendered.¹⁵⁴

188. It took CCTS approximately four hours to complete the job.¹⁵⁵

189. On May 29, 2024, CCTS issued Invoice No. 2538 to Buckley for a total amount of **\$15,725** with payment due in 10 days.¹⁵⁶

190. Invoice No. 2538 provided a description, rate, quantity, and total for each resource charged. CCTS invoiced Buckley for eight hours’ use of the following equipment: Bobcat E85 excavator (\$500 per hour), two chainsaws (\$25 per hour each), and stump grinder (\$425 per hour). CCTS also invoiced Buckley for two ground workers (\$170 per hour each) and two equipment operators (\$255 per hour each). CCTS charged Buckley a \$190 fuel charge and a 10% debris

¹⁵² *Id.*, pp. 4–12.

¹⁵³ *Id.*

¹⁵⁴ *Id.*, p. 2, ¶ 8.

¹⁵⁵ *Id.* at ¶ 9.

¹⁵⁶ *Id.*, pp. 13–27.

removal fee based on the total cost of the job.¹⁵⁷

191. Invoice No. 2538 states:¹⁵⁸

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

192. CCTS sent Invoice No. 2538 to both Buckley and her insurance company for payment. The first time CCTS communicated to Buckley the resources utilized to complete the tree removal services and the “above prices” was in Invoice No. 2538.¹⁵⁹

193. After receiving Invoice No. 2538, Buckley contacted CCTS and spoke with Defendant Matthew Shaw regarding the excessive invoiced amount compared to the estimate provided to her prior to signing the service contract and CCTS providing any services.¹⁶⁰

194. Matthew Shaw explained that if CCTS did not receive payment from Buckley’s insurance company within 90 days, then it would send an updated invoice with a 20% late fee. He also explained to Buckley that if payment was not received within 120 days, then CCTS would place a lien on her house.¹⁶¹

195. Defendants knew, or should have known, the estimate provided to Buckley prior to services being rendered was inaccurate because the use of one piece of equipment would represent

¹⁵⁷ *Id.*

¹⁵⁸ *Id.*, p. 15.

¹⁵⁹ *Id.*, p. 2, ¶ 11.

¹⁶⁰ *Id.* at ¶ 12.

¹⁶¹ *Id.* at ¶ 13.

the total estimate. And in fact, the charge for just one piece of equipment did represent the total estimate provided to Buckley.

196. Buckley’s insurance company eventually paid CCTS the total amount invoiced.¹⁶²

197. CCTS invoiced Buckley **\$15,725** for four hours worked. If this job had taken place on May 25, 2024, before the tornadoes, it would have cost approximately **\$8,239**. This represents approximately a **91%** increase, attributable to nothing but the occurrence of a natural disaster and CCTS’s utilization of its emergency service contract.

Consumer 9

198. After severe thunderstorms in Little Rock, a single tree fell on David Hasbrouck’s residence shortly after midnight on May 31, 2024.¹⁶³

199. On the morning of June 1, 2024, David Hasbrouck (“Hasbrouck”) did a quick Google search and found CCTS. He completed an online service request form on CCTS’s website and was contacted by CCTS shortly after completing the form.¹⁶⁴

200. During the phone call, CCTS led Hasbrouck to believe that the tree needed to be removed immediately because it posed a threat of further damage to his residence, and that insurance would cover the tree removal services since it was an emergency. CCTS briefly went over the resources it had at its disposal, and assured Hasbrouck that not all of the resources would be required to remove the single tree from the residence. CCTS also assured Hasbrouck that it would work with his insurance to get the services covered.¹⁶⁵

¹⁶² *Id.* at ¶ 14.

¹⁶³ Exhibit 17, p. 1, ¶ 4.

¹⁶⁴ *Id.* at ¶ 5.

¹⁶⁵ *Id.*, pp. 1–2, ¶ 6.

201. CCTS did not discuss any hourly rates, minimum time requirements, or homeowner responsibilities during the phone call. It did, however, reiterate that it was an emergency situation, and Hasbrouck should get it taken care of immediately.¹⁶⁶

202. Shortly after the phone call, CCTS sent Hasbrouck a service contract via text message. Approximately 10 minutes later, CCTS sent a follow-up text message asking if he had signed the service contract.¹⁶⁷

203. Hasbrouck felt as if he was being rushed to sign the service contract but did so because CCTS led him to believe it was an emergency situation that must be addressed immediately.¹⁶⁸

204. The service contract between Hasbrouck and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract stated that payment was due upon completion and any balance not paid in full upon completion of work will be subject to a 20% fee. It also required payment of “a service charge of the lesser of 1 1?2% [sic] per month (18% per annum) or the greatest amount allowed by law on all accounts not paid in full by the 30th day following the invoice date.”¹⁶⁹

205. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹⁷⁰

¹⁶⁶ *Id.*, p. 2, ¶ 7.

¹⁶⁷ *Id.*, p. 2, ¶ 8.

¹⁶⁸ *Id.* at ¶ 9.

¹⁶⁹ *Id.*, pp. 4–12.

