

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:

LOGAN BECK,

Debtor.

Case No. 25-11438-MER

Chapter 7

STATE OF COLORADO,

Plaintiff,

v.

LOGAN BECK, ACME REVIVAL, INC.

Defendants.

Adv. No. _____

**COMPLAINT OBJECTING TO DISCHARGEABILITY OF DEBT AND FOR
RELATED DECLARATORY RELIEF**

Colorado Attorney General Philip J. Weiser (“Attorney General”), in his official law enforcement capacity, states and alleges against the Defendants, Logan Beck (“Debtor”) and Acme Revival, Inc., the following complaint to determine dischargeability of debt and for related declaratory relief:

I. Jurisdiction and Venue

1. This Court has subject matter jurisdiction over this adversary proceeding pursuant to 28 U.S.C. § 1334(b).
2. This adversary proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(I).
3. Venue in this District is proper under 28 U.S.C. § 1409(a).
4. This adversary proceeding is commenced pursuant to Rules 4007, 7001(f), and 7001(i) of the Federal Rules of Bankruptcy Procedure.

5. Colorado consents to the entry of final orders and judgments by this Court.

II. Parties

6. Philip J. Weiser is the Attorney General of the State of Colorado and is authorized under Colo. Rev. Stat. section § 6-1-103 to enforce the Colorado Consumer Protection Act (CCPA).

7. The Debtor is the debtor in the above-captioned Chapter 7 bankruptcy case, filed in this Court on March 19, 2025. Under his Notice of Chapter 7 Bankruptcy Case, the last day to object to the dischargeability of debts on certain grounds is June 23, 2025. No bar date for proofs of claim has been set by the Court in the Debtor's bankruptcy case.

8. Acme Revival, Inc. ("Acme," and together with the Debtor, "Defendants") is a single member entity that the Debtor owns in its entirety. Pursuant to Rule 7019 and Fed. R. Civ. P. 19(1)(a), the court cannot accord complete relief in this case without having Acme be a party to this case.

9. Acme is an electronic device repair company. On its website, Acme advertises that it repairs all types of electronic devices for nearly any problem associated with an electronic device.

10. Acme is the alter ego of the Debtor. Debtor is the president and CEO of Acme, and its sole owner.

11. The Attorney General has been investigating the Debtor and Acme for allegations that they have violated the CCPA. Based on information gathered during the Attorney General's investigation, the Attorney General believes that the Debtor and Acme have violated the CCPA by charging consumers for services that they did not provide, by failing to provide repairs that consumers purchased, by retaining devices that consumers sent for repairs, and by charging consumers thousands of dollars in undisclosed and unreasonable fees.

12. Under the CCPA, the Attorney General may seek restitution on behalf of affected consumers, in addition to disgorgement of profits, civil penalties, and attorney's fees.

13. Section 11 U.S.C. § 523(a)(2)(A) provides that an individual debtor is not discharged under section 727 "from any debt – for money . . . to the extent obtained by – false pretenses, a false representation, or actual fraud . . ." As outlined in detail below, the Debtor obtained money and devices from consumers by false

pretenses or false representations, and the debts he incurred to consumers should not be discharged.

14. Section 11 U.S.C. § 523(a)(4) provides that an individual debtor is not discharged under § 727 “from any debt – for fraud or defalcation while acting in a fiduciary capacity...”

15. Section 11 U.S.C. § 523(a)(6) provides that an individual debtor is not discharged under section 727 “from any debt – for willful and malicious injury by the debtor to another ...” As outlined in detail below, the Debtor violated the CCPA and caused willful and malicious injury to consumers, and the debts he incurred to consumers should not be discharged.

16. Section 11 U.S.C. § 523(a)(7) provides that an individual debtor is not discharged under section 727 from “any debt – to the extent that such debt is for a fine, penalty, or forfeiture payable to or for the benefit of a government unit . . .” To the extent the Debtor is liable for civil penalties for violating the CCPA, those penalties are not dischargeable.

17. Through the unlawful deceptive trade practices alleged herein, the Defendants have deceived, misled, and financially injured consumers in Colorado and across the nation. The Attorney General brings these claims to prevent the Debtor from discharging the debts that he owes to consumers and the State of Colorado for violating the CCPA.

III. Factual Allegations

A. Consumers’ initial deceptive interactions with Acme.

18. Since at least December 2022, the Defendants advertise that Acme can repair nearly any type of electronic device used by companies or individuals. On Acme’s website, it advertises that it “repairs anything, even when others don’t/won’t,” and lists purported successful repairs of customers’ laboratory, medical, and other commercial electronic equipment and devices.

19. The Defendants’ customers are individuals and institutions, including businesses, hospitals, and nonprofits. Individuals often seek repairs of personal electronic devices whose retail value ranges in the few hundreds of dollars. Institutions typically seek repairs for devices worth thousands or tens of thousands of dollars.

20. Upon information and belief, consumers engage in business with the Defendants for diagnostic and repair services only. They do not seek out Acme's services for "storage services" of those devices.

21. Prior to January 31, 2025, the Defendants offered false and misleading initial repair quotes called "ballpark estimates" to consumers to entice them to send their devices to Defendants for repair.

22. The Defendants' website allowed a consumer to input information about their device to receive a "ballpark estimate."

23. Consumers would then receive an email with the "ballpark estimate." The Defendants advertised that this ballpark estimate was based on "a computerized algorithmic calculation based on the information . . . supplied."

24. Acme would also include in the email with the ballpark estimate the standard assurance that Defendants were "confident [the consumer's device] can be repaired to correct the issue or defect you've described."

25. In reality, however, when a consumer input the information into Acme's website, the Defendants looked up the device on the internet or on eBay, multiplied the cost of the item by a standard multiplier, and then gave that number to the consumers as their ballpark repair estimate.

