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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON
PORTLAND DIVISION

STATE OF OREGON *ex rel.* DAN
RAYFIELD, Attorney General for the State of
Oregon,

Plaintiff,

v.

SFW CONSTRUCTION LLC and
SOMERSET HILLS CONSTRUCTION LLC,

Defendants.

No. 3:26-cv-02296

COMPLAINT

I. INTRODUCTION

1. Online reviews loom large over modern commerce. Reviews are an important source of information for consumers deciding whom to hire or what goods or services to purchase. Some websites are dedicated solely to online reviews, and businesses across industries proudly tout positive reviews to bolster their credibility and boost sales.

2. But online reviews do not always portray companies in a complete and accurate light. According to the Federal Trade Commission, some businesses pay for fake reviews and testimonials, fail to disclose reviewers' conflicts of interest, or even take steps to stifle consumers from posting reviews at all.

3. This case is about a residential contractor that has promoted positive online reviews while unlawfully suppressing reviews by consumers who raise issues with the contractor's performance or bills—the group of consumers most likely to express dissatisfaction with the company's services.

4. That contractor has offered home repair services in Oregon under the business name SFW Construction and has operated through Defendants SFW Construction LLC and Somerset Hills Construction LLC (together, "SFW" unless otherwise noted).

5. Before it starts work, SFW typically requires a consumer to agree to a multi-page boilerplate contract (the "Contract Specifications") by clicking a box in an online e-signature platform. Since 2022, the Contract Specifications have included a dispute resolution clause stating that consumers wishing to settle any potential future dispute with SFW must agree to not post any negative reviews about SFW.

6. SFW knows bad reviews are bad for business, so it enforces that clause to try to prevent dissatisfied consumers from posting bad reviews. For example, SFW has told consumers

during settlement discussions that they are bound by the Contract Specifications' dispute resolution provision, refused to settle a dispute without a non-disclosure agreement and non-disparagement term, misrepresented the scope and content of the Contract Specifications' non-disclosure provision, and even required consumers wishing to finalize a settlement to take down reviews they had already posted.

7. Meanwhile, SFW misleads potential consumers by selectively amplifying positive reviews. Among other things, SFW's "Customer Reviews" web page highlights "4.9/5 stars based on 500+ Google reviews," but does not disclose that SFW suppresses negative reviews.

8. As alleged more fully below, SFW has violated the Consumer Review Fairness Act (CRFA), 15 U.S.C. § 45b, by suppressing negative reviews, and it has violated Oregon's Unlawful Trade Practices Act (UTPA), ORS 646.605-646.656, by misleadingly displaying positive ones.

II. JURISDICTION AND VENUE

9. This court has subject-matter jurisdiction over the CRFA claim because it arises under federal law. 28 U.S.C. § 1331.

10. This court has supplemental jurisdiction over the UTPA claim because it shares a common nucleus of operative facts with the CRFA claim. 28 U.S.C. § 1367(a).

11. Venue is proper in this district because SFW is headquartered in Tualatin, Oregon, and a substantial part of the events or omissions giving rise to the claims asserted in this action occurred in Oregon. 28 U.S.C. § 1391(b)(1)-(2); 15 U.S.C. § 45b(e)(5)(A)(i).

III. PARTIES

12. Plaintiff **State of Oregon** is represented by its Attorney General Dan Rayfield, who is authorized to file this civil action. ORS 180.060; ORS 646.632; 15 U.S.C. § 45b(e).

13. Defendant **SFW Construction LLC** is an Oregon limited liability company that is headquartered at 12705 Southwest Herman Road, Tualatin, Oregon.

14. Defendant **Somerset Hills Construction LLC** is an Oregon limited liability company that is headquartered at 12705 Southwest Herman Road, Tualatin, Oregon.

15. According to information available at the website of the Oregon Construction Contractors Board (CCB), both SFW Construction LLC and Somerset Hills Construction LLC are associated with CCB license number 166405.

16. According to documents available at the Oregon Secretary of State's website, Oregon resident Steven Wade is listed as the President, member, and registered agent of both SFW Construction LLC and Somerset Hills Construction LLC.

17. According to documents available at the Oregon Secretary of State's website, Somerset Hills Construction LLC changed its name to SFW Construction LLC on December 9, 2010, and SFW Construction LLC changed its name back to Somerset Hills Construction LLC, effective December 10, 2025.

18. At all relevant times, both SFW Construction LLC and Somerset Hills Construction LLC have done business under the name SFW Construction, used the website located at www.sfwconstruction.com, and used email addresses ending in "@sfwconstruction.com."

IV. RELEVANT LEGAL PROVISIONS

19. The CRFA makes it unlawful for a business to offer a form contract containing a provision that prohibits or restricts the ability of an individual who is a party to the form contract (i.e., the consumer) to review the goods or services of the business that offers the contract. 15 U.S.C. § 45b(a)(2), (b), (c).

20. The Oregon Attorney General may enforce the CRFA if he “has reason to believe that an interest of the residents of [Oregon] has been or is threatened or adversely affected by” a business that has violated this statute. 15 U.S.C. § 45b(e)(1).

21. Under the UTPA, “[a] person engages in an unlawful practice if in the course of the person’s business” it “[r]epresents that real estate, goods or services have . . . approval, characteristics . . . or qualities that the real estate, goods or services do not have or that a person has . . . approval . . . that the person does not have.” ORS 646.608(1)(e).

V. FACTUAL ALLEGATIONS

SFW uses a standardized contract.

22. According to its website, SFW “specializes in exterior home repair, including siding repair and dry rot repair, providing long-term solutions for moisture damage and structural issues across Oregon and Washington.”

23. SFW generally requires a consumer to agree to a document titled “Service Agreement” before SFW will perform work for the consumer. The Service Agreement generally does not vary except for limited information that necessarily changes from job to job, such as customer contact information, job site, scope, fees, the customer’s signature, and date.

24. Consumers execute the Service Agreement using an online signature program called PandaDoc. When a consumer clicks to agree to the Service Agreement, the program generates an electronic “Certificate of Signature” and applies the consumer’s electronic signature to the Service Agreement.

25. Below the consumer’s electronic signature, the Service Agreement reads: “*My signature above confirms receipt of the **attached specifications and documents.***” (Italics, bold,

and underlining in original.) The underlined phrase quoted in the preceding sentence is a hyperlink to a PDF of SFW's Contract Specifications.

26. The Contract Specifications comprise eight pages of mostly single-spaced boilerplate and include headings such as SCOPE, PAYMENT, WARRANTY, ENTIRE AGREEMENT, WAIVER, ACCURAL [sic] OF CLAIMS, and ACKNOWLEDGMENT.

27. Since at least 2022, the Contract Specifications have included an ARBITRATION/MEDIATION CLAUSE that states, in relevant part, that any dispute arising between SFW and a consumer "shall first be privately mediated," and "[a]ny privately mediated settlement will include a non-disclosure agreement and a non-disparagement agreement." A screenshot of the first paragraph of the ARBITRATION/MEDIATION CLAUSE is pasted below.

ARBITRATION/MEDIATION CLAUSE (Oregon Residents Only) – An "arbitration or mediation clause" is a written portion of a contract designed to settle how the parties will solve disputes that may arise during or after the project. Arbitration clauses are very important. They may limit a consumer's ability to resolve their dispute by the Oregon court system or the CCB (Construction Contractors Board). This contract contains an arbitration and mediation clause. The CCB (Construction Contractors Board) urges consumers to read and understand the entire contract, including any arbitration clause, before signing the contract. Consumers are not obligated to accept contract terms proposed by the contractor, including arbitration provisions. These may be negotiated to the satisfaction of both parties. Any dispute arising herein between Owner and Contractor shall first be privately mediated as a condition precedent to any other dispute resolution process. Any privately mediated settlement will include a non-disclosure agreement and a non-disparagement agreement. Meaning neither party shall discuss the terms of the settlement or details of the project. Further, neither party will make negative comments online, on any social media platform, or otherwise, that could damage the reputation of the other.

The ARBITRATION/MEDIATION clause has been materially the same since 2022. A copy of the Contract Specifications is attached to this complaint as Exhibit A.

