

IN THE CIRCUIT COURT OF PULASKI COUNTY,
ARKANSAS CIVIL DIVISION

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

PLAINTIFF

v.

CASE NO. _____

SAMUEL A. PURVIS

DEFENDANT

COMPLAINT

The State of Arkansas, *ex rel.* Leslie Rutledge, Attorney General (“the State”),
for its Complaint against Samuel A. Purvis (“Purvis”), 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. This case arises out of Defendant’s false representations to Arkansas consumers to induce them to pay fees to Defendant for the rental of certain real property. Defendant told at least one Arkansas consumer that he owned and was authorized to lease a rental home in Searcy, Arkansas. When in fact, Defendant did not own the property and was not authorized to lease it. Defendant pocketed the Arkansas consumer’s funds and ceased all communications with her. Defendant’s

scheme illegally deprived at least three Arkansas consumers of funds, while he transferred his ill-gotten gains into a savings account.

3. The State seeks restitution for affected consumers, an injunction, an order imposing civil penalties, and other relief against the Defendant.

II. PARTIES

4. 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.

5. Defendant Samuel A. “Sam” Purvis, age 24, resides at 5314 Ohmer Avenue, Indianapolis, Indiana 46219-7043. Upon information and belief, Defendant Purvis used the name “Daniel Linyard” as an alias in attempt to conceal his identity.

III. JURISDICTION

6. This Court has jurisdiction over this matter pursuant to Ark. Code Ann. § 4-88-104 and the common law of the State of Arkansas.

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

IV. BACKGROUND

8. Scams exist in many forms, from pyramid schemes to bait-and-switch sales. Rental fraud is another type of scam some Arkansans encounter. An estimated 5.2 million renters in the United States have lost money on a rental

scam, and far more have encountered fake rental listings during a search for a rental property.¹

9. Consumers fall victim to different types of rental scams. Some scammers hijack a real rental listing by changing the email address or other contact information and then placing the altered advertisement on another website. Others gain access to keys in lock boxes, make copies, and pose as legitimate property managers. Still others may list a property that is already leased and then try to collect application fees, security deposits, even the first and last month's rent.

10. Scammers use online advertisements to lure would-be renters in with promises of low rent, great amenities, or discounts if they "sign the lease today."

11. Because online listing services do not typically verify the person listing the property is authorized to do so, it opens the door for scammers, who could be anywhere in the world, to take advantage of Arkansans looking to rent.

V. FACTUAL ALLEGATIONS

12. On March 27, 2020, during the midst of a pandemic caused by COVID-19, Veronica Richards, a young, single mother from Searcy, Arkansas found online a three bedroom/two bathroom house for rent appropriate for her family. Ms. Richards clicked on the website's link to contact the home's owner via email.

13. Through email, Daniel Linyard identified himself to Ms. Richards as the home's owner. He provided to Ms. Richards a copy of his Illinois driver's license²

¹ Better Business Bureau, "Is That Rental Listing Real? A BBB Study of Rental Scams Involving Apartments, Houses and Vacation Properties," Latest News, December 10, 2019, <https://www.bbb.org/article/news-releases/21033-bbb-investigation-rental-scams>.

and other paperwork³ evidencing that he was the owner of the home in question located at 10 White Oak Circle in Searcy.

14. Upon information and belief, Defendant Purvis used the alias “Daniel Linyard” and a fake driver’s license in an attempt to conceal his identity.

15. Refusing to speak to Ms. Richards by telephone, Mr. Linyard continued the discussion about the potential rental by email.⁴ The email address used by Mr. Linyard was siemeringhomespeace@gmail.com.

16. Mr. Linyard agreed to reduce the monthly rent from \$700.00 to \$600.00 and to include all utilities.⁵ Mr. Linyard also provided Ms. Richards with a “Residential Lease Agreement,” which she signed.⁶ Mr. Linyard instructed Ms. Richards to deposit \$2,500.00⁷ in cash to Regions Bank checking account number *****4430 and advised her that the name on the account was Sam Purvis, his “finance manager.”

² A copy of the Driver’s License provided to Ms. Richards by Mr. Linyard is attached as Exhibit A.

³ A copy of the “Certificate of Ownership” certifying that Daniel Linyard purchased 10 White Oak Circle in Searcy from HGB Properties, LLC for \$137,900.00 in October 2015 is attached as Exhibit B. The certificate was “issued under Act 216 of the Law of Property” and “satisfied the housing rental laws of American Standard Homes.”

⁴ The emails between Mr. Linyard and Ms. Richards are attached as Exhibit C.

⁵ *Id.*

⁶ The “Residential Lease Agreement” is attached as Exhibit D.

⁷ Ms. Richards paid three months’ rent at \$600 per month, plus a security deposit in the amount of \$500.00 and a \$50.00 application fee.

17. Mr. Linyard even directed Ms. Richards to the closest Regions Bank from her work address.⁸

18. Ms. Richards deposited \$2,500.00 in the Regions account on April 21, 2020. Mr. Linyard then asked her to write with permanent ink on the Regions Bank receipt a message stating, “NO REFUNDS FOR BITQUICK.CO BITCOINS.”⁹

19. After Ms. Richards made the deposit, Mr. Linyard asked for additional funds to complete the transaction, but she refused.¹⁰

20. After receiving \$2,500.00 and failing to receive any additional funds from Ms. Richards, Mr. Linyard stopped communicating with Ms. Richards completely.¹¹

21. Ms. Richards subsequently discovered that the home for which she paid rent was actually owned by Nan Li and Mingie Wu and managed by Chris Walsh with Real Property Management Company, who confirmed that neither Daniel Linyard nor Sam Purvis were authorized to rent the home.

22. On June 22, 2020, the Office of the Arkansas Attorney General opened an investigation in this matter upon a referral from the Searcy Police Department.

23. On June 22, 2020, a Google search for the email address used in the communications between Mr. Linyard and Ms. Richards revealed two other properties posted for lease using the email address

⁸ *Supra*, Note 3.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

siemeringhomespeace@gmail.com: a 1,404 square foot home in Henderson, Nevada and a ranch style home located at 5939 Mastin Street, Shawnee, Kansas.^{12 13}

24. Additionally, on August 24, 2020, a Google search for the toll-free telephone number displayed on the “Residential Lease Agreement” revealed four homes for lease in Dallas, Texas; Denton, Texas; Cambridge, Massachusetts; and Nashville, Tennessee.¹⁴

25. Bank records obtained during the investigation show Defendant Purvis opened the Regions Bank checking account number *****4430 on October 11, 2019. He is the sole owner of the account.¹⁵

26. Until January 2020, the balance of Defendant Purvis’ checking account was less than \$100.00. On January 24, 2020, however, Defendant Purvis received a \$2,300.00 cash deposit into his checking account at a Regions branch in Houston, Texas. Defendant Purvis next transferred \$2,343.00 into his Regions Bank savings¹⁶ account.

27. In February 2020, Defendant Purvis received two cash deposits into his checking account:

¹² According to public records available from the Office of the County Appraiser in Johnson County, Kansas, the home located at 5939 Mastin Street is owned by Sterling R. Barnes. The property records are attached as Exhibit E.

¹³ Copies of the rental listings obtained from the Google search on June 22, 2020, are attached as Exhibit F.

¹⁴ Copies of the rental listings obtained from the Google search on August 24, 2020, are attached as Exhibit G.

¹⁵ Defendant Purvis’ Regions Bank checking account records are attached as Exhibit H.

¹⁶ Defendant Purvis’ Regions Bank savings account records are attached as Exhibit I.

- a. February 12 in Fairview Heights, Illinois - \$3,501.65; and
- b. February 18 - \$399.99.

28. Defendant Purvis transferred \$3,500.00 into his savings account in February 2020.

29. In March 2020, Defendant Purvis received five cash deposits into his checking account:

- a. March 9 – \$209.08;
- b. March 9 in Brandon, Mississippi – \$983.16;
- c. March 13 - \$399.99;
- d. March 19 - \$399.00; and
- e. March 26 - \$2,093.03.

30. Defendant Purvis transferred \$4,492.03 into his savings account in March 2020. He also transferred \$9,944.36 from his savings account to a PayPal account.

31. In April 2020, Defendant Purvis received eight cash deposits into his checking account:

- a. April 6 - \$390.00
- b. April 6 - \$574.20
- c. April 9 - \$576.75
- d. April 10 - \$963.06
- e. April 13 in Fairfield, Arkansas - \$1,900.00 ¹⁷

¹⁷ A copy of the Regions Checking Deposit Information is attached as Exhibit J. An unknown Arkansas consumer deposited these funds using the Regions branch near Fairfield Bay, Arkansas.

- f. April 20 in Pensacola, Florida - \$1,098.11
- g. April 21 - \$2,500.00 ¹⁸
- h. April 23 in Rogers, Arkansas - \$500.00 ¹⁹
- i. April 30 - \$398.00

32. Defendant Purvis transferred \$7,912.87 into his savings account in April 2020.

33. In May 2020, Defendant Purvis received one cash deposit into his checking account in the amount of \$399.00 on May 4.

34. Regions Bank froze Defendant Purvis' accounts during May 2020, after Searcy Police Department notified the bank of Defendant's alleged illegal activity.

35. Defendant Purvis received \$4,800.88 from Arkansas consumers.²⁰

36. Ms. Richards received nothing in return for the \$2,500.00 that she provided to Defendant Purvis. Upon information and belief, the two other Arkansas consumers who provided funds to Defendant Purvis received nothing in return for their money either.

VI. VIOLATIONS OF LAW

37. The ADTPA sets forth the State's statutory program prohibiting deceptive and unconscionable trade practices.²¹

¹⁸ A copy of the Regions Checking Deposit Information is attached as Exhibit K. Ms. Richards deposited these funds at a Regions Bank in Searcy.

¹⁹ A copy of the Regions Checking Deposit Information is attached as Exhibit L. An unknown Arkansas consumer deposited these funds using the Regions "Dixieland" branch in Rogers, Arkansas.

²⁰ *Supra*, ¶ 28(e), (g), and (h).

38. The business practices of Defendant constitute the sale of “goods” or “services.”²² The same business practices constitute business, commerce, or trade.²³

39. It is unlawful to “knowingly make a false representation as to the characteristics, ingredients, uses, benefits, alterations, source, approval, or certification of goods or services...”²⁴ Defendant has engaged in prohibited conduct by misrepresenting:

- a. That he owned real property located in the State of Arkansas; and
- b. That he was authorized to lease to Arkansas consumers real property located in the State of Arkansas.

40. 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.²⁵ Defendant has engaged in prohibited conduct by:

- a. Using an alias in an attempt to conceal his identity from Arkansas consumers; and
- b. Omitting the fact that he was not authorized to lease the real property in question to Arkansas consumers.

²¹ Ark. Code Ann. §§ 4-88-101, *et seq.*

²² Ark. Code Ann. § 4-88-102(4) and (7).

²³ Ark. Code Ann. § 4-88-107.

²⁴ Ark. Code Ann. § 4-88-107(a)(1).

²⁵ Ark. Code Ann. § 4-88-108(2).

41. It is a violation to engage in unconscionable, false, or deceptive acts or practices in business, commerce, or trade.²⁶ Defendant has engaged in prohibited conduct by:

- a. Preying on would-be renters and illegally collecting rental fees for property that he does not own and is not authorized to rent; and
- b. Depositing and retaining fees illegally collected for the rental of Arkansas real property that he does not own and is not authorized to rent.

PRAYER FOR RELIEF

42. The Attorney General may bring a civil action to seek to prevent persons from engaging in the use or employment of prohibited practices.²⁷

43. 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.²⁸

44. The Attorney General may seek an injunction prohibiting any person from engaging in any deceptive or unlawful practice.²⁹

²⁶ Ark. Code Ann. § 4-88-107(a)(10).

²⁷ Ark. Code Ann. § 4-88-113(a)(1).

²⁸ Ark. Code Ann. § 4-88-113(a)(2)(A).

²⁹ Ark. Code Ann. §§ 4-88-104 and 4-88-113(a)(1).

45. Any person who violates the provisions of the ADTPA may be assessed a civil penalty of up to \$10,000 per violation.³⁰

46. 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.³¹

47. A "person" is an individual, organization, group, association, partnership, corporation, or any combination thereof.³²

48. Samuel A. Purvis is a "person" who has engaged in an unconscionable, false, or deceptive act or practice in business, commerce, or trade.

49. 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 Defendant of the practices described herein which are violations of the ADTPA and from leasing properties he does not own and is not authorized to lease to Arkansas consumers;

³⁰ Ark. Code Ann. § 4-88-113(a)(3).


³¹ Ark. Code Ann. § 4-88-113(e).

³² Ark. Code Ann. § 4-88-102(5).

- b. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(a)(2)(A), requiring Defendant to pay consumer restitution to those Arkansas consumers affected by the activities outlined herein; in addition, or in the alternative, enter an order requiring Defendant to remit to affected consumers all sums obtained from Arkansas consumers by methods prohibited by Arkansas law;
- c. Impose civil penalties pursuant to Ark. Code Ann. § 4-88-113(b), to be paid to the State by the Defendant 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;
- d. Issue an order, pursuant to Ark. Code Ann. § 4-88-113(e), requiring Defendant to pay the State's costs in this investigation and litigation, including, but not limited to, attorneys' fees and costs; and
- e. For all other just and proper relief to which the State may be entitled.

Respectfully submitted,

LESLIE RUTLEDGE
ATTORNEY GENERAL

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