

IN THE CIRCUIT COURT OF ST. CHARLES COUNTY
11th JUDICIAL CIRCUIT
STATE OF MISSOURI

NRRM, LLC d/b/a CARSHIELD,)	
)	
Plaintiff,)	
)	Cause No.
v.)	
)	Division No.
THE BETTER BUSINESS BUREAU)	
OF GREATER ST. LOUIS, INC.)	
)	
Registered Agent:)	
Serve: Michelle L. Corey)	
211 North Broadway Ste. 2060)	
St. Louis, MO 63102)	
)	
)	
Defendant.)	

PETITION

Plaintiff NRRM, LLC d/b/a CarShield (“CarShield”), states and alleges as follows for its Petition against The Better Business Bureau of Greater St. Louis, Inc. (“St. Louis BBB”) as follows:

Parties, Jurisdiction and Venue

1. CarShield is a Missouri limited liability company in good standing with its principal place of business in St. Charles, Missouri.
2. The St. Louis BBB is a Missouri non-profit corporation with its principal place of business in St. Louis City, Missouri.
3. Jurisdiction is proper in this Court. Mo. Const. Art. V, § 14; Mo. Rev. Stat. § 478.070.
4. Venue is proper in this Court. Mo. Rev. Stat. § 508.010.4.

General Allegations

5. CarShield is a nationwide company marketing vehicle service contracts on behalf of leading third-party administrators.

6. The St. Louis BBB is, upon information and belief, a franchise of the Council of Better Business Bureaus.

7. Michelle Corey is the President of the St. Louis BBB.

8. The St. Louis BBB assigns businesses in the area, including CarShield, a letter grade rating between an “A+” (highest) through “F” (lowest).

9. The St. Louis BBB includes a link in its website defining each of the thirteen elements of the rating system and the maximum amount of points that the St. Louis BBB may add or subtract in determining a business’s grade.

10. The St. Louis BBB awards a letter grade to each business with the knowledge that certain consumers rely, in whole or in part, on the grade in deciding whether to conduct business with the particular business.

11. Corey stated to the St. Louis Post-Dispatch when the BBB adopted the letter grade rating system in January 2009 that the new grading system was “a huge success” and that Web statistics had shown that consumer traffic to the St. Louis BBB’s website had increased significantly.

12. In assigning grades to these businesses, the St. Louis BBB holds itself out as an objective, unbiased, and neutral source of information related to the businesses it evaluates.

13. To this end, the St. Louis BBB includes links on its website that state the following:

- a. “Our basic policy is to refrain from recommending or endorsing any business, product or service. This is done to ensure continued public trust in our fairness.”
<https://www.bbb.org/frequently-asked-questions>
- b. “BBB’s value to the business community is based on our marketplace neutrality.”
<https://www.bbb.org/frequently-asked-questions>

- c. “BBB provides objective advice” <https://www.bbb.org/local-bbb/bbb-of-eastern-and-southwest-missouri-and-southern-illinois>
- d. “People today are overwhelmed with choices – and often unsure about where to find verified, unbiased information. . . . Where can consumers turn to find trusted information? For more than 100 years, the Better Business Bureau has been helping people find businesses, brands, and charities they can trust.” <https://www.bbb.org/about-bbb>.
- e. We seek individuals who personify the personality traits that BBB represents:
 - ◆ In-Touch/Insightful;
 - ◆ Un-Intimidating;
 - ◆ Vocal;
 - ◆ Fair-minded;
 - ◆ Seasoned, and
 - ◆ Ardent.In return, our employees enjoy an opportunity to contribute to advancing trust in the marketplace on a daily basis. <https://www.bbb.org/stlouis/get-to-know-us/employment/>

14. The St. Louis BBB, at the direction of Corey, has assigned CarShield, as well as its predecessor companies, the lowest possible rating of a “F” during the vast majority of CarShield’s existence.

15. Despite the St. Louis BBB’s representations regarding the criteria in its rating system and its claimed neutral and unbiased approach for evaluating businesses, the St. Louis BBB, at Corey’s direction, has previously overridden the rating system and flunked all local vehicle service contract companies, including CarShield.

16. The St. Louis Post-Dispatch reported that “the BBB waged a national crusade against dozens of St. Louis-area companies that sell extended auto-service contracts, which are often marketed as ‘extended warranties.’ Corey decided to override the system, and the St. Louis office flunked all of the area service-contract sellers.”

17. For the past fifteen years, CarShield as well as its predecessor companies have attempted to work with the St. Louis BBB on numerous occasions to address the “concerns” the St. Louis BBB claims has kept CarShield’s grade at a “F”.

18. CarShield’s efforts have included scheduling several in-person meetings with Corey and other employees at the St. Louis BBB.

19. Corey has failed to appear at scheduled meetings with CarShield.

20. St. Louis BBB has also written several letters purporting to describe its complaints with CarShield.

21. CarShield has been responsive to all of the St. Louis BBB’s complaints.

22. In these meetings and letters, St. Louis BBB has suggested that CarShield make certain changes to its advertising materials in order to purportedly adhere to the BBB’s *Code of Advertising*. Despite disagreeing with the St. Louis BBB’s reasoning, CarShield would nevertheless make many of the requested changes. Yet, the St. Louis BBB would thereafter in some instances claim that the very changes the St. Louis BBB suggested CarShield make did not adhere with the BBB’s *Code of Advertising*.

23. In addition to complaining about language that the St. Louis BBB had recommended, thereafter St. Louis BBB would also issue new complaints regarding language in CarShield’s advertising that the St. Louis BBB was aware of CarShield’s use for years and had made no prior complaints.

24. The St. Louis BBB has applied this ever-changing standard in a way to ensure that CarShield could never meet the St. Louis BBB’s purported standards.

25. Through these interactions, the St. Louis BBB has made clear that the St. Louis BBB is not applying its rating system towards CarShield in a neutral, objective, and unbiased manner and that it will not adjust CarShield's rating regardless of what CarShield does.

26. Upon information and belief, and as Corey previously admitted to the St. Louis Post-Dispatch, St. Louis BBB is disregarding its rating system and automatically flunking CarShield based on its bias against CarShield, and CarShield's current business practices have no bearing on the rating the St. Louis BBB assigns to CarShield.

27. St. Louis BBB and Corey have further made clear their bias against CarShield through her actions, including but not limited to actively soliciting state attorney generals to make inquiries regarding CarShield.

28. Additionally, upon information and belief, St. Louis BBB has in the past purchased Google ad space to ensure that customers searching CarShield would see the St. Louis BBB's biased "F" rating of CarShield.

29. CarShield has numerous vehicle service contracts with consumers in which CarShield receives a portion of the premium owed under the contracts.

30. The St. Louis BBB is aware of CarShield's vehicle service contracts with its customers as the St. Louis BBB has access to CarShield's favorable customer reviews as well as complaints CarShield's customers post on the St. Louis BBB's website.

31. St. Louis BBB's statements that it provides neutral, objective, and unbiased opinions of businesses are false when the St. Louis BBB, and in particular Corey, is biased against CarShield and arbitrarily rates CarShield with an "F" regardless of CarShield's business practices.

32. CarShield works tirelessly to provide excellent service to its customers.

33. CarShield has been awarded high marks by leading customer review sites, including 4.2 out of 5 stars on Trustpilot; 5 out of 5 stars on Customer Lobby; and 4.3 out of 5 stars on Google as of April 10, 2020.

34. Yet, CarShield loses a sizable amount of business each year due to St. Louis BBB's false representations that it applies a neutral, objective, and unbiased assessment of CarShield in giving CarShield an F rating.

35. CarShield maintains data of surveys it conducts when customers cancel their vehicle service contracts.

36. CarShield calculates that it loses in excess of \$1 million in revenue per year from customers who cite the reason they cancel their vehicle service contracts is due to the St. Louis BBB's rating of CarShield.

37. This amount does not include the revenue lost by customers who do not complete the survey or who never transact business with CarShield in the first place based on the BBB's rating and false statements regarding its objective and unbiased assessment of CarShield.

38. CarShield called a sample of the former customers who had cited the BBB's rating as the basis for their cancellation of their CarShield vehicle service contract and asked the following two questions:

- a. When you utilize the BBB's assessment and rating of a company, do you rely on the BBB's statements that it is giving an unbiased and objective assessment of the company?
 - b. Would you have kept your contract with CarShield if you learned that the BBB had given CarShield an F rating because the BBB is biased against CarShield?
39. Fifty-two (52) customers provided responsive answers to both questions with nineteen (19) (or approximately 37%) stating both that they relied on St. Louis BBB's statements that it is unbiased and objective and that they would have kept their vehicle service contract with

CarShield had they known that St. Louis BBB gave CarShield an F rating because of St. Louis BBB's bias against CarShield.

40. Due to the St. Louis BBB's false representations that it applies its rating system objectively and without bias, CarShield has and continues to suffer damages customers, including those specifically identified above, who have cancelled their vehicle service contracts based on the St. Louis BBB's false statements.

41. CarShield has also sustained damage for all the unknown potential customers who have not purchased vehicle service contracts from CarShield based by the St. Louis BBB's false statements.

COUNT I

TORTIOUS INTERFERENCE WITH CONTRACT AGAINST THE ST. LOUIS BBB

42. CarShield incorporates herein by reference the allegations set forth in paragraphs 1 through 41 of this Petition as fully set forth herein.

43. CarShield provides vehicle service contracts to customers.

44. The St. Louis BBB has actual knowledge or has knowledge of such facts and circumstances that would lead a reasonable person to believe in the existence of CarShield's vehicle service contracts with its customers.

45. The St. Louis BBB has an absence of justification or legal right to interfere with CarShield's vehicle service contracts, in that the St. Louis BBB has used improper means through the use of misrepresentations of fact regarding its claimed objective, unbiased, and neutral rating methods it represents are applied in determining CarShield's rating.

46. The St. Louis BBB's misrepresentations of fact have caused the interference with CarShield's vehicle service contracts.

47. CarShield has sustained damages caused by the St. Louis BBB's tortious interference with its vehicle service contracts.

48. St. Louis BBB's actions were outrageous because of St. Louis BBB's evil motive or reckless indifference to the rights of CarShield.

WHEREFORE, CarShield prays this Court make and enter its Order entering judgment on Count I of its Petition against St. Louis BBB for damages in the amount in excess of \$25,000.00, award of punitive damages in an amount necessary to punish St. Louis BBB and to deter St. Louis BBB and others from like conduct, an award of costs, and interest as allowed under law, and for such other and further relief as this Court deems just and proper.

COUNT II

INJUNCTION AGAINST ST. LOUIS BBB

49. CarShield incorporates herein by reference the allegations set forth in paragraphs 1 through 48 of this Petition as fully set forth herein.

50. CarShield has suffered irreparable harm to its reputation and goodwill as caused from the St. Louis BBB's tortious interference with its vehicle service contracts.

51. CarShield lacks an adequate remedy at law because it will be impossible for CarShield to determine the full extent of the damages it has and will continue to incur due to the St. Louis BBB's misconduct.

52. The St. Louis BBB has demonstrated that it is incapable of adhering to the its objective, unbiased, and neutral standards when rating CarShield.

WHEREFORE, CarShield prays this Court make and enter its Order entering judgment on Count II of this Petition to enjoin the St. Louis BBB from continuing to issue a rating of CarShield,

award of attorneys' fees, court costs, and for such other and further relief as this Court deems just and proper.

Respectfully Submitted,

CARMODY MACDONALD P.C.

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