¹⁷⁰ *Id.*

206. CCTS failed to provide Hasbrouck an estimate for the tree removal services prior to services being rendered.¹⁷¹

207. CCTS arrived at Hasbrouck's property on June 2, 2024, to begin performing tree removal services. CCTS removed the single tree from Hasbrouck's residence in approximately an hour and a half.¹⁷²

208. On June 3, 2024, CCTS issued Invoice No. 2551 to Hasbrouck for a total amount of **\$22,473** with payment due in 10 days.¹⁷³

209. Invoice No. 2551 provided a description, rate, quantity, and total for each item charged. CCTS charged Hasbrouck for eight hours' use of the following equipment: knuckleboom crane (\$1000 per hour), spider lift (\$825 per hour), and an all-terrain mat (\$25 per hour). CCTS also charged Hasbrouck \$255 per hour for an equipment operator, \$255 per hour for a climber, and \$170 per hour for a ground worker, all for eight hours. CCTS charged Hasbrouck a fuel charge of \$190 and a debris removal fee of 10% of the cost.¹⁷⁴

210. Invoice No. 2551 states:¹⁷⁵

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

¹⁷¹ *Id.*, p. 2, ¶ 10.

¹⁷² *Id.*, p. 2, ¶ 11.

¹⁷³ *Id.*, pp. 13–30.

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*, p. 15.

211. The first time CCTS communicated to Hasbrouck the “above prices” was in Invoice No. 2551.¹⁷⁶

212. On July 10, 2024, Hasbrouck’s insurance company informed him that it would only pay \$6,935.43 for the tree removal services provided by CCTS. His insurance company deemed that amount to be fair and comparable to other similar tree services.¹⁷⁷

213. On July 17, 2024, CCTS’s owner called Hasbrouck and threatened a 20% late fee and legal action if Hasbrouck did not pay him by the end of the month. Hasbrouck communicated that he was willing to pay CCTS the amount his insurance was willing to pay for the tree removal services, or \$6,935.43. CCTS stated it would refuse any payment below the amount invoiced.¹⁷⁸

214. CCTS invoiced Hasbrouck **\$22,473** for eight hours worked but only worked 90 minutes. If Hasbrouck’s job occurred on May 25, 2024, as opposed to June 1, 2024, it would have cost approximately **\$4,383.50**. This is over a **412%** increase in price attributable to nothing but the occurrence of a severe thunderstorm and CCTS’s utilization of its emergency service contract.

Consumer 10

215. Neda S. Streepy (“Streepy”) is over 60 years of age and is an “elder person” considered particularly vulnerable under the ADTPA, Ark. Code Ann. § 4-88-201(2).¹⁷⁹

216. On May 26, 2024, Streepy was a victim of the tornado in Rogers, Arkansas, when a single tree fell on her home.¹⁸⁰

¹⁷⁶ *Id.*, p. 2, ¶ 13.

¹⁷⁷ *Id.*, p. 2, ¶ 14.

¹⁷⁸ *Id.*, p. 3, ¶ 15.

¹⁷⁹ Exhibit 18, p. 1, ¶ 1.

¹⁸⁰ *Id.* at ¶ 4.

217. On May 28, 2024, Streepy contacted CCTS and spoke with Defendant Matthew Shaw after a friend provided her a business card, as CCTS was already in the area. After describing the situation, Matthew Shaw explained that based on his experience it would probably take a full day to remove the tree from Streepy’s home and could cost around \$20,000.¹⁸¹

218. Streepy asked Matthew Shaw if CCTS would work with her insurance company. Matthew Shaw assured her that CCTS would work with her insurance company and not to worry about costs.¹⁸²

219. Defendant Matthew Shaw provided Streepy a service contract to sign and, taking Matthew Shaw for his word, Streepy signed the service contract.¹⁸³

220. The service contract between Streepy and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract stated that payment was due upon completion, and any balance not paid in full upon completion of work would be subject to a 20% fee. It also required payment of “a service charge of the lesser of 1 1/2% [sic] per month (18% per annum) or the greatest amount allowed by law on all accounts not paid in full by the 30th day following the invoice date.”¹⁸⁴

221. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹⁸⁵

¹⁸¹ *Id.*, p. 1, ¶¶ 5–6.

¹⁸² *Id.*, p. 2, ¶ 7.

¹⁸³ *Id.* at ¶ 8.

¹⁸⁴ *Id.*, pp. 4–12.

¹⁸⁵ *Id.*

222. Streepy was aware that a crane might be needed to remove the tree. However, CCTS failed to provide Streepy an indication of any other resources that might be required for the tree removal services.¹⁸⁶

223. At approximately 9:00 a.m. on May 29, 2024, Streepy met CCTS at her home for CCTS to start the tree removal process. She left the site shortly thereafter and returned at approximately 1:30 p.m. to find CCTS had already completed the job and was down the street providing tree removal services at another property.¹⁸⁷

224. On May 29, 2024, CCTS issued Invoice No. 2532 to Streepy for a total amount of **\$35,948** with payment due in 10 days.¹⁸⁸

225. Invoice No. 2532 provided a description, rate, quantity, and total for each item charged. CCTS charged Streepy eight hours for each of the following pieces of equipment: knuckleboom crane (\$1,000 per hour), treemek sawhead (\$225 per hour), 40-ton stick crane (\$1,000 per hour), and bobcat excavator (\$500 per hour). CCTS also charged Streepy eight hours for two ground workers (\$170 per hour each), three equipment operators (\$255 per hour each), and one climber (\$255 per hour). CCTS charged Streepy a debris removal fee of 10% of the total job.

