

CAUSE NO. _____

THE STATE OF TEXAS,
Plaintiff,

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IN THE DISTRICT COURT OF

v.

HARRIS COUNTY, TEXAS

SOLVERA GROUP, INC. (d/b/a INSTANT
COMPLAINT REMOVERS, INSTANT
COMPLAINTREMOVERS.COM,
DEFAMATIONREMOVAL.COM); AND
CHRIS DINOTA, INDIVIDUALLY.

Defendants.

_____ JUDICIAL DISTRICT

PLAINTIFF'S ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff, STATE OF TEXAS, acting by and through the Attorney General of Texas, KEN PAXTON, complains of SOLVERA GROUP, INC. (d/b/a INSTANT COMPLAINT REMOVERS, INSTANTCOMPLAINTREMOVERS.COM, DEFAMATIONREMOVAL.COM); and CHRIS DINOTA, INDIVIDUALLY; Defendants, and for cause of action would respectfully show as follows:

DISCOVERY CONTROL PLAN

1. The discovery in this case is intended to be conducted under Level 2 pursuant to Tex. R. Civ. P. 190.3.
2. This case is not subject to the restrictions of expedited discovery under Tex. R. Civ. P. 169 because the relief sought by the State includes non-monetary injunctive relief, and the State's claims for monetary relief including penalties, consumer redress, and attorneys' fees and costs are in excess of \$100,000.00 and could exceed \$1,000,000.00.

PUBLIC INTEREST

3. Because Plaintiff State of Texas has reason to believe that Defendants have engaged in, and will continue to engage in, the unlawful practices set forth including abusing the Texas court system in filing fake lawsuits in an effort to remove negative online information about companies, Plaintiff has reason to believe Defendants have caused and will cause adverse effects to legitimate business enterprises which lawfully conduct trade and commerce in this State and further, will cause damage to the State of Texas and to persons from whom moneys or properties are unlawfully acquired by Defendants. Furthermore, the unlawful practices set forth below adversely affect free speech, as potentially legitimate customer reviews are being removed from Internet search engine results without due process. Therefore, the Consumer Protection Division of the Office of the Attorney General of the State of Texas believes and is of the opinion that these proceedings are in the public interest.

JURISDICTION

4. This action is brought by Attorney General KEN PAXTON, through his Consumer Protection Division, in the name of the State of Texas and in the public interest under the authority granted him by § 17.47 of the Texas Deceptive Trade Practices-Consumer Protection Act, TEX. BUS. & COM. CODE ANN. § 17.41 et seq. (hereafter the “DTPA”) upon the grounds that Defendants have engaged in false, deceptive and misleading acts and practices in the course of trade and commerce as defined in, and declared unlawful by, §§ 17.46(a) and (b) of the DTPA. In enforcement suits filed pursuant to §17.47 of the DTPA, the Attorney General is further authorized to seek civil penalties, redress for consumers, and injunctive relief.

DEFENDANTS

5. Defendant SOLVERA GROUP, INC. (“Solvera”) is a California corporation that does business nationwide and in Texas, as alleged specifically below, in its own name and under the

names Instant Complaint Removers, Instantcomplaintremovers.com, and Defamationremoval.com, and this proceeding arises out of such business done in this state. Its principal place of business is 675 Ygnacio Valley Rd, Walnut Creek, CA 94596. Solvera does not maintain a regular place of business in this state and has not designated or maintained a registered agent for service of process in Texas. Therefore, it may be served with process by serving the Secretary of State pursuant to the Texas Civil Practices & Remedies Code § 17.044. Solvera can be served by certified mail, return receipt requested, directed to Solvera through the Texas Secretary of State as an agent for service of process at the following address: Citations Section, Room 214, 1019 Brazos, Austin, Texas 78701.

6. Defendant CHRIS DINOTA, (“Dinota”) is President and CEO of Solvera and has done business in Texas as alleged below. On information and belief, Dinota has at all times relevant to this petition either directly engaged in the acts or practices described below, or has directed and controlled others in committing the acts or practices described below. Dinota can be served with process at Solvera or at his home, 2417 Ranchito Dr., Concord, CA 94520, or at any other place where he may be found.

7. Defendants Solvera and Dinota collectively shall be referred to throughout as “Solvera Defendants.”

VENUE

8. Venue of this suit lies in Harris County, Texas because under the DTPA § 17.47(b), Defendants and their agents have done business in Harris County, Texas by advertising reputation management services to consumers throughout Texas, including in Harris County, and acting through its agents to file lawsuits in Harris County, Texas.

TRADE AND COMMERCE

9. Solvera Defendants have, at all times described below, engaged in conduct which constitutes “trade” and “commerce” as those terms are defined by § 17.45(6) of the DTPA.

