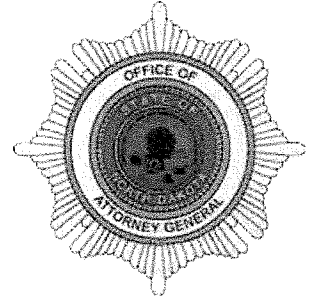




OFFICE OF ATTORNEY GENERAL
CONSUMER PROTECTION AND ANTITRUST DIVISION
GATEWAY PROFESSIONAL CENTER
1050 E INTERSTATE AVENUE, STE 200
BISMARCK, NORTH DAKOTA 58503-5574



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,

-vs-

IKS AND ASSOCIATES LLC and
KARRIEM MADISON, Individually, dba
BRADFORD STEVENS AND ASSOCIATES

Respondents.

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

CPAT 190201.002

To the individual and entity identified below hereinafter "Respondent"):

IKS AND ASSOCIATES LLC
DBA BRADFORD STEVENS AND ASSOCIATES
3380 LA SIERRA AVE # 104-232
RIVERSIDE CA 92503-5271

KARRIEM MADISON
IKS AND ASSOCIATES LLC
8782 REDCLIFF PLACE
RIVERSIDE CA 92508-3290

KARRIEM MADISON
IKS AND ASSOCIATES LLC
12155 MAGNOLIA AVE STE 3B
RIVERSIDE CA 92503

(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 and are engaging in acts or practices declared unlawful by North Dakota Century Code (N.D.C.C.) ch. 51-15, the "Consumer Fraud Law," and ch. 31-05, the "Collection Agency Law." It is necessary and appropriate in the public interest and for protection of consumers to restrain the Respondents' unlawful acts or practices.

2. Respondent IKS and Associates LLC is a California limited liability company with its principal address at 3380 La Sierra Ave #104-232, Riverside, CA 92503-5271. IKS and Associates LLC is not registered in the State of North Dakota

3. Respondent Karriem Madison is a California resident and an owner, member, and the registered agent of IKS and Associates LLC.

4. IKS and Associates LLC and Karriem Madison doing business as Bradford Stevens and Associates ("Respondents") are engaged in debt collection in the State of North Dakota. Respondents are or have engaged in debt collection activities under the false or fictitious name of Bradford Stevens and Associates.

5. The Attorney General received a consumer complaint on September 20, 2019, from a North Dakota consumer alleging that Respondents attempted to collect an alleged debt from the consumer via telephone. While doing so, Respondents falsely identified themselves as the County Courier Service and referenced a failed delivery attempt. The consumer was directed to call what was represented to be the sending office at telephone number 844-710-9037. The call was answered as "Bradford Stevens

and Associates.” Respondents told the consumer that a lawsuit had been filed against the consumer and made the consumer a settlement offer. Respondents claimed the lawsuit was based on a past due balance on a cellphone account. The consumer has not had a cell phone account with the referenced company for over 15 years. Respondents also stated that notice of the lawsuit had been sent to the consumer’s prior address. The consumer disputes owing the alleged debt, and it appears the debt Respondents attempted to collect is an invalid or false debt. Respondents representations that a lawsuit was filed and pending against the consumer are false.

6. N.D.C.C. section 51-15-02 prohibits the act, use, or employment of 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.

7. N.D.C.C. section 13-05-02 prohibits any person from engaging in debt collection in North Dakota without having obtained a collection agency license from the commissioner of financial institutions. The term debt collection means the act of collecting or attempting to collect, directly or indirectly, debts owed or due or asserted to be owed or due another. N.D.C.C. § 13-05-01.1 (7).

8. Respondents have not obtained the required collection agency license from the commissioner of financial institutions. Respondents have engaged in debt collection in North Dakota without the required collection agency license. A violation of N.D.C.C. section 13-05-02 is a class C felony and is subject to a five-thousand-dollar penalty imposed by the commissioner.

9. Respondents have made false, deceptive and misleading statements in connection with the attempted collection of debts or alleged debts relating to the sale of

merchandise, in the State of North Dakota, in violation of N.D.C.C. §51-15-02. Respondents falsely identified themselves as a courier service, falsely represented that that consumer owed a debt, that a lawsuit had been filed, and that an attempted delivery to the consumer had failed, with the intent that the consumer rely on the false representations and give Respondents money.

10. Based on the consumer complaint and other information, it appeared to the Attorney General that Respondents engaged in violations of North Dakota law, and the Attorney General commenced an investigation into the Respondents' business practices. On November 18, 2019, the Attorney General issued a Civil Investigative Demand to Respondents pursuant to the Attorney General's authority under N.D.C.C. § 51-15-04. Delivery was made via email to nkandassociates@outlook.com and via certified mail. The certified mail was delivered and signed for by K. Madison at 8782 Redcliff Place, Riverside, California 92508-3290, Respondent IKS and Associates LLC's agent for service of process, on November 22, 2019. The certified mail addressed to Respondents was also delivered and signed for at 12155 Magnolia Ave, Ste 3B, Riverside, California 92503-4969 on November 21, 2019, and delivered and signed for at 3380 La Sierra Avenue #104-232, Riverside, California 92503-5271. The response to the Civil Investigative Demand was due December 20, 2019.