26. In the email to the consumer with the ballpark estimate, the Defendants informed the consumer that the amount was an estimate of the "total service cost (including shipping)."

27. Consumers reported that the initial ballpark figures provided by Acme for repairs often appeared reasonable and encouraged the consumer to proceed to the next steps with Acme.

28. For example, one consumer reports being enticed to send in his Eagle binoculars to Acme (originally costing between \$300 and \$400) based on a ballpark estimate of \$45 to fix. After he sent in the binoculars, Acme informed him they could not be fixed.

29. In reality, after a device was sent to Acme, the Repair Quote given bore no relation to the ballpark estimate and often exceeded the value of the device. For example, one consumer reported sending in a Microsoft Xbox One X with a value of \$500 new and receiving a Repair Quote of nearly \$900. Similarly, a senior citizen consumer was given a Repair Quote of over \$550 for a laser collagen repair device that sells used on eBay for between \$200 and \$250.

30. In the initial email to consumers, the Defendants said that the quote was “a no-obligation service advisement and quote for repair.” If the consumer accepted the quote, Acme provided the consumer with shipping information to a Colorado address. The consumer then sent their device to Acme.

31. Once the device was delivered to an “Acme Revival facility,” the Defendants sent the consumer an email with a “Service Detail” link for updates on the status of the consumer’s repair. This Service Detail is unique to each repair and was the way that Defendants corresponded with the consumer and provided information about the repair.

32. After receiving the device, the Defendants performed its “diagnostic” exam and provided a “Repair Quote,” as the final cost to repair the device.¹ Acme charged a “Diagnostic Fee” of \$89 to determine the Repair Quote.²

33. When the Defendants were done assessing the device, consumers were told they could accept or reject the Repair Quote. In either event, consumers still had to pay Acme the \$89 Diagnostic Fee. The only way to pay the Diagnostic Fee was via the Service Detail link.

34. The Defendants routinely sent consumers emails stating that consumers needed to accept or decline their Repair Quote within fifteen days. The Defendants usually sent such emails daily.

35. Fifteen days after providing the Repair Quote, the Defendants removed the ability for consumers to click accept or reject the Repair Quote on the Service Detail.

36. If a consumer did not pay the Diagnostic Fee, rejected the Repair Quote, or failed to respond within fifteen days, the Defendants would begin assessing a premium “Storage Fee” of \$25 a day to the device. This Storage Fee was charged regardless of the size or type of the device.

37. One consumer rejected a Repair Quote for a device. The Repair Quote sent to the consumer was \$440, which was significantly more than the verbal Repair Quote of \$100 the consumer received from an individual at Acme’s Help Desk phone number. This consumer assumed that he would be provided a bill to pay the Diagnostic Fee upon receipt of his device. Instead, he received a Service

¹ As noted below, earlier Terms of Service referred to the “Repair Quote” as the “Work Order.”

² On information and belief, Acme stopped charging Diagnostic Fees in March 2025.

Detail update two months later with \$850 in Storage Fees. He emailed Acme, refusing to pay the Storage Fees but still willing to pay the Diagnostic Fee once he received his device. Three months later, the consumer received an updated Service Detail with a total of \$4,357 due to Acme in Storage Fees and litigation costs.

38. The Defendants also charged Storage Fees to consumers who requested that Acme return their devices or throw them away. It did not matter whether a consumer paid, or tried to pay, their Diagnostic Fee; once the fifteen-day period passed, Acme charged the Storage Fees and did not stop charging Storage Fees until all outstanding fees—including all accumulated Storage Fees—were paid.

39. The Defendants made it difficult for consumers to contact anyone at Acme to dispute or even pay for Storage Fees. Acme had no internal customer support staff and rarely, if ever, answered phone calls from consumers.

40. As a result, consumers kept incurring these unlawful Storage Fees, every day, with little to no recourse.

B. The Defendants did not adequately disclose Storage Fees.

41. The Defendants did not adequately inform consumers of the Storage Fees, which, again were charged at the rate of \$25 per day per device beginning 15 days after consumers' emailed notification that their Repair Quote was available in the Service Link.

42. Upon information and belief, consumers never intended to contract with the Defendants for Storage Fees for their devices. Consumers report not being aware of Storage Fees until long after they began incurring Storage Fees.

43. The Defendants' disclosure of the Storage Fees was minimal and varied over time as the Defendants changed their practices. In July of 2024, reminder emails to consumers to approve the Repair Quote simply stated that the device was "ready for customer's approval of service quote." Only in September of 2024 did the reminder emails urge consumers to "[a]ccept or reject your quote" by a given date to "avoid delays and/or storage fees."

44. At most, and as explained in detail below, consumers were advised of the Storage Fees by (1) a buried statement in an email after the consumer agreed to send in their device for repair services; (2) a vague statement in emails requesting the consumer to accept or decline the Repair Quote; and (3) unclear and inconspicuous language buried in the Defendants' often changing Terms of Service.

45. First, after responding to the Defendants' email with the "ballpark estimate" confirming they would like to move forward with the repair, certain consumers received an email from the Defendants providing the address to which to send in their device. In the middle of a lengthy paragraph toward the bottom of the email was buried, non-bolded language advising that "Failure to respond to your quote or pay the Initial Diagnostic Evaluation fee (via your service detail) within 15 days of work order presentation, will result in the accrual of storage costs assessed at \$25 per day."

46. Second, upon information and belief, some consumers received emails within the fifteen-day period after issuance of the Repair Quote and/or after declining a Repair Quote that vaguely advised to "Make sure to pay your balance within 15 days of this notification to avoid possible storage fees."

47. As late as September 2024, when consumers received emails from the service link to "accept or reject your quote" to "avoid delays and/or storage fees," the daily cost of storage fees was not listed in the email.

