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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

DOXIEDOR LLC, a Washington limited liability company, d/b/a PUPPYLAND; DOXIEDOR IV, LLC, a Washington limited liability company, d/b/a PUPPYLAND; DOXIEDORX LLC, a Washington limited liability company; JUSTIN KERR, individually and as part of the marital community comprised of Justin Kerr and Kayla Kerr; and KAYLA KERR, individually and as part of the marital community comprised of Justin Kerr and Kayla Kerr.

Defendants.

NO.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff, State of Washington, by and through its attorneys Robert W. Ferguson, Attorney General, and Aaron J. Fickes, Ashley N. Gomez, and Michael Hall, Assistant Attorneys General, brings this action against Defendants Doxiedor LLC d/b/a Puppyland, Doxiedor IV LLC d/b/a Puppyland, DoxiedorX LLC, Justin Kerr, and Kayla Kerr (collectively, “Defendants” or “Puppyland”). The State alleges that Defendants engaged in unfair or deceptive acts or practices in violation of the Consumer Protection Act, RCW 19.86, in the course of marketing and selling puppies to Washington consumers. The State alleges the following on information and belief:

1 **I. INTRODUCTION**

2 1.1 Defendants opened Puppyland stores in Renton and Puyallup in 2018. Puppyland
3 advertises and sells purebred and designer mixed-breed puppies, which they widely market online
4 and in store. Defendants designed a business scheme that hides pricing information, steers
5 consumers towards predatory loans, the terms of which Puppyland misrepresents, and promotes
6 illusory health “guarantees” for the puppies. Defendants’ business scheme has been highly
7 lucrative. In the last five (5) years, Defendants sold over 7,000 puppies to Washingtonians, charging
8 between \$3,000 and \$10,000 per dog.¹

9 1.2 Defendants do not disclose prices online or in response to direct inquiries from
10 consumers, instead requiring consumers to visit one of their two Washington locations.² Even in
11 store, Defendants do not list prices or price ranges. When asked the price of a specific puppy,
12 Puppyland employees are instructed to deflect the question and urge the consumer to play with the
13 puppy. Only after a puppy play session, followed by a discussion outlining the availability of quick-
14 approval payment plans, is the exorbitant price finally revealed. By that time, Defendants can be
15 confident the consumer has thoroughly bonded with the puppy. Defendants’ employees then rush
16 consumers through the purchase process, glossing over loan terms and the lengthy (and onerous)
17 Puppyland purchase agreement.

18 1.3 Defendants frequently and vigorously advertise the availability and ease of “puppy
19 payments” to fund all or a portion of the purchase. “Puppy payments” is simply cute branding for
20 the predatory, same-day, high-interest loans central to Defendants’ business model. Defendants
21 invite consumers to apply for financing on their website before visiting their stores, and emphasize
22

23 ¹ Upon information and belief, Defendants closed the Renton location on December 31, 2022, a day before
24 Renton City Ordinance 6072 became effective. That ordinance, among other things, prohibits the sale of dogs sourced
25 from “puppy mills.” As of January 1, 2023, Defendants’ Puyallup location is subject to Pierce County Ordinance
26 No. 2022-10s, which addresses some of the wrongful activity addressed in this Complaint. That location remains open.

² Upon information and belief, Defendants revised certain pricing-disclosure practices with respect to their
remaining Washington location on or around January 1, 2023.

1 the availability of puppy payments before responding to direct pricing inquiries. However, they
2 misrepresent the long-term cost of these loans, including the length of repayment and interest rates
3 which, in some instances, have an annual percentage rate (APR) of 198.98%. Defendants also
4 engage in a practice known as “loan stacking,” which entails signing a consumer up for more than
5 one loan or signing up multiple consumers to take out loans for a single puppy when a consumer
6 does not initially qualify for a loan sufficient to cover Puppyland’s inflated prices.

7 1.4 Defendants justify their high prices
8 by proclaiming superior breeding standards—
9 claiming their puppies are the “Best of the Best”—
10 and by touting their health guarantee, assuring
11 consumers: “YOU ARE ALWAYS COVERED.”

YOU ARE ALWAYS COVERED

Check out our health guarantees and the top 10 reasons to buy a puppy from us.

12 1.5 Defendants represent to consumers that Puppyland’s founders, Justin and Kayla
13 Kerr, personally visit each breeder to ensure that the breeding facility and its breeding practices are
14 safe and healthy. Defendants’ stores contain monitors showing idyllic scenes of puppies playing in
15 and around kennels surrounded by lush green grass. Despite these claims, Defendants do not
16 disclose breeding information to inquiring consumers, or even to most of their own employees.³ In
17 reality, many if not all of Defendants’ puppies sold in Washington come from an Iowa-based puppy
18 broker named J.A.K.’s Puppies, Inc. (“J.A.K.’s”), one of the largest puppy brokers in the country,
19 which sources dogs from a multitude of breeders. These weeks-old puppies are transported over a
20 thousand miles in vans to arrive at Defendants’ stores in the middle of the night, with only select
21 employees authorized to receive them.