ACTS OF AGENTS

10. Whenever in this Petition it is alleged that any Defendant did any act, it is meant that Defendant performed or participated in the act or Defendant’s officers, agents, or employees performed or participated in the act on behalf of and under the authority of the Defendant.

NOTICE BEFORE SUIT

11. The Consumer Protection Division informed Solvera Defendants in general of the alleged unlawful conduct described below at least seven days before filing suit. DTPA § 17.47(a).

SPECIFIC FACTUAL ALLEGATIONS

Summary of Scheme

12. Solvera Defendants perpetuated a scheme in the guise of “reputation management” through filing lawsuits that they knew to contain false information – including fictitious plaintiffs and defendants. In doing so, they deceived consumers nationwide, local Texas attorneys, Texas judges, including in Harris County, and search engines such as Google. As a result, the Solvera Defendants have deceived consumers by removing potentially legitimate internet postings through deceptive use of the legal process.

Reputation Management Industry

13. As online reviews for goods and services become more widely relied upon by consumers, it has become increasingly important for small business owners to stay informed regarding their online reputations. Out of this necessity has grown an industry of reputation management companies who specialize in assisting small businesses and individuals with monitoring or influencing their online reputations. Some businesses may offer advice or assistance to control publicity, such as providing responses to negative consumer reviews, while others may offer tactics

to ensure negative online reviews or complaints are suppressed. Reputation management companies suppress reviews through methods such as search engine optimization (which helps push negative websites down in internet search results) or through other measures such as de-indexing (removing a website from search results altogether). In general, to legitimately de-index a website, a search engine such as Google must be provided with a court “take-down” order to prove to that search engine that the site is truly illegitimate or defamatory.

Solvera Defendants’ Operation

14. Solvera advertised itself online as a reputation management company. It has advertised and sold services nationwide through its websites defamationremoval.com and instantcomplaintremovers.com.

15. Legitimate small businesses or individual consumers, in Texas and nationwide, first contact Solvera after finding negative information about them posted online. The basic process that then takes place is:

- The consumer signs a contract with Solvera.
- Solvera Defendants hire a California blogger to post an additional comment or review to whatever webpage the consumer has concerns about.
- Solvera Defendants hire a local Houston-area attorney claiming to have identified the individual who posted the negative information, draft a defamation lawsuit, and send the attorney the draft pleadings.
- The attorney files the defamation lawsuit, then later an agreed judgment, with the court.
- The court signs the agreed final judgment which orders the negative website de-indexed.

- Solvera Defendants take the judge's order to Internet search engines to get them to de-index the site.

Solvera Defendants at each stage of the above outlined process employ a variety of false, deceptive, and misleading acts and practices through which they deceive and confuse customers, attorneys, Internet search providers, and Texas courts, as described in more detail below.

16. When the consumer first contacts Solvera, Solvera represents to the consumer that to suppress negative websites or reviews on the internet, the consumer has a few options. The consumer can pay a smaller amount (for instance, \$5000) to use search engine optimization to move the negative website to the bottom of a search result, which Solvera Defendants do not recommend. In the alternative, the consumer can pay a larger amount (between \$10,000 - \$12,000)¹ for the website to be de-indexed, or removed from Internet search engine results, in a shorter timeframe. Finally, the consumer may instead be told that Solvera can actually remove a complaint through a "legal process," misrepresenting that, on information and belief, Solvera Defendants will do something other than use the de-indexing process described below (which does not remove the complaint). Once the consumer decides to purchase the de-indexing service, Solvera has the consumer sign a contract for services called a URL De-Index Agreement.²

17. Solvera Defendants next contract with attorneys, including in Harris County, Texas, to file defamation lawsuits on behalf of their customers. At this point, both the consumer and the attorney are misled. Specifically, Solvera Defendants fail to obtain authorization from, or even notify, its customers before contracting with attorneys to file lawsuits as part of their services. Businesses are surprised to learn, after the fact, that a company with a very similar name to their legal name

¹ This figure may even be larger in some circumstances, as Dinota has noted in an interview in 2014 that the cost for his services may be between \$50,000 to \$300,000. See <http://money.cnn.com/2014/05/16/technology/online-reputation-control/index.html> .