28. The second paragraph of the ARBITRATION/MEDIATION CLAUSE provides that if the parties are unable to resolve their dispute through private mediation, they agree that "final and binding arbitration shall be the exclusive method of adjudicating disputes" and by

“agreeing to the foregoing dispute resolution method, the parties . . . waive their right to file a complaint with the CCB.”

SFW leverages the Contract Specifications when settling disputes.

29. Consumers have complained to SFW regarding various issues, including the quality or completeness of SFW’s work and SFW’s billing practices.¹

30. SFW has attempted to resolve consumer disputes informally over email, telephone, or in person.

31. In negotiating terms of settlements, SFW has required consumers to agree to a non-disclosure agreement (NDA) and a non-disparagement clause. SFW has referred to the NDA requirement as a “company policy.”

32. During informal negotiations with consumers, SFW has relied on the Contract Specifications to assert that the consumer already agreed to include an NDA and non-disparagement clause in any settlement. For example, SFW wrote to a consumer in November 2023: “Unfortunately, my hands are tied regarding the credits coming with an NDA [I]t is in the contract as previously mentioned that all settlement agreements come with a non-disclosure agreement and a non-disparagement agreement. SFW will not issue any form of credit without an NDA.”

33. SFW has inaccurately described the scope of the Contract Specifications during settlement negotiations. For example, in a February 2026 email communicating settlement terms

¹ This action does not arise out of or relate to any particular consumer complaint or the quality of SFW’s workmanship. Rather, it concerns SFW’s suppression of internet reviews and misleading statements regarding customer satisfaction.

to a consumer, SFW stated that the Contract Specifications barred consumers from submitting complaints to the Better Business Bureau or the government:

There is only one thing that we ask:
There are specific settlement terms in our contract specifications under the Arbitration/Mediation clause, which state:

"Any privately mediated settlement will include a non-disclosure agreement and a non-disparagement agreement. Meaning neither party shall discuss the terms of the settlement or details of the project. Further, neither party will make negative comments online, on any social media platform, or otherwise, that could damage the reputation of the other. Furthermore, no complaints will be filed to the CCB, BBB, or any other governing agency."

If you agree with SFW's settlement agreement terms, please reply to this email with "I am in agreement or I agree."
Let me know if you have any questions or if I can help with anything else. Have a great rest of your day. 😊

34. As part of its negotiations with consumers, SFW has also successfully demanded that consumers wishing to settle a dispute remove previously posted reviews that could portray SFW in a negative light.

SFW knows bad reviews are bad for business.

35. SFW relies on its reputation in attempting to solicit consumers.

36. The NDA and non-disparagement clauses are important terms for SFW when negotiating settlements, and it places significant monetary value on them.

37. When one consumer expressed a reluctance to enter an NDA because the consumer viewed it as "hush money," SFW made two settlement offers in response, showing that SFW valued the NDA at nearly \$3,000:

1. If we can agree to an NDA - SFW will send out a crew to re-set the door and window as well as fix the framing work that was done. This will of course be at no charge to you. SFW will cover all labor and material costs. We will also get the drywall work completed at zero cost to you which is appropriately a \$900.00 + value. SFW will issue you the credit that we have discussed which was \$1,473.00. I will also add a customer promotional credit to this in the amount of \$527 for working with me to bring this to resolution. This will be a total credit of \$2,000.00 refunded to you.

2. If there is No NDA - SFW will send out a crew to re-set the door and window as well as fix the framing work that was done. This will of course be at no charge to you. SFW will cover all labor and material costs. SFW would like to have the opportunity to fix the framing issues on your home regardless of any reviews or CCB complaints.

SFW's website only provides part of the story about its customers' experience.

38. The flip side of SFW's efforts to scrub the internet of any negative reviews is shown on SFW's own website.

39. SFW's main web page states that SFW has a "long and growing list of 5-star reviews from satisfied customers" and invites potential consumers to "[j]oin hundreds of happy homeowners. 4.9/5 stars based on 500+ Google reviews."

40. SFW's website also features an "About SFW" page that claims, "We Deliver Quality Craftsmanship And Our Clients Stand Behind The Work We Do SFW is clearly focused on transparency and delivering quality workmanship," and pastes in numerous positive reviews.

