

VIRGINIA:

IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND

Jefferson Loan Office, Inc.

Plaintiff,

v.

WWBT License Subsidiary, LLC, a/k/a

WWBT Channel 12, a/k/a

Channel 12, a/k/a,

NBC 12

5710 Midlothian Turnpike

Richmond, Virginia 23225,

and

Curt Autry

5710 Midlothian Turnpike

Richmond, Virginia 23225,

and

Sabrina Squire

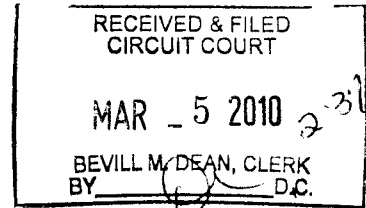
5710 Midlothian Turnpike

Richmond, Virginia 23225,

Defendants.

Case No.

CL10-1116-1



COMPLAINT

NOW COMES JEFFERSON LOAN OFFICE, INC. ("Plaintiff" or "Jefferson Loan"),
and alleges as follows:

1. This Court has jurisdiction over this Complaint pursuant to Virginia Code § 17.1-513.
2. Venue lies in the City of Richmond because, on information and belief, the defendants regularly do business in the City of Richmond, the cause of action arose,

1 Filed in the Clerk's Office this 5 day of March 10
 Court Fee \$ 25.00
 Misc. 15.00
 U.S.A.S. 9.00
 C.H.M.F. 2.00
 Total 204.00
 BEVILL M. DEAN, CLERK
 BY Catherine White

in part, in the City of Richmond, and the plaintiff resides in the City of Richmond.
Virginia Code § 8.01-262.

Background Facts

3. Jefferson Loan is engaged in, among other business lines, the business of purchasing jewelry from individuals for the purpose of having the jewelry melted or otherwise reduced to its precious elements or stones, and then re-sold.
4. Jefferson Loan has been engaged in this business for more than twenty years. It is Jefferson Loan's long standing practice to review customer jewelry fairly and accurately and to pay customers fair prices for the jewelry it purchases for this purpose.
5. Jefferson Loan anticipated that, in adverse economic circumstances, as existed in 2009, that its jewelry purchase, pawn business, loan, and re-sale business lines would grow. Other businesses engaged in these business lines experienced growth during this period of time.

WWBT's False and Defamatory Broadcasts

6. On or about March 10, 2009 Defendant WWBT License Subsidiary, LLC ("WWBT") aired a broadcast at approximately 11:00 p.m. ("11PM Broadcast") in the Central Virginia area purporting to be about the sale of gold jewelry. *See* Exhibit A ("Transcript of 11PM Broadcast").
7. Its broadcast, and all WWBT broadcasts referenced in this Complaint, were carried to thousands of homes in the Central Virginia area over the air and through cable and other outlets, and on information and belief, were available for viewing and replay on

- internet outlets, accessible around the world, either owned or authorized by WWBT and/or the Defendants, and were viewed by thousands of people.
8. According to the 11PM Broadcast, many individuals have determined to sell their personally owned gold jewelry in exchange for cash to businesses who buy gold jewelry. Buyers pay for the jewelry based on its quality and weight and then arrange for the jewelry to be melted down and sold not as ornamental jewelry but as gold.
 9. According to the 11PM Broadcast, this practice of individuals selling personal gold jewelry in exchange for cash has become increasingly popular because current economic conditions are difficult for many people and the price of gold has increased to more than \$900 per ounce.
 10. In the 11PM Broadcast WWBT anchor person Sabrina Squire stated that “In this down economy, many are selling their old jewelry for extra money. But some are getting ripped off in the process.” Therefore, the 11PM Broadcast stated, “NBC 12’s Curt Autry goes undercover” to investigate and report on what local jewelers are paying for scrap gold.
 11. The 11PM Broadcast asserted that WWBT had investigated gold jewelry sales by first obtaining an appraisal of three items of gold jewelry, provided by WWBT, from “Master Jeweler Chris DeCapri.”
 12. The 11PM Broadcast asserted that Mr. DeCapri identified a pair of cuff links as being of 14k gold and worth \$73, a ring as being of 10k gold and worth \$100, and a pair of earrings as being of 18k gold and worth \$50, for a total value of \$223.

The Hidden Camera Sting and WWBT’s False Statements

13. According to the 11PM Broadcast, two WWBT producers surreptitiously, with hidden cameras and without identifying themselves as agents of WWBT or any other media outlet, obtained appraisals from other Central Virginia jewelers and brokers for the same items appraised by Mr. DeCapri.
14. According to the 11PM Broadcast, the two WWBT producers went into a store that WWBT falsely identified as "Jefferson Pawn on Broad Street." The producers entered the store with hidden cameras.
15. Contrary to what WWBT said during the 11PM Broadcast, the WWBT producers did not enter "Jefferson Pawn on Broad Street." Rather, they entered Friedman's Loan.
16. Friedman's Loan, like Jefferson Loan, is a pawn brokerage and conducts business on Broad Street in Richmond, Virginia. The stores, though, are different and are unaffiliated with each other.
17. Throughout the 11PM Broadcast, rather than identify this store as Friedman's Loan, WWBT identified it falsely as Jefferson Loan or Jefferson Pawn on Broad Street.
18. Plaintiff Jefferson Loan Office, Inc. is a pawn broker with its primary offices on Broad Street in Richmond, Virginia..
19. At the point in the 11PM Broadcast when the two WWBT producers were falsely said to be entering "Jefferson Pawn on Broad Street," WWBT reporter Curt Autry falsely said, "Remember our appraisal -- \$223? But this place [Jefferson Loan] offers far less."
20. Unlike the professional looking office environment in which Master Jeweler Chris DeCapri evaluated WWBT's sample jewelry on a blue velvet cloth, WWBT broadcast what it falsely purported to be Jefferson Pawn's store location as cluttered

and hectic, and Jefferson Pawn's appraisal as being delivered in muffled tones from a voice evidently coming from behind a metal mesh screen. That voice said, "I'm prepared to give you 75." WWBT's representation that Jefferson Loan's agent said these words was false.

21. At the same time during the 11PM Broadcast, WWBT displayed the words on screen, falsely implying they were uttered by a representative of Jefferson Loan, "I'm prepared to give you \$75 ..."
22. Unlike the store falsely depicted as Jefferson Loan in the 11PM Broadcast as Jefferson Loan, Jefferson Loan's actual store is clean, orderly, and its employees and agents are careful to great customers politely and respectfully at the stores' counters and not from behind an intimidating looking cage.
23. In its 11PM Broadcast, WWBT said that it also surreptitiously obtained appraisals for its jewelry from two other stores: Beverly Hills Jewelers and Paul Simms Jewelers. Unlike the location that WWBT falsely reported was Jefferson Loan, WWBT showed office environments at Beverly Hills Jewelers and Paul Simms Inc. that looked clean and professional, and showed workers at those locations closely examining or weighing the WWBT jewelry. Employees at those locations were not shown speaking in a muffled tone or from behind steel mesh screens.
24. The 11PM Broadcast reported that Beverly Hills Jewelers would pay \$170 for the WWBT jewelry and that Paul Sims Inc., to WWBT's surprise, would pay \$251.
25. The 11PM Broadcast then displayed a false graphic, that showed the prices that the following stores would pay for jewelry WWBT represented was worth \$223:
 - i. Jefferson Loan \$75

ii. Beverly Hills Jewelers \$170

iii. Paul Sims Inc \$251

26. The graphic indicating that Jefferson Loan would pay \$75 for the WWBT jewelry was false.
27. The 11PM Broadcast's report of values paid for jewelry falsely implied that customers at Jefferson Loan should expect an offer of approximately 34% of jewelry's true worth, while customers at Beverly Hills Jewelers should expect an offer of 76% of jewelry's true worth, customers at Capri Jewelers should expect an offer of 100% of jewelry's true worth, and customers of Paul Sims Inc. should expect an offer of 113% of its true worth.
28. The 11PM Broadcast began with a statement that some people who are selling jewelry "are getting ripped off."
29. The 11PM Broadcast clearly and falsely implied that among the four local stores that WWBT reviewed, because of Jefferson Loan's low payment rates, customers of Jefferson Loan "are getting ripped off" if they sell jewelry to Jefferson Loan.
30. To mitigate against the risk of being "ripped off," the 11PM Broadcast said that customers should "shop around" and said that customers should "do business with someone [they] know." The 11PM Broadcast quoted Master Jeweler Chris DeCapri as saying that individuals seeking to sell jewelry should, "go to their trusted jeweler" and to get guidance from the person "who helped with the purchase [of the jewelry to now] help ... with the sale. I think you'll probably get the best value that way."

31. The 11PM Broadcast thus falsely implied that Jefferson Loan was untrustworthy, should not be considered a “trusted jeweler,” nor should it be considered a business known to engage in honest business practices.

WWBT Knowledge of False Statements

32. At no time did WWBT actually solicit an appraisal of jewelry from Jefferson Loan.
33. Because WWBT’s own employees conducted the undercover investigation of Friedman’s loan, those employees, and WWBT, knew that the false statements described herein in the 11PM Broadcast were false at the time of the 11PM Broadcast.
34. In addition, WWBT uttered the false statements with reckless disregard for their truth. To confirm the inaccuracy of the 11PM Broadcast, WWBT need only have consulted its own employees or agents or records. WWBT did not require, to ensure the accuracy of the 11PM Broadcast, the cooperation of any outside agency or entity.

WWBT Broadcast False Statements

35. WWBT broadcast the false statements throughout its coverage area which includes most of Central Virginia and, on information and belief, would have been seen and heard by thousands of viewers and listeners on television.
36. Among the viewers and listeners were thousands of Jefferson Loan customers and potential customers.
37. Any person in the Central Virginia community who saw and heard the false statements would understand them, in their normal usage, to harm Jefferson Loan’s reputation.

WWBT Failed to Mitigate its Damages with an Apology

38. WWBT never apologized to Jefferson Loan, publicly or privately, for its false and injurious statements about Jefferson Loan.
39. The day after the 11PM Broadcast, WWBT, during its 5:00 pm news broadcast (“5PM Broadcast”), at the very end of it, said that it wanted to “clarif[y]” that when it referred during the 11PM Broadcast to Jefferson Loan, it meant to say Friedman Loan. See Exhibit B (“Partial Transcript of 5PM Broadcast”)(containing only the introduction to the 5PM broadcast and that portion pertaining to Jefferson Loan).
40. WWBT did not attempt to apologize to Jefferson Loan during its “clarification.”
41. WWBT did not tell its viewers that Jefferson Loan operates a fair and honest business
42. WWBT did not tell its viewers that WWBT never gave Jefferson Loan an opportunity to appraise WWBT’s jewelry.
43. WWBT did not tell its viewers that Master Jeweler Chris DeCapri, who opined that individuals selling jewelry should deal with their “trusted jeweler” and not someone like Jefferson Loan, who WWBT identified as a place where people get “ripped off”, is in fact a competitor of Jefferson Loan’s with an inherent bias and conflict of interest.
44. The “clarification” that WWBT aired the day after the 11PM Broadcast was during WWBT’s 5:00 p.m. broadcast, not its 11:00 p.m. broadcast and so likely reached a substantially different audience than the audience that originally viewed the 11PM Broadcast.
45. In the wake of the 11PM Broadcast, WWBT never offered Jefferson Loan an opportunity to review WWBT’s jewelry.

46. WWBT never aired during any 11:00 p.m. news broadcast a correction or apology of any kind regarding its false and defamatory statements from the 11PM Broadcast.

Damages

47. As a result of the false statements, Jefferson Loan's business has been harmed in that it has performed worse since the false statements were aired than it did before they were aired.
48. Jefferson Loan's poor performance since the false statements comes at a time when, nationally, other businesses doing the same work as Jefferson Loan have experienced improved performance.
49. Jefferson Loan's business has suffered not only in its business related to purchasing gold for the purpose of melting it down. It has also suffered in its pawn business and its resale business. These business lines require customers to believe in Jefferson Loan's honesty and fair dealing, and its reputation for those things was damaged by WWBT's conduct as described herein.
50. The 11PM Broadcast was defamatory *per se* in that it alleged that Jefferson Loan is a thief by "ripping off" its customers, by deceit or false pretenses or fraud, all of which constitute crimes of moral turpitude.
51. The 11PM Broadcast was defamatory *per se* in that it alleged that Jefferson Loan would be a thief in the future by "ripping off" its customers, by deceit or false pretenses or fraud, all of which constitute crimes of moral turpitude.
52. The 11PM Broadcast was defamatory *per se* in that it alleged that Jefferson Loan was dishonest in the performance of its vocation and work.

53. The 11PM Broadcast was defamatory *per se* in that it was prejudicial to Jefferson Loan in its work.

54. Jefferson Loan demands \$500,000 in compensatory (actual and *per se*) damages.

55. Because WWBT made the false statements knowing they were false and/or so recklessly as to amount to a willful disregard for the truth, Jefferson Loan is entitled to punitive damages from WWBT in the amount of \$500,000.

WHEREFORE, Plaintiff prays for judgment against Defendants, individually and jointly and severally, for compensatory damages (actual and *per se*) in the sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000,000) and punitive damages in the sum of FIVE HUNDRED THOUSAND DOLLARS (\$500,000,000) together with interest from March 10, 2009, the costs of this suit, and such other and further relief as is just and proper.

PLAINTIFFS DEMAND A JURY TRIAL WITH RESPECT TO ALL ISSUES TO WHICH THEY ARE ENTITLED BY LAW TO A JURY.

Respectfully submitted,

JEFFERSON LOAN OFFICE, INC.

By:



Cullen D. Seltzer

Cullen D. Seltzer, Esquire
SELTZERGREENE, PLC
Eighth & Main Building
707 East Main Street, Suite 1025
Richmond, Virginia 23219
804-864-1100 (voice)
804-672-4541 (fax)
cseltzer@seltzergreene.com