48. Third, since October 2023, Acme had Terms of Service ("TOS") that referenced Storage Fees available to consumers in hyperlinks in emails and/or on Acme's website. But such TOS were long, difficult for a consumer to understand, and only available where consumers affirmatively clicked on the appropriate link.

49. Acme changed its TOS frequently, using nine different TOS under which it imposed Storage Fees in less than two years, from the 12/16/2023 TOS to the 9/19/24 TOS.

50. Regardless of the version of the TOS an individual consumer contracted with the Defendants under, the disclosure of the Storage Fees a consumer would be subject to was not adequate.

51. The 10/16/23 TOS stated that Acme would store the consumer's device after a failure by the consumer to accept or reject the Repair Quote³ within fifteen calendar days after delivery of it, "which storage shall incur daily fees at a reasonable rate that Acme shall determine in its sole and exclusive discretion." This statement was inconspicuous, appearing in the middle of a lengthy paragraph titled "Optional Repairs; Repair Services," in non-bolded, non-italicized font.

³ The 10/16/23 TOS referred to the Repair Quote as a "Work Order."

52. The 6/28/24 TOS expounded on the Storage Fee first referenced in the 10/16/23 TOS, but in an unclear and lengthy manner appearing at the end of a lengthy paragraph entitled “Optional Repairs; Repair Services.”

53. After a bolded “Storage Fees” the following text appeared in the 6/28/24 TOS in non-bolded, non-italicized font:

If Acme does not receive a written acceptance or rejection of the [Repair Quote]⁴ within fifteen (15) calendar days after delivery of the [Repair Quote] to You, or if You reject the [Repair Quote] but fail to pay the Diagnostic Fee, or if You accept the [Repair Quote] but fail to pay the full amount due for the [Repair Quote], Acme shall be authorized to store Your Product or device in its facility until all outstanding amounts due are paid, and which storage shall incur daily fees at a reasonable rate (the “Storage Fees”) that Acme shall determine in its sole and exclusive discretion (currently \$25 per day). You acknowledge that because Products or devices submitted to Acme for repair vary in dimension, weight, and ease of transport, which Acme cannot know until such Product or device arrives at Acme’s facility, and because storage of Products or devices may incur varying costs for such storage, and because administrative costs to keep track of and handle Your Product or device may vary, at the time this contract is entered into, it is difficult to ascertain the amount of actual damages that may be incurred by Acme for having to store Your Product or device. Accordingly, the amount of the Storage Fees charged by Acme is a reasonable estimate of presumed actual damages calculated in advance and is not intended to be a penalty. Accrued Storage Fees must be paid in full before Acme may return the Product or device to You.

54. The 9/19/24 TOS separated the Storage Fee disclosure into two lengthy separate documents that failed to adequately disclose the Storage Fees in a manner that would be clear to an average consumer.

55. First, the 9/19/24 TOS separated out the Storage Fee reference to a separate section titled “Premium Storage of Device(s),” that provided:

You expressly recognize that Acme is primarily a repair facility with limited capacity to temporarily store Devices during the repair process; however, in certain defined circumstances, Acme offers long-term storage of Your Device(s) in a dedicated storage facility for a premium daily rate. Acme offers such premium storage services in accordance

⁴ The 6/28/24 TOS referred to the Repair Quote as a “Work Order.”

with its “Storage Policy,” which is available on the Website and which is incorporated herein by reference. You expressly acknowledge and agree that acceptance of this Agreement constitutes pre-approval for Acme to store Your Device(s) in accordance with the Storage Policy and an agreement to pay a premium daily rate for storage of Your Device(s) in the event Your Device(s) become subject to storage under the Storage Policy.

56. Then, consumers subject to the 9/19/24 TOS were required to consult a separate document on Acme’s webpage that stated in the “Circumstances of Storage” provision:

You explicitly provide pre-approval for Acme to store Your Device(s) at Acme’s storage facility under the following circumstances:

(A) If Acme has not received full payment of the applicable Diagnostic Fee for the Device within fifteen (15) calendar days after You reject the Repair Quote for such Device;

(B) If Acme has not received either a rejection or an acceptance of the Repair Quote within fifteen (15) calendar days after the Repair Quote is delivered to You;

(C) If Acme has not received full payment of any outstanding amounts owed to Acme, including, without limitation, the full payment of any Diagnostic Fees, fees for Services, Storage Fees that have accrued under this Storage Policy, and any attorney’s fees and costs that may have accrued during litigation; and

(D) If Acme makes any Ancillary Request to You to which You do not timely respond, and Acme provides You with at least fifteen (15) days’ notice of its intent to store Your Device(s).

57. The Storage Policy stated, “Acme’s Current Daily Storage Fee Rate” of “\$25.00/Day/Device.”

58. All versions of the TOS suggested discretionary application of a discretionary amount of daily Storage Fee, which would be charged to consumers in the event of breach of contract by the consumer.

59. For consumers, all versions of the TOS were unclear regarding application of the Storage Fee and did not alert the consumer of the Storage Fee in a clear, conspicuous manner.

60. Despite the TOS, consumers were not aware of the Storage Fee or that the Defendants would charge the Storage Fee for failure to respond to the Repair Quote and/or pay the Diagnostic Fee. Consumers typically reported not being aware of Storage Fees at all until they had accumulated into the hundreds or thousands of dollars.

C. The Defendants engaged in deceptive and unfair trade practices by imposing penalties in the form of “Storage Fees” on consumers who breached Acme’s Terms of Service.

61. Even if consumers were adequately informed of the Storage Fees—which they were not—the imposition of Storage Fees by the Defendants was an unlawful and unconscionable contract term.