41. SFW's website does not disclose that SFW has a corporate policy of requiring dissatisfied consumers to agree to NDAs if they wish to settle disputes, that dissatisfied consumers are barred by contract from submitting complaints to the CCB, or that SFW requires consumers to take down negative reviews as a condition of settlement.

SFW refused to comply with Oregon DOJ's civil investigative demand.

42. The Oregon Department of Justice served SFW with a civil investigative demand (CID), dated May 12, 2026. Among other relevant information, the CID sought documents concerning SFW's attempts to suppress, limit, or restrict online reviews.

43. SFW produced the Contract Specifications and a small set of communications that were originally sent to consumers by its outside counsel. It has refused, however, to comply with the CID's central request. SFW provided DOJ with information indicating it is highly likely that it possesses additional responsive communications, yet SFW has otherwise not produced communications between SFW and any consumer reflecting SFW's attempts to suppress online reviews. That includes, for example, attempts to leverage the Contract Specifications during settlement discussions to induce the consumer to agree to an NDA or to take down previously posted reviews.

CAUSES OF ACTION

COUNT 1

Violation of the Consumer Review Fairness Act, 15 U.S.C. § 45b Offering a Form Contract That Restricts Consumer Reviews

(Against All Defendants)

44. The State incorporates the allegations in paragraphs 1–43 of this complaint.

45. The CRFA prohibits a business from offering a form contract that prohibits or restricts a consumer's ability to post online reviews.

46. SFW's Contract Specifications are a form contract that restricts consumers' ability to post online reviews of SFW's services by requiring, at the time of contracting, a consumer agree to include an NDA and non-disparagement term in any future negotiated settlement resolving any potential (but unknown) dispute.

47. Accordingly, SFW has violated and continues to violate 15 U.S.C. § 45b(c).

48. The Oregon Department of Justice provided written notice to the Federal Trade Commission before initiating this civil action. The notification included a copy of this complaint.

COUNT 2
Violation of the Unlawful Trade Practices Act, ORS 646.608
Misrepresentations Concerning Consumer Reviews
(Against All Defendants)

49. The State incorporates the allegations in paragraphs 1–43 of this complaint.

50. The UTPA provides that a person engages in an unlawful business practice if in the course of the person’s business the person “[r]epresents that real estate, goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, quantities or qualities that the real estate, goods or services do not have or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that the person does not have.” ORS 646.608(1)(e).

51. SFW’s website displays numerous positive reviews, summaries of positive reviews, and represents a high level of overall customer satisfaction in online reviews. But SFW’s website does not disclose that it restricts consumers—including the consumers that are most likely to post negative reviews—from making any “negative comments” online that could “damage the reputation” of SFW and requires consumers who post negative reviews to take them down, if the consumer wishes to enter into a negotiated settlement of a contracting dispute.

52. SFW’s failure to disclose its review suppression makes its representations about its online reviews misleading.

53. Thus, SFW’s website makes representations that violate ORS 646.608(1)(e).

54. SFW’s violation of ORS 646.608(1)(e) was willful because it knew or should have known that its conduct violated the UTPA.

55. SFW was served with a notice in writing that identified the alleged unlawful conduct and the relief the State of Oregon would seek. SFW did not execute and deliver a satisfactory assurance of voluntary compliance as provided in ORS 646.632(2).

JURY DEMAND

Plaintiff demands a trial by jury on all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests the Court to:

- a. enter judgment against Defendants on all counts;
- b. enjoin Defendants from violating the CRFA and UTPA;
- c. declare that all terms in the Contract Specifications that prohibit or restrict online reviews are void under the CRFA;
- d. declare void any non-disclosure or non-disparagement term included in any settlement agreement between SFW and any consumer, entered into following SFW's reference in settlement negotiations to a contract found to violate the CRFA;
- e. order SFW to notify any consumer with which SFW has entered a settlement agreement containing a void NDA or non-disparagement agreement that the consumer is not bound by such clauses;
- f. order monetary relief, including civil penalties and disgorgement, to the extent authorized by applicable law;
- g. award Plaintiffs' costs of suit and reasonable attorneys' fees and expenses pursuant to any applicable law; and
- h. award such additional relief as the interests of justice may require.

DATED: October 20, 2026.

Respectfully submitted,
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s/ Joseph Platt

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