226. Invoice No. 2532 was grossly inflated because CCTS utilized multiple resources, including, but not limited to, the following: (1) a knuckle boom crane; (2) a 40-ton stick crane; and (3) an excavator. Because CCTS charged Streepy a minimum of eight-hours per resource utilized, these three resources amounted to \$26,120 of the total amount invoiced.

¹⁸⁶ *Id.*, p. 2, ¶ 9.

¹⁸⁷ *Id.* at ¶ 10.

¹⁸⁸ *Id.*, pp. 13–16.

227. Invoice No. 2532 provides:¹⁸⁹

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

228. The first time CCTS communicated the “above prices” to Streepy was in Invoice No. 2532.¹⁹⁰

229. Streepy’s insurance company estimated the services provided by CCTS at \$14,435 and only authorized payment for that amount.¹⁹¹ Streepy informed CCTS the amount her insurance would pay for the services provided. However, instead of working with Streepy or her insurance company as represented, CCTS told her that she was liable for the total amount invoiced.¹⁹²

230. Streepy paid \$21,512.60 out-of-pocket to cover the difference between the amount her insurance company would cover and the amount CCTS invoiced.¹⁹³

231. CCTS invoiced Streepy **\$35,948** for eight hours worked or a per hour rate of approximately \$4,493.50. At most, Streepy’s job took four and a half hours. If Streepy’s job had taken place on May 25, 2024, as opposed to June 1, 2024, it would have cost approximately **\$20,220.75**. This represents over a **77%** increase in price attributable to nothing more than a natural disaster and CCTS’s utilization of its emergency service contract.

¹⁸⁹ *Id.*, p. 16.

¹⁹⁰ *Id.*, p. 2, ¶ 12.

¹⁹¹ *Id.* at ¶ 13.

¹⁹² *Id.* at ¶ 14.

¹⁹³ *Id.* at ¶ 15.

Consumer 11

232. Carol Ross (“Ross”) is over 60 years of age and is an “elder person” considered particularly vulnerable under the ADTPA, Ark. Code Ann. § 4-88-201(2).¹⁹⁴

233. On May 26, 2024, Ross was a victim of the tornado in Rogers, Arkansas, when a single tree fell on her property.¹⁹⁵

234. On May 29, 2024, CCTS was operating in Ross’s neighborhood and communicated to Ross’s husband that it could squeeze them in that day.¹⁹⁶ Ross entered into a service contract with CCTS to remove the fallen tree on her property.¹⁹⁷

235. The service contract between Ross and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contract stated that payment was due upon completion and any balance not paid in full upon completion of work would be subject to a 20% fee. It also required payment of “a service charge of the lesser of 1 1?2% [sic] per month (18% per annum) or the greatest amount allowed by law on all accounts not paid in full by the 30th day following the invoice date.”¹⁹⁸

236. The service contract did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contract provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.¹⁹⁹

¹⁹⁴ Exhibit 19, p. 1, ¶ 1.

¹⁹⁵ *Id.* at ¶ 4.

¹⁹⁶ *Id.* at ¶ 5.

¹⁹⁷ *Id.*, pp. 4–12.

¹⁹⁸ *Id.*

¹⁹⁹ *Id.*

237. CCTS failed to provide Ross an estimate or any indication of what resources would be required to remove the single tree from her property prior to services being rendered.²⁰⁰

238. On May 29, 2024, CCTS began to provide services at Ross's property at approximately 4:30 p.m. and completed the job shortly before 6:30 p.m. The entire job took CCTS approximately two hours to remove the single tree.²⁰¹

239. CCTS, however, failed to remove the entire tree and left approximately a four-foot section of the trunk in Ross's backyard, which will require an additional cost to have removed. CCTS told Ross's husband that they left the four-foot section of the trunk that was attached to the roots because insurance would not cover the cost to remove it. Ross was required to pay another tree service approximately \$1,200 to have the four-foot section removed and to have the stump grinded.²⁰²

240. On May 29, 2024, CCTS issued Invoice No. 2539 to Ross for a total amount of **\$22,484.50** to remove a single tree with payment due in 10 days.²⁰³

241. Invoice No. 2539 provided a description, rate, quantity, and total for each resource charged. CCTS invoiced Ross eight hours' use for the following equipment: 40 Ton Stick Crane totaling \$8,000 (\$1,000 per hour), Bobcat E85 Excavator totaling \$4,000 (\$500 per hour), and one chainsaw totaling \$200 (\$25 per hour each). CCTS invoiced Ross one hour's use for one chainsaw totaling \$25. CCTS invoiced Ross eight hours' labor for each of the following four workers: two equipment operators totaling \$4,080 (\$255 per hour), one climber totaling \$2,040 (\$255 per hour),

²⁰⁰ *Id.*, p. 1, ¶ 7.

²⁰¹ *Id.*, p. 2, ¶ 8.

²⁰² *Id.*, at ¶ 9.

²⁰³ *Id.*, pp. 13–15.

and one ground worker totaling \$1,360 (\$170 per hour each). CCTS charged Ross \$190 for a fuel charge and a 10% debris removal fee based on the total cost of the job totaling \$2,589.50.²⁰⁴

242. Invoice No. 2539 provides:²⁰⁵

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

243. The first time CCTS communicated the “above prices” to Ross was in Invoice No. 2539.²⁰⁶

244. CCTS submitted Invoice No. 2539 to Ross’s insurance company.²⁰⁷ However, Ross’s insurance company would only cover \$5,762.18 of the invoiced amount.²⁰⁸ Upon information and belief, CCTS has failed to work with Ross’s insurance to settle the claim.

245. On October 23, 2024, CCTS filed a mechanic’s lien against Ross’s home for the total amount invoiced.²⁰⁹

246. CCTS invoiced Ross **\$22,484.50** for eight hours worked. At most, Ross’s job took two hours. If Ross’s job had taken place on May 25, 2024, as opposed to June 1, 2024, it would have cost approximately **\$5,087.50**, including the fuel fee and 10% debris removal fee. This

²⁰⁴ *Id.*

²⁰⁵ *Id.*, p. 15.

²⁰⁶ *Id.*, p. 2, ¶ 11.

²⁰⁷ *Id.*, p. 2, ¶ 12.

²⁰⁸ *Id.* at ¶ 13.

²⁰⁹ *Id.*, pp. 16–23.

represents over a **341%** increase in price attributable to nothing but the occurrence of a natural disaster and CCTS’s utilization of its emergency service contract.

Consumer 12

247. Nanette Mika (“Mika”) is over 60 years of age and is an “elder person” considered particularly vulnerable under the ADTPA, Ark. Code Ann. § 4-88-201(2).²¹⁰

248. On May 26, 2024, Mika was a victim of the tornado in Rogers, Arkansas, when her home and three other properties required tree removal services due to the tornado.²¹¹

249. On May 29, 2024, Mika became aware of CCTS when they were in her neighborhood, and two young representatives came to her house. The representatives assured Mika multiple times that her insurance would cover the cost of the tree removal services and not to worry about the cost.²¹²

250. Mika entered into four separate service contracts with CCTS for tree removal services at all four properties. These properties were located at 1508 S 11th Street, 1612 S 12th Terrace, 1103 Rozell Street, and, 1018 Turtle Creek Drive.²¹³

251. The service contracts between Mika and CCTS required an eight-hour minimum for all crew and equipment and payment due within 10 days. The service contracts stated that payment was due upon completion, and any balance not paid in full upon completion of work would be subject to a 20% fee. The service contracts also required payment of “a service charge of the lesser of 1 1?2% [sic] per month (18% per annum) or the greatest amount allowed by law

²¹⁰ Exhibit 20, p. 1, ¶ 1.

²¹¹ *Id.* at ¶ 4.

²¹² *Id.*, p. 1, ¶ 5.

²¹³ *Id.*, pp. 5–13, 33–41, 65–73, 89–97.

on all accounts not paid in full by the 30th day following the invoice date.”²¹⁴

252. The service contracts did not provide an estimated total cost for the tree removal services to be performed by CCTS. Instead, the service contracts provided a list of all resources CCTS had at its disposal to deploy for any given job and the hourly rate for each resource.²¹⁵

253. CCTS failed to provide Mika an estimate or any indication of what resources would be required for tree removal services for any of the properties prior to signing the service contracts and services being rendered.²¹⁶

254. For the property located at 1508 S 11th Street, it took CCTS approximately one and a half to two hours to complete the tree removal services. For the property located at 1612 S 12th Terrace, it took CCTS approximately four to five hours to complete the tree removal services. For the property located at 1103 Rozell Street, it took CCTS approximately two hours to complete the tree removal services. For the property located at 1018 Turtle Creek Drive, it took CCTS approximately two hours to complete the tree removal services.²¹⁷

255. On or about May 29, 2023, CCTS issued the following invoices totaling **\$45,806**: (1) 1508 S 11th Street – Invoice No. 2540, totaling \$19,925 with payment due in 10 days,²¹⁸ and (2) 1612 S 12th Terrace – Invoice No. 2541, totaling \$25,881 with payment due in 10 days.²¹⁹

256. On or about May 31, 2023, CCTS issued the following invoices totaling **\$27,170**:

²¹⁴ *Id.*

²¹⁵ *Id.*

²¹⁶ *Id.*, p. 2, ¶ 8.

²¹⁷ *Id.* at ¶¶ 9–12.

²¹⁸ *Id.*, pp. 14–26.

²¹⁹ *Id.*, pp. 42–64.

- (1) 1508 S 11th Street – Invoice No. 2546, totaling \$7,381 with payment due in 10 days;²²⁰ and
- (2) 1018 Turtle Creek Drive – Invoice No. 2545, totaling \$19,789 with payment due in 10 days.²²¹

257. Invoice No. 2540 provided a description, rate, quantity, and total for each resource charged. CCTS invoiced Mika eight hours' use for the following equipment: Palfinger PK65002 Knuckleboom Crane totaling \$8,000 (\$1,000 per hour) and two chainsaws totaling \$400 (\$25 per hour each). CCTS invoiced Mika eight hours' labor for each of the following five workers: one equipment operator totaling \$2,040 (\$255 per hour), one climber totaling \$2,040 (\$255 per hour), and three ground workers totaling \$4,080 (\$170 per hour each). CCTS charged Mika \$190 for a fuel charge, \$1,500 to tarp a damaged roof, and a 10% debris removal fee based on the total cost of the job totaling \$1,675.²²²

258. Invoice No. 2541 provided a description, rate, quantity, and total for each resource charged. CCTS invoiced Mika eight hours' use for the following equipment: 40 Ton Stick Crane totaling \$8,000 (\$1,000 per hour), Skid Steer totaling \$4,000 (\$500 per hour), two chainsaws totaling \$400 (\$25 per hour each), and traffic cones and signage totaling \$280 (\$35 per hour). CCTS invoiced Mika eight hours' labor for each of the following six workers: two equipment operators totaling \$4,080 (\$255 per hour each), one climber totaling \$2,040 (\$255 per hour), and three ground workers totaling \$4,080 (\$170 per hour each). CCTS charged Mika \$190 for a fuel charge, \$2,000 to tarp a damaged roof, and a 10% debris removal fee based on the total cost of the job totaling \$2,171.²²³

²²⁰ *Id.*, pp. 74–88.

²²¹ *Id.*, pp. 98–108.

²²² *Id.*, pp. 14–16.

²²³ *Id.*, pp. 42–44.

259. Invoice No. 2546 provided a description, rate, quantity, and total for each resource charged. CCTS invoiced Mika eight hours' use for two chainsaws totaling \$400 (\$25 per hour each). CCTS invoiced Mika eight hours' labor for each of the following four workers: one climber totaling \$2,040 (\$255 per hour) and three ground workers totaling \$4,080 (\$170 per hour each). CCTS charged Mika \$190 for a fuel charge and a 10% debris removal fee based on the total cost of the job totaling \$671.²²⁴

260. Invoice No. 2545 provided a description, rate, quantity, and total for each resource charged. CCTS invoiced Mika eight hours' use for the following equipment: Bobcat E85 excavator totaling \$4,000 (\$500 per hour), 89-foot spider lift totaling \$6,600 (\$550 per hour), and two chainsaws totaling \$400 (\$25 per hour each). CCTS invoiced Mika eight hours' labor for each of the following four workers: one equipment operator totaling \$2,040 (\$255 per hour), one climber totaling \$2,040 (\$255 per hour), and two ground workers totaling \$2,720 (\$170 per hour each). CCTS charged Mika \$190 for a fuel charge and a 10% debris removal fee based on the total cost of the job totaling \$1,799.²²⁵

261. All invoices provided:²²⁶

Acceptance of proposal- The above prices, specifications and conditions are hereby accepted. Capital City Tree Service is authorized to do the work specified. Payment is due upon completion. 24 hour notice must be made in order to cancel contract. Any balance not paid in full upon completion of work will be subject to a 20% fee. Customer agrees to pay any and all collection fees required including but not limited to; court costs, attorney's fees, collection services, etc

²²⁴ *Id.*, pp. 74–75.

²²⁵ *Id.*, pp. 98–100.

²²⁶ *Id.*, pp. 17, 45, 76, 100.

262. The first time CCTS communicated the “above prices” to Mika was when she received the invoices.²²⁷

263. Mika’s insurance covered the full amount CCTS charged in Invoice Nos. 2541, 2545, and 2546.²²⁸ However, Mika’s insurance company only covered \$7,300.54 of the total amount CCTS charged in Invoice No. 2540.²²⁹

264. Mika forwarded CCTS a check for the amount her insurance would cover. However, CCTS has not cashed the check.²³⁰ CCTS has refused to accept the amount Mika’s insurance company is willing to pay for its services for Invoice No. 2540.²³¹

265. Instead of working with Mika’s insurance company as represented, Mika received calls and text messages from CCTS’s attorney and a collection agency threatening to place a lien and foreclose on the property if she did not pay the full amount invoiced.²³² The collection agency sent Mika text messages stating CCTS would pursue her for insurance fraud and misappropriation of insurance proceeds.²³³ CCTS sent Mika a demand letter stating the balance owed for Invoice No. 2540 increased to \$24,060. According to the letter, the increased amount includes the original amount invoiced plus imputed late fees of \$3,985 and an administration fee of \$150.²³⁴

²²⁷ *Id.*, p. 3, ¶ 17.

²²⁸ *Id.* at ¶ 18.

²²⁹ *Id.* at ¶ 19.

