

IN THE CIRCUIT COURT OF PULASKI COUNTY, ARKANSAS  
\_\_\_\_\_  
DIVISION

STATE OF ARKANSAS, *ex rel.*  
LESLIE RUTLEDGE, ATTORNEY GENERAL

PLAINTIFF

v. CASE NO. \_\_\_\_\_

FLOWMATIC TECHNICAL  
SOLUTIONS, LLC  
and JOSEPH MICHAEL BRADFORD

DEFENDANTS

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COMPLAINT

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The State of Arkansas, *ex rel.* Leslie Rutledge, Attorney General (“the State”), for its Complaint against Flowmatic Technical Solutions, LLC (“FTS”) and Joseph Michael Bradford (“Bradford”), states:

I. INTRODUCTION

1. This is a consumer protection action brought to redress and restrain violations of the Arkansas Deceptive Trade Practices Act, Ark. Code Ann. § 4-88-101 through 115 (“ADTPA”).

2. FTS is an Emmett, Arkansas-based business that purported to offer unlimited LTE rural high-speed internet and television for \$65 per month and other technological solutions such as home security. It primarily advertised its services on social media and targeted rural areas without reliable access to high-speed internet during the state of emergency declared by Governor Hutchinson due to COVID-19.

3. FTS failed to provide the reliable high-speed internet it advertised and sold to customers. FTS also failed to repair defective products and services or provide refunds to paying customers. Many consumers never received any internet service after purchasing it from FTS, and still other consumers experienced the internet service ending without warning and without receiving a refund.

4. The State seeks an injunction, an order imposing civil penalties, restitution for affected consumers, and other relief against Defendants.

## **II. PARTIES**

5. Plaintiff is the State of Arkansas, *ex rel.* Leslie Rutledge, Attorney General. Attorney General Rutledge is the chief legal officer of the State. Pursuant to Ark. Code Ann. § 4-88-104 and 4-88-113, the State may seek civil enforcement of the ADTPA.

6. Defendant FTS is a domestic limited liability company registered with the Secretary of State on June 2, 2020, with its principal place of business listed as 117 Maple Drive, Emmet, Arkansas 71835. Defendant FTS has also advertised its business location as 3048 Highway 67, Emmet, Arkansas 71835.

7. Defendant Bradford, an Arkansas resident at all times relevant to this complaint, is the only member of FTS and serves as its registered agent for service of process at 215 East 15<sup>th</sup> Street, Hope, AR, 71801. Defendant Bradford is a controlling person of FTS within the meaning of Ark. Code Ann. § 4-88-114(d). As such, he is

personally liable not only for his acts in violation of Arkansas law but also for the acts of FTS and its employees or agents thereof.

### **III. JURISDICTION**

8. This Court has jurisdiction over this matter pursuant to Ark. Code Ann. § 4-88-104 and the common law of the State of Arkansas. This Court has personal jurisdiction pursuant to Ark. Code Ann. § 16-4-101, which extends jurisdiction to all persons, causes of action, and claims for relief, to the maximum extent permitted by the Due Process Clause of the Fourteenth Amendment of the United States Constitution.

9. Venue is proper pursuant to Ark. Code Ann. §§ 4-88-104, 4-88-112 and the common law of the State of Arkansas.

### **IV. FACTUAL ALLEGATIONS**

10. FTS purported to offer unlimited high-speed internet services for an initial fee of \$249 and \$65 per month in rural areas in southern Arkansas on June 4, 2020.

11. On information and belief, Joe Bradford is the sole owner and manager of FTS responsible for the day-to-day operation of the business and its advertisements.

12. The company advertised primarily on Facebook. Given the lack of access to high-speed internet in rural areas, many consumers were understandably interested in the services FTS offered.

13. FTS advertised on its Facebook page that it offered a “full money[-]back” guarantee, that the internet service it offered was “completely unlimited and unthrottled,” “no contract” was required, and “you will never run out of data.”

14. Its “unlimited” internet advertisement was directly contradicted by the terms and conditions on its website, flowmaticusa.com, which limited data to “acceptable amounts” of 10GB a month.

15. The “full money[-]back guarantee” advertised was inconsistent with its terms of service that stated that “after your account has been activated, no refunds will be provided for activation, only the equipment totaling \$184.99 will be refunded.”

16. The Facebook posts and comments were sometimes signed by “Joe” or “Flow PC.”

17. Some of the consumers who filed complaints with our office or posted comments online stated that they depended on reliable internet access for their employment or their children’s education.

18. FTS claimed to be able to provide unlimited internet service at 25 to 100 Mbps at a competitive rate in rural areas other providers could not.

19. Beginning in November 2020, the Attorney General’s Office began to receive complaints regarding FTS. These complaints encompassed a range of issues including FTS failing to provide the services it advertised, not providing refunds

when internet access was terminated, and in some instances taking consumers' money and never providing any service.

20. FTS stopped offering internet services on November 7, 2020, according to its Facebook page.

21. FTS's terms and conditions stated that it could change the terms and conditions of its service at any time by providing "notice" defined as a written letter or "post on social media platform, or any other publicly viewed medium." Customers' continued use was deemed acceptance.

#### **A. Defendants Failed to Honor Promises Made in Advertising.**

22. Defendants made specific advertising guarantees in the promotion of its services.

- a. FTS advertised guaranteed internet high-speed internet services. Defendants posted to local area Facebook groups advertising FTS as a "truly unlimited internet and tv service for \$65 a month."<sup>1</sup>
- b. Other advertising graphics posted to these Facebook groups noted the \$249.99 initial fee that included costs for installation, activation, and the first month's payment.<sup>2</sup>

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<sup>1</sup> See Exhibit 1.

<sup>2</sup> See Exhibit 2.

- c. Defendants also posted screenshots of internet speed test results to these groups showing high internet speed made available by their services.<sup>3</sup>

23. Defendants failed to provide service commensurate with its advertising promises. Numerous consumers paid for services that did not work as promised in FTS' advertisements.<sup>4</sup>

- a. Multiple consumers paid for FTS internet service only to find the service provided was not high-speed internet contrary to FTS' advertising promises. Instead of what FTS promised, these consumers received a service that provided poor quality, low-speed internet and oftentimes did not work at all.<sup>5</sup>
- b. Multiple consumers complained FTS never provided the free YouTube TV service promised by FTS to entice consumers to purchase internet service.<sup>6</sup>
- c. Multiple consumers complained their internet service stopped working and high-speed internet was not available contrary to FTS' advertised promises. Oftentimes, the internet service stopped working within a matter of weeks after installation and activation.<sup>7</sup>

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<sup>3</sup> See Exhibit 3.

<sup>4</sup> See Exhibit 4 for all Consumer Complaints referenced.

<sup>5</sup> See Consumer Complaints 20-10265, 20-10586, 20-11260, 20-11265, 20-10635, 20-11142, 20-10635.

<sup>6</sup> See Consumer Complaints 20-10265 and 20-10555.

<sup>7</sup> See Consumer Complaints 20-10557, 20-10556, 20-10565, 20-10571, 20-10586, 20-10588, 20-10604, 20-11178, 20-11260, 20-11298.

- d. Consumers also complained they were charged prices higher than advertised by FTS.<sup>8</sup>

**B. Defendants Failed to Repair Defective Products or Provide Refunds.**

24. Numerous consumers complained that after purchasing internet service, FTS did not successfully repair the service when contacted by consumers.<sup>9</sup>

25. Many consumers complained that after purchasing internet service, not only was the defective product they purchased not repaired, FTS completely ignored any requests for repair or replacement.<sup>10</sup>

26. Multiple consumers complained FTS never provided refunds for defective products and services despite consumers making multiple requests in some instances.<sup>11</sup>

**C. Defendants Failed to Deliver Products and Services After Receiving Payment.**

27. Multiple consumers complained FTS failed to provide any service or product even after receiving payment from the consumer. Many of these consumers

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<sup>8</sup> See Consumer Complaint 20-10555.

<sup>9</sup> See Consumer Complaints 20-10571, 20-10588, 20-11260, 20-11265, 20-10265, 20-11142.

<sup>10</sup> See Consumer Complaints 20-10557, 20-10556, 20-10565, 20-10586, 20-10604, 20-11178, 20-10265, 20-10635, 20-11298.

<sup>11</sup> See Consumer Complaints 20-10635, 20-10639, 20-10640, 20-11142, 20-11298, 21-00537, 20-10265, 20-10555.

attempted to contact FTS multiple times to receive the service they paid for. Oftentimes, the consumers received no response.<sup>12</sup>

#### **D. Defendants Failed to Provide Refunds for Products and Services Not Provided Despite Receiving Payment.**

28. Multiple consumers complained FTS failed to provide refunds for products and services that consumers never received. A number of these consumers experienced their internet service shut off suddenly, while others never received any internet service through their contract with FTS. In both cases, these consumers never received refunds of their payments for services FTS failed to deliver.<sup>13</sup>

### **V. VIOLATIONS OF LAW**

29. The ADTPA sets forth the State's statutory program prohibiting deceptive and unconscionable trade practices.<sup>14</sup>

30. The business practices of Defendants constitute the sale of "goods" or "services."<sup>15</sup> The same business practices constitute business, commerce, or trade.<sup>16</sup>

31. It is unlawful to "knowingly make a false representation as to the characteristics, ingredients, uses, benefits, alterations, source, approval, or

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<sup>12</sup> See Consumer Complaints 20-10603, 20-10604, 20-10710, 20-10850, 20-11176, 21-00537.

<sup>13</sup> See Consumer Complaints 20-11175, 20-10556, 20-11273, 20-11368, 20-10555, 20-10571, 20-10586.

<sup>14</sup> Ark. Code Ann. §§ 4-88-101, *et seq.*

<sup>15</sup> Ark. Code Ann. § 4-88-102(4) and (7).

<sup>16</sup> Ark. Code Ann. § 4-88-107.



certification of goods or services....”<sup>17</sup> Defendants have engaged in prohibited conduct by falsely representing:

- a. The quality of the internet service provided by FTS. Defendants advertised high-speed internet services but only provided low quality, low-speed internet at best, and a defective service that provided no internet access at worst.
- b. The inclusion of YouTube TV with the purchase of internet service. Defendants never provided the free YouTube TV subscription service advertised to consumers to entice them to purchase internet service.<sup>18</sup>
- c. The price of internet service provided by FTS. Defendants charged consumers prices higher than advertised.

32. The law prohibits the use of “concealment, suppression, or omission of any material fact with the intent that others rely upon the concealment, suppression, or omission” while selling any goods or services.<sup>19</sup> Defendants have engaged in prohibited conduct by:

- a. Suppressing, concealing, or omitting the fact that FTS internet service did not reliably provide high-speed internet access.

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<sup>17</sup> Ark. Code Ann. § 4-88-107(a)(1).

<sup>18</sup> YouTube TV offers a free version of its video streaming service with advertisements and a subscription service without advertisements.

<sup>19</sup> Ark. Code Ann. § 4-88-108(a)(2).

33. It is a violation to engage in unconscionable, false, or deceptive acts or practices in business, commerce, or trade.<sup>20</sup> Defendants engaged in prohibited conduct by:

- a. Not successfully repairing defective products and services paid for by consumers.
- b. Completely ignoring consumers' requests for repair of defective products and services while still charging monthly fees.
- c. Not providing refunds for defective products and services sold to consumers.
- d. Failing to provide consumers with products and services even after consumers had paid FTS for these products and services.
- e. Not providing refunds for products and services never actually provided to consumers even after consumers had paid FTS for these products and services.
- f. Binding consumers to changed terms of service by only providing notice by posting on "social media platform[s]" and "publicly viewed medium."