62. Contract terms that impose a penalty for a party’s breach of contract are invalid under Colorado contract law and against public policy. *Ravenstar, LLC v. One Ski Hill Place, LLC*, 401 P.3d 552, 555 (Colo. 2017); *Klinger v. Adams Cnty. Sch. Dist. No. 50*, 130 P.3d 1027, 1034 (Colo. 2006).

63. The Defendants knowingly and recklessly imposed the Storage Fees as a penalty for breach of the parties’ agreement.

64. When consumers initially engaged with the Defendants, it was to receive a Repair Quote for potential repair of a device. Consumers engaging with the Defendants did not intend to contract with the Defendants for storage for their devices at Acme’s facilities. Consumers could not opt out of Storage Fees or storage services with the Defendants.

65. The Defendants would unilaterally impose the Storage Fee after a consumer “materially breached”—in the Defendants’ view—its agreement with Acme. For example, per the 9/24/24 TOS and Storage Policy, the Defendants would charge Storage Fees when a consumer did not timely pay the Diagnostic Fee or respond to an undefined “Ancillary Request” made by the Defendants to the consumer.

66. The Defendants’ intention to impose Storage Fees where a consumer breached their agreement with Acme was made clear in press regarding the Storage Fees.

67. In a press release that Acme issued in October 2024, it identified “more aggressive enforcement of storage fees” as “additional steps it can take to mitigate abuse” in the form of “delinquent accounts and unpaid balances.”⁵

68. The Defendants also recently took the position in a media report that the Storage Fees were not imposed on “customers” since “Customers pay.”⁶ The Debtor specifically stated in the interview that the Storage Fees were imposed on customers that do not “pay the bill.”

69. Although Acme’s 6/28/24 TOS attempted to define the Storage Fees as liquidated damages and not a penalty, the facts demonstrate that the imposed Storage Fees were never a reasonable estimate of actual damages and were, in fact, a penalty for an alleged breach of the consumer’s agreement.

70. For most consumers, Storage Fees were imposed for the failure to pay the \$89 Diagnostic Fee within 15 days of the receipt of a Repair Quote. The \$25 a day Storage Fee outpaced that damages amount within four days.

71. The disproportionate nature of the Storage Fees is obvious and apparent. Consumers were assessed thousands of dollars in Storage Fees, including:

- a. An institutional consumer in Pennsylvania was assessed \$9,300 in Storage Fees for a failure to accept a Repair Quote and pay the Diagnostic Fee.⁷ The device sent to Acme appears to have been a Belmont Rapid Infusor RI-2, which can be found listed used on eBay for approximately \$125.

⁵ Acme Revival Confronts Device Abandonment as Customers Exploit Repair Services, MedTechDive (Oct. 11, 2024) available at <https://www.medtechdive.com/press-release/20241011-acme-revival-confronts-device-abandonment-as-customers-exploit-repair-servi/>.

⁶ Customers Pay: Colorado Electronics Repair Shop Sues Dozens of its Online Customers, Jaclyn Allen, Joe Vaccarelli, Denver7 Investigates, (Jan. 30, 2025) available at <https://www.denver7.com/news/investigations/customers-pay-colorado-electronics-repair-shop-sues-dozens-of-its-online-customers>.

⁷ Ultimately, the consumer settled after legal action was initiated a year after the device was stated as “abandoned” by the Defendants for a total of \$5,592.04.

- b. A consumer in Colorado was assessed \$2,000 in Storage Fees less than three months after declining a Repair Quote and failing to pay the Diagnostic Fee.⁸
- c. A consumer in Illinois was assessed \$7,125 in Storage Fees after his device was deemed abandoned by the Defendants in the Service Link.⁹ The device sent to Acme was identified as a GE SAM Anesthetic Gas Module, which is listed used on eBay for approximately \$100 to \$150.
- d. A consumer in Texas was assessed \$3,725 in Storage Fees less than three months after declining a Repair Quote and failing to pay the Diagnostic Fee.¹⁰

72. The \$25-a-day Storage Fee was imposed regardless of the size or type of device and accordingly not tied to the reasonable losses of the Defendants incurred by having to store a particular consumers' device.

73. The amount of the Storage Fee was also unreasonable given the Defendants' ability to mitigate losses by resale of the device or to dispose of or send the device back to a consumer at the consumer's expense. The Defendants routinely refused to mitigate losses by the latter actions in response to consumer requests and instead continued to charge a daily \$25 in Storage Fees.

74. Additionally, the terms of the Storage Policy prohibited consumers from curing their "material breach" to avoid further Storage Fees by requiring payment of *all* assessed fees, including the Storage Fees and any litigation costs in enforcement (described below).

75. Contrary to the Defendants' characterization of the Storage Fees as liquidated damage, the Storage Fees provisions were a profit center, designed to increase exponentially the amount of money that Acme could receive from consumers.

76. And, in fact, the Defendants' use of Storage Fees did generate a profit. Based on 54 known accounts that paid a settlement in response to the

⁸ The consumer ultimately paid \$2,961 to settle the resulting litigation.

⁹ The consumer ultimately paid \$6,000 to settle the subsequent legal action brought by the Defendants.

¹⁰ The consumer ultimately paid \$4,711 to settle the subsequent legal action brought by the Defendants. This account also appears to have been overcharged Storage Fees as, if calculated from the date of receipt of the Repair Quote to the date the legal action was initiated, the total Storage Fee should be \$2,225.

further unfair business practices involving litigation identified below, the Defendants collected \$148,609.16 in settlement fees (including outstanding Diagnostic Fees, Storage Fees, and Projected Costs of Litigation/Collection) on \$4,094 worth of Diagnostic Fees.

