### NO FEE DUE GOV'T CODE § 6103

1 DAWYN R. HARRISON, County Counsel Electronically FILED by Superior Court of California, JON SCOTT KUHN, Assistant County Counsel  $(SBN 190517) \cdot skuhn@counsel.lacounty.gov$ County of Los Angeles 8/28/2024 5:14 PM STEVEN DE SALVO, Senior Deputy County Counsel David W. Slayton, Executive Officer/Clerk of Court, (SBN 199904) • sdesalvo@counsel.lacounty.gov JOSEPH MELLIS, Deputy County Counsel By E. Galicia, Deputy Clerk (SBN 287830) • jmellis@counsel.lacounty.gov IDA ANBARÍAN, Deputy County Counsel 5 (SBN 348688) • ianbarian@counsel.lacounty.gov OFFICE OF COUNTY COUNSEL 648 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012-2713 Telephone: (213) 974-1795 ·Fax: (213) 680-2165 8 Attorneys for Plaintiff 9 THE PÉOPLE OF THE STATE OF CALIFORNIA 10 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 FOR THE COUNTY OF LOS ANGELES 13 14 THE PEOPLE OF THE STATE OF Case No. 24STCV22053 CALIFORNIA, by and through the County 15 Counsel of the County of Los Angeles, COMPLAINT FOR INJUNCTION, RESTITUTION, CIVIL PENALTIES, 16 Plaintiff, AND OTHER RELIEF 17 v. 18 HAWX SERVICES, LLC, a limited liability company, dba HAWX PEST CONTROL; and 19 DOES 1-100, inclusive, 20 Defendants. 21 22 23 24 25 26 27 28 HOA.104933943.1

**COMPLAINT** 

Plaintiff, the People of the State of California, by and through Dawyn R. Harrison, the County Counsel for the County of Los Angeles ("People"), alleges as follows:

### **INTRODUCTION**

- 1. Defendant Hawx Services, LLC ("Hawx") is a Utah company that does business in California selling and performing residential and commercial pest control services. Incorporated in Utah in 2013, Hawx has expanded to over 16 states nationwide. California accounts for a substantial number of Hawx's consumer base, including consumers in Los Angeles, Riverside, Orange, and Sacramento counties.
- 2. Hawx has expanded rapidly due to high-volume, door-to-door residential and telephone solicitations. Michael Paulus ("Paulus"), owner and executive chairman of Hawx, has openly boasted on public media platforms about Hawx's "high-velocity," "diligent," persistent, and high-pressure sales tactics, whose sales representatives, "despite hearing 'no' 19 times, pick up the phone again or knock on another door."
- 3. In March 2024, Matthew Mehr, co-founder and president of Hawx, stated that Hawx takes in more than \$100 million in annual revenue, claiming it ranks within the top 15 of "pest management" firms nationwide, based on revenue.<sup>2</sup> The company's website states it has serviced more than one million customer accounts.
- 4. Hawx advertises its services on its website, "hawxpestcontrolservices.com," where it also solicits consumers to purchase pest control services through an online application system.
- 5. Hawx typically markets a standard subscription model for its pest control services: a one-year term contract, which includes an "Initial Service Charge" followed by monthly automatic, recurring charges, pursuant to a "General Pest Control Service Agreement" ("Service Agreement"), attached to this Complaint as Exhibit A. The Service Agreement's one-year term automatically renews at the end of its term for the following year. Consumers purchasing the

<sup>&</sup>lt;sup>1</sup> Hawx acquired by PCM Growth, Hawx Pest Control (YouTube.com), <a href="https://www.youtube.com/watch?v=G1q-rvh32Dw">https://www.youtube.com/watch?v=G1q-rvh32Dw</a>.

<sup>&</sup>lt;sup>2</sup> The PMP Industry Insiders Podcast, Episode #169, "From Zero to \$100 Million+" (YouTube.com), <a href="https://www.youtube.com/watch?v=SD4mpZ">https://www.youtube.com/watch?v=SD4mpZ</a> fJjcjc

services online typically pay \$99.99 for the initial service charge and \$54.99 monthly on a recurring basis thereafter; consumers purchasing services in person at the consumer's home typically pay \$49.99 for the initial service charge and \$49.99 monthly thereafter.

- 6. The Service Agreement requires Hawx to provide ongoing, regularly scheduled services, generally on a quarterly basis, until the consumer cancels. However, Hawx tells consumers it may service their home more frequently, based on the need and pest control issue.
- 7. Under the terms of the Service Agreement's termination clause, consumers who purchase in person who wish to terminate Hawx's services prior to the expiration of the agreement's initial one-year term must pay a termination fee of \$199 the approximate equivalent of the price of four months of service. Online consumers must pay an early termination fee of \$149.
- 8. The Service Agreement unlawfully fails to comply with state and federal disclosure requirements. In its online, phone, and door-to-door solicitations, Hawx regularly fails to disclose the nature and key terms of its automatic renewal subscription, including failing to disclose the exorbitant cancellation fee, or even that a subscription contract has been executed.
- 9. To add insult to injury, Hawx often fails to provide the supposed services for which it enrolled consumers. When disappointed consumers attempt to terminate the contract and the automatic billing, Hawx charges the consumers the unlawful and exorbitant termination fee.
- 10. Hawx's business practices are unlawful, unfair, deceptive, and fraudulent in violation of California's Unfair Competition Law ("UCL"), California Business and Professions Code ("Bus. & Prof. Code") § 17200 et seq., and the False Advertising Law ("FAL"), Bus. & Prof. Code § 17500 et seq.
- 11. Hawx's business practices also violate other state and federal laws, including California's Automatic Renewal Law ("ARL"), Bus. & Prof. Code § 17600 et seq., the Federal Restore Online Shoppers' Confidence Act ("ROSCA"), United States Code ("15 U.S.C.") §§ 8401-8405, California's Home Solicitation Rule, Civil Code ("Civ. Code") sections 1689.6 et seq., and California's Liquidated Damages provision under Civ. Code § 1671. Violations of these state and federal laws constitute predicate "unlawful" acts under the UCL.

- 12. Nationwide, the Better Business Bureau ("BBB") has reported and published 2,193 complaints, as of August 8, 2024, by Hawx consumers in the last three years alone, highlighting the regularity of Hawx's misconduct.<sup>3</sup> Hawx consumers have also left large numbers of negative reviews on Yelp.com. California consumers, including from Los Angeles County, have left 801 total Yelp.com reviews since 2017, of which 694 consist of "1 star" ratings, the lowest rating available, with many stating they would have left a lower rating if they could.<sup>4</sup>
- 13. The People seek injunctive relief to enjoin Hawx's fraudulent and unlawful practices and to secure appropriate restitution and other relief.

### **PARTIES**

- 14. The People bring this civil law enforcement action by and through Dawyn R. Harrison, County Counsel for the County of Los Angeles, pursuant to statutory authority provided under the UCL, Bus. & Prof. Code § 17200 et seq., and the FAL, Bus. & Prof. Code § 17500 et seq.
- 15. Hawx is a limited liability corporation, incorporated in Utah and California, with its headquarters and principal place of business located at 251 20th Street Suite 200, Ogden, Utah, 84401, and its principal place of business in California at 12140 Severn Way, Riverside, California 92503. Hawx operates two branch locations in Los Angeles County, in the city of Walnut and in Chatsworth.
- 16. Hawx conducts business as "Hawx Pest Control." Whenever reference is made in this Complaint to any of the act of Defendant, such reference shall be deemed to mean that Defendant's officers, employees, agents, or representatives, including officers, employees, agents, or representatives of Defendant's subsidiaries, affiliates, and portfolio companies, ratified or

<sup>&</sup>lt;sup>3</sup> Hawx Services, LLC | Better Business Bureau® Profile (bbb.org)

<sup>&</sup>lt;sup>4</sup> HAWX PEST CONTROL - Updated August 2024 - 64 Photos & 506 Reviews - 12140 Severn Way, Riverside, Cal - Pest Control - Phone Number - Yelp; HAWX PEST CONTROL - Updated August 2024 - 38 Reviews - 725 Brea Canyon Rd, Walnut, California - Pest Control - Yelp; HAWX PEST CONTROL - Updated August 2024 - 96 Reviews - 9301 Jordan Ave, Chatsworth, California - Pest Control - Yelphttps://www.yelp.com/biz/hawx-pest-control-chatsworth; HAWX PEST CONTROL - Updated August 2024 - 40 Photos & 177 Reviews - 4740 Northgate Blvd, Sacramento, California - Pest Control - Yelp.

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affairs of Defendant or while acting within the scope and course of their duties. Such allegations shall also be deemed to mean the act of Defendant's officers, employees, agents, or representatives, acting jointly and severally.

authorized such act(s) while actively engaged in the management, direction, or control of the

- 17. Plaintiff is informed and believes and thereon alleges that Defendant both actually or fictitiously named, is the agent, employee, and/or alter ego of the remaining Defendants, acting within the course and scope of such agency or employee and/or is wholly dominated and controlled by the remaining defendants to the extent that any corporate distinction should be disregarded.
- 18. In March 2021, PCM Growth, Inc., a private equity firm owned by Paulus, acquired Hawx. Following the acquisition, Paulus became the owner and executive chairman of Hawx, which has continued to conduct business as Hawx Services, LLC, dba Hawx Pest Control, and has maintained the same core executive team.

### **JURISDICTION AND VENUE**

- 19. The Superior Court has original jurisdiction over this action pursuant to the California Constitution, Article VI, § 10, which grants the Superior Court original jurisdiction in all causes other than those specifically enumerated therein.
- 20. This Court has personal jurisdiction over Hawx because Hawx: (1) regularly transacted, solicited, and performed business services in California and purposefully directed its actions into California, including by publishing on their website and advertising their services in the State, and by otherwise engaging in door-to-door and telephonic consumer solicitations; (2) engaged in fraudulent and unlawful practices in California, as set forth herein; (3) had sales, customer representatives, and service employees who operated in and/or directed their service into California; and (4) provided direct in-person services within consumer properties and homes within California. Hawx has more than the requisite minimum contacts with California necessary to permit the Court constitutionally to exercise jurisdiction, and to render that exercise of jurisdiction permissible under traditional notions of fair play and substantial justice.

- 28. The required automatic renewal terms include the following disclosures: (1) that the subscription will continue until the consumer cancels; (2) a description of the cancellation policy that applies to the offer; (3) the recurring charges that will be charged to the consumer's payment account, and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known; and (4) the length of the automatic renewal term or that the service is continuous. Bus. & Prof. Code § 17601, subd. (b).
- 29. None of Hawx's automatic renewal offer terms in its standard Service Agreement are presented in a "clear and conspicuous manner." For example, Paragraph 1 of the Service Agreement describes the "Initial Term" of twelve (12) months, with automatic renewal on a monthly basis thereafter, and describes the cancellation policy requiring written notice not less than thirty (30) days as follows (see arrow in excerpt below):

to perform the General Pest Control Services set forth below, and you agree to pay the General Pest Control Charges.

- 1. TERM OF AGREEMENT; AUTOMATIC RENEWAL. The Initial Term of this Agreement is 12 months ("Initial Term"). Upon expiration of the Initial Term, this Agreement shall automatically renew on a monthly basis thereafter; provided, however, that either party may cancel such automatic renewal upon written notice to the other party delivered not less than thirty (30) days prior to the commencement of each such monthly period, in which event the Agreement will expire upon the expiration of the then-current monthly term.
- 2. FREQUENCY OF GENERAL PEST CONTROL SERVICES (THE "SERVICES"); SERVICE WARRANTY. The Company will perform pest control services on the property during the service
- 30. In violation of the "clear and conspicuous" requirement, the above language is not "in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language." While the subheadings are in bold and capitalized, the text of the automatic renewal terms themselves are no different than the surrounding text, in violation of the ARL. The Service Agreement's signature page states in bold: "This agreement is for an initial period of twelve (12) month(s)" but does not disclose that, in fact, automatic monthly charges *continue* after the expiration of the 12-month period. This runs afoul of the requirement that the seller disclose "that the service is continuous." Bus. & Prof. Code § 17601, subd. (b)(4).

recurring monthly service charge on consumers after the initial one-year term ends. For example, a consumer's automatic monthly charge of \$55 was increased to \$59.40 without disclosure in the Service Agreement and without prior notice. On another occasion, a consumer reported a service fee increase of \$30 without disclosure, notice, or agreement.

35. Hawx's Service Agreement fails to disclose "clearly and conspicuously:" (1) that the subscription will continue until cancelled; (2) a description of the cancellation policy; (3) that the recurring charge may change and the amount to which the charge may change, and (4) the length of the automatic renewal term or that the service is continuous. Bus. & Prof. Code § 17601, subd. (b)(1-4).

## ii. Hawx's Online Application Fails to Comply with RequiredDisclosures Regarding Autorenewal Offer Terms

36. In addition to the violations in the Service Agreement, Hawx's online subscription offer similarly fails to disclose *any* of the automatic renewal terms:

Payment	Summary	
Subtotal	\$249.99	\$69.99
Promo Code Discount	-\$150.00	-\$15.00
Total Price	\$99 <b>.</b> 99	\$54.99
Preferred Commu	unication Methods	
✓ SMS ✓ Email ✓ Phone		
By submitting this form, I give my ele may contact me with offers at the phomessage, autodialer or prerecorded to General Pest Control Plan Terms and condition	one number above, includin message	ent that Hawx g by text
Sign	nature	
Type Draw Upload  Type your S	signature here	

- 37. As the above excerpt shows, Hawx's online subscription offer violates the ARL because it does not disclose: (1) that the subscription will continue until the consumer cancels, (2) the cancellation policy that applies to the offer, (3) that charges are recurring, (4) that the amount of the recurring charge may change, and (5) the length of the automatic renewal term or that the service is continuous. Bus. & Prof. Code § 17601, subd. (b).
- 38. Hawx lists a hyperlink, "General Pest Control Plans and Conditions" (see arrow in preceding excerpt), above the signature line to the online subscription offer. When clicked, the hyperlink directs the consumer to the aforementioned Service Agreement. The use of a hyperlink containing the automatic renewal offer terms in and of itself violates the "clear and conspicuous" requirement and, as discussed above, the Service Agreement itself also does not comply with the requirement.

## iii. Hawx's Autorenewal Offer Terms Are Not in Visual Proximity to Any Written Requests for Consent

- 39. Bus. & Prof. Code § 17602, subd. (a)(1) states that automatic renewal terms be in visual proximity to the request for consent to the offer. This requires the automatic renewal terms, when in writing, to be near a check box, "submit" button, signature line, or other method used to obtain the consumer's consent.
- 40. Both the Hawx Service Agreement and its online subscription system fail to comply with this requirement. The Service Agreement's signature line is located at least two pages after the provisions describing the automatic renewal terms. And, as demonstrated in the excerpt above, the online subscription system contains no automatic renewal terms not near the signature line, and, indeed, nowhere on the entire webpage. Hawx's use of the "General Pest Control Plan Terms and conditions" hyperlink does not satisfy the visual proximity requirement.

### iv. Hawx's Autorenewal Offer Terms Are Not in Temporal Proximity to Verbal Requests for Consent

41. Furthermore, in the case of an offer conveyed by voice, Bus. & Prof. Code § 17602, subd. (a)(1), also requires that businesses present the automatic renewal offer terms in temporal proximity to the request for consent to the offer.

42. In verbal representations to consumers, Hawx door-to-door salespersons repeatedly fail to present the automatic renewal offer terms in temporal proximity to the request for consent to the offer, in further violation of Bus. & Prof. Code § 17602, subd. (a)(1). Consumers enter into the agreement without knowledge: (1) that the subscription continues until cancelled; (2) of the cancellation policy; (3) that recurring charges may change; (4) and that they are entering into a one-year service contract.

# v. Hawx Fails to Comply with the Requirement that the Consumer Affirmatively Consent to the Autorenewal Offer Terms Before Charging the Consumer's Payment Account

- 43. Bus. & Prof. Code § 17602, subd. (a)(2), makes it a violation for a business to charge the consumers' payment account for automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the Service Agreement containing the automatic renewal or continuous service terms. Similarly, 15 U.S.C. § 8403(a)(2), makes it a violation for an online seller to obtain the consumer's billing information for recurring charges without first obtaining the consumer's "express informed consent" to the material terms of the offer.
- 44. In online offers, Hawx obtains the consumer's payment information below the consumer's signature. In door-to-door solicitations, Hawx uses a "field portals" website separate from its Service Agreement to obtain the consumers' payment information. In both cases, prior to charging the consumer's credit or debit card, Hawx fails to obtain valid affirmative consent to the Service Agreement's automatic renewal terms. While Hawx uses a signature line in both its online offer and its Service Agreement, Hawx's failure to provide either full disclosure or "clear and conspicuous" disclosure of the automatic renewal terms, prior to obtaining payment information, establishes that the consumer's consent via signature is neither knowing nor informed.

### vi. Hawx Fails to Provide Acknowledgement of the Autorenewal Offer Terms

45. Bus. & Prof. Code § 17602, subd. (a)(3), makes it unlawful for any business to fail to provide an acknowledgment that includes the automatic renewal offer terms, cancellation policy, and information regarding how to cancel, all in a manner that is capable of being retained.

46. Whether consumers subscribe in person or online, Hawx fails to provide an acknowledgment of the above required autorenewal offer terms, or its cancellation policy, and also fails to include any information on how to cancel the subscription plan. Consumers who enroll in Hawx's automatic subscription merely receive a receipt of payment, which does not include the above required acknowledgments. These acknowledgements are not provided in any form capable of being retained, whether through hardcopy mail, email, or text, to consumers by Hawx.

### vii. Hawx Fails to Provide an Easy Method of Cancellation

- 47. Bus. & Prof. Code § 17602, subd. (c) requires that "[a] business that makes an automatic renewal offer or continuous service offer shall provide [. . .] a cost-effective, timely, and easy-to-use mechanism for cancellation. The provision states that a business must provide a "toll-free telephone number, electronic mail address, or a postal address if the seller directly bills the consumer."
- 48. Hawx has failed to comply with these provisions when doing business in the County and across the State of California. When consumers contact Hawx to cancel the services, they are directed to call a telephone number. When calling the referenced number, consumers are often placed on extensive and unreasonably long holds, and frequently are never connected to a representative at all. If and when consumers successfully do connect with someone, they are usually met by a sales representative who encourages and actively negotiates continuing services. If the consumer still wishes to cancel, the consumer is only then transferred to a third Hawx representative to assist in the cancellation. Thus, Hawx violates the requirement for a "timely" and "easy-to-use" mechanism for cancellation.
- 49. The Service Agreement requires a consumer seeking to terminate the Service Agreement to send "written notice [...] delivered no less than 30 days prior to the end of the agreement term." Requiring cancellation of the automatic renewal term in writing and no less than thirty (30) days prior to the end of the term is neither a "timely" nor an "easy-to-use" mechanism for cancellation.
- 50. For online offers, Bus. & Prof. Code § 17602, subd. (d)(1) requires that businesses using online subscription offers must permit the consumer to "terminate the automatic renewal or

continuous service exclusively online, at will, and without engaging any further steps that obstruct or delay the consumer's ability to terminate the automatic renewal or continuous service immediately." This section, in turn, requires that the online termination method be via a "prominently located direct link or button which may be located within either a customer account or profile, or within either device or user settings," or via "an immediately accessible termination email formatted and provided by the business that a consumer can send to the business without additional information." Bus. & Prof. Code § 17602, subd. (d)(1)(A)-(B). Similarly, 15 U.S.C. § 8403(a)(3) requires online sellers provide simple mechanisms for a consumer to cancel recurring charges.

51. Hawx violates both state and federal statutory online cancellation requirements because it fails to provide an online cancellation method altogether, either via a direct link or button or via a formatted email. Consumers who subscribe online to Hawx's pest control services are thus not able to "immediately" terminate the subscription online, "at will," without obstruction or delay. Hawx instead unlawfully requires online subscribers who wish to cancel their subscription to abide by the unlawful cancellation method set forth in the Service Agreement, which requires written notice by mail, delivery, or telegram to the company's corporate headquarters in Ogden, Utah. Exhibit A, at 4.

### B. Violations of The Restore Online Shoppers Confidence Act, 15 U.S.C. § 8401

- 52. ROSCA makes it unlawful to market an online autorenewal offer unless a company: (1) clearly and conspicuously discloses all material terms of the transaction before obtaining the consumer's billing information; (2) obtains express informed consent before charging the consumer's credit card; (3) provides a simple mechanism to stop the charges. 15 U.S.C. § 8403.
- 53. As with the ARL, Hawx also violates ROSCA by failing to disclose all material terms clearly and conspicuously before charging consumers via its online solicitations, failing to obtain express informed consent before charging consumers' credit cards, and failing to provide a simple method of stopping the charges.

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54. Under Civ. Code § 1689.6, for contracts entered into on "other than [seller's] appropriate trade premises in an amount of \$25 or more," e.g., at the consumer's home, a seller must provide the buyer written notice of their right to cancel the contract within three days. It is mandatory that the buyer receives notice of their right to cancel the contract, without penalty, within three days of signing it. Civ. Code §1689.7.

55. Hawx has consistently failed to honor consumers' requests to cancel their services within three days of signing without penalty or fees. While Hawx provides the required three-day cancellation notice within its standard agreements, Hawx does not in fact honor consumers' requests to exercise this right to cancel without penalty or fees, in direct violation of Civ. Code § 1689.6 *et seq.* Hawx unlawfully imposes a \$199 "termination fee" on all consumers who cancel within the initial one-year term – including those who cancel within three days of signing.

### a. Unreasonable Termination Fee in Violation of Civ. Code § 1671

- 56. Under Civ. Code § 1671, a liquidated damages provision in a contract—which can include termination fees—is presumed valid unless proven unreasonable at the time of contract formation. A fee may be deemed unreasonable if it is significantly higher than the costs incurred or if it does not reflect a reasonable estimation of damages expected from a breach. A termination fee that does not correlate with the actual or anticipated costs or losses due to contract termination is deemed a penalty rather than a legitimate contractual provision or a valid liquidated damages clause.
- 57. Hawx imposes an unreasonable contract termination fee by demanding a payment of \$199 from any consumer that wishes to cancel the contract prior to the one-year term. Under a Hawx contract, consumers are charged monthly for ongoing services. The termination fee generally amounts to four monthly service charges. However, as consumers pay monthly for services delivered quarterly, the termination fee does not correlate with any reasonably anticipated costs due to the termination. Hawx's termination fee is an unlawful penalty.

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 58. Hawx's liquidated damages provision is also an unconscionable clause in violation of Civ. Code § 1670.5. A termination fee is procedurally unconscionable if the contract was made under oppression or surprise – i.e., there is lack of negotiation or meaningful choice, the termination fee is hidden within a prolix printed form, or is otherwise beyond the other party's reasonable expectation. Substantive unconscionability occurs when the fee is exorbitant or has no reasonable relationship to the range of actual damages the party might suffer from breach.

59. Hawx's termination fee is procedurally and substantively unconscionable for three reasons. First, as previously noted, Hawx's Service Agreement does not clearly and conspicuously disclose the high termination fee and cancellation policy, which leads to an element of surprise for the consumer when the fee is imposed. Second, Hawx's termination fee is exorbitant and has no reasonable relationship to actual damages, as explained above. Third, when consumers – who pay substantially less per month for services than the amount of the termination fee – attempt to cancel the service they are unexpectedly faced with an exorbitant and unconscionable termination fee.