²³⁰ *Id.* at ¶ 20.

²³¹ *Id.* at ¶ 21.

²³² *Id.*, p. 3, ¶ 22.

²³³ *Id.* ¶ 24.

²³⁴ *Id.* at ¶ 23.

266. CCTS charged Mika for 32 hours of work, even though her job took approximately 11 hours.

267. In Invoice No. 2540, CCTS invoiced Mika **\$19,925** for eight hours worked. Mika's job took approximately two hours. If Mika's job had taken place on May 25, 2024, as opposed to May 29, 2024, it would have cost approximately **\$6,263**, including the fuel fee, tarping of the roof, and 10% debris removal fee. This represents over a **218%** increase in price attributable to nothing more than a natural disaster and CCTS's utilization of its emergency service contract.

268. In Invoice No. 2541, CCTS invoiced Mika **\$25,881** for eight hours worked. Mika's job took approximately four to five hours. If Mika's job had taken place on May 25, 2024, as opposed to May 29, 2024, it would have cost approximately **\$16,795**, including the fuel fee, tarping of the roof, and 10% debris removal fee. This represents over a **54%** increase in price attributable to nothing more than a natural disaster and CCTS's utilization of its emergency service contract.

269. In Invoice No. 2546, CCTS invoiced Mika **\$7,381** for eight hours worked. Mika's job took approximately two hours. If Mika's job had taken place on May 25, 2024, as opposed to May 31, 2024, it would have cost approximately **\$2,002**, including the fuel fee and 10% debris removal fee. This represents over a **268%** increase in price attributable to nothing more than a natural disaster and CCTS's utilization of its emergency service contract.

270. In Invoice No. 2545, CCTS invoiced Mika **\$19,789** for eight hours worked. Mika's job took approximately two hours. If Mika's job had taken place on May 25, 2024, as opposed to May 31, 2024, it would have cost approximately **\$5,104**, including the fuel fee and 10% debris removal fee. This represents over a **287%** increase in price attributable to nothing but the occurrence of a natural disaster and CCTS's utilization of its emergency service contract.

V. VIOLATIONS OF LAW

271. The ADTPA sets forth the State's statutory program prohibiting deceptive and unconscionable practices in business, commerce, or trade. Ark. Code Ann. §§ 4-88-101 et seq.

272. A "person" is "an individual, organization, group, association, partnership, corporation, or any combination" thereof. Ark. Code Ann. § 4-88-102(5).

273. The Defendants are "persons" engaged in an unconscionable, false, or deceptive act or practice in business, commerce, or trade.

274. "Services" means work, labor, or other things purchased that do not have physical characteristics. Ark. Code Ann. § 4-88-102(8).

275. The business practices of the Defendants constitute the sale of "goods" or "services." Ark. Code Ann. §§ 4-88-102(5) and (8).

276. Defendants have, at all times relevant, engaged in business, commerce, or trade through the sale of goods or services in the State of Arkansas by providing tree services to Arkansans.

277. Violations of the ADTPA are subject to injunctive relief, including the suspension of a company or individual to conduct business in Arkansas, and monetary penalties of \$10,000 per violation, with another \$10,000 per violation for victims over the age of 60, as well as any other measure necessary to prevent the same illegal practices from occurring. Ark. Code Ann. § 4-88-113.

COUNT 1: Defendants engaged in price gouging and unfair pricing practices during and shortly after states of emergency in violation of Ark. Code Ann. § 4-88-303.

278. The State repeats and incorporates by reference every allegation contained in the preceding paragraphs as if fully set forth herein. Ark. R. Civ. P. 10(c).

279. Under the ADTPA, it is unlawful to engage in price gouging and unfair business practices during and shortly after a state of emergency. Ark. Code Ann. § 4-88-303.

280. The term “‘state of emergency’ means a natural or man-made disaster or emergency resulting from a tornado, earthquake, flood, fire, riot, storm...” Ark. Code Ann. § 4-88-302(l)(1).

281. For a period of 30 days following the declaration of a state of emergency by the President of the United States or Governor and declaration of the executive officer of the city or county, “it is unlawful for any person, contractor, business, or other entity to sell or offer to sell any...services used for emergency cleanup...for a price of more than ten percent (10%) above the price charged by that person for those goods or services immediately prior to the proclamation of emergency.” Ark. Code Ann. § 4-88-303(a)(1).

282. For a period of 180 days following the declaration of a state of emergency by the President of the United States, the Governor, or the executive officer of the city or county, “it is unlawful for any contractor to sell or offer to sell...any services used in emergency cleanup for a price of more than ten percent (10%) above the price charged by that person for those services immediately prior to the proclamation of emergency.” Ark. Code Ann. § 4-88-303(b)(1).

283. The term “services” means “any work, labor, or services including services furnished in connection with the sale or repair of goods or real property or improvements.” Ark. Code Ann. § 4-88-302(k).

284. The Defendants knowingly charged consumers eight hours for each resource utilized when those resources were not utilized for eight hours. The required eight-hour minimum scheme employed by the Defendants during states of emergency caused an increase in price of services of more than 10% to the consumers.

285. Defendants’ business practices violated Ark. Code Ann. § 4-88-303 when they

required an eight-hour minimum for all equipment and labor utilized during a declared state of emergency causing grossly excessive prices for tree removal services that are more than 10% above the price charged immediately prior to the declared states of emergency.

286. Every contract identified in this complaint constitutes a violation of Ark. Code Ann. § 4-88-303. Consequently, Defendants committed at least 17 violations under Ark. Code Ann. § 4-88-303. Nine of these violations qualify for enhanced penalties against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 2: Defendants knowingly made false representations to consumers in violation of Ark. Code Ann. § 4-88-107(a)(1).

287. The State repeats and incorporates by reference every allegation contained in the preceding paragraphs as if fully set forth herein. Ark. R. Civ. P. 10(c).

288. Under the ADTPA, it is unlawful to knowingly make a false representation as to the characteristics, uses, and benefits of services. Ark. Code Ann. § 4-88-107(a)(1).

289. Defendants knowingly made false representations to consumers and committed at least 26 violations under Ark. Code Ann. § 4-88-107(a)(1) as detailed above, including, but not limited to:

- a. Eight counts for misrepresenting to consumers that Defendants would work with the consumers' insurance companies;
- b. Three counts for misrepresenting that the service contract only allowed Defendants to bill the consumers' insurance company or to begin work;
- c. Nine counts for misrepresenting that the consumers would not be responsible for payment as Defendants would only bill the consumers' insurance companies, or the consumers should not worry about costs;
- d. Two counts for misrepresenting the number of resources required to perform tree removal services;
- e. Two counts for providing misleading estimates to consumers;

- f. One count for misrepresenting that the service contract was a glitch and would not apply to the consumer; and,
- g. One count for misrepresenting CCTS had an agreement with the consumer's insurance company.

290. Twelve of these violations qualify for enhanced penalties against an elder person.

Ark. Code Ann. § 4-88-202(a).

COUNT 3: Defendants intentionally concealed, suppressed, or omitted material facts to consumers in violation of Ark. Code Ann. § 4-88-108(a).

291. The State repeats and incorporates by reference every allegation contained in the preceding paragraphs as if fully set forth herein. Ark. R. Civ. P. 10(c).

292. Under the ADTPA, it is unlawful to conceal, suppress, or omit any material fact “with intent that others rely upon the concealment, suppression, or omission” when utilized in connection with the sale or advertisement of any service. Ark. Code Ann. § 4-88-108(a)(2).

293. Defendants concealed, suppressed, or omitted an estimate to the consumers prior to tree removal services being provided.

294. Defendants concealed, suppressed, or omitted the specific resources that would be required to complete the tree removal services for each consumer leaving consumers unaware of the actual amount Defendants would eventually invoice.

295. Consumers may not have hired Defendants to perform tree removal services had they been provided an estimate of services to be provided or the specific resources to be utilized.

296. Defendants' concealment, suppression, and omission of material facts are in violation of Ark. Code Ann. § 4-88-108(a)(2).

297. Defendants committed at least 17 violations under Ark. Code Ann. § 4-88-108(a). Nine of these violations qualify for enhanced penalties against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 4: Defendants falsely advertised they would work with consumers' insurance companies to settle claims in violation of Ark. Code Ann. § 4-88-107(a)(3).

298. The State repeats and incorporates by reference every allegation contained in the preceding paragraphs as if fully set forth herein. Ark. R. Civ. P. 10(c).

299. Under the ADTPA, it is unlawful to advertise "the goods or services with the intent not to sell them as advertised." Ark. Code Ann. § 4-88-107(a)(3).

300. CCTS advertised on its website that it would work with consumers' insurance companies to settle claims.

301. CCTS also advertised to consumers that it would work with consumers' insurance companies to cover the cost for the tree removal services.

302. However, Defendants demanded payment in full from the consumers' insurance companies. If the consumers' insurance companies would not pay the total amount invoiced, then Defendants demanded payment in full from the consumers.

303. Defendants committed at least 10 violations under Ark. Code Ann. § 4-88-107(a)(3), of which four qualify for enhanced penalties against an elder person. Ark. Code Ann. § 4-88-202(a):

- a. One count for advertising on its website that it would work with insurance companies to help settle consumers claims; and
- b. Nine counts for advertising to consumers that it would work with consumers' insurance companies to cover the cost for the tree removal services.

COUNT 5: Defendants employed bait and switch tactics to entice consumers to hire them for their tree removal services in violation of Ark. Code Ann. § 4-88-107(a)(5).

304. The State repeats and incorporates by reference every allegation contained in the preceding paragraphs as if fully set forth herein. Ark. R. Civ. P. 10(c).

305. Under the ADTPA, it is unlawful to employ “bait-and-switch advertising consisting of an attractive but insincere offer to sell a product or service which the seller in truth does not intend or desire to sell...” Ark. Code Ann. § 4-88-107(a)(5).

306. Defendants consistently employed bait and switch tactics by failing to work with consumers’ insurance companies after assuring the consumers they would do so to settle claims and not to worry about the pricing.