22 1.6 Defendants also promote various “health guarantees” that are deceptive on their
23 face. Despite assuring consumers that they are “ALWAYS” covered, these guarantees are narrow
24 and in many instances illusory, requiring consumers to meet multiple, and in some instances

25 ³ Upon information and belief, Defendants revised certain breeder-disclosure practices with respect to their
26 remaining Washington location on or around January 1, 2023.

1 unrealistic, preconditions to recover on a claim. For example, despite a region-wide shortage of
2 veterinary services, especially as a record number of families adopted or bought pets at the height
3 of the pandemic, Defendants require consumers to have their puppies examined by a veterinarian
4 within three days of purchase or else all health guarantees are void. Likewise, Defendants impose
5 strict timelines for reporting claims. The guarantee, moreover, covers only specific ailments, while
6 excluding relatively common ones. Even when consumers manage to comply with Defendants’
7 rigid requirements, Defendants deny claims on other grounds, delay processing claims, or refuse to
8 respond altogether. As a result, many consumers are saddled with debt from veterinary bills and
9 related costs, in addition to significant loan obligations incurred to purchase the puppy, while facing
10 the emotional toll of caring for a sick or dying dog.

11 1.7 The harm Puppyland has caused consumers is significant, and ongoing. For
12 example:

13 1.7.1 Puppyland sold a puppy for \$5,900 to a Washington consumer who had just
14 turned 18. At the time, she worked part time at restaurants, so a Puppyland
15 employee signed her up for two loans, yet did not explain the loan terms or
16 financial implications of stacking two loans. The loan terms included
17 interest rates of 81% and 128%, respectively. The monthly loan payments
18 and post-purchase veterinary bills and related expenses were the equivalent
19 of nearly 2 weeks of the consumer’s salary. She lost her apartment as a result
20 and was forced to live in her car with her puppy.

21 1.7.2 In another instance, a Washingtonian purchased a Puppyland puppy as an
22 emotional support animal for her 13-year-old son. She could not afford the
23 \$6,000 up-front payment, but after the salesperson claimed the puppy came
24 from “amazing bloodlines,” she signed up for a Puppyland-facilitated loan.
25 Two weeks after she brought the family’s emotional support animal home,
26 the puppy began having seizures. Anti-seizure medication did not stop the

1 seizures. When they occurred, she rushed their puppy to the vet, and she
2 repeatedly and timely updated Puppyland of the situation. Tragically, after
3 the puppy had yet another seizure, it died in her 13-year-old's arms. The
4 family remains "devastated" by the loss of their puppy, yet the vet bills
5 remain outstanding and puppy loan payments and associated interest
6 continue to accrue. This consumer posted a negative review of Puppyland
7 because she didn't want another family to suffer the same experience.
8 However, she ultimately removed the review due to the prohibition of any
9 such reviews in the Puppyland sales contract, out of fear that Puppyland
10 would sue her and force her to incur attorney expenses on top of the
11 outstanding Puppyland loan and vet bills.

12 1.7.3 Puppyland also sold a puppy for \$5,900 to an 18 year old, who was
13 unemployed at the time of purchase. After the consumer decided to buy the
14 puppy, the Puppyland salesperson said that the consumer's friend could be
15 a co-signer of the loan. Based on what the Puppyland salesperson told him,
16 the consumer understood that he was clicking to sign one agreement for a
17 loan issued to him, with his friend acting as co-signer. The consumer later
18 discovered that Puppyland had set up two loans to complete the purchase,
19 one in the name of the consumer and the other in the name of his friend. The
20 loans had APRs of 188% and 128% respectively, and monthly loan
21 payments of \$302.00 and \$255.00.

22 1.8 These experiences were not isolated incidents. Defendants' business model is
23 designed to manipulate consumers and built almost entirely on unfair and deceptive practices which
24 violate the Consumer Protection Act (CPA).
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1 **II. PARTIES**

2 2.1 Plaintiff is the State of Washington. The Attorney General is authorized to
3 commence this action pursuant to RCW 19.86.080 and RCW 19.86.140. The Washington State
4 Attorney General’s Office created the Consumer Protection Division to detect, investigate, and
5 prosecute any act prohibited or declared to be unlawful under the Washington Consumer
6 Protection Act.

7 2.2 Defendant Doxiedor LLC is a Washington limited liability company with its
8 principal place of business located at 13103 Meridian East, Suite 104, Puyallup, Washington 98373-
9 2438. Doxiedor LLC does business as Puppyland, at its Puyallup, Washington location.
10 Doxiedor LLC is in the business of selling puppies and pet supplies.

11 2.3 Defendant Doxiedor IV LLC is a Washington limited liability company that
12 operated its principal place of business located at 54 Rainier Avenue South, Renton, Washington,
13 98057-2082. Doxiedor IV LLC did business as Puppyland, at its Renton, Washington location,
14 where it was in the business of selling puppies and pet supplies.

15 2.4 Defendant DoxiedorX LLC is a Washington limited liability company with its
16 principal place of business located at 13103 Meridian East, Suite 104, Puyallup, Washington
17 98373-2438. DoxiedorX LLC manages the finances of Doxiedor LLC and Doxiedor IV LLC
18 (together, the Puppyland Stores) and, upon information and belief, works in concert with the
19 Puppyland Stores. DoxiedorX LLC, Doxiedor LLC, and Doxiedor IV LLC are collectively
20 referred to as the Doxiedor Entities.

21 2.5 Defendant Justin Kerr owns and/or operates the Doxiedor Entities. Upon
22 information and belief, Justin Kerr is married to Defendant Kayla Kerr. As the owner and/or
23 operator of the Doxiedor Entities, Justin Kerr directs, controls, participates in, and knowingly
24 approves of the activities, policies, and practices alleged in the Complaint herein. Upon
25 information and belief, Justin Kerr resides in Roy, Washington.
26

1 2.6 Defendant Kayla Kerr owns and/or operates the Doxiedor Entities. Upon
2 information and belief, Kayla Kerr is married to Defendant Justin Kerr. As the owner and/or
3 operator of the Doxiedor Entities, Kayla Kerr directs, controls, participates in, and knowingly
4 approves of the activities, policies, and practices alleged in the Complaint herein. Upon
5 information and belief, Kayla Kerr resides in Roy, Washington.⁴

6 **III. JURISDICTION AND VENUE**

7 3.1 The State files this Complaint and institutes these proceedings under the
8 provisions of the Consumer Protection Act, RCW 19.86.

9 3.2 Defendants have engaged in the conduct set forth in this Complaint in King
10 County and elsewhere in the State of Washington.

11 3.3 Venue is proper in King County pursuant to RCW 4.12.020 and 4.12.025, and
12 Court Rule 82, because Defendants transact business in King County.

13 3.4 The Attorney General has the authority to commence this action as conferred by
14 RCW 19.86.080 and RCW 19.86.140.

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25 ⁴ Upon information and belief, the Kerrs also own and/or operate Puppyland locations in Alpharetta,
26 Georgia, Meridian, Idaho, and New Braunfels and Pasadena, Texas.

1 IV. FACTS

2 A. Defendants Withhold Pricing Information and Emphasize Availability of Predatory
3 Loans Called “Puppy Payments” to Entice Consumers into Their Stores.

4 4.1 Defendants describe
5 Puppyland as a “pet store that specializes in
6 purebred and designer breed puppies for sale
7 with health guarantees.” Defendants actively
8 market to consumers across Washington via
9 extensive use of social media, especially
10 Facebook and Instagram. A large part of this
11 marketing campaign involves regular and
12 frequent posts of photos of puppies on
13 Defendants’ social media pages. In these
14 photos, Defendants pose or Photoshop the
15 puppies in front of pastel-colored or
16 seasonal backgrounds, sometimes in festive
17 costumes.



18 4.2 Defendants encourage anyone interested in the puppy to come into the store for
19 more information. Comments are disabled on the Puppyland Facebook page; however, the
20 photos typically receive several hundred to several thousand “reactions” from those who have
21 viewed the photo in the form of hearts, thumbs up, or other emoticons.



4.3 In addition to a strong online presence, Defendants use “sign-flippers” outside their stores to encourage passersby to visit Puppyland stores on impulse. Both in-person and online tactics are designed to get consumers in the door, with little, if any, knowledge of the price of its puppies and minimal advanced planning.

4.4 Puppyland tells consumers interested in a puppy that they can “take one home right away!”

4.5 The prices associated with Puppyland’s puppies are conspicuously absent in its social media posts and

photos. Instead of disclosing prices, Defendants combine their puppy photos with representations about health guarantees and supposedly stringent breeder policies intended to build consumer trust and interest. Defendants tout their “15 day viral guarantee,” “2 year guarantee,” and “10 year guarantee.” Consumers are repeatedly reminded that Puppyland’s “number one priority” is the health of their puppies.

4.6 Defendants do not provide pricing information in response to direct inquiries from consumers via social media, phone, or email. Instead, Defendants deflect questions about pricing with an invitation to visit their stores in person. This policy is applied without exception, even where an inquiring consumer would need to drive several hours to visit a store.

1 4.7 Defendants attempt to ease concerns about pricing by advertising the availability
2 of “puppy payments,” described as monthly payments that allow a consumer to take a puppy
3 home the same day.

4 4.8 When discussing puppy payments with consumers, Defendants focus solely on
5 the monthly payment amount, portrayed as being anywhere from \$100 to \$400 per month. These
6 estimates are typically shared with consumers before any discussion regarding the consumer’s
7 financial circumstances, including whether the consumer is employed, interested in a loan, or
8 would even qualify for one.

9 4.9 Defendants do not disclose the fact that while monthly payments on its loans may
10 be relatively low compared to the overall price of the puppy, the interest is often astronomical—
11 up to nearly 200% APR—dramatically increasing the overall price of the puppy. In the example
12 above of the consumer who had just turned 18 and worked part time at restaurants, Puppyland
13 sold her a \$5,900.00 puppy by stacking two loans at 81% and 128% APR respectively. The total
14 cost of the dog, assuming monthly payments per the loan agreements, would have been
15 **\$13,987.55**.

16 4.10 Defendants do not use the word “loan” in their puppy payment advertisements.
17 However, that is precisely what the puppy payments are. Defendants present these payment plans
18 to consumers as an easy solution for those who would ordinarily not be able to afford
19 Defendants’ prices.

20 4.11 Defendants’ website proclaims that puppy payments “help customers like you
21 with access to the things they want and love, like the puppy of your dreams.” In fact, Defendants
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1 encourage consumers to apply for financing directly from the Puppyland website before visiting
2 a Puppyland store to meet available puppies.

3 **We Offer** Financing Options

4 Puppy payments are available to make taking home your puppy and puppy supplies easy and affordable! We work with multiple financing companies that
5 consider credit score, income, income to debt ratio, and many other factors to get you approved! Have bad credit? That's ok! We likely work with a lender that
6 has a payment program for you! Stop by the store to apply or click on the links below. Didn't get approved? Call us to discuss other financing options!



- 17 • Free to Apply
- 18 • One Application, Multiple Offers
- 19 • Instant Approval
- 20 • Affordable Payment Plans

21 We know that not everyone has the money to pay outright for a high quality
22 puppy. That's why Puppyland works with multiple financing companies to
23 offer options. These payment options help customers like you with access to
24 the things they want and love, like the puppy of your dreams.

25 Multiple lending companies available

26 One Application, Multiple Offers

20 **B. Defendants Misrepresent Their Health Guarantees and Breeding Standards to Induce Consumers to Pay Exorbitant Prices for a Puppy.**

21 4.12 Upon entering a Puppyland store, consumers are surrounded by puppies wherever
22 they look: in open enclosures across the floor of the store and in glass enclosures on the walls.
23 Television monitors on the walls show puppies frolicking in green pastures and advertise
24 Puppyland's purported strict breeding requirements.
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1 4.13 Consumers are greeted by Puppyland employees who encourage them to watch
2 the puppies as they play or sleep, and ask questions about the consumers’ favorite breed and
3 interest in a particular puppy. During this interaction, Puppyland salespeople continue to
4 withhold information about the price of the puppies.

5 4.14 When a particular puppy catches the consumer’s eye, a Puppyland salesperson
6 encourages them to take the puppy to a designated private play area where the consumer, the
7 consumer’s loved ones, and the puppy can get to know each other. The salesperson then leaves
8 the consumer to play with and cuddle the puppy. This playtime is designed to get the consumer
9 attached to the puppy before pricing is disclosed.

10 4.15 The salesperson then assists other consumers, periodically returning to the play
11 area to check on the consumer and the puppy, and eventually asks whether the consumer is ready
12 to purchase the puppy. By this point, consumers and their loved ones have bonded with the
13 puppy. Consumers report that “it was love at first sight” and that they “fell in love” while playing
14 with the puppy. This bonding was particularly powerful with consumers who brought their
15 children to meet and play with a puppy, especially during the height of the pandemic, when
16 parent consumers described this as an effort to bring happiness to the home at a time when their
17 children were isolated from friends and family.

18 4.16 By design, Defendants have not yet disclosed the price of the puppy at this point
19 in the consumer visit. In fact, Defendants implemented strict guidelines for discussing pricing
20 from this point forward in the consumer interaction.

21 4.17 When a consumer asks how much it would cost to take the puppy home,
22 employees are required to respond with information regarding the availability of “puppy
23 payments,” highlighting the manageability of monthly payments. Employees are instructed not
24 to share the actual price until the consumer confirms they are ready to purchase the puppy.

25 4.18 Although the price of Puppyland’s puppies can be anywhere from \$3,000 to
26 \$10,000, Defendants instruct employees to avoid stating the price in terms of thousands of

1 dollars. Rather, Defendants require employees to state the price in a very specific way aimed at
2 minimizing the price and protecting against sticker shock. For example, for a puppy that costs
3 \$4,999, Defendants require employees to inform the consumer that the puppy is “forty-nine
4 ninety-nine.”

5 4.19 If a consumer expresses shock at the quoted price, employees are again instructed
6 to stress the availability and ease of “puppy payments”—i.e., loans—which help break the price
7 into what seem like manageable monthly payments.

8 4.20 Defendants also instruct their employees to focus on the additional value that
9 comes with purchasing a Puppyland puppy: a puppy bred by the “best” breeders personally
10 vetted by Puppyland’s founders in accordance with Puppyland’s strict breeding standards, a
11 puppy that has been checked by a veterinarian, the Puppyland health guarantees in the event the
12 puppy experiences health issues, and the potential for registration with the American Kennel
13 Club (AKC).

14 4.21 Defendants are adept at addressing virtually any concern a consumer might have
15 to increase the chances for a sale. If, for example, a consumer informs Defendants that their
16 residence does not allow dogs, Defendants will encourage the consumer to consider registering
17 the puppy as a support animal to circumvent the restrictions. The overriding objective in all of
18 Defendants’ interactions with potential customers is to make the sale.

19
20 **C. Defendants’ Rushed, Electronic Loan Closings Deprive Consumers of the Chance**
21 **to Read Their Lengthy, Onerous Purchase Agreements and High-Interest Loan**
22 **Documents.**

23 4.22 After encouraging consumers to take their time playing with a puppy, Defendants
24 rush consumers through the actual purchase of that puppy.

25 4.23 Defendants train Puppyland employees to promptly remove the puppy from the
26 play area to prepare it for sale, and concurrently usher the consumer to a counter to begin the
loan application and purchasing process.

1 4.24 Employees are trained to ask the consumer to provide personal and financial
2 information, which is then input into a form on a computer or electronic tablet by either the
3 consumer or the employee. The puppy payment application is then processed simultaneously by
4 three different financial technology companies (fintechs) to increase the chances of loan
5 approval.

6 4.25 If a consumer is not approved for a loan, Defendants' employees are instructed
7 to find alternative ways to make the sale happen. This typically includes the employee inquiring
8 whether the consumer's friends or family can apply—in some cases multiple friends or family
9 members. Defendants do not require that these friends or family be present in the store.

10 4.26 On more than one occasion, Defendants' employees have increased a consumer's
11 monthly income information, without the consumer's knowledge, to meet a lender's
12 underwriting requirements and gain approval for a loan.

13 4.27 If a consumer is only approved for part of the purchase price, Defendants provide
14 employees with guidance on how to facilitate multiple loans for a single puppy, or "stack" the
15 loans. In these cases, the stacked loans are serviced by multiple fintechs—potentially
16 unbeknownst to the fintechs—in order to cover the entire purchase price.

17 4.28 Once the loan or loans have been approved, the consumer is presented with the
18 loan contract(s) for signature. This signature process is electronic, typically taking place on either
19 the store's computer or electronic tablet or the consumer's phone.

20 4.29 The electronic loan application program propels the consumer through the
21 document as the consumer places their initials and/or e-signatures where prompted, and then
22 emails a finalized copy to Puppyland. The consumer does not see the loan agreement until *after*
23 it is signed.

24 4.30 The signature process often takes less than 2-3 minutes from the time the
25 consumer receives the document to the time the document is finalized and electronically returned
26 to the employee.

1 4.31 The loan signature process is designed to pressure the consumer to sign the loan
2 without a careful, or even cursory, review of its terms.

3 4.32 After the consumer has e-signed the loan, Puppyland employees quickly review
4 the Puppyland purchase agreement with them. Employees have been known to take consumers
5 outside of the store to review and sign the purchase agreement, notwithstanding cold, hot, or
6 rainy weather, or the noise of a nearby airport.

7 4.33 Puppyland’s form purchase agreement is 3-4 pages long, with single-spaced text
8 in approximately ten-point font. Among other things, it contains significant limitations to
9 Puppyland’s advertised health guarantees, permits Puppyland 6-9 months to reimburse
10 consumers for the narrow category of veterinary bills that are covered by the guarantees, and
11 imbeds a non-disclosure and confidentiality agreement (NDA) that, as discussed below,
12 intimidates consumers from providing truthful reviews, but only if those reviews are negative
13 (Puppyland solicits positive reviews).

14 4.34 As consumers are in the process of executing the purchase agreement, Defendants
15 inform consumers that they must see a veterinarian within three days of purchase or risk waiver
16 of all health guarantees, despite Defendants’ knowledge that this requirement can be, and
17 frequently is, impossible to meet.

18 4.35 During this time, employees also inform the consumer that Puppyland’s health
19 guarantees are only valid for certain health conditions and for specific times, and that the
20 advertised 10-year health guarantee is an additional charge.

21 4.36 At the conclusion of the purchase process, and after all documents have been
22 executed, consumers are provided with a packet that includes the purchase agreement, along
23 with other forms, and a receipt indicating add-on fees charged by Puppyland, including a “Pet
24 Industry Defense Fund” fee. This is the first time consumers are provided with copies of their
25 loan paperwork.
26

1 4.37 By this point, Defendants have inundated the consumer with so much information
2 in such a short time that many report they did not comprehend the terms of the loan they had just
3 entered into or the purchase agreement they had executed moments prior. This is believed to be
4 a key objective for the closing process designed and implemented by Defendants.

5 4.38 Indeed, consumers report being shocked by the APR of their loan or loans, which
6 can be nearly 200%. Consumers who complain to Puppyland when they discover the egregious
7 loan terms are informed by Defendants these terms are out of their control and they need to
8 contact the lender(s).

9 **D. Defendants Mislead Consumers Regarding Their Breeding Standards.**

10 4.39 Defendants represent to consumers that the price of their puppies is high in part
11 because Puppyland obtains its puppies from the “best” breeders. However, Puppyland fails to
12 disclose that it sources its puppies from J.A.K.’s Puppies (J.A.K.’s), a notorious Iowa puppy
13 broker who has been subject to an enforcement action by the Iowa Attorney General for
14 transferring puppies through a sham non-profit “rescue.”

15 4.40 Contrary to Puppyland’s representations to consumers, J.A.K.’s obtains puppies
16 from a multitude of breeders around the country and subsequently sells them to Puppyland for a
17 fraction of what Defendants ultimately charge consumers.

18 4.41 Puppyland also represents to consumers that its puppies are worth the exorbitant
19 price in part because they are eligible for registration with the AKC, even going so far as to
20 provide consumers with information about registering their puppy at the time of sale. Many
21 consumers later discovered that their Puppyland puppy does not qualify for AKC purebred
22 registration due to issues related to lineage (inbreeding or mixed breeds), health issues, or failing
23 to conform to breed standard. Consumer attempts to complain or inform Puppyland of breeding
24 discrepancies are routinely ignored or rejected.

1 **E. Defendants’ Puppies Often Develop Health Issues for Which Defendants Routinely**
2 **Deny Claims Under Puppyland’s Health Guarantees**

3 4.42 Upon a consumer’s return home with their puppy, Defendants’ engagement with
4 the consumer drops off sharply. After what is typically a single text message ostensibly to check
5 in, but more pointedly to solicit a positive online review, Defendants virtually disappear.

6 4.43 In several instances, Defendants’ prompt disengagement impacted consumers’
7 ability to address health issues arising shortly after their puppy purchase. In fact, Defendants are
8 often slow to respond to messages regarding health concerns, even days after purchase.

9 4.44 It is common for consumers to encounter difficulty in scheduling a vet
10 appointment within the 3-day window required to maintain Defendants’ health guarantees,
11 particularly for consumers without an existing relationship with a vet. This issue was exacerbated
12 during the COVID-19 epidemic, when pet ownership soared and vet appointments became even
13 harder to come by, particularly in the case of non-emergency issues.

14 4.45 Defendants were, and remain, aware that the 3-day timeline for a well-pet vet
15 appointment can be, and frequently is, impossible to meet. When consumers reach out to request
16 an extension, Defendants’ policy is to deny the extension. Without an extension, consumers risk
17 voiding Puppyland’s purported health guarantees within 72 hours of purchase. These are the
18 very same Puppyland health guarantees promoted by Defendants as partial justification for the
19 inflated purchase price, and for which Defendants routinely declare “YOU ARE ALWAYS
20 COVERED.”

21 4.46 In connection with its health guarantees, Defendants represent that another reason
22 Puppyland puppies are so expensive is because they have been recently “vet checked.”
23 Defendants provide a clean bill of health, signed by a veterinarian, with every purchase.
24 However, a number of Puppyland puppies were found to have, or developed, severe health issues
25 within days or weeks of their sale. These health issues range from lethargy and vomiting caused
26

1 by infections to seizures, sores, musculoskeletal defects (e.g., luxating patellas), and evidence of
2 earlier-treated health issues that were not disclosed to the consumer.

3 4.47 In many instances, consumers learn that a reasonably thorough check by a
4 veterinarian—which Puppyland represented had occurred prior to sale—would have discovered
5 the health problem at issue. For certain genetic conditions, such as luxating patellas, consumers
6 have been informed by veterinarians that their puppy’s dame and/or sire should not have bred to
7 prevent passing on the condition to subsequent generations.

8 4.48 Many of these health issues require costly veterinary treatments that consumers
9 are often ill-prepared to afford, particularly after incurring substantial loans to purchase the
10 puppy in question. Many consumers are surprised to discover that Defendants interpret their
11 health guarantees to be much narrower than the consumers were led to believe at the time of
12 purchase.

13 4.49 Contrary to Defendants’ bold representation that consumers are “ALWAYS”
14 covered, Defendants’ health guarantees only cover certain ailments,⁵ with many potentially
15 serious conditions excluded.⁶ Where medical conditions are purportedly covered by the
16 guarantee, consumers must first incur veterinary expenses that can quickly balloon into
17 thousands of dollars before Defendants will even consider reimbursement. Consumers are also
18 required to notify Defendants within 24 hours of a diagnosis. If they miss this brief window,
19 Puppyland’s policy states that Puppyland will void all health guarantees.

20 4.50 Defendants routinely deny claims, even where consumers have met every
21 precondition presented in the fine print of their health “guarantees.” Puppyland has denied claims
22 on the basis of inadequate documentation, or failure to fulfill specific and unreasonable timelines
23

24 ⁵ The conditions covered are Parvovirus, Distemper, Hepatitis, Canine Influenza, Tracheobronchitis
(kennel cough), and pneumonia. These conditions are only covered for the first 15 days after purchase.

25 ⁶ Excluded conditions include but are not limited to cherry eye, hypoglycemia, cancer, low grade heart
26 murmurs, hip issues, patella issues, and deafness.

1 or requirements under the health warranty. In many instances, Defendants have simply ceased
2 responding to requests for reimbursement altogether without explanation.

3 4.51 In several instances, a puppy's health issues worsened to the point where the
4 puppy passed away or was euthanized by a veterinarian in order to alleviate the puppy's
5 suffering. Only rarely does Puppyland honor its guarantees and provide a full refund, often where
6 consumers repeatedly contact Defendants and/or threaten legal action.

7 4.52 Defendants' proposed "solution" in these instances is typically to offer a
8 replacement puppy or partial store credit—provided the consumers can provide satisfactory
9 documentation supporting the ailments and treatment leading up to the puppy's death.

10 4.53 Under these difficult circumstances, Puppyland's offer of a "replacement" puppy
11 or store credit has been described by consumers as unacceptable because they no longer trust
12 Puppyland and do not want to go through the pain of getting another unhealthy puppy. Adding
13 insult to injury, given Puppyland's reluctance—or in most instances refusal—to issue a refund,
14 consumers who took out a loan to purchase the original puppy are expected and indeed required
15 to continue paying on their loan(s).

16 **F. Defendants' Unlawful NDAs Restrict Truthful Negative Reviews.**

17 4.54 Defendants use social media to great effect to reach as many consumers as they
18 can, posting pictures of adorable puppies and soliciting positive reviews. At the same time,
19 Defendants skew the marketplace and prevent consumers from researching Defendants and their
20 puppies by including in their purchase agreements—and at times threatening consumers with—
21 an onerous and illegal NDA.

1 4.55 The NDA sets forth in relevant part:

2 At no time (i.e., indefinitely) following the date of this Agreement
3 shall Recipient (i) make any statements, or take any other actions
4 whatsoever, to disparage, defame, sully, or compromise the
5 goodwill, name, brand, or reputation of Company or any of its
6 affiliates (collectively, the “Company Goodwill”) or (ii) commit any
7 other action that could likely injure, hinder, or interfere with the
8 business, business relationships, or Company Goodwill of Company
9 or its affiliates. Recipient hereby warrants that, prior to the
10 Agreement date, Recipient has not committed any of the foregoing
11 actions described herein.

12 4.56 At least one version of the purchase agreement provides that, should the consumer
13 breach any term of the agreement, including the NDA, Puppyland “shall be entitled to seek
14 special, consequential, incidental, or indirect damages relating to or arising out of” a breach of
15 the agreement. The agreement further provides that Puppyland “shall be reimbursed by the
16 [consumer] for its reasonable attorneys’ fees and other costs and expenses, including travel
17 incurred in the investigation, preparation, defense, and prosecution of such suit, action, or
18 proceeding.”

19 4.57 Another version of the sales agreement provides that Puppyland’s widely
20 advertised health warranties “will be null and void should [the consumer] attempt to post
21 publicly any comments or review of any negative nature on any media, including, but not limited
22 to Google Business, Yelp or Facebook.” Should a consumer make such a post, “[a]ny payments,
23 fees or reimbursements that have been paid by Puppyland regarding health warranty will be due
24 back immediately....”

25 4.58 Defendants’ NDA, as written, purports to prohibit truthful reviews, but only if
26 they are negative, and provides that Puppyland is entitled to attorneys’ fees and costs, among
27 other remedies, should a consumer violate that clause. Despite being unenforceable under
28 applicable law, this NDA has scared consumers into removing or never posting negative reviews
29 of Puppyland.

1 4.59 Consumers report that although they want to warn others about Puppyland, they
2 have either not posted reviews or removed reviews out of fear Defendants would sue them. Such
3 fear is particularly acute for consumers with existing Puppyland loans and ever-accruing
4 veterinary costs.

5 4.60 Defendants' records also reflect multiple instances of instructing consumers to
6 remove any negative reviews as a condition of reimbursing the consumer for vet bills covered
7 by Puppyland's health guarantee, in direct violation of applicable law.

8 4.61 Defendants have therefore prevented Washington consumers from sharing
9 truthful information in the marketplace while simultaneously relying on their website and social
10 media to advertise puppies for sale across the state of Washington.

11 **V. CAUSE OF ACTION**
12 **(Unfair or Deceptive Acts in Violation of the Consumer Protection Act, RCW 19.86.020)**

13 5.1 Plaintiff re-alleges Paragraphs 1.1 through 4.61 and incorporates them as if set fully
14 herein.

15 5.2 In the course of operating their businesses, Defendants engaged in acts and
16 practices that have the capacity to deceive and/or are unfair including, but not limited to, the
17 following:

- 18 a. Misrepresenting, directly or indirectly, the terms of loans offered to
19 consumers, causing consumers to enter into high-interest loans without
20 full knowledge of the loans' terms and payment obligations under the
21 loans;
- 22 b. Refusing to provide consumers the opportunity to read, understand, raise
23 questions, or make objections to the cost, terms, or other obligations
24 pertaining to loans for the purchase of puppies;
- 25 c. Refusing to provide consumers the opportunity to read, understand, raise
26

1 questions, or make objections to the cost, terms, or other obligations
2 pertaining to the purchase of puppies, specifically its purchase agreement;

3 d. Misleading consumers by inducing them into multiple loan agreements
4 for the purchase of a single puppy, in some cases without the consumers'
5 knowledge or explicit agreement;

6 e. Misleading consumers by inducing them to apply for, and sign, loan
7 agreements obligating the consumer's friends and/or family for the
8 purchase of a puppy, in some cases without the consumer's, or the
9 consumer's friend or family member's, knowledge or explicit agreement;

10 f. Misrepresenting, directly or indirectly, consumers' income on loan
11 applications, causing consumers to take on loans for which they would
12 not ordinarily be qualified;

13 g. Advertising superior breeding standards maintained and held by the
14 suppliers of Defendants' puppies, and misrepresenting, directly or
15 indirectly, to consumers that puppies for sale by Defendants were sourced
16 from high-quality breeding facilities personally vetted by Defendants;

17 h. Misrepresenting, directly or indirectly, the terms of so-called
18 comprehensive health guarantees offered to consumers with respect to
19 puppies sold by Defendants;

20 i. Misleading consumers by touting health guarantees with representations
21 such as "YOU ARE ALWAYS COVERED" only to then void and/or
22 narrowly construe such guarantees, or fail to in good faith respond to
23 claims under the guarantees;

24 j. Charging consumers a "Pet Industry Defense Fund" fee for the lobbying
25 arm of the retail pet industry without adequate disclosure or consumers'
26 knowing consent;

- 1 k. Misrepresenting, directly or indirectly, to consumers that Defendants’
2 puppies are eligible for registration with the American Kennel Club as
3 purebreds, when many such puppies only qualified for a mixed-breed,
4 non-exclusive registration;
- 5 l. Misrepresenting, directly or indirectly, the prices of puppies in their
6 stores;
- 7 m. Prohibiting consumers from posting negative reviews online;
- 8 n. Encouraging consumers to fraudulently register their puppy as a support
9 animal to circumvent residential pet restrictions;
- 10 o. Misrepresenting, directly or indirectly, the health of the puppies for sale;
11 and
- 12 p. Utilizing a business scheme intended to manipulate consumers into
13 spending thousands of dollars on a puppy, including without limitation,
14 withholding pricing information, steering consumers toward predatory,
15 high-interest loans, misrepresenting, directly or indirectly, the terms of
16 such loans, and touting illusory health “guarantees.”

17 5.3 Defendants’ unfair or deceptive acts and practices described in the foregoing
18 paragraphs were committed by Defendants in the course of trade or commerce.

19 5.4 Defendants’ unfair or deceptive acts and practices described in the foregoing
20 paragraphs affected the public interest and are likely to continue without relief from this Court.

21 5.5 Based on the above described unfair or deceptive acts and practices, the State is
22 entitled to relief, including injunctive relief and restitution pursuant to RCW 19.86.080, civil
23 penalties pursuant to RCW 19.86.140 for each and every violation of RCW 19.86.020, and
24 reimbursement of the costs of this action, including reasonable attorneys’ fees, pursuant to
25 RCW 19.86.080.
26

1 **VI. PRAYER FOR RELIEF**

2 Wherefore, the State prays for the following relief:

3 6.1 That the Court adjudge and decree that the Defendants have engaged in the conduct
4 complained of herein.

5 6.2 That the Court adjudge and decree that the conduct complained of constitutes
6 unfair or deceptive acts or practices and is unlawful in violation of the Consumer Protection Act,
7 RCW 19.86.

8 6.3 That the Court issue a permanent injunction pursuant to the Consumer Protection
9 Act, RCW 19.86.080, enjoining and restraining Defendants and their representatives, successors,
10 assigns, offices, agents, servants, employees, and all other persons acting or claiming to act for,
11 on behalf of, or in concert or participation with Defendants, from continuing or resuming the
12 unlawful conduct complained of herein.

13 6.4 That the Court assess civil penalties, including enhanced penalties as it deems
14 appropriate, pursuant to RCW 19.86.140, against Defendants for each and every violation of
15 RCW 19.86.020 caused by the conduct complained of herein.

16 6.5 That the Court, as an equitable remedy, disgorge Defendants of money or property
17 acquired by Defendants as a result of the conduct and violations complained of herein.

18 6.6 That the Court make such orders pursuant to RCW 19.86.080 as it deems
19 appropriate to provide for restitution and prejudgment interest on restitution to consumers of money
20 or property acquired by Defendant as a result of the conduct complained of herein.

21 6.7 That the Court make such orders pursuant to RCW 19.86.080 as it deems
22 appropriate to provide that the Plaintiff, State of Washington, have and recover from Defendants
23 the costs of this action, including reasonable attorneys' fees.

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6.8 For such other relief as the Court may deem just and proper.

DATED this 7th day of April, 2023.

ROBERT W. FERGUSON
Attorney General

s/ Aaron J. Fickes

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