11. Respondents did not respond to the Civil Investigative Demand. On December 19, 2019, the Consumer Protection Division received a phone call from Karriem Madison, who acknowledged receiving the Civil Investigative Demand, claimed he was no longer doing business in North Dakota, and inquired whether a resolution could be reached in lieu of responding to the Civil Investigative Demand. A proposed resolution was sent to Respondents on December 20, 2019, requesting a response by

January 7, 2020. Respondents did not respond. The Consumer Protection Division called Respondents by telephone on January 28, 2020, and a voice mail was left for Respondents to return the call. No return call was received. On January 29, 2020, the Attorney General sent another letter to Respondents requesting a response to the proposed resolution or compliance with the Civil Investigative Demand by February 7, 2020. Respondents did not respond to the letter or the Civil Investigative Demand or further communicate with the Attorney General regarding the Civil Investigative Demand. Pursuant to N.D.C.C. § 51-15-07, the Attorney General may issue a cease and desist order for Respondents' failure to respond to the Civil Investigative Demand.

12. It appears to the Attorney General that Respondents are engaged in debt collection in North Dakota without a collection agency license, which is unlawful under N.D.C.C. § 13-05-02. It further appears to the Attorney General that Respondents have engaged in deceptive acts or practices that are unlawful pursuant to N.D.C.C. §51-15-02.

13. Each of the Respondents is engaged in a combination of two or more persons who have agreed to act together to inflict a wrong or an injury upon another, or who have agreed to act together to commit a lawful act using unlawful means to inflict a wrong or injury upon another, namely violation of N.D.C.C. ch. 13-05 and 51-15. In so doing, Respondents have committed acts in pursuit of the agreement and the agreement has proximately caused damage to North Dakota consumers.

14. Respondents are liable for their own misconduct and/or for directing others to engage in misconduct. See *e.g. Zimprich v. North Dakota Harvestore Sys., Inc.*, 419 N.W.2d 912, 914 (N.D. 1988); *Rickbeil v. Grafton Deaconess Hosp.*, 23 N.W.2d 247, 257 (N.D. 1946)("The general rule with reference to this feature is

considered and set out in the great series of volumes of jurisprudence familiar to the courts. In 52 Am. Jur., 440, this rule is stated, 'It is a conceded general rule that all persons or entities are liable for torts committed by them, or by their agents while acting within the scope of their duties.'").

15. Respondents who are natural persons will additionally be subject to personal liability for corporate misconduct. *Hilzendager v. Skwarok*, 335 N.W.2d 768 (N.D. 1983)(quoting *Schriock v. Schriock*, 128 N.W.2d 852, 866 (N.D. 1964)("... but, when the notion of legal entity is used to defeat public convenience, justify wrong, protect fraud, or defend crime, the law will regard the corporation as an association of persons.' Fletcher, Private Corporations Sec. 41 (1963 rev. vol.)"). The crime/fraud exception to the protections of corporate form has long been recognized in North Dakota, "neither law nor equity will ever recognize the right of a corporate entity to become the receptacle or cover for fraud or wrong based on deception for the purpose of defeating the right of innocent parties." *McFadden v. Jenkins*, 169 N.W. 151, 163 (N.D. 1918). See also *Danks v. Holland*, 246 N.W.2d 86 (N.D. 1976); *Family Center Drug v. North Dakota St. Bd. of Pharm.*, 181 N.W.2d 738, 745 (N.D. 1970).

ORDER

Based upon the foregoing information, it appears to the Attorney General that: 1) Respondents have engaged in violations of N.D.C.C. chs. 13-05 and 51-15; 2) Respondents have failed or refused to respond to the Civil Investigative Demand as required by N.D.C.C. § 51-15-04; and 3) the issuance of this Cease and Desist Order is necessary and appropriate in the public interest. **NOW, THEREFORE, IT IS ORDERED** pursuant to N.D.C.C. § 51-15-07 that Respondents, individually, and where applicable his agents, servants, employees, contractors, and representatives (extending to all

"doing business as" names, formal corporate names, aliases, fictitious names of any kind or any variations of the same), as well as all other persons in active concert or participation with him, whether directly or indirectly, immediately **CEASE AND DESIST** from: 1) engaging in debt collection in North Dakota without a collection agency license issued by the commissioner; 2) attempting to collect debts or alleged debts that are false, unsubstantiated, expired, discharged, or no longer owed; 3) engaging in threatening, harassing, deceptive or unlawful conduct while engaging in debt collection in North Dakota; and 4) engaging in deceptive acts or practices, fraud, false pretenses, false promises, or misrepresentations, in violation of N.D.C.C. §51-15-02. Respondents also shall immediately **CEASE AND DESIST** from requesting, demanding, soliciting, taking, collecting, charging, billing or accepting any payment from any North Dakota consumers, including, but not limited to, cash, check, direct credit, debits or withdrawals from North Dakota consumers' credit cards, debit cards or bank accounts for any payment in connection with any past or future unlicensed, deceptive or fraudulent debt collection activities.

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

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. Such penalties are separate and in addition to any costs, expenses, investigation fees, and attorney fees allowed pursuant to N.D.C.C. ch. 51-15, and any civil penalties, costs, expenses, investigation fees, and attorney fees allowed pursuant to or any other applicable statute. