

1 DAVID CHIU, SBN 189542  
City Attorney  
2 YVONNE R. MERÉ, SBN 173594  
Chief Deputy City Attorney  
3 SARA J. EISENBERG, SBN 269303  
Chief of Complex and Affirmative Litigation  
4 RONALD H. LEE, SBN 238720  
JULIE WILENSKY, SBN 271765  
5 Deputy City Attorneys  
Fox Plaza  
6 1390 Market Street, 6th Floor  
San Francisco, CA 94102-5408  
7 Telephone: (415) 554-3935 (Lee)  
(415) 554-4274 (Wilensky)  
8 Facsimile: (415) 554-3837  
E-Mail: Ronald.Lee@sfcityatty.org  
9 Julie.Wilensky@sfcityatty.org

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Superior Court of California,  
County of San Francisco  
**03/15/2023**  
Clerk of the Court  
BY: BOWMAN LIU  
Deputy Clerk

[EXEMPT FROM FILING FEES  
PURSUANT TO GOVERNMENT  
CODE SECTION 6103]

10 Attorneys for Plaintiff  
PEOPLE OF THE STATE OF CALIFORNIA

11  
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA

13 COUNTY OF SAN FRANCISCO

14 UNLIMITED JURISDICTION

15 PEOPLE OF THE STATE OF CALIFORNIA,  
16 acting by and through San Francisco City  
Attorney DAVID CHIU,

17 Plaintiff,

18 vs.

19 BRADY CORPORATION, a Wisconsin  
20 Corporation; and AIO ACQUISITION, INC., a  
21 Delaware Corporation, d/b/a Personnel  
Concepts and Labor Law Posters Online,

22 Defendants.

Case No. CGC-23-605044

**FIRST AMENDED COMPLAINT FOR  
INJUNCTIVE RELIEF AND CIVIL  
PENALTIES FOR VIOLATIONS OF  
BUSINESS AND PROFESSIONS CODE  
SECTIONS 17200 AND 17533.6 AND CIVIL  
CODE SECTION 1716**

Date Action Filed: March 8, 2023

23  
24  
25 Plaintiff, the People of the State of California (the “People”), acting by and through San  
26 Francisco City Attorney David Chiu, brings this action against Defendants Brady Corporation and  
27 AIO Acquisition, Inc., d/b/a Personnel Concepts, Inc. and Labor Law Posters Online (collectively,  
28 “Defendants”), and alleges as follows:

1 **INTRODUCTION**

2 1. Government impersonation fraud is a pernicious and widespread problem nationwide,  
3 including in California. Unscrupulous businesses engage in deceptive tactics to deceive consumers  
4 into believing a phone call, letter, or other communication is coming from a government agency.  
5 Government impersonation schemes scam consumers into losing their money and erode the trust  
6 consumers place in government.

7 2. The Federal Trade Commission has recognized the prevalence of this type of consumer  
8 fraud, with consumers reporting losses of over \$900 million from 2017 to 2021 from such schemes.  
9 And this is only the tip of the iceberg; many consumers never report the losses they have suffered.

10 3. The California Legislature recognized and addressed this ongoing problem when it  
11 enacted AB 532 in 1993 to prohibit businesses from sending mailers, advertisements, and other  
12 solicitations that reasonably could be interpreted or construed as implying any connection to the  
13 government. To confront the evolving nature of these impersonation schemes, the Legislature has  
14 strengthened the law several times to require businesses to make clear to consumers that their  
15 solicitations are not actually from a governmental agency.

16 4. Despite these consumer protection measures, impersonation schemes continue to harm  
17 Californians. In particular, small business owners in California are frequently the target for deceptive  
18 solicitations designed to appear as official government communications. In their effort to ensure  
19 compliance with an array of federal, state, and local legal requirements, small business owners too  
20 often fall prey to these deceptive solicitations offering a range of business-related products and  
21 services. One such product that is particularly lucrative is compliance posters that help businesses  
22 satisfy federal, state, and local government requirements to post certain notices in the workplace.

23 5. Defendants are a nationwide direct marketer of workplace compliance posters targeting  
24 small businesses throughout California with an unlawful and deceptive solicitation scheme. As part of  
25 this solicitation scheme, Defendants send mailers that appear to be government-issued invoices for an  
26 “All-On-One California & Federal Labor Law Poster” to small businesses across California.

27 6. Defendants’ mailers mislead small business owners into believing they are receiving a  
28 government communication. The mailers also falsely imply that purchasing Defendants’ product is

1 required to comply with the law. It is not. And Defendants’ so-called “All-On-One” product does not  
2 even contain all required postings for California employers. As a result, employees of businesses that  
3 purchase Defendants’ poster are not being informed of all their rights.

4 7. Defendants’ pattern of unlawful and deceptive conduct continues once a business  
5 places an order. Defendants subject consumers to aggressive and deceptive telemarketing calls using  
6 “bait-and-switch” tactics to pressure businesses into buying expensive subscription services. These  
7 illegal practices have resulted in many consumer complaints. Defendants’ ongoing conduct harms  
8 small businesses in San Francisco and across California.

9 8. The People bring this suit to stop Defendants’ unlawful, fraudulent, deceptive, and  
10 unfair conduct. The People also seek to recover funds for business owners who were victimized and to  
11 impose civil penalties.

12 **PARTIES**

13 9. Plaintiff, the People of the State of California, acting by and through San Francisco  
14 City Attorney David Chiu, prosecutes this action pursuant to Business and Professions Code sections  
15 17204, 17206, 17535, and 17536 and Civil Code section 1716.

16 10. Defendant Brady Corporation is a Wisconsin corporation headquartered in Milwaukee,  
17 Wisconsin.

18 11. Defendant AIO Acquisition, Inc. is a wholly-owned subsidiary of Brady Corporation.  
19 AIO Acquisition, Inc. is incorporated in Delaware and headquartered in Ontario, California.

20 12. Defendant Brady Corporation, through Defendant AIO Acquisition Inc., does  
21 substantial business in the City and County of San Francisco and throughout the State of California  
22 using the trade names Personnel Concepts and Labor Law Posters Online.

23 13. Whenever this complaint refers to any act of any corporate defendant, such allegation  
24 shall be deemed to mean that such corporate defendant did the acts alleged in the complaint through its  
25 officers, directors, agents, employees, and/or representatives while they were acting within the actual  
26 or ostensible scope of their authority.

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1 **JURISDICTION AND VENUE**

2 14. The San Francisco Superior Court has jurisdiction over this action. Defendants are  
3 engaging in unlawful, unfair, and fraudulent business practices in San Francisco, and the San  
4 Francisco City Attorney has statutory authority to prosecute this case on behalf of the People.

5 15. Venue is proper in this Court because the unlawful conduct occurred in San Francisco  
6 and elsewhere in California.

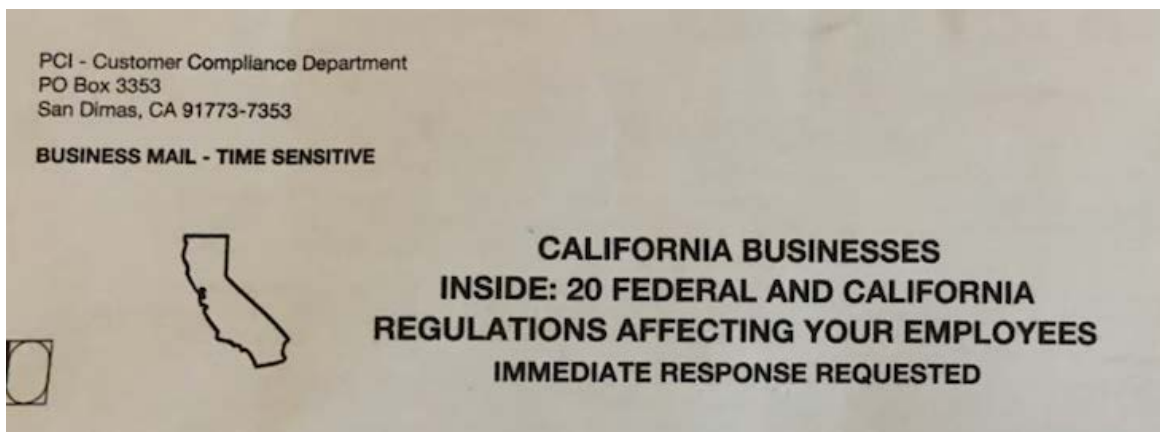
7 **FACTUAL ALLEGATIONS**

8 16. Employers are responsible for ensuring compliance with requirements to display certain  
9 workplace posters issued by federal, state, and local government agencies. These requirements differ  
10 depending on the size and nature of the employer’s business.

11 17. Government-issued posters that are required to be displayed in the workplace are  
12 available to employers free of charge.

13 18. At least annually, Defendants mass-mail California small businesses a solicitation to  
14 purchase an “All-On-One California & Federal Labor Law Poster” containing a variety of posters  
15 issued by California and federal government agencies.

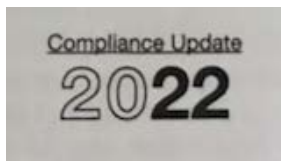
16 19. The solicitation is designed to look like a communication from the government. Among  
17 its features, on front of the solicitation, Defendants represent themselves as a “Customer Compliance  
18 Department,” use the outline of the state of California, and employ language that communicates  
19 urgency to pressure small business owners to immediately respond to a communication purportedly  
20 about “20 Federal and California Regulations Affecting Your Employees,” obscuring the true nature  
21 of the communication. An image of the front of the solicitation is below.



1           20.    The front of the solicitation further identifies the year “2022” in large numbers that  
2 mimic federal tax forms where the “20” appears in large, outlined characters, and the “22” appears in  
3 large, bolded black characters as illustrated below.

4                           Defendants’ Solicitation

  IRS Form 1040



5   vs.



6  
7  
8           21.    Inside the solicitation, Defendants falsely convey that purchasing Defendants’ product  
9 is required to comply with the law. The solicitation states in bold: “**ALERT: You Must Post Revised**  
10 **California & Federal Labor Law Notices.**” As shown below, Defendants instruct the business to  
11 “[r]eturn this form in the enclosed envelope to bring your business into compliance.”

12                           **Return this form in the enclosed envelope to bring your business into compliance.**

13           22.    On another page, and as illustrated below, the solicitation again directs small business  
14 owners “[t]o ensure your compliance with all current California AND federal labor law posting  
15 requirements” by purchasing Defendants’ “All-On-One” product.

16                           obligations under labor law posting regulations. To ensure your compliance with all current California AND federal labor law posting  
17 requirements, including any recent changes to your Workers' Compensation, Discrimination, Unemployment, and Wage & Hour notices,  
order the 2022 Space Saver-1™ All-On-One State and Federal Labor Law Poster listed on the back of this notice. This reversible poster

18           23.    Purchasing Defendants’ product is not required to comply with the law. In fact,  
19 Defendants’ product does not even ensure compliance with all state and federal posting requirements.  
20 For example, Defendants’ compliance poster fails to include any industry-specific or occupation-  
21 specific Wage Orders, or otherwise alert small business owners that these are required under  
22 California law. Absent these notices, Defendants’ product does not bring businesses into compliance  
23 with California law.

24           24.    Defendants further fail to disclose that compliance with state and federal law may  
25 require additional posters not included in Defendants’ “All-On-One” product, or posters in languages  
26 other than English.

27           25.    The solicitation falsely claims Defendants’ product is an “exclusive Library of  
28 Congress-registered poster.” There is no such registry.

1 26. As shown below, the solicitation also threatens recipient businesses with the risk of  
2 “fines up to \$37,513,” with citations to federal statutory provisions that provide no basis for this  
3 number.

4 Failure to comply with posting regulations can lead to fines up to \$37,513 (29 USC Sec. 666(i)) & (29 USC Sec. 2005).

5 27. On information and belief, Defendants’ solicitations for 2023 are or will be similarly  
6 misleading and deceptive to the solicitations for 2022.

7 28. Once a business places an order, Defendants engage in repeated marketing calls falsely  
8 insisting that various other posters and annual subscription packages must be purchased to comply  
9 with the law and avoid heavy fines. This bait-and-switch tactic, using a low initial price for the “All-  
10 On-One” poster to pressure businesses into buying annual subscription services at greater profit  
11 margins for Defendants, results in surprise invoices for hundreds of dollars.

12 29. When businesses refuse to pay the invoice, or otherwise dispute the charges or attempt  
13 to decline Defendants’ products and services, Defendants demand payment through a collection  
14 agency.

15 30. Defendants’ deceptive practices have led to warnings by consumer advocates and  
16 thousands of consumer complaints nationwide, including in California. As one complainant states,  
17 “[t]hey sent me what appeared to be a very official notice regarding my business [in] a clear attempt to  
18 trick me into buying their product.” Another notes Defendants “send you a letter that looks to be  
19 official and from a government agency.” Consumer complaints also reveal Defendants’ intimidation  
20 and scare tactics, and consumers’ inability to stop Defendants’ continued harassment and collection  
21 efforts after they realize Defendants’ products and services are of little or no value to them.

22  
23 **FIRST CAUSE OF ACTION**  
**VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200**  
24 **AGAINST ALL DEFENDANTS**  
**(Unfair Competition)**

25 31. The People incorporate by reference the allegations contained in each paragraph above,  
26 as if those allegations were fully set forth in this cause of action.

27 32. Business and Professions Code section 17200 prohibits any person from engaging in  
28 “any unlawful, unfair or fraudulent business act or practice,” or any “unfair, deceptive, untrue or

1 misleading advertising.”

2 33. Defendants, and each of them, have engaged in and continue to engage in unlawful,  
3 unfair, and fraudulent business acts and practices in violation of section 17200. Such acts and practices  
4 include, but are not limited to, the following:

- 5 a. Defendants have violated, and continue to violate, Business and Professions Code  
6 section 17533.6, as alleged in the Second Cause of Action
- 7 b. Defendants have violated, and continue to violate, Civil Code section 1716, as alleged  
8 in the Third Cause of Action.
- 9 c. Defendants have engaged in, and continue to engage in, fraudulent business practices  
10 and in unfair, deceptive, untrue, or misleading advertising, by making deceptive,  
11 untrue, and misleading statements and omitting material information in connection with  
12 the sale of their products and services, including their “All-On-One” product and their  
13 subscription services, via their mail solicitation, telemarketing calls, and other means,  
14 and by using a solicitation that reasonably could be interpreted or construed as implying  
15 a governmental connection or endorsement. Defendants’ practices, representations, and  
16 statements are likely to mislead a reasonable consumer.
- 17 d. Defendants’ acts and practices are unfair business practices because they offend  
18 established public policy, and because the harm they cause to consumers and to public  
19 safety in California greatly outweighs any benefits associated with those practices.

20 34. Defendants have no expressed connection with, or the approval or endorsement of, any  
21 federal, state, or local government agency.

22 35. Defendants’ solicitations do not satisfy statutory safe harbor provisions.

23 36. Defendants continue to engage in the unlawful acts and practices described above.

24 Unless the People are granted the remedies sought below, including injunctive relief by order of this  
25 Court, Defendants will continue to cause injury and irreparable harm to consumers and the general  
26 public.

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1 **SECOND CAUSE OF ACTION**  
2 **VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17533.6**  
3 **AGAINST ALL DEFENDANTS**  
4 **(Use of Term, Symbol, or Content Indicating Governmental Connection)**

5 37. The People incorporate by reference the allegations contained in each paragraph above,  
6 as if those allegations were fully set forth in this cause of action.

7 38. Business and Professions Code section 17533.6 prohibits businesses from using any  
8 term, symbol, or content in their solicitations that reasonably could be interpreted or construed as  
9 implying any governmental connection, approval, or endorsement.

10 39. Defendants, and each of them, have engaged in and continue to engage in business acts  
11 or practices in violation of Business and Professions Code section 17533.6, by sending solicitations  
12 that could be interpreted or construed by a reasonable consumer as implying a governmental  
13 connection, approval, or endorsement of Defendants' products and services.

14 40. Defendants continue to engage in the unlawful acts and practices described above.  
15 Unless the People are granted the remedies sought below, including injunctive relief by order of this  
16 Court, Defendants will continue to cause injury and irreparable harm to consumers and the general  
17 public.

18 **THIRD CAUSE OF ACTION**  
19 **VIOLATION OF CIVIL CODE SECTION 1716 AGAINST ALL DEFENDANTS**  
20 **(Solicitation by Invoice)**

21 41. The People incorporate by reference the allegations contained in each paragraph above,  
22 as if those allegations were fully set forth in this cause of action.

23 42. Civil Code section 1716 prohibits a person from soliciting payment of money for an  
24 order by means of any writing that reasonably could be considered a bill, invoice, or statement of  
25 account due.

26 43. Defendants, and each of them, have engaged in and continue to engage in business acts  
27 or practices in violation of Civil Code section 1716, by sending solicitations that appear as invoices  
28 and are likely to be considered an invoice by a reasonable consumer.

44. Defendants continue to engage in the unlawful acts and practices described above.  
Unless the People are granted the remedies sought below, including injunctive relief by order of this



1 Court, Defendants will continue to cause injury and irreparable harm to consumers and the general  
2 public.

3 **PRAYER FOR RELIEF**

4 The People respectfully request that the Court enter judgment in favor of the People and  
5 against Defendants, jointly and severally, and grant the following relief:

6 1. Enjoin Defendants, their successors, agents, representatives, employees, and any and all  
7 other persons who act in concert or participation with Defendants by preliminarily and permanently  
8 restraining them from performing or proposing to perform any acts in violation of Business and  
9 Professions Code section 17200, Business and Professions Code section 17533.6, and Civil Code  
10 section 1716;

11 2. Order Defendants to conform their solicitations to meet, at minimum, all statutory  
12 requirements under Business and Professions Code section 17533.6 and Civil Code section 1716;

13 3. Order Defendants to pay in restitution to California consumers all funds, with interest,  
14 unlawfully received by Defendants, under the authority of Business and Professions Code sections  
15 17203 and 17535;

16 4. Order each Defendant to pay a civil penalty of \$2,500 for each violation of Business  
17 and Professions Code section 17200, under the authority of Business and Professions Code section  
18 17206;

19 5. Order each Defendant to pay an *additional* civil penalty of \$2,500 for each violation of  
20 Business and Professions Code section 17533.6, under the authority of Business and Professions Code  
21 section 17536;

22 6. Order each Defendant to pay an *additional* civil penalty of \$10,000 for each violation  
23 of Civil Code section 1716, as provided for in that section;

24 7. Order Defendants to pay the costs of suit; and

25 8. Provide such further and additional relief as the Court deems just, proper, and  
26 equitable.

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1 Dated: March 15, 2023

2 DAVID CHIU  
3 City Attorney  
4 YVONNE R. MERÉ  
5 Chief Deputy City Attorney  
6 SARA J. EISENBERG  
7 Chief of Complex and Affirmative Litigation  
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9 JULIE WILENSKY  
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11 By:  \_\_\_\_\_  
12 RONALD H. LEE

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15 and through San Francisco City Attorney DAVID CHIU  
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