307. Defendants specifically engaged in bait-and-switch advertising with consumers: (1) Brown; (2) Irons; (3) Mhoon; (4) Buckley; (5) Hasbrouck; (6) Streepy; and (7) Mika.

308. Defendants committed at least seven violations under Ark. Code Ann. § 4-88-107(a)(5). Four of these violations qualify for enhanced penalties against an elder person. Ark. Code Ann. § 4-88-202(a).

COUNT 6: Defendants engaged in unconscionable, false, and deceptive acts or practices in business in violation of Ark. Code Ann. § 4-88-107(a)(10).

309. The State repeats and incorporates by reference every allegation contained in the preceding paragraphs as if fully set forth herein. Ark. R. Civ. P. 10(c).

310. Under the ADTPA, it is unlawful to engage in any “unconscionable, false, or deceptive act or practice in business, commerce, or trade.” Ark. Code Ann. § 4-88-107(a)(10). An “unconscionable act” is one that “affronts the sense of justice, decency, or reasonableness.”²³⁵

311. Providing tree removal services in Arkansas constitutes business, commerce, or trade.

²³⁵ *Indep. Cnty. v. Pfizer, Inc.*, 534 F. Supp. 2d 882 (E.D. Ark. 2008), aff’d sub nom. *Ashley Cnty., Ark. v. Pfizer, Inc.*, 552 F.3d 659 (8th Cir. 2009) (citing *Baptist Health v. Murphy*, 365 Ark. 115, 226 S.W.3d 800, 811 (2006)).

312. Defendants' behavior is unconscionable under the ADTPA and violates Ark. Code Ann. § 4-88-107(a)(10).

313. Defendants committed at least 43 violations under Ark. Code Ann. § 4-88-107(a)(10):

- a. Four counts for making consumers feel they needed to sign the service contract quickly or failing to provide the consumers sufficient time to read through the service contract before signing;
- b. 17 counts for utilizing a service contract that requires an eight-hour minimum for all resources used by CCTS;
- c. 17 counts for utilizing a service contract that requires a 20% fee if any balance is not paid in full upon completion of the work;
- d. Three counts for threatening consumers with late fees, placing a lien on the consumer's property, and taking legal action after representing or advertising to the consumer that their insurance will cover the cost or not worry to about the cost;
- e. One count for failing to provide a consumer a copy of the signed service contract until after services were completed; and,
- f. One count for deliberately telling a consumer that CCTS had an agreement with his insurance company.

314. Twelve of these violations qualify for enhanced penalties against an elder person. Ark. Code Ann. § 4-88-202(a).

VI. JURY DEMAND

315. The State demands a jury trial.

VII. REQUEST FOR RELIEF

316. The State of Arkansas respectfully requests that this Court:

a. Issue such orders, under Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1), as may be necessary to prevent the use or employment by the Defendants of the practices described herein, which are violations of the ADTPA, including, but not limited to, injunctive relief:

- i. preventing Defendants from future violations of the ADTPA;
- ii. prohibiting the employment of Defendants' emergency service contract, specifically the eight-hour minimum requirement for all resources utilized to provide the services and the 20% fee for any balance not paid in full upon completion of the work;
- iii. prohibiting Defendants from making misrepresentations to consumers about its willingness to work with the consumers' insurance companies;
- iv. prohibiting Defendants from making misrepresentations to consumers regarding out-of-pocket expenses;
- v. prohibiting Defendants from attempting to collect on any outstanding amounts invoiced to consumers from services provided under CCTS's emergency service contract, even if a separate settlement agreement has been reached between Defendants and the consumer; and,
- vi. requiring Defendants to provide an estimate prior to rendering services to consumers in Arkansas;

b. Issue an order, under Arkansas Code Ann. § 4-88-113(a)(2)(A), requiring the Defendants to pay consumer restitution to those consumers who suffered any ascertainable loss by reason of the use or employment of the prohibited practices; and in addition, or in the alternative, restore any moneys, real or personal property which have been acquired by any unlawful practices, together with other damages sustained;

c. Impose civil penalties under Ark. Code Ann. § 4-88-113(b), to be paid to the State by the Defendants in the amount of \$10,000.00 per each violation; as set forth above, Defendants committed at least **120** violations against the eleven consumers; therefore, this Court should impose civil penalties for each of the identified violations of the ADTPA proved at trial of this matter for a total of **\$1,200,000**;

d. Impose enhanced civil penalties under Ark. Code Ann. § 4-88-202(a), to be paid to the State by Defendants in the amount of an additional \$10,000 per violation for each of Defendants' **62** violations against an elder person or a person with a disability identified in this

complaint, for a total of **\$620,000**;


e. Issue an order, in accordance with Ark. Code Ann. § 4-88-113(e), requiring Defendants to pay the State's costs in this investigation and litigation, including, but not limited to, attorney's fees and costs;


f. Find that the Defendants are jointly and severally liable, under Ark. Code Ann. § 4-88-113(d), for any civil penalties and monetary judgment awarded; and

g. For all other just and proper relief to which the State may be entitled.

Respectfully submitted,

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