² See Exhibit A

has been named as the plaintiff in a lawsuit.³ Second, the attorney has been told by Solvera Defendants that they have already identified and contacted the alleged defamation defendant, the individual who purportedly posted the negative information on the Internet, and the parties have already reached a settlement. Solvera Defendants have already drafted the lawsuit, and send it along with the URL De-Index Agreement to the attorney. Local attorneys are thereby misled, because Solvera Defendants misrepresent that their customer has in fact authorized a lawsuit, when in actuality it is a fictitious business entity. This entity has then granted power of attorney to the local lawyer. Solvera Defendants make this misrepresentation by sending those attorneys a *different* version of the URL De-Index Agreement than the one that was signed by the customer. This version of the De-Index Agreement includes provisions stating that the consumer has agreed to be represented by the local attorney by granting a power of attorney, provisions that are not present in the original De-Index Agreement. Moreover, these local attorneys are further misled because Solvera Defendants fail to actually identify and contact the original poster of the content the consumer had believed was defamatory. Instead, a California blogger has made an additional posting to the original purportedly defamatory content, and has agreed to be “defendant” in the defamation lawsuit. Identifying the person consumers believe originally posted negative information would be nearly impossible to accomplish from the often anonymous complaints posted on the internet. So, Solvera Defendants have a local California associate sign an affidavit, in which he/she falsely states that he/she is a resident of the Court’s jurisdiction, including Harris County, and further falsely states that he/she engaged in all of the conduct alleged in the lawsuit, which extends to more than just the comment that they had additionally provided. This is

³ See Exhibit B

evidenced by the fact that invariably the affidavit is notarized in California despite the alleged defamation defendant's supposed local residence, in Harris County.

18. The attorney then files the lawsuit in state court, including Harris County District Court, resulting in Solvera Defendants' misleading the court that the fictitious plaintiff entity is the real business entity that has been defamed, and further that defendant is in fact the person that originally defamed the plaintiff. Solvera Defendants then send the attorney a waiver of service from the defendant named in the lawsuit, along with an agreed final judgment.

19. This agreed final judgment, a settlement made without the original parties' (the original alleged defamer and the originally allegedly defamed business) knowing participation, orders Internet search engines to de-index the review or posting in question. The attorney then signs and files the agreed final judgment with the court, and obtains the judge's final order, who has then unknowingly signed a court order premised on a complete falsehood. With this signed order from the court, Solvera Defendants are then able to contact search engines such as Google, to make them de-index the listed websites containing the allegedly defamatory review or posting. Thus, misrepresenting to search engines that the original parties have agreed the content was defamatory, when in fact the original poster of the speech has not been identified, only the paid commenter. Once de-indexed, the websites cannot be located through that search engine, though they do still exist on the Internet. Solvera Defendants have caused Harris County judges to enter multiple similar orders. Some of these postings have now been re-listed by Google and other search engines.

20. On information and belief, Solvera Defendants thus made misrepresentations to the consumer, who did not know a lawsuit was being filed as part of the services they had paid for, to local Texas attorneys, who did not know the lawsuits were premised on a paid transaction between a fictitious plaintiff and a paid defendant, to the court that did not know the originally "defamed"

consumer and original “defaming” speaker were unaware of the suit and had not made any true settlement, and to search engines such as Google who were unaware the court order was premised on such misrepresentations. Furthermore, it appears today that Solvera Defendants’ use of these tactics was sometimes ineffective, as it may not extend to cover mobile-optimized websites or provide a permanent “removal” solution as represented to customers.

21. The instantcomplaintremovers.com website, while no longer operational, touted that it is the “#1 Rated Content Removal Solution” and can “Remove Complaints in as Little as 48 Hours.” The website further stated that “You may have been told that it’s impossible to remove content from search results... but that’s where the team at ICR disagrees....we retain the most advanced in-house legal counsel. We work in conjunction with our specialized team of legal counsel and legal consultants...” The website also indicated that the company has removed 4203 complaints and de-indexed 2647 URLs. The way their company differs from other reputation management firms, the site said, is that those suppress negative content while Instant Complaint Removers instead actually de-indexes or deletes specific links.

22. Defendant Chris Dinota is the President and CEO of Solvera. Dinota has directly contacted attorneys in Harris County to solicit their assistance in Solvera’s scheme, has made direct misrepresentations to consumers and attorneys, and has signed contracts with attorneys in Harris County to further the scheme.

FALSE, MISLEADING OR DECEPTIVE ACTS

23. Solvera Defendants, as alleged above and detailed below, have in the course of trade and commerce engaged in false, misleading and deceptive acts and practices declared unlawful in §§17.46(a) and (b) of the DTPA. Such acts include:

- A. False, misleading, or deceptive acts or practices in the conduct of any trade or commerce, in violation of DTPA §17.46(a);
- B. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have or that a person has a sponsorship, approval, status, affiliation, or connection which the person does not, in violation of DTPA §17.46(b)(5);
- C. Representing that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law, in violation of DTPA §17.46(b)(12);
- D. Failing to disclose information concerning goods or services which was known at the time of the transaction with the intent to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed in violation of § 17.46(b)(24).