77. Far from “actual damages,” the Defendants knowingly and recklessly imposed the Storage Fees as a penalty for breach of the parties’ agreement, contrary to Colorado law and public policy foreclosing this type of penalty. *Ravenstar, LLC v. One Ski Hill Place, LLC*, 401 P.3d 552, 555 (Colo. 2017); *Klinger v. Adams Cnty. Sch. Dist. No. 50*, 130 P.3d 1027, 1034 (Colo. 2006).

D. The Defendants used deceptive statements and unfair practices to pressure consumers into paying penalties and additional “Litigation/Collection” costs.

78. The Defendants’ practices in enforcing the penalties of Storage Fees and pressuring consumers to pay what constitutes an un-bargained-for, invalid and unconscionable contract term was also deceptive and unfair to consumers.

79. Once consumers began accumulating significant penalties in the form of “Storage Fees”—many without their knowledge—the Defendants sued them in Colorado state courts.¹¹

80. Consumers were typically located outside of Colorado and served by a process server in their home state with a summons and complaint from a Colorado court indicating that Acme had filed suit against them for, typically, thousands of dollars of Storage Fees.

81. Many consumers reported that they were not aware of the accumulating Storage Fees until being served with summons and complaint.

82. Again, the Defendants only notified consumers of the pending Diagnostic Fees or Repair Fees during the fifteen-day response period.

83. The Defendants did not notify consumers of accumulating Storage Fees for months, allowing the Storage Fees to be much greater than the Diagnostic Fee and Repair Fee for the consumer’s device.

¹¹ Upon information and belief, the Defendants have not brought a lawsuit in Colorado since February 14, 2025.

84. When consumers were served with the lawsuit, the Defendants also contacted the consumer through notification in their Service Detail link.

85. The consumers' Service Detail link alerted them of the filing of a complaint in Colorado state court and advised the consumer that they could settle immediately by paying the balance indicated in the Service Detail. The Service Detail language framed the payment of the settlement as a way consumers could "attempt to avoid trial."

86. In the Service Detail, the Defendants provided a "Settlement Agreement and Release" and requested the consumer sign the agreement and pay the amount indicated in the Service Detail.

87. The Service Detail outlined a balance that included the Diagnosis Fee, accrued Storage Fees, and "Projected Costs of Litigation/Collection," which was often thousands of dollars.

88. Nowhere in the Service Detail did the Defendants explain how the "Projected Costs of Litigation/Collection" amount was calculated, and the calculations appear to have no relationship with any legal work that Acme did to collect money owed by that particular consumer.

89. Consumers were only informed: "[u]nder your contract with Acme Revival, a unilateral attorney fee and collection fee entitles Acme to recover litigation and collection costs. This is a real-time projected total that Acme intends to seek in a judgment against you."

90. This statement regarding the Projected Costs of Litigation/Collection was misleading and deceptive.

91. The 10/16/23 TOS, 6/28/24 TOS, and 9/16/24 TOS authorized an award of "reasonable attorney's fees and costs" should Acme be determined to be the prevailing party in litigation.

92. The statement to consumers in the Service Detail suggested that the Defendants were entitled to the fees regardless of the merits of the litigation.

93. Further, there was no indication that the itemized amount in the Service Detail was reasonable because there was no information regarding the calculation of the Projected Costs of Litigation/Collection.

94. By presenting this Projected Costs of Litigation/Collection within the Service Detail link provided to consumers without sufficient information as to Acme's entitlement to such fees or the calculation of the fees, the Defendants misled

consumers into thinking that this was a legitimate amount owed and due to the Defendants once they filed litigation against the consumer.

95. The Defendants' actions in bringing a lawsuit and then presenting a settlement agreement were unfair and unconscionable.

96. Consumers, who thought they were only contracting for services of a defined amount (either Diagnostic Services at a rate of \$89 or Repair Services at the provided Repair Quote), were blindsided with thousands of dollars in unbargained-for and unconscionable Storage Fees and misleading and unexplained Projected Costs of Litigation/Collection.

97. Consumers, who generally were not represented by any counsel, were presented with the option of paying the invoiced amount related to the lawsuit within their Service Detail or faced with having to appear in Colorado courts to dispute the amounts claimed owed by the Defendants.

98. Consumers reported attempting to reach out to Acme to resolve the litigation and receiving no response or willingness to amend the amounts allegedly owed.

99. Upon information and belief, the Defendants collected at least \$148,609 in settlement fees from 54 consumer accounts that paid an amount asserted as a settlement in the consumers' Service Detail after the initiation of legal action by Defendants.

100. Additionally, the Defendants represented to consumers that Acme would return the devices to the consumer after receipt of payment of any outstanding fees.

101. Consumers reported paying fees on their Service Detail link and not receiving their devices back from the Defendants.

E. The Defendants misled consumers regarding the nature and quality of Acme's services and failed to deliver repaired devices or refund consumers within a reasonable time.

102. The Defendants misled consumers who paid for repair services as they often received their devices back without the repair promised by the Defendants, received their device back with parts missing, or failed to receive devices back at all. The Defendants also denied or did not respond to requests from repair consumers for refund of payments.

103. The Defendants advertised on Acme's website that it "repairs anything, even when others don't/won't," and listed purported successful repairs of customers' laboratory, medical, and other commercial electronic equipment and devices.

104. However, consumers who agreed to and paid the Repair Quote presented by the Defendants report receiving devices back that were not in fact repaired (a "Non-repaired Device"). The Attorney General has received at least ten complaints from consumers receiving a Non-repaired Device.

105. At least two consumers have reported accepting and paying the Repair Quote and never receiving their device back from the Defendants.

106. Five additional consumers reported rejecting the Repair Quote, paying the Diagnostic Fee, and never receiving their device back from the Defendants.

107. When consumers reported a Non-repaired Device to the Defendants, the Defendants routinely requested that the consumer mail the device back to Acme for further evaluation.