## **VI. PRAYER FOR RELIEF**

34. The Attorney General may bring a civil action to seek to prevent persons from engaging in the use or employment of prohibited practices.<sup>21</sup>

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<sup>20</sup> Ark. Code Ann. § 4-88-107(a)(10).

<sup>21</sup> Ark. Code Ann. § 4-88-113(a)(1).

35. Likewise, the Attorney General may bring a civil action to seek to restore to any purchaser who has suffered any ascertainable loss by reason of the use or employment of the prohibited practices any moneys or real or personal property which may have been acquired by means of any practices declared to be unlawful, together with other damages sustained.<sup>22</sup>

36. The demand seeks damages that exceed the amount required for federal jurisdiction in a diversity of citizenship case.<sup>23</sup>

37. The Attorney General may seek an injunction prohibiting any person from engaging in any deceptive or unlawful practice.<sup>24</sup>

38. Any person who violates the provisions of the ADTPA may be assessed a civil penalty of up to \$10,000 per violation.<sup>25</sup>

39. In addition, any person who violates the provisions of the ADTPA shall be liable to the Office of the Attorney General for all costs and fees, including but not limited to, expert witness fees and attorney's fees, incurred by the Office of the Attorney General in the prosecution of such actions.<sup>26</sup>

40. A "person" is an individual, organization, group, association, partnership, corporation, or any combination thereof.<sup>27</sup>

41. FTS is a "person" who has engaged in an unconscionable, false, or deceptive act or practice in business, commerce, or trade.

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<sup>22</sup> Ark. Code Ann. § 4-88-113(a)(2)(A).

<sup>23</sup> Ark. Rule Civ. P. 8(a).

<sup>24</sup> Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1).

<sup>25</sup> Ark. Code Ann. § 4-88-113(a)(3).

<sup>26</sup> Ark. Code Ann. § 4-88-113(e).

<sup>27</sup> Ark. Code Ann. § 4-88-102(5).

42. The State will exercise its right to a trial by jury.

**WHEREFORE**, the above premises considered, the State of Arkansas, *ex rel.*

Leslie Rutledge, Attorney General, respectfully requests that this Court:

- a. Issue such orders, pursuant to Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1), as may be necessary to prevent the use or employment by the Defendants of the practices described herein which are violations of the ADTPA;
- b. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(a)(2)(A), requiring Defendants to pay consumer restitution to those Arkansas consumers affected by the activities outlined herein; in addition, or in the alternative, enter an order requiring Defendants to remit to affected consumers all sums obtained from Arkansas consumers by methods prohibited by Arkansas law;
- c. Issue an order requiring Defendants to comply with requests from those consumers who wish to cancel their service, to discontinue any further efforts to collect money from those consumers, withdraw any consumer accounts that have been referred to a collection agency, and remove any negative credit information from the consumers' credit record.
- d. Impose civil penalties pursuant to Ark. Code Ann. § 4-88-113(b), to be paid to the State by the Defendants in the amount of \$10,000.00 per each violation of the ADTPA proved at a trial of this matter, the full

amount of which will exceed the amount necessary to establish federal diversity jurisdiction.

- e. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(e), requiring Defendants to pay the State's costs in this investigation and litigation, including, but not limited to, attorneys' fees and costs; and
- f. For all other just and proper relief to which the State may be entitled.

Respectfully submitted,

**LESLIE RUTLEDGE**  
**ATTORNEY GENERAL**

By: 

William Trent Minner, Ark. Bar No. 2020138  
Assistant Attorney General  
Arkansas Attorney General's Office  
323 Center Street, Suite 200  
Little Rock, AR 72201  
(501) 682-8114  
[Trent.Minner@ArkansasAg.gov](mailto:Trent.Minner@ArkansasAg.gov)

Kate Donovan, Ark. Bar No. 98189  
Senior Assistant Attorney General  
Arkansas Attorney General's Office  
323 Center Street, Suite 200  
Little Rock, AR 72201  
(501) 682-8114  
[Kate.Donoven@ArkansasAG.gov](mailto:Kate.Donoven@ArkansasAG.gov)