### D. Unfair and Fraudulent Business Acts

- 60. The UCL specifically prohibits any practice deemed "unfair" and/or "fraudulent." A practice is considered "unfair," regardless of whether it violates another statute, when it is deemed to be immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers, or otherwise causes injury to consumers that outweighs the utility of the business's conduct. A practice is deemed fraudulent when it is likely to deceive a reasonable consumer; no showing of harm to the consumer is needed in a government action. Bus. & Prof. Code § 17204. Hawx has engaged in numerous practices in violation of the UCL's unfair and fraudulent prongs.
- 61. Failure to Disclose Material Terms in Service Agreement. First, Hawx's failure to clearly and conspicuously disclose the material terms of the Service Agreement, its failure to seek affirmative consent, and its failure to provide an acknowledgment of the terms, constitute unfair and fraudulent business practices which considered together are likely to deceive a reasonable consumer.

- disclose material terms in writing, Hawx also fails to disclose the terms verbally. For example, Hawx's sales pitch often does not include a disclosure that the agreement has a one-year term, and that the consumer will be enrolled in an automatic monthly subscription plan. Nor does the pitch disclose that while the service charge is monthly, the service itself is provided only quarterly misleading consumers into thinking they are getting, per year, 12 service visits rather than only four. When consumers agree to Hawx's services, Hawx representatives often simply hand over a small tablet with the agreement in electronic form and ask the consumer to sign at the signature line. Consumers are misled to believe they are signing an agreement for a one-time service offer. Consumers are not adequately informed that they are agreeing to a 12-month term contract that automatically renews, and more significantly that they will incur a steep fee upon cancellation. Hawx's ongoing practices of failing to disclose the nature and scope of the binding agreement—verbally and in writing—are deceptive to any reasonable consumer. These practices fall within the ambit of the UCL's unfair and fraudulent prongs.
- 63. Misrepresentation of Service Agreement terms and automatic recurring charges. Hawx has also engaged in directly misrepresenting their Service Agreement terms. During their door-to-door solicitations, Hawx has verbally offered to consumers a one-time "trial" service that accompanies a one-time charge, at times even reassuring consumers that there is no term commitment or automatic recurring charges involved.
- 64. *Misrepresentation of Cancellation Terms and Termination Fee.* Hawx has also frequently misrepresented to consumers that they may cancel the Service Agreement anytime at no cost. Consumers are misled to believe that they are entering into an agreement that carries little detriment if they choose to change their mind in continuing services.
- 65. *Misrepresentation of the Price Per Service*. Hawx charges consumers based on what Hawx calls a "12-Month Service Schedule," suggesting that Hawx provides monthly services. However, the Service Agreement provides elsewhere that consumers shall receive services only on a "periodic basis," which in practice is quarterly. In fact, no consumer receives services on a monthly basis. Consumers are thus misled to believe that monthly charges pay for

monthly services, when in fact, three monthly charges pay for one service. For example, consumers who enter into a \$49.99/month Service Agreement are misled to believe that this is the price per service they are paying, when in fact they pay \$149.99 per service.

- 66. Failure to Provide Services. Hawx also regularly fails to provide contracted services beyond the initial service used to entice and enroll consumers: after deceptively enrolling consumers into a one-year autorenewal term and providing the initial pest control services, Hawx frequently fails to return for promised regularly scheduled service appointments. Consumers are left paying monthly bills for services never rendered.
- 67. Unlawful Termination Fee. Hawx also deceptively charges consumers the exorbitant termination fee even when Hawx itself breaches the agreement, as when Hawx fails to provide pest control services. It is common business practice for Hawx to unfairly and fraudulently impose their excessive termination fee in such instances despite what their own Service Agreement explicitly states:
  - 5. TERMINATION. If, for any reason, Customer terminates this Agreement without legal excuse (e.g., Hawx is in default or breach of the Agreement, or Hawx failed to provide service), you agree to pay Hawx an early termination fee in the amount of \$199. The early termination fee is not a penalty, but rather a reasonable charge to compensate us for your failure to fulfill the terms of the Agreement. Your full payment of the termination fee shall be our sole and exclusive remedy for early termination of this Agreement.
- 68. *Misrepresentation of Terminating the Agreement*. Hawx deceptively misrepresents agreeing to terminate consumers' subscription plans following consumers' requests. Hawx often verbally agrees to terminate the services and cancel the automatic charges but does not in fact honor that agreement. Consumers continue to get automatically charged monthly, despite what was promised, and are left having to go through the byzantine cancellation process again.
- 69. Aggressive and High-Pressure Sales Tactics. During its door-to-door and phone solicitations, Hawx has repeatedly engaged in aggressive and high-pressure sales tactics. For example, Hawx often shows up to consumers' private homes late in the evening, refuses to leave when requested to do so, and repeatedly and assertively insists that consumers enter into the agreement immediately.

- 70. In addition, during their interactions with consumers, Hawx representatives often rush the consumer to sign the agreement and enter into a contract immediately. They often do not provide the opportunity for consumers to properly read through the agreement or provide time for consumers to contemplate the service contract, pressuring consumers to sign the agreement without being fully informed of the nature and scope of the service contract.
- 71. Hawx repeatedly ignores "no solicitation" signs when approaching consumers at their homes, and despite consumers drawing attention to the sign, Hawx representatives often refuse to leave, nonetheless.
- 72. These repeated aggressive sales tactics are unfair, fraudulent, and oppressive to consumers, including to more vulnerable segments of the population such as the elderly and non-English speakers.
- 73. Threats to Send Accounts to Collection Agencies. Hawx has engaged in unfair practices by repeatedly threatening to send the accounts of consumers who refuse to pay the exorbitant termination fee or who actively stop the automatic monthly charges through their bank, to collection agencies. Hawx makes these threats to consumers even when Hawx itself has breached the Service Agreement, such as when Hawx has failed to provide the recurring and regularly scheduled services or has falsely promised to end the recurring automatic payments without a termination fee.

### II. FAL VIOLATIONS UNDER BUS. & PROF. CODE § 17500

- 74. The FAL prohibits any person from "disseminat[ing]...any statement...which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading" concerning the selling of real or personal property or services. Hawx has engaged in ongoing acts that constitute making "statement[s]" that are "untrue or misleading" under the FAL.
- 75. Hawx's written Service Agreement misleads consumers. Material terms of the Service Agreement—the twelve-month term, the automatic renewal of the twelve-month term, the automatic charges to consumer accounts, and the exorbitant termination fee and policy—are all presented inconspicuously in small and regular font, type, and color.

76. In addition, Haws fails to provide consumers an acknowledgement of the above key and material terms. Therefore, Hawx denies consumers an opportunity to be clearly and properly presented with the nature of the Service Agreement prior to being bound by the terms of the Service Agreement.

- 77. Hawx makes false statements regarding consumers' three-day right to cancel under the Home Solicitation Rule, Civ. Code § 1689.6 *et seq.* Hawx's Service Agreement falsely states: "YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE." The statement is false, as Hawx intends to and, in fact, regularly charges an unlawful termination fee when consumers cancel within three business days. The Service Agreement also falsely states that the termination fee is not a "fee or penalty," when, in fact, that is precisely what it is. Indeed, Hawx verbally describes it to consumers as a "fee." When consumers attempt to exercise the three-day cancellation right, Hawx verbally and falsely states that they cannot cancel without paying the "fee."
- 78. Hawx verbally misleads consumers by making repeated false and untrue statements regarding the nature of the Service Agreement. Hawx has repeatedly omitted information, including the one-year term and the monthly automatic charges. Many consumers are misled to believe that they are signing a one-time service agreement.
- 79. Hawx also misleads consumers by often failing to disclose that their services are provided on a quarterly basis, i.e., every three months, rather than on a monthly basis. The Service Agreement, in fact, describes the pest control service as a "12-Month Service Schedule." Therefore, consumers are misled to believe that they are receiving a monthly pest control service.
- 80. During their door-to-door solicitations, Hawx verbally misrepresents to consumers that they are offering a one-time "trial" of their services, often reassuring consumers that there is no contractual commitment, and no associated monthly automatic recurring charges involved. Hawx fraudulently misleads consumers to believe that if they are satisfied with Hawx's trial services, they may then choose to enter into an agreement for regular services. In reality, Hawx representatives seek the consumer's signature on their Service Agreement, which, unbeknownst to

the consumer, includes a one-year commitment and a steep termination fee, and uses the consumer's credit card payment to begin enrollment into a monthly automatic subscription. 81. Hawx fails to verbally disclose the high termination fee during their pre-agreement interactions. Consumers often discover the high termination fee only after they have unknowingly already entered into the one-year agreement; the fee that would likely and reasonably be a factor to consumers when deciding whether to enter into the agreement. 82. Hawx misleads consumers by failing to provide continued services as promised under the agreement. Hawx representatives continuously fail to show up to their scheduled recurring services, fail to reschedule the service for a future date, or often fail to provide any further regularly scheduled services beyond the initial service altogether. Consumers who wish to cancel following Hawx's failure to provide regular services, in breach of the agreement, are faced with the termination fee. 83. Hawx's business model overall constitutes misleading and deceitful practices in violation of the FAL. Hawx approaches consumers at their homes with aggressive and high-pressure sales tactics, makes repeated false and untrue statements – including omitting the protracted term, automatic charges, and termination fee – and fails to uphold its obligation under agreement to provide continuous services. In addition, the Service Agreement itself does not clearly and properly present the material terms, and Hawx provides consumers no acknowledgment after they enter into the agreement. When consumers discover the true nature of the agreement (even within the three-day window to cancel) or that Hawx has not returned to regularly service their home, they are inevitably faced with only two options: continue to be automatically charged to their account; or pay the steep termination fee. /// /// /// /// /// ///

COMPLAINT

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1	FIRST CAUSE OF ACTION			
2	Violation of Unfair Competition Law			
3	(Cal. Bus. & Prof. Code § 17200 et seq)			
4	84.	All pro	eceding paragraphs are incorporated by reference as if fully stated herein.	
5	85.	The U	CL prohibits "any unlawful, unfair, or fraudulent business act or practice and	
6	unfair, decept	tive, unt	rue or misleading advertising and any act prohibited by Chapter I	
7	(commencing	g with §	17500) as Part 3 of Division 7 of the Business and Professions Code." Bus.	
8	& Prof. Code	§ 17200	0.	
9	86.	Hawx'	s acts and practices are "unlawful" pursuant to the UCL because they violate	
10	the respective laws described and set forth above. The acts were "unfair" pursuant to UCL, as			
11	defined by law, both as to Defendant's customers, and to its competitors. The acts were			
12	"fraudulent" ¡	oursuant	to UCL in that they were likely to deceive members of the public and were	
13	performed wi	th that i	ntent.	
14	87. Hawx has committed acts of unfair competition under the UCL by engaging in			
15	unlawful, unfair, and fraudulent acts and practices.			
16	88. Hawx has engaged, and continues to engage, in business acts or practices that are			
17	unlawful. As	alleged	herein, these acts or practices include but are not limited to the following:	
18		a.	Failing to present "the automatic renewal offer terms [] in a clear and	
19			conspicuous manner" and "in the case of an offer conveyed by voice, in	
20			temporal proximity, to the request for consent to the offer," in violation of	
21			the ARL, Bus. & Prof. Code § 17602, subd. (a)(1);	
22		b.	Charging consumers' credit and debit cards or consumers' accounts with a	
23			third party for automatic renewal or continuous service without first	
24			obtaining the consumer's affirmative consent to the Service Agreement	
25			containing the automatic renewal or continuous service terms, in violation	
26			of the ARL, Bus. & Prof. Code § 17602, subd. (a)(2);	
27		c.	Failing to provide an acknowledgment that includes the automatic renewal	
28			or continuous service offer terms, cancellation policy, information	

1		regarding how to cancel in a manner that is capable of being retained by the
2		consumer, and an easy method of cancellation, in violation of the ARL,
3		Bus. & Prof. Code § 17602, subd. (a)(3);
4	d.	Failing to allow consumer who accept an automatic renewal or continuous
5		service offer online, to terminate the automatic renewal or continuous
6		service exclusively online, at will, and without engaging any further steps
7		that obstruct or delay the consumer's ability to terminate the automatic
8		renewal or continuous service immediately, in violation of ARL, Bus. &
9		Prof. Code § 17602, subd. (d)(1);
10	e.	Failing to provide to consumers who accept an automatic renewal or
11		continuous service offer online, a method of termination that is online in the
12		form of either a "direct link or buttonlocated within a customer account
13		or profile, oran immediately accessible termination email," in violation of
14		ARL, Bus. & Prof. Code § 17602, subd. (d)(1)(A-B);
15	f.	Failing to "provide text that clearly and conspicuously discloses all material
16		terms of the transaction before obtaining the consumer's billing
17		information;" failing to "obtain[] a consumer's express informed consent
18		before charging the consumer;" and failing to "provide[] simple
19		mechanisms for a consumer to stop recurring charges," all in violation of
20		ROSCA, 15 U.S.C. § 8403;
21	g.	Failing to honor the consumers' right to cancel the home solicitation
22		contract within three business days, without penalty or obligation, in
23		violation of California's Home Solicitation Rule, Civ. Code § 1689.6 et seq.
24	h.	Imposing an unreasonable liquidated damages clause, i.e., an exorbitant
25		termination fee, in violation of Civ. Code § 1671; and
26	i.	Imposing an unconscionable termination fee in Violation of Civ. Code §
27		1670.5.
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-22-COMPLAINT

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90.	"Any person who engages, has engaged, or proposes to engage in unfair
competition	shall be liable for a civil penalty not to exceed two thousand five hundred dollars
(\$2,500) for	each violation, which shall be assessed and recovered in a civil action brought in the
name of the	people of the State of California by a county counsel of any county within which a
city has a po	pulation in excess of 750,000 in any court of competent jurisdiction." Bus. & Prof
Code § 1720	6, subd. (a).

- 91. Hawx is a "person" as defined by Bus. & Prof. Code § 17201, which includes "natural persons, corporations, firms, partnerships, joint stock companies, associations and other organizations of persons."
- 92. The People therefore are entitled to an injunctive order requiring Hawx to cease the fraudulent and unlawful acts or practices alleged herein, including Hawx's false and misleading advertising; to pay restitution to all victims of such acts or practices; and to disgorge profits acquired by means of such acts or practices, pursuant to Bus. & Prof. Code § 17203.
- 93. The People further seek civil penalties under Bus. & Prof. Code § 17206, subd. (a) of \$2,500 for each violation of the UCL for each day each violation persisted, consistent with the purpose of the UCL to hold Hawx accountable for its unlawful and fraudulent acts or practices and to deter further violations of the UCL.

### **SECOND CAUSE OF ACTION**

# Violation of False Advertising Law (Bus. & Prof. Code § 17500 et seq)

- 94. All preceding paragraphs are incorporated by reference as if fully stated herein.
- 95. The FAL prohibits any person from "disseminat[ing]...any statement...which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading" concerning the selling of real or personal property or services. Bus. & Prof. Code § 17500.
- 96. As alleged herein, Hawx has made repeated false and misleading statements to consumers. These statements include but are not limited to the following:

1			directors, officers, employees, agents, and representatives of each of them;
2			and all persons and entities acting in concert or in participation with
3			Defendant, be permanently restrained and enjoined from engaging in any
4			acts of unfair competition, in violation of Bus. & Prof. Code § 17200 et seq
5			and 17500 et seq., including but not limited to the unlawful business acts
6			and practices alleged in this Complaint;
7		b.	That Hawx be permanently enjoined from making the false and misleading
8			statements alleged herein, pursuant to Bus. & Prof. Code § 17535;
9		c.	That Hawx be ordered to make restitution to all California victims of the
10			fraudulent and unlawful practices alleged herein, pursuant to Bus. & Prof.
11			Code § 17203;
12		d.	That Hawx be ordered to make restitution to all California victims of its
13			false and misleading statements alleged herein, pursuant to Bus. & Prof.
14			Code § 17535;
15		e.	That Hawx be ordered to disgorge profits obtained from its fraudulent and
16			unlawful business practices and the false and misleading statements alleged
17			herein, pursuant to Bus. & Prof. Code §§ 17203 and 17535;
18		f.	That Hawx be ordered to pay civil penalties of \$2,500 for each violation of
19			the UCL and each violation of the FAL, pursuant to Bus. & Prof. Code
20			§§ 17206 and 17536;
21		g.	That Hawx be ordered to pay attorney fees and costs of investigation and
22			suit; and
23	///		
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-26-COMPLAINT

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1	h. That the People be granted such other and further relief as this Court may			
2	deem to be just and	l proper.		
3	DATED: August 28, 2024	Respectfully submitted,		
4	DATED. August 26, 2024	-		
5		DAWYN R. HARRISON County Counsel		
6				
7		Ву		
8		SCOTT KUHN		
9		Assistant County Counsel STEVEN DE SALVO Senior Deputy County Counsel		
10		Senior Deputy County Counsel JOSEPH MELLIS Deputy County Counsel		
11		Deputy County Counsel IDA ANBARIAN Deputy County Counsel		
12				
13		Attorneys for THE PEOPLE OF THE STATE OF CALIFORNIA, by and through the County Counsel		
14		of the County of Los Angeles		
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# Exhibit A

### Thank you for choosing Hawx!

Please review the following agreement and then sign. You will receive a copy via email for your records. Thanks!



(855) 950-3792 hawxpestcontrol.com

### General Pest Control Service Agreement

12140 Severn Way Riverside, CA 92503
License #: I Hawx Rep: Calvin Peterson (Office)

### **CUSTOMER INFORMATION**

CUSTOMER NAME
SERVICE LOCATION (Street Address, City, State, Zip code)
PRIMARY PHONE NUMBER
BILLING NAME
BILLING ADDRESS (Street Address, City, State, Zip code)
EMAIL ADDDECC

### **SERVICE AND CHARGES**

PESTS COVERED BY GENERAL PEST CONTROL			
Acrobat ants	Odorous ants	House centipedes	Silverfish
Argentine ants	Pavement ants	Stone centipedes	Crickets
Crazy ants	Pharaoh ants	Soil centipedes	Earwigs
Ghost ants	American cockroaches	Box Elder bugs	Wasps
Little ants	Oriental cockroaches	Spiders	Millipedes
	ADD-ON SERV	ICES	

### EXAMPLE 12-MONTH SERVICE SCHEDULE

Mar

 $\checkmark$ 

49.99

Apr

49.99

May

49.99

Jun

 $\checkmark$ 

49.99

Jul

49.99

Aug

49.99

Sep

 $\checkmark$ 

49.99

Oct

49.99

Nov

49.99

Dec

 $\checkmark$ 

49.99

Jan

49.99

Feb

49.99

INITIAL SERVICE CHARGE		
General Pest Control	\$	249.99
General Pest Control Discount	-\$	200.00
	\$	
Tax	\$	0.00
INITIAL TOTAL	\$	49.99

General Pest Control	\$ \$	49.99
Tax  RECURRING TOTAL	\$ <b>\$</b>	0.00 <b>49.99</b>

### **TERMS AND CONDITIONS**

This General Pest Control Service Agreement (this "Agreement") is entered into on 03/05/2024 (the "Effective Date"), by and between Hawx Services, LLC ("Company," "we," or "us") and the Customer named above ("Customer," "Buyer," or "you"). The Company and Customer are sometimes referred to herein collectively as the "Parties." Pursuant to the terms and conditions of this Agreement (including the "Terms and Conditions" on the reverse side), the Company agrees to perform the General Pest Control Services set forth below, and you agree to pay the General Pest Control Charges.

- 1. TERM OF AGREEMENT; AUTOMATIC RENEWAL. The Initial Term of this Agreement is 12 months ("Initial Term"). Upon expiration of the Initial Term, this Agreement shall automatically renew on a monthly basis thereafter; provided, however, that either party may cancel such automatic renewal upon written notice to the other party delivered not less than thirty (30) days prior to the commencement of each such monthly period, in which event the Agreement will expire upon the expiration of the then-current monthly term.
- 2. FREQUENCY OF GENERAL PEST CONTROL SERVICES (THE "SERVICES"); SERVICE WARRANTY. The Company will perform pest control services on the property during the service agreement on a periodic basis specifically timed to be most effective. During the course of this Agreement, Customer is entitled to as many additional treatments as necessary to adequately control the Target Pests. If pest issues persist or arise between services or Customer is unsatisfied with service performed, Customer may contact Company to request additional services between regularly scheduled services at no additional charge. During these service appointments, Hawx will assess any issues identified by Customer and perform treatment if necessary. To receive an additional service, go to HawxScheduling.com or call Hawx at (855) 950-3792.
- 3. AUTOMATIC PAYMENT AUTHORIZATION. By signing a Recurring Payment Authorization on this form, Customer authorizes Company to charge Customer's card/bank account immediately for the Initial Service and Recurring Charges automatically thereafter on a quarterly or monthly basis as determined by the Customer on page 1 of this Agreement. This authorization shall remain in force until Customer provides written notice to cancel the authorization and the Company has reasonable opportunity to act on it. IF YOU ELECT TO RECEIVE A PAPER INVOICE (RATHER THAN MAKING AN ELECTRONIC PAYMENT) OR IF WE DO NOT RECEIVE YOUR ELECTRONIC PAYMENT FOR ANY REASON, HAWX WILL SEND YOU A PAPER INVOICE, AND YOU UNDERSTAND AND AGREE THAT AN ADDITIONAL PROCESSING FEE MAY APPLY TO EACH PAPER INVOICE SO RENDERED.
- **4. LICENSE.** Customer grants Company license to access the Service Location to perform Services.
- **5. TERMINATION.** If, for any reason, Customer terminates this Agreement without legal excuse (e.g., Hawx is in default or breach of the Agreement, or Hawx failed to provide service), you agree to pay Hawx an early termination fee in the amount of \$199. The early termination fee is not a

penalty, but rather a reasonable charge to compensate us for your failure to fulfill the terms of the Agreement. Your full payment of the termination fee shall be our sole and exclusive remedy for early termination of this Agreement.

- **6. LIMITATIONS ON SERVICES.** This Agreement does not include suppression, control, or prevention of birds, bats, snakes, vertebrates other than commensal rodents, termites, other wood-destroying organisms, and wildlife or other pests not mentioned in this Agreement unless specifically noted above. Customer acknowledges the risks associated with pest control applications and agrees to abide by all instructions, warnings, and directions of the Company and the Company's technicians.
- **7. NOTICES.** Any notices or other communications required or permitted by this Agreement shall be in writing and shall be delivered to Company at 550 S Depot Dr. #1, Ogden, Utah, 84404. Any notices from the Company to the Customer shall be delivered to the Customer at the Customer's email address above. It is the Customer's responsibility to notify the Company of any changes to the Customer's email address.
- 8. PRICE INCREASES. During any renewal term, Company reserves the right to increase the Service Charges set forth above to the extent that Hawx may deem warranted or appropriate as a result of increases in the cost of labor, materials, freight rates or overhead, or because of taxes or other charges imposed by governmental authorities upon the production of sale of such products or upon energy or materials used in the manufacture thereof, or for any other reason at Company's sole discretion. Company shall have the right, on 30 days' written notice to Customer at the email address listed above, to notify the Customer of an increase in such Charges. In the event of a price increase, Customer may cancel this Agreement, without termination fee, by written notice to Company, provided such notice of cancellation is received by Company within fifteen (15) days of Company sending the notice of price increase.
- 9. COLLECTIONS; ATTORNEY FEES AND COSTS. Late fee charges are charged at the rate of 1.5% per month of the balance that was not paid by the due date or \$5.00 (whichever is greater), or as permitted by law. For example, if your unpaid balance is \$50.00, each month a late fee of \$5.00 is charged to your bill (since 1.5% of \$50.00 is less than \$5.00) until the account is current or until 1.5% of the unpaid balance exceeds \$5.00 (at which time the late fee charge will be 1.5% of the unpaid balance). A service fee of \$25 on all returned checks will apply. Accounts past due 90 days are subject to cancellation. In the event Customer fails to remit timely payment for Service, Customer shall be liable to Company for all expenses, including but not limited to, collection costs, all attorney's fees and expenses, and all other expenses which may be expended by Company to enforce this Agreement and to collect all past due amounts.
- **10. ASSIGNMENT.** Company may freely assign this Agreement, in whole or in part, without the execution or filing of any paper or any further act or consent on the part of either of the Parties hereto. Customer shall not assign, whether voluntarily, by operation of law, or otherwise, this Agreement without Company's prior written consent. This Agreement shall bind and insure to the benefit of the Parties and their respective successors and permitted assigns.
- 11. CUSTOMER OBLIGATIONS. Customer agrees to abide by all instructions, warnings, and directions given by the Company and Company's technicians with regard to Services. Customer acknowledges and agrees that Company uses pesticides that are safer for humans and animals after the application has dried. Customer agrees that Customer will not tamper, lick, digest, or allow any person or pet to tamper with, lick or digest, the application before or after it has dried.

Records of each pesticide used, the dilution ratio of the pesticide, and the location that the pesticide was used, in addition to any other record keeping practice required by state law, will be kept at Company's main office.

- 12. LIMITATION OF LIABILITY. ALTHOUGH COMPANY WILL EXERCISE REASONABLE CARE IN PERFORMING SERVICES UNDER THIS AGREEMENT, CUSTOMER ACKNOWLEDGES AND AGREES THAT COMPANY WILL NOT BE LIABLE FOR INJURIES OR DAMAGES TO PERSONS, PROPERTY, BIRDS, ANIMALS, OR VEGETATION, EXCEPT THOSE DAMAGES RESULTING FROM GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY COMPANY. TO THE FULLEST EXTENT PERMITTED BY LAW, THE COMPANY WILL NOT BE RESPONSIBLE FOR ANY INJURY, DISEASE OR ILLNESS CAUSED, OR ALLEGEDLY CAUSED, BY BITES, STINGS, OR CONTAMINATION BY ANY INSECTS, SPIDERS, RODENTS, BED BUGS, OR ANY OTHER PEST. COMPANY'S REPRESENTATIVES ARE NOT MEDICALLY TRAINED TO DIAGNOSE ILLNESSES OR DISEASES. PLEASE CONSULT YOUR PHYSICIAN FOR ANY MEDICAL DIAGNOSIS. TO THE FULLEST EXTENT PERMITTED BY LAW, COMPANY WILL NOT BE LIABLE FOR PERSONAL INJURY, DEATH, PROPERTY DAMAGES, LOSS OF USE, LOSS OF INCOME OR ANY OTHER DAMAGES WHATSOEVER, INCLUDING CONSEQUENTIAL AND INCIDENTAL DAMAGES, ARISING FROM THIS SERVICE. COMPANY'S LIABILITY IS SPECIFICALLY LIMITED TO THE LABOR AND PRODUCTS NECESSARY TO HELP REDUCE AND PREVENT PEST INFESTATIONS.
- **13. SEVERABILITY.** If any part of this Agreement is held to be invalid or unenforceable for any reason, the remaining terms and conditions of this Agreement will remain in full force and effect.
- **14. ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the Parties, and supersedes all prior oral and written negotiations between the Parties, with respect to the subject matter hereof. Except as otherwise specifically provided herein, no amendment, alteration, change, or modification of this Agreement shall be effective unless set forth in a written document signed by the Parties.
- 15. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Utah, without regard to its principles of conflict of laws. The Parties agree to submit to the exclusive jurisdiction of, and agree to the venue of, the state courts of the State of Utah located in Weber County. The Parties hereto agree not to bring an action in any court of law located outside of Weber County.
- 16. JURY TRIAL WAIVER. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.
- **17. RECURRING PAYMENT AUTHORIZATION.** By signing below Customer authorizes the Company and its assignees to charge Customer's credit card indicated below on the scheduled time frame as outlined above.

I understand that this authorization will remain in effect until I cancel it in writing, and I agree to notify the Company in writing of any changes in my account information or termination of this authorization at least 15 days prior to the next billing date. If the above noted payment dates fall on a weekend or holiday, I understand that the payments may be executed on the next business

day. For ACH debits to my checking/savings account, I understand that because these are electronic transactions, these funds may be withdrawn from my account as soon as the above noted periodic transaction dates. In the case of an ACH Transaction being rejected for Non Sufficient Funds (NSF) I understand that the Company may at its discretion attempt to process the charge again within 30 days, and agree to an additional \$25.00 charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I certify that I am an authorized user of this credit card/bank account and will not dispute these scheduled transactions with my bank or credit card company; so long as the transactions correspond to the terms indicated in this authorization form.

STATE LAW REQUIRES THAT YOU BE GIVEN THE FOLLOWING INFORMATION: CAUTION -**PESTICIDES ARE TOXIC CHEMICALS.** Structural pest control companies are registered and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Pesticide Regulation and The United States Environmental Protection Agency. Registration is granted when the State finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized. If within 24 hours following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or Poison Control Center at 1-800-876-4766 and your pest control company immediately. For further information, contact any of the following: Hawx Pest Control (1-855-527-2343); for Health Questions - the County Health Department (telephone number listed below); for Application information - the County Agricultural Commissioner (telephone number listed below); for Regulatory Information - the Structural Pest Control Board (1-800-737-8188, 2005 Evergreen St #1500 Sacramento, CA 95815). For additional information on pest management products and IPM in schools, you may access the California Department of Pesticide Regulation at: <u>www.cdpr.ca.gov</u> (http://www.cdpr.ca.gov)

CALIFORNIA COUNTY AGRICULTURAL COMMISSIONERS. Alameda (510)670-5232; Alpine (530)621-5520; Amador (209)223-6487; Butte (530)552-4100; Calaveras (209)754-6504; Colusa (530)458-0580; Contra Costa (925)608-6600; Del Norte (707)464-7235; El Dorado (530)621-5520; Fresno (559)600-7510; Glenn (530)934-6501; Humboldt (707)441-5260; Imperial (442)265-1500; Inyo (760)873-7860; Kern (661) 868-6300; Kings (559) 852-2830; Lake (707) 263-0217; Lassen (530)251-8110; Los Angeles (626)575-5466; Madera (559) 675-7876; Marin (415)473-6700; Mariposa (209)966-2075; Mendocino (707)234-6830; Merced (209)385-7431; Modoc (530)233-6401; Mono (760)873-7860; Monterey (831)759-7325; Napa (707)253-4357; Nevada (530)470-2690; Orange (714)955-0100; Placer (530)889-7372; Plumas (530)283-6365; Riverside (951)955-3000, Sacramento (916)875-6603; San Benito (831)637-5344; San Bernardino (909)387-2105; San Diego (858)694-8980; San Francisco (415)252-3830; San Joaquin (209)953-6000; San Luis Obispo (805)781-5910; San Mateo (650)363-4700; Santa Barbara (805)681-4200; Santa Clara (408)918-4600; Santa Cruz (831)763-8080; Shasta (530)224-4949; Sierra (530)283-6365; Siskiyou (530)841-4025; Solano (707)784-1310; Sonoma (707)565-2371; Stanislaus (209)525-4730; Sutter (530) 822-7500; Tehama (530)527-4504; Trinity (530)623-1356; Tulare (559)684-3350; Tuolumne (209)533-5691; Ventura (805)388-4222; Yolo (530)666-8140; Yuba (530)749-5400

CALIFORNIA COUNTY HEALTH OFFICES. Alameda (510)267-8000; Alpine (530)694-2146; Amador (209)223-6407; Berkley City (510)981-5100; Butte (530)538-7581; Calaveras (209)754-6460; Colusa (530)458-0380; Contra Costa (925)313-6712; Del Norte (707)464-3191; El Dorado (530)621-6100; Fresno (559)600-3200; Glenn (530)934-6588; Humboldt (707) 445-6200; Imperial (760)482-4438; Inyo (760)873-7868; Kern (661) 868-0502; Kings (559) 584-1401; Lake (707) 263-1090; Lassen (530)251-8183; Long Beach City (562)570-4000; Los Angeles (213)351-7800; Madera (559)675-7893; Marin (415)473-3696; Mariposa (209)966-3689; Mendocino (707)472-2600; Merced (209)381-1200; Modoc (530)233-6311; Mono (760)932-5580; Monterey (831)755-4500; Napa (707)253-4231; Nevada (530)265-1450; Orange (714)834-3155; Pasadena (626)744-6005; Placer (530)886-1870; Plumas (530)283-6330; Riverside (951)358-5172, Sacramento (916)875-5881; San Benito (831)637-5367; San Bernardino (800)782-4264; San Diego (619)515-6555; San Francisco (415)554-2500; San Joaquin (209)468-3411; San Luis Obispo (805)781-5500; San Mateo (650)372-6200; Santa Barbara (805)681-5100; Santa Clara (408)918-3400; Santa Cruz (831)454-4000; Shasta (530)225-5591; Sierra (530)993-6700; Siskiyou (800)442-2333; Solano (707)784-8600; Sonoma (707)565-4700; Stanislaus (209)558-5678; Sutter (530)822-7215; Tehama (530)527-6824; Trinity (530)623-8209; Tulare (559)687-6700; Tuolumne (209)533-7401; Ventura (805)652-5754; Vernon City (323)583-8811; Yolo (530)666-8645; Yuba (530)749-6366

### **CALIFORNIA POISON CONTROL CENTER.** (800)876-4766

### MATERIALS USED - PESTICIDES THAT MAY HAVE BEEN OR MAY BE USED ON YOUR PROPERTY DURING THE COURSE OF OUR WORK:

Common Name	Formulation	Active Ingredient	
Advion Ant Gel	Bait	Indoxacarb 0.05%	1
Advion Cockroach Gel	Bait	Indoxacarb 0.6%	1
Advion Fire Ant Bait	Bait	Indoxacarb 0.04%	1
Advion WDG	Liquid Residual	Indoxacarb 20.0%	1
Alpine WSG	Liquid Residual	Dinotefuran 40.0%	4
Contrac CA	Bait	Bromethalin 0.01%	1
Demand CS	Liquid Residual	lambda-Cyhalothrin 9.7%	1
Demand G	Granule	lambda-Cyhalothrin 0.04%	1
Mavrik	Emulsifiable Concentrate	Fluvalinate 22.3%	2
Niban Granular	Bait	Boric acid 5%	6
Taurus	Liquid Residual	Fipronil 9.1%	5
Other:			

Licensed and Regulated by the California Department of Pesticide Regulation 1001 I Street Sacramento, CA 95814 I (916) 445-4038

#### NOTICE OF CANCELLATION FORM

#### NOTICE OF CANCELLATION

Date of Transaction: 03/05/2024

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE, OR, IF YOU ARE AGE 65 OR OLDER, WITHIN FIVE BUSINESS DAYS FROM THE ABOVE DATE. IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN 10 DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELED. IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED. ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE, OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK. IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT. TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE, OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM TO HAWX SERVICES, LLC, 550 S DEPOT DRIVE #1, OGDEN, UTAH, 84404, NOT LATER THAN MIDNIGHT OF 03/08/2024 (IF YOU ARE AGE 64 AND YOUNGER) OR NOT LATER THAN MIDNIGHT OF 03/12/2024 (IF YOU ARE AGE 65 OR OLDER).

BUYER'S SIGNATURE	
DATE	

### **NOTICE OF CANCELLATION**

Date of Transaction: 03/05/2024

I HEREBY CANCEL THIS TRANSACTION.

YOU MAY CANCEL THIS TRANSACTION, WITHOUT ANY PENALTY OR OBLIGATION, WITHIN THREE BUSINESS DAYS FROM THE ABOVE DATE, OR, IF YOU ARE AGE 65 OR OLDER, WITHIN FIVE BUSINESS DAYS FROM THE ABOVE DATE. IF YOU CANCEL, ANY PROPERTY TRADED IN, ANY PAYMENTS MADE BY YOU UNDER THE CONTRACT OR SALE, AND ANY NEGOTIABLE INSTRUMENT EXECUTED BY YOU WILL BE RETURNED WITHIN 10 DAYS FOLLOWING RECEIPT BY THE SELLER OF YOUR CANCELLATION NOTICE, AND ANY

SECURITY INTEREST ARISING OUT OF THE TRANSACTION WILL BE CANCELED. IF YOU CANCEL, YOU MUST MAKE AVAILABLE TO THE SELLER AT YOUR RESIDENCE, IN SUBSTANTIALLY AS GOOD CONDITION AS WHEN RECEIVED. ANY GOODS DELIVERED TO YOU UNDER THIS CONTRACT OR SALE, OR YOU MAY, IF YOU WISH, COMPLY WITH THE INSTRUCTIONS OF THE SELLER REGARDING THE RETURN SHIPMENT OF THE GOODS AT THE SELLER'S EXPENSE AND RISK. IF YOU DO MAKE THE GOODS AVAILABLE TO THE SELLER AND THE SELLER DOES NOT PICK THEM UP WITHIN 20 DAYS OF THE DATE OF YOUR NOTICE OF CANCELLATION, YOU MAY RETAIN OR DISPOSE OF THE GOODS WITHOUT ANY FURTHER OBLIGATION. IF YOU FAIL TO MAKE THE GOODS AVAILABLE TO THE SELLER, OR IF YOU AGREE TO RETURN THE GOODS TO THE SELLER AND FAIL TO DO SO, THEN YOU REMAIN LIABLE FOR PERFORMANCE OF ALL OBLIGATIONS UNDER THE CONTRACT. TO CANCEL THIS TRANSACTION, MAIL OR DELIVER A SIGNED AND DATED COPY OF THIS CANCELLATION NOTICE, OR ANY OTHER WRITTEN NOTICE, OR SEND A TELEGRAM TO HAWX SERVICES, LLC, 550 S DEPOT DRIVE #1, OGDEN, UTAH, 84404, NOT LATER THAN MIDNIGHT OF 03/08/2024 (IF YOU ARE AGE 64 AND YOUNGER) OR NOT LATER THAN MIDNIGHT OF 03/12/2024 (IF YOU ARE AGE 65 OR OLDER).

I HEREBY CANCEL THIS TRANSACTION.

BUYER'S SIGNATURE	
DATE	

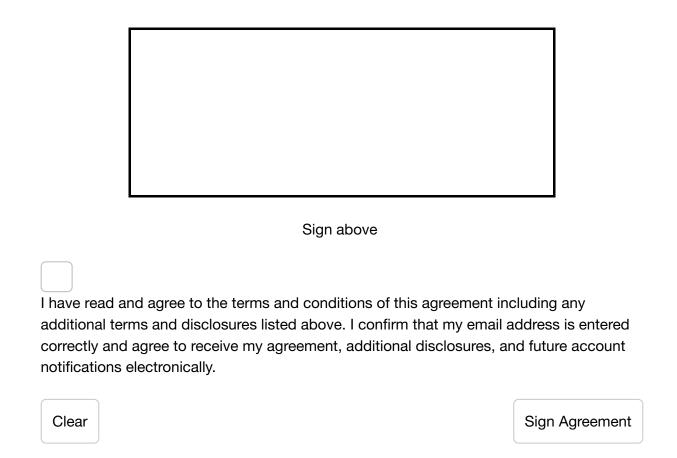
BY SIGNING BELOW YOU ACKNOWLEDGE AND AGREE THAT PRIOR TO SIGNING THIS AGREEMENT YOU HAVE READ AND UNDERSTOOD ALL OF THE TERMS AND CONDITIONS OF THIS AGREEMENT.

YOU, THE BUYER (CUSTOMER), MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT. IF YOU, THE BUYER, ARE AGE 65 OR OVER, YOU MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE FIFTH BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION.

YOU ACKNOWLEDGE BEING VERBALLY INFORMED OF YOUR RIGHT TO CANCEL AT THE TIME OF EXECUTION OF THIS CONTRACT AND RECEIPT OF THIS NOTICE.

Accepted as of the Effective Date set forth above by:

This agreement is for an initial period of 12 month(s).





### **Hawx Los Angeles**

550 South Depot Drive Bay 2 Ogden, UT 84404 (855) 950-3792 https://www.hawxpestcontrol.com (https://www.hawxpestcontrol.com)