108. Some consumers report mailing a Non-repaired Device back to Acme and being informed by the Defendants that the Non-repaired Device was working properly despite the consumers' complaints. The Defendants returned the Non-repaired Device and denied any refund to the consumers.

109. One consumer, for example, sent in a device for a repair. She paid the Repair Quote, and her device was returned to her, still not functioning. The device was then sent back to the Defendants. The Defendants, upon receipt of the device for a second time, insisted that it was properly repaired and functioning. When the consumer received the device back a second time, she sent a video of the continuing malfunction to the Defendants and demanded a refund of Repair Quote of \$2,180.80. The Defendants refused. This consumer was able to obtain a refund of the Repair Quote through her bank. A few months later, Acme sued her for the Repair Quote and \$1,660.00 of projected litigation costs for a total of \$3,840.80.

110. Other consumers report being told that the Defendants would attempt a second repair of their Non-repaired Device, but then did not receive any further communication from the Defendants for many months nor a refund.

111. One consumer sent in his device and paid the Repair Quote of \$832.15 because Acme had told him they were "confident" the device could be repaired. Upon receipt of the device, Acme informed the consumer that the device

needed to be “escalated” to a “more senior electrical engineer for further troubleshooting.” The consumer later received an email that the “[d]evice’s chief complaint has been resolved and is being prepared for return shipping.” When the consumer received the device back, the primary complaint was not resolved, and a new issue was apparent in the device. The consumer returned the device to Acme, now seeking repair of two malfunctions. The consumer was unable to speak to anyone at Acme who could provide an update on the status of his repair. Acme had the device for over 8 months before returning it, ultimately informing the consumer that they were “unable to locate the source of the [] issue on this 2nd attempt.” Acme did not refund the consumer.

112. In fact, consumers were unable to obtain the benefit of the services they purchased because they ultimately were unable to reach any Acme representatives. They got no response from the Defendants to requests to return the Non-repaired Device or refunds.

113. Many consumers continuously asked for updates on the status of their device repairs, and the Defendants’ practice was to not respond or use generic responses through the Service Link Detail. One consumer, for example, sent in his device on two separate occasions. The Defendants had the device for seven months, and provided no update on the status of the repair. Eventually, the Defendants provided the consumer photos of the device and reported it was repaired. But the photos of the device provided were not photos of the consumer’s device. The Defendants eventually returned the device, unrepaired and with missing components, after the Defendants had possession of the device for approximately 11 months.

114. In January 2025, a consumer sent his device to Acme. New, the device is valued at \$2,100, and the device can be found used on eBay for \$600 to \$1000. The consumer paid the Repair Quote of \$590.50, itemized into \$198.00 of labor costs and \$392.50 of “supporting resources.” On April 10, 2025, he was informed that “a proper repair is not possible or economical for this device.” On information and belief, he has contacted Acme roughly a dozen times via email to seek the return of his device, even though he has fully paid the balance due on the Service Detail. Acme has not responded to his requests, nor returned the device, nor refunded his payment of the Repair Quote.

115. The Defendants represented to consumers that Acme had a Support Help Desk on its website. However, consumers called the number provided, there was no representative to answer the call and the consumer was directed to start a support ticket on the website.

116. Acme represented that it only offered “limited phone support with a dedicated ‘service advisor’ who was available to speak with customers in a restricted capacity” between January and at least May 2024. As of June 2024, Acme represented that they “discontinued the limited phone support and returned to email-only service.” Yet, as late as October 24, 2024, Acme still provided a phone number on its Help Desk webpage with a “Est wait time” of 6 minutes.

117. The website invited consumers to start an email thread with the Help Desk. The “Est response time” and “Current response time” for such an email request was static and showed “32 (business) minutes” and “39 (business) minutes” regardless of the date or time the website was accessed.

118. Consumers reported reaching out to Acme to request return of their Non-repaired Device, refunds, and/or just updated information about a pending repair and receiving no response.

119. The Defendants were aware that consumers believed Acme misrepresented its services. For example, when consumers published negative reviews about Acme’s repair services, their communication, and the storage fees, Acme routinely sued those consumers in state court for defamation. Acme filed at least five lawsuits against consumers for publishing negative reviews about Acme.

F. Acme is the alter ego of the Debtor.

120. Acme is a mere alter ego of the Debtor.

121. The Debtor directs, controls, and participates in all aspects of Acme’s business.

122. The Debtor is the President, Treasurer, Secretary, Director, and sole shareholder of Acme.

123. The Debtor controlled all aspects of Acme’s business.

124. On information and belief, the Debtor directed the misrepresentations regarding Acme’s services described herein.

125. On information and belief, the Debtor designed the scheme to misrepresent the ballpark estimates and even recorded videos to teach staff and independent contractors about how to calculate the misleading “ballpark estimates.”

126. On information and belief, the Debtor determined the amount of storage fees that Acme charged to consumers and intended them to be penalties. The

Debtor determined when a consumer would start incurring storage fees and whether to sue, or threaten to sue, a consumer for unpaid fees.

127. When Acme threatened consumers with litigation over storage fees, Debtor controlled the settlement demand and interacted with the consumer's attorneys.

128. The Debtor and Acme's finances are commingled. The Debtor lists Acme's customers as unsecured creditors in his Chapter 7 filing.

129. The Debtor used Acme to facilitate the CCPA violations asserted herein.

130. Upholding the corporate form would lead to injustice and inequitable results.

IV. Claims For Relief

First Claim for Relief

Dischargeability Under 11 U.S.C. § 523(a)(2)(A) and 11 U.S.C. § 523(6)

131. The Attorney General incorporates all paragraphs above as if fully set forth below.

132. Section 11 U.S.C. § 523(a)(2)(A) provides that an individual debtor is not discharged under § 727 "from any debt – for money ... to the extent obtained by – false pretenses, a false representation, or actual fraud ..."

