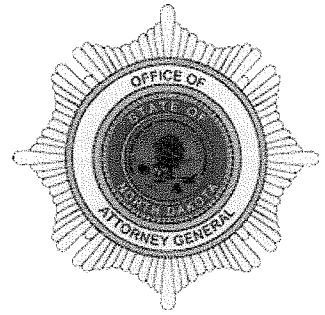




OFFICE OF ATTORNEY GENERAL
CONSUMER PROTECTION AND ANTITRUST DIVISION
GATEWAY PROFESSIONAL CENTER
1050 E INTERSTATE AVENUE, STE 200
BISMARCK, NORTH DAKOTA 58503-5574



701-328-5570 (Telephone)
701-328-5568 (Facsimile)

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE OF NORTH DAKOTA EX REL.
WAYNE STENEHJEM,
ATTORNEY GENERAL,

Petitioner,

**CEASE AND DESIST ORDER,
NOTICE OF CIVIL PENALTY
AND NOTICE OF RIGHT
TO REQUEST A HEARING**

-vs-

CHAD PEDA, individually,
SOMER HILLEBOE, individually, and
CS COMPANIES, INC.

Respondents.

CPAT # 140184.002

.....
To the individual and entity identified below (hereinafter "Respondents"):

Chad Peda
402 Main St.
Horace, ND 58047-4307
701-306-1463

Somer Hilleboe
402 Main St.
Horace, ND 58047-4307
701-216-2661

CS Companies, Inc.
402 Main St.
Horace, ND 58047-4307
and
222 Broadway
Fargo, ND 58102
701-540-7574

(including all of those entities' officers, directors, owners, agents, servants, employees and representatives as well as all other persons in active concert or participation with them, extending to all "doing business as" names, formal corporate names, fictitious names of any kind or any variations of the same)

BACKGROUND

1. The Attorney General of North Dakota has a reasonable basis to believe Respondents have engaged in or are engaging in acts or practices declared unlawful by N.D.C.C. ch. 51-15, commonly referred to as the "Consumer Fraud Law;" and N.D.C.C. ch. 43-07, commonly referred to as the "Contractors Law." It is necessary and appropriate in the public interest and for the protection of consumers to restrain Respondents' unlawful acts or practices.

2. Respondents Chad Peda and Somer Hilleboe are the principals of CS Companies, Inc., a North Dakota corporation, and have engaged in advertising and soliciting the sale of merchandise, including but not limited to, contracting services, in North Dakota. Respondents solicited and accepted payments from North Dakota consumers when Respondents did not have a contractor's license as required by N.D.C.C. ch. 43-07.

3. The Attorney General's Office has received a complaint and other information alleging that Respondents have engaged in business activities in North Dakota without a contractor's license. The complainant alleges that in April 2014 Respondents solicited and received an \$11,000 advance payment to demolish a North Dakota consumer's garage, and to construct a new garage. Respondents represented that the garage would be completed by May 1, 2014. However, Respondents failed to begin building the new garage and stopped working on the project after they demolished the consumer's existing garage. Respondent Chad Peda is now working in

Colorado. Since the Attorney General initiated its investigation, Respondent Chad Peda has refunded \$6,000 total to the consumer. He paid the consumer \$3,000 on or about September 26, 2014 and another \$3,000 on or about November 5, 2014. The balance due to the consumer on this date is \$5,000.

4. Respondent Chad Peda has a history of soliciting and accepting advance deposits and then failing to finish the consumer's project. He previously has been convicted of theft of property in Ransom and Benson counties for soliciting and accepting advance deposits for the construction of agriculture buildings and then failing to finish the projects. He has been ordered to pay over \$130,000 in restitution in these two convictions.

5. Respondents, in connection with the sale of merchandise, have made untrue, deceptive and misleading representations, and/or has made or engaged in deceptive acts or practice, fraud, false pretenses, false promises or misrepresentations with the intent that others rely thereon in violation of N.D.C.C. ch. 51-15. Respondents expressly, impliedly, or by omission of a material fact, made misrepresentations to North Dakota consumers including, but not limited to, false representations regarding what work would be completed and when it would be completed. Additionally, Respondents expressly, impliedly, or by omission of a material fact, misrepresented to consumers that they were legally authorized to conduct contracting services in North Dakota when, in fact, Respondents did not have a contractor's license as required by N.D.C.C. ch. 43-07.

6. Respondents have made untrue, deceptive and misleading representations, and/or have made or engaged in deceptive acts or practices, fraud, false pretenses, false

promises or misrepresentations with the intent that others rely thereon, in violation of N.D.C.C. ch. 51-15, the Consumer Fraud Law.

7. N.D.C.C. ch. 51-15 prohibits a person from engaging in any deceptive act or practice, fraud, false pretense, false promise, or misrepresentation, with the intent that others rely thereon in connection with the sale or advertisement of any merchandise.

8. Respondents have operated as a contractor in the state of North Dakota and have accepted payment for contracting services in excess of \$2,000. Respondents are not licensed as contractors and it appears that Respondents have engaged in sales activity in North Dakota without obtaining the required contractor's license pursuant to N.D.C.C. ch. 43-07.

ORDER

9. Based upon the foregoing information, it appears to the Attorney General that Respondents have engaged in violations of N.D.C.C. chs. 51-15, and 43-07; **NOW, THEREFORE, IT IS ORDERED** pursuant to N.D.C.C. § 51-15-07 that Respondents immediately **CEASE AND DESIST** from: 1) soliciting, advertising, selling, or providing in North Dakota any contracting services or merchandise, including, but not limited to, contracting services to construct or demolish buildings, and all other services and/or merchandise as defined in N.D.C.C. § 51-15-01(3); 2) soliciting using untrue, deceptive or misleading representations to consumers or engaging in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that consumers rely thereon, in violation of N.D.C.C. § 51-15-02; 3) soliciting or accepting from consumers advance payments or consumer deposits in connection with any sale of merchandise, as defined by N.D.C.C. § 51-15-01(3); and 4) providing contracting

services in North Dakota in violation of N.D.C.C. ch. 43-07. Respondents also shall immediately **CEASE AND DESIST** from issuing any invoices or bills to North Dakota consumers for the sale of contracting services or merchandise and **CEASE AND DESIST** from taking any payments from North Dakota consumers including, but not limited to, direct debits or withdrawals from North Dakota consumers' bank accounts, cash, checks, or credit card payments for the sale of contracting services or merchandise or other services and/or merchandise as defined in N.D.C.C. § 51-15-01(3).

10. **YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 12.1-09-03 a person is guilty of a criminal offense if he or she intentionally "alters, destroys, mutilates, conceals, or removes a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

NOTICE OF CIVIL PENALTIES

11. **YOU ARE FURTHER NOTIFIED** that pursuant to N.D.C.C. § 51-15-07 any violation of this Cease and Desist Order is subject to civil penalties not to exceed \$1,000 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-15 may result in additional civil penalties of not more than \$5,000 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 43-07 may result in additional civil penalties of not more than \$5,000 per violation and is a Class A misdemeanor. Such penalties are separate and in addition to any civil penalties, costs, expenses, investigation fees, and attorney fees pursuant to N.D.C.C. chs. 51-15, 43-07 or any other applicable statute. Nothing in this Order is intended to limit or waive any rights and remedies available to the State of North Dakota or consumers.

NOTICE OF RIGHT TO REQUEST HEARING

12. **YOU ARE NOTIFIED** that pursuant to N.D.C.C. § 51-15-07 you may request a hearing before the Attorney General if such a request is made in writing WITHIN TEN (10) DAYS AFTER THE RECEIPT OF THIS ORDER. Respondents have the right to be represented by legal counsel at the hearing, at the Respondents' expense.

Dated this 25th day of November, 2014.

STATE OF NORTH DAKOTA

Wayne Stenehjem

Attorney General

BY: 

Parrell D. Grossman, ID No. 04684

Assistant Attorney General

Director

Consumer Protection and
Antitrust Division

Office of Attorney General

Gateway Professional Center

1050 E. Interstate Ave., Suite 200

Bismarck, ND 58503-5574

(701) 328-3404

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

STATE OF NORTH DAKOTA EX REL.
WAYNE STENEHJEM,
ATTORNEY GENERAL,

Petitioner,

-vs-

CHAD PEDA, individually,
SOMER HILLEBOE, individually, and
CS COMPANIES, INC.

Respondents.

**AFFIDAVIT OF SERVICE
BY FIRST CLASS MAIL
AND CERTIFIED MAIL**

CPAT # 140184.002

STATE OF NORTH DAKOTA)
) ss
COUNTY OF BURLEIGH)

1. Alexis Bieber states under oath as follows:
2. I swear and affirm upon penalty of perjury that the statements made in this affidavit are true and correct and made upon personal knowledge.
3. I am of legal age and on the 25th day of November, 2014, I served (1) CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING, AND (2) AFFIDAVIT OF SERVICE BY FIRST CLASS MAIL AND CERTIFIED Mail upon the following by placing a true and correct copies thereof in an envelope addressed as follows:

FRIST CLASS MAIL
CHAD PEDA
402 MAIN STREET
HORACE ND 58047-4307

CERTIFIED MAIL RECEIPT # 7011 2970 0003 8089 9262
CHAD PEDA
402 MAIN STREET
HORACE ND 58047-4307

FRIST CLASS MAIL

SOMER HILLEBOE
402 MAIN STREET
HORACE ND 58047-4307

CERTIFIED MAIL RECEIPT # 7011 2970 0003 8089 9279

SOMER HILLEBOE
402 MAIN STREET
HORACE ND 58047-4307

FRIST CLASS MAIL

CS COMPANIES INC
402 MAIN STREET
HORACE ND 58047-4307

CERTIFIED MAIL RECEIPT # 7011 2970 0003 8089 9286

CS COMPANIES INC
402 MAIN STREET
HORACE ND 58047-4307

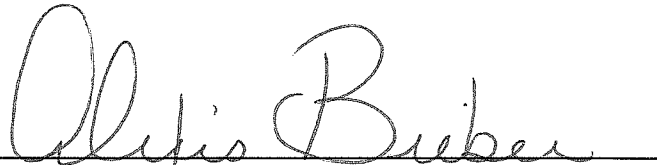
FRIST CLASS MAIL

CS COMPANIES INC
222 BROADWAY
FARGO ND 58102

CERTIFIED MAIL RECEIPT # 7011 2970 0003 8089 9293

CS COMPANIES INC
222 BROADWAY
FARGO ND 58102

and depositing the same, with postage prepaid, in the United States mail at Bismarck,
North Dakota.



ALEXIS BIEBER
Administrative Assistant III
Consumer Protection & Antitrust Division
Office of Attorney General
Gateway Professional Center
1050 E. Interstate Ave., Suite 200
Bismarck, ND 58503-5574
Telephone (701) 328-5570
Facsimile (701) 328-5568
abieber@nd.gov

Subscribed and sworn to before me
this 25th day of November, 2014.


NOTARY PUBLIC

G:\CPAT\NODAK\PEDA, CHADVASM-C&D 112514.DOCX

