

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

THE STATE OF ALASKA,)	
)	
Plaintiff,)	
)	
v.)	
)	
JUAN LYLE AUNE,)	Case No. 3AN-20- <u>05758</u> CI
)	
Defendant.)	

COMPLAINT FOR INJUNCTIVE RELIEF,
CIVIL PENALTIES, AND RESTITUTION
(AS 45.50.501, AS 45.50.551)

The State of Alaska, by and through the Office of the Attorney General, alleges and complains as follows:

PARTIES, JURISDICTION, VENUE

1. Plaintiff is the State of Alaska, by and through the Attorney General.
2. Defendant is Juan Lyle Aune.
3. The Attorney General has reason to believe that Defendant has engaged in acts or practices declared unlawful by AS 45.50.471, and brings this action in the public interest. This court has jurisdiction over all aspects of the complaint under AS 45.50.501 and AS 45.50.551.
4. Defendant resides in Anchorage, Alaska and conducted business in Anchorage, Alaska at all times relevant to this complaint. Jurisdiction and venue are proper in the Superior Court for the Third Judicial District at Anchorage pursuant to AS 45.50.501(a) and Rule 3 of the Alaska Rules of Civil Procedure.

FACTUAL ALLEGATIONS

5. Defendant does business under the name Spazzylab.
6. Spazzylab does not have an Alaska business license, and Defendant operates Spazzylab as a sole proprietorship.
7. Doing business as Spazzylab, Defendant operates as an online seller on Amazon and eBay.
8. Beginning in February of 2020, Defendant engaged in a price gouging scheme to profit from the spread of COVID-19. Defendant's scheme involved purchasing thousands of respirators from Alaska retail stores and reselling those respirators on Amazon and eBay at outrageous, unconscionable, and unfair prices.
9. Defendant purchased respirators from Alaska stores such as Lowe's, Home Depot, and Spenard Builder's Supply.
10. Defendant generally purchased 20-packs of N95 respirators at a price between \$17 and \$23 per pack.
11. For example, on or about February 25, 2020, Defendant entered the Lowe's store located at 333 East Tudor Road in Anchorage and asked to buy every N95 respirator in the store. Defendant admitted to a store employee that he was "flipping" respirators and making about \$50 in profit from each pack sold. Defendant proceeded to purchase 293 20-packs of N95 respirators at a price of \$21.98 per pack.
12. Defendant sold multiple respirator models on Amazon, including 20-packs of 3M 8210 Particulate Respirators, rated N95 ("3M N95 20-packs"). Defendant sold 477 3M N95 20-packs on Amazon between February 10, 2020 and March 16, 2020, at an average

price of \$89.25. In contrast, the average price for 3M N95 20-packs sold on Amazon during the period from December 19, 2019 to January 19, 2020 was approximately \$16.

13. Defendant also sold multiple respirator models on eBay, including 3M N95 20-packs. On February 22, 2020, Defendant sold 172 3M N95 20-packs for \$58.99 a pack. And by February 29, 2020, Defendant was selling 3M N95 20-packs for \$89.99 on eBay.

14. Defendant's conduct of purchasing respirators from local stores and reselling them on the internet for unconscionable prices during a time of increased necessity and high demand for such respirators offends public policy, violates fundamental concepts of fairness, and is unethical, immoral, and unscrupulous. Defendant's conduct created a shortage of respirators in local stores, which harmed local consumers and businesses. Defendant's conduct also harmed purchasers who paid unconscionable prices in order to obtain respirators from Defendant's Amazon and eBay stores.

VIOLATIONS OF THE UNFAIR TRADE PRACTICES ACT, AS 45.50.471 - .561

Count 1

15. The Unfair Trade Practices Act (UTPA) outlaws unfair acts or practices in the course of trade or commerce. *See* AS 45.50.471(a).

16. As described in this Complaint, the Defendant engaged in unfair trade acts or practices in the course of trade or commerce, for which he is liable under AS 45.50.471.

17. Each and every one of Defendant's unfair sales and each of Defendant's online postings or advertisements in pursuit of an unfair sale constitutes a separate

violation of the UTPA, for which the Court shall impose a separate fine of not less than \$1,000 and not more than \$25,000.

DEMAND FOR JUDGMENT

WHEREFORE, the State of Alaska asks this court to enter judgment against the Defendants as follows:

18. Pursuant to AS 45.50.501, enjoining Defendant, and all who act under, by or through Defendant, from continuing to engage in the unlawful acts and practices alleged in this complaint;

19. Ordering Defendant, pursuant to AS 45.50.501(b), to restore to any person, any money or property which may have been acquired through the unlawful acts and practices alleged in this complaint, and which has not yet been restored to such person(s);

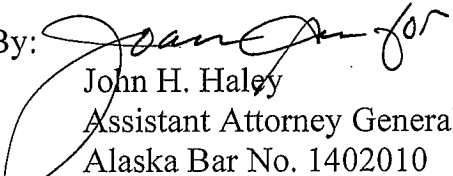
20. Pursuant to AS 45.50.551(b), awarding civil penalties of \$25,000 against Defendant for each and every violation of AS 45.50.471, with the total number of violations to be proven at trial;

21. Awarding full reasonable costs and attorney fees, including the cost of investigation, to the State of Alaska under AS 45.50.537(d); and

22. Granting such additional relief as the court may deem proper.

DATED April 1, 2020.

KEVIN G. CLARKSON
ATTORNEY GENERAL

By: 
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