133. The Debtor's actions as set forth in the complaint constitute false pretenses, a false representation, and/or actual fraud as set forth in 11 U.S.C. § 523(a)(2)(A).

134. Likewise, the Debtor's actions as set forth in the complaint constitute willful and malicious injury by the debtor to another entity or the property of another entity. 11 U.S.C. § 523(6).

135. Specifically, the Debtor is not entitled to discharge of the debts related to his false representations because he violated section 6-1-105(1)(e) of the Colorado Consumer Protection Act, which makes it unlawful to knowingly or recklessly make a false representation as to the characteristics, uses, or benefits of goods or services.

136. The Debtor and Acme falsely claimed that Acme “repairs anything, even when others don’t/won’t,” and listed purported successful repairs of customers’ laboratory, medical, and other commercial electronic equipment and devices.

137. After being contacted by consumers for an initial “ballpark” figure, the Debtor and Acme represented to consumers that Acme would be able to offer repair services for the consumer’s device for an approximated price not tied to the actual repair issue identified by the consumer to Acme.

138. In reliance on these representations, consumers mailed their electronic devices into Acme for repair services and paid for such services.

139. The Debtor and Acme failed to provide repair services as advertised, with consumers receiving back unrepaired items or not receiving devices back from Acme at all.

140. The Debtor and Acme made the false representations of Acme’s repair services knowingly or recklessly.

141. By means of the above-described unlawful false representations, the Debtor and Acme have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

Second Claim for Relief

Dischargeability Under 11 U.S.C. § 523(a)(2)(A) and 11 U.S.C. § 523(6)

142. The Attorney General incorporates all paragraphs above as if fully set forth below.

143. Section 11 U.S.C. § 523(a)(2)(A) provides that an individual debtor is not discharged under § 727 “from any debt – for money ... to the extent obtained by – false pretenses, a false representation, or actual fraud ...”

144. The Debtor’s actions as set forth in the complaint constitute false pretenses, a false representation, and/or actual fraud as set forth in 11 U.S.C. § 523(a)(2)(A).

145. Likewise, the Debtor’s actions as set forth in the complaint constitute willful and malicious injury by the debtor to another entity or the property of another entity. 11 U.S.C. § 523(6).

146. Specifically, the Debtor is not entitled to discharge of the debts related to his false representations because he violated section 6-1-105(1)(n)(VII) of the Colorado Consumer Protection Act, which makes it unlawful to employ “bait

and switch advertising” by offering the sale of services other than those advertised and failing to make delivery of services within a reasonable time or to make a refund therefor. The Debtor also made false representations because he violated Section 6-1-105(1)(g) which makes it unlawful to represent that services are of a particular standard, quality, or grade, if he knows or should now that they are of another.

147. The Debtor and Acme advertised that Acme would repair electronic devices and later represented to consumers that Acme would make those repairs for the cost of the Repair Quote that the Debtor and Acme sent to consumers prior to beginning to repair the device.

148. Acme, at the direction of the Debtor, advertised that Acme would return devices to consumers after fees were paid.

149. Multiple consumers paid the estimate, but did not receive repaired devices back from Acme or the Debtor.

150. Other consumers received devices returned to them but the devices did not work properly meaning that the standard or quality of the repair that the Debtor and Acme advertised was not delivered to consumers.

151. Other consumers also received devices back from the Debtor and Acme with missing parts or new malfunctions, thus failing to meet the standard or quality of repair advertised by the Debtor and Acme.

152. By means of the above-described unlawful false representations, the Debtor and Acme have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

Third Claim for Relief

Dischargeability Under 11 U.S.C. § 523(a)(2)(A) and 11 U.S.C. § 523(6)

153. The Attorney General incorporates all paragraphs above as if fully set forth below.

154. Section 11 U.S.C. § 523(a)(2)(A) provides that an individual debtor is not discharged under § 727 “from any debt – for money ... to the extent obtained by – false pretenses, a false representation, or actual fraud ...”

155. The Debtor’s actions as set forth in the complaint constitute false pretenses, a false representation, and/or actual fraud as set forth in 11 U.S.C. § 523(a)(2)(A).

156. Likewise, the Debtor's actions as set forth in the complaint constitute willful and malicious injury by the Debtor to another entity or the property of another entity. 11 U.S.C. § 523(6).

157. Specifically, the Debtor is not entitled to discharge of the debts related to his false pretenses because he violated section 6-1-105(1)(rrr) of the Colorado Consumer Protection Act, which makes it unlawful to knowingly or recklessly engage in any unfair, unconscionable, deceptive, deliberately misleading, false, or fraudulent practice.

158. The Debtor and Acme have violated C.R.S. 6-1-105(1)(rrr) by unfairly and unconscionably, knowingly, and recklessly enforcing an un-bargained-for, illegal contract penalty provision on consumers in the form of "Storage Fees" accumulating at a rate of \$25 per day.

159. These fees were incurred on the basis of false pretenses because consumers did not intend to pay, and did not bargain for, the payment of Storage Fees when they sought either Diagnostic Services or Repair Services from Acme.

160. The Debtor and Acme unilaterally imposed the Storage Fee as a penalty for consumers' alleged breach of the parties' agreement.

161. Storage Fees imposed by the Debtor and Acme constitute invalid penalty provisions unenforceable on public policy grounds. *See Ravenstar, LLC v. One Ski Hill Place, LLC*, 401 P.3d 552, 555 (Colo. 2017); *Klinger v. Adams Cnty. Sch. Dist. No. 50*, 130 P.3d 1027, 1034 (Colo. 2006).