PRAYER FOR RELIEF

24. Plaintiff further prays that Solvera Defendants be cited according to law to appear and answer herein; that after due notice and hearing, a TEMPORARY INJUNCTION be issued; and that upon final hearing a PERMANENT INJUNCTION be issued, restraining and enjoining Solvera Defendants, Solvera Defendants' officers, agents, servants, employees and attorneys and any other person in active concert or participation with Solvera Defendants from engaging in the following acts or practices:

- A. Failing to non-suit any pending lawsuits in Texas relating to Solvera Defendants' reputation management services within fourteen (14) days of this order, unless Defendants receive express permission from this Court to continue such lawsuit;

- B. Proposing any order, or causing any order to be entered other than an order of non-suit, in any pending lawsuits in Texas relating to Solvera Defendants' reputation management services and for which Solvera Defendants have not received express permission from the Court to continue such lawsuit;
- C. Making or causing others to make untrue statements or statements without substantiation in the course of trade or commerce, including but not limited to:
- making or causing others to make any false or defamatory statement about a business;
 - making or causing others to re-post, copy, or summarize any complaint or defamatory statement that has been made by another person;
 - making or causing others to make any untrue comment on any complaint or defamatory statement that has been made by another person; or
 - making or causing others to make any comments or reviews regarding a business for which such person has not already been a customer.
- D. Filing, or causing to be filed, any lawsuits or pleadings in Texas as part of Solvera Defendants' reputation management services, unless Solvera Defendants have verifiable evidence of the identity of the proper defendant, such defendant resides in Texas or jurisdiction otherwise permits filing in Texas, and Solvera Defendants have the express informed consent of the customer to file a lawsuit in connection with their reputation management services;
- E. Causing a court in Texas to enter any order through the use of false or misleading representations to the court;

- F. Providing any court order to an Internet search engine or website for the purpose of de-indexing or otherwise removing or suppressing a web page if such order was obtained through the use of any misrepresentation or deception;
- G. For any lawsuits currently pending in Texas or previously filed in Texas, failing to notify all relevant parties, within three (3) days of this order, of the fact, if true, that any order was procured, in whole or in part, through any misrepresentation by Solvera Defendants, including but not limited the fact that:
- Plaintiff in the lawsuit is a fictitious company;
 - Defendant in the lawsuit is not the person who created the original complaint at the URL referenced in the lawsuit but instead was a paid blogger who added a comment to the original complaint;
 - Defendant in the lawsuit does not reside in Texas;
 - Customers of Solvera were unaware Solvera would initiate a legal process involving a fictitious name similar to theirs resulting in a public lawsuit containing defamation allegations; or
 - Contracts provided to attorneys were different than contracts provided to customers of Solvera;

For purposes of this paragraph, “all relevant parties” include but are not limited to: the court in which such lawsuit was brought, all parties to the lawsuit, all attorneys involved in the lawsuit, and any other interested persons, including any Internet search engines who has received any order of notice of the lawsuit, all relevant websites including any website on which the original complaint that is the subject of the lawsuit was posted, and any affected consumers;

- H. Misrepresenting that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities which they do not have, including but not limited to:
- i. misrepresenting that Solvera Defendants use “sophisticated technology” to de-index websites; or
 - ii. misrepresenting that Solvera Defendants are able to “remove” or otherwise delete online complaints through any technical or legal means if untrue;
- I. Failing to disclose the fact, if true, that Solvera Defendants’ services involve removal or deletion as a result of a monetary transaction with a third party;
- J. Misrepresenting that an agreement confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law, including but not limited to by misrepresenting to consumers or attorneys the contents of any agreements, including URL De-Indexing Agreements;
- K. Misrepresenting the fact that Solvera Defendants have identified the person who made a complaint or statement on any website;
- L. Failing to disclose information concerning goods or services which was known at the time of the transaction if such failure to disclose such information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed, including but not limited to by failing to disclose to consumers that Solvera will cause lawsuits to be filed related to their reputation management.

25. In addition, Plaintiff State of Texas respectfully prays that this Court will:

- A. Order Solvera Defendants to restore all money or other property taken from identifiable persons by means of unlawful acts or practices, or in the alternative award judgment for damages to compensate for such losses;
- B. Adjudge against Solvera Defendants civil penalties in favor of Plaintiff State of Texas in the amount of not more than \$20,000 per violation of the DTPA;
- C. Order Defendants to pay Plaintiff's attorney fees and costs of court pursuant to the TEX. GOVT. CODE, § 402.006(c);
- D. Order Solvera Defendants to pay both pre-judgment and post judgment interest on all awards of restitution, damages or civil penalties, as provided by law; and
26. Plaintiff further prays that this court grant all other relief to which Plaintiff State of Texas may show itself entitled.

Respectfully submitted,

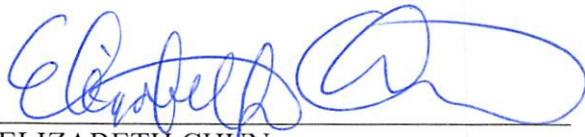
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