162. The Debtor's and Acme's actions in imposing Storage Fees on consumers was an unfair and unconscionable business practice.

163. The Debtor and Acme acted knowingly and recklessly in engaging in these unfair, unconscionable, and deliberately misleading trade practices.

164. By means of the above-described unlawful false pretenses, the Debtor and Acme have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

Fourth Claim for Relief

Dischargeability Under 11 U.S.C. § 523(a)(2)(A) and 11 U.S.C. §523(6)

165. The Attorney General incorporates all paragraphs above as if fully set forth below.

166. Section 11 U.S.C. § 523(a)(2)(A) provides that an individual debtor is not discharged under § 727 “from any debt – for money ... to the extent obtained by – false pretenses, a false representation, or actual fraud ...”

167. The Debtor’s actions as set forth in the complaint constitute false pretenses, a false representation, and/or actual fraud as set forth in 11 U.S.C. § 523(a)(2)(A).

168. Likewise, the Debtor’s actions as set forth in the complaint constitute willful and malicious injury by the Debtor to another entity or the property of another entity. 11 U.S.C. § 523(6).

169. Specifically, the Debtor is not entitled to discharge of the debts related to his false pretenses because he violated section 6-1-105(1)(rrr) of the Colorado Consumer Protection Act, which makes it unlawful to knowingly or recklessly engage in any unfair, unconscionable, deceptive, deliberately misleading, false, or fraudulent practice.

170. The Debtor and Acme have violated C.R.S. 6-1-105(1)(rrr) by charging consumers unspecified, undisclosed, and oppressive attorney’s fees and litigation costs when they charge consumers for unlawful storage fees.

171. The attorney’s fees and litigation costs that Acme and the Debtor charge consumers are a complete surprise to consumers who are offered a settlement or sued by Acme.

172. Consumer had no ability to negotiate or avoid the attorney’s fees or litigation costs that were not adequately disclosed to them and they did not want as part of their request to have an electronic device repaired.

173. The Debtor and Acme further misled consumers in presenting the Projected Costs of Litigation/Collection as fees to which Acme was entitled when the applicable term in the parties’ agreement only provided that Acme may be entitled to reasonable attorney fees and costs if they are the prevailing party in litigation.

174. The Debtor and Acme acted knowingly and recklessly in engaging in these unfair, unconscionable, and deliberately misleading trade practices.

175. By means of the above-described unlawful false pretenses, the Debtor and Acme have deceived, misled, and unlawfully acquired money from Colorado consumers and consumers in other states.

Fifth Claim for Relief
Dischargeability Under 11 U.S.C. § 523(a)(4)

176. The Attorney General incorporates all paragraphs above as if fully set forth below.

177. Section 11 U.S.C. § 523(a)(4) provides that an individual debtor is not discharged under § 727 from any debt or defalcation while acting in a fiduciary capacity.

178. The Debtor's actions as set forth in the complaint establish that he was acting as a fiduciary in his role as a bailee when consumers sent their devices to him for repairs.

179. The Debtor breached that fiduciary duty by failing to provide repair services as advertised, with consumers receiving back unrepaired items or even not receiving devices back from Acme.

Sixth Claim for Relief
Dischargeability Under 11 U.S.C. § 523(a)(7)

180. The Attorney General incorporates all paragraphs above as if fully set forth below.

181. Section 11 U.S.C. § 523(a)(7) provides that an individual debtor is not discharged under § 727 from any debt that is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss.

182. If the Attorney General is successful in prosecuting his claims under the CCPA, he is entitled to a civil penalty of up to \$20,000 per violation, C.R.S. § 6-1-112(1)(a), and up to \$50,000 per violation committed against an elderly person, C.R.S. § 6-1-112(1)(c).

183. The Debtor and Acme's conduct as described in this complaint violates the CCPA's prohibition of deceptive trade practices. Accordingly, any civil penalty that the Debtor incurs as a result of the Attorney General's claims against him are not dischargeable under 523(a)(7).

Seventh Claim
Dischargeability - Related Declaratory Relief

184. The Attorney General incorporates all paragraphs above as if fully set forth below.

185. Under the respective terms of 11 U.S.C. §§ 523 and 727, only certain eligible “debts” and liabilities on “claims” are dischargeable. The term “debt” is defined in 11 U.S.C. § 101(12), and “claim” is defined in 11 U.S.C. § 101(5).

186. Under the CCPA, the Attorney General may seek injunctive relief against a person who has committed a deceptive trade practice. C.R.S. § 6-1-110(1). The court issuing the injunction may “make such orders or judgments as may be necessary to prevent the use or employment by the person of any such deceptive trade practice or that may be necessary to completely compensate or restore to the original position of any person injured by means of any such practice or to prevent any unjust enrichment by any person through the use or employment of any deceptive trade practice.” *Id.*

187. Should the Attorney General seek injunctive relief against Debtor in the future, as set forth above, such relief is neither a “claim” within the meaning of 11 U.S.C. § 101(5) nor a “debt” within the meaning of 11 U.S.C. § 101(12). Accordingly, pursuant to 11 U.S.C. § 524(a), injunctive relief by the Attorney General under the CCPA is outside the scope of a bankruptcy discharge.

WHEREFORE, the Attorney General requests a determination and declaration that (1) the Debtor’s unpaid liability to the State of Colorado, together with interest at the statutory rate, is not dischargeable in bankruptcy pursuant to 11 U.S.C. § 523(a)(2)(A), 11 U.S.C. § 523(a)(7), and 11 U.S.C. § 523(a)(4); and (2) the injunctive relief, as set forth above, is outside the scope of the Debtor’s bankruptcy discharge; (3) for a determination that the Debtor is responsible for liability as an alter ego of Acme; and (4) for such further relief as the Court deems necessary and just.

Dated: June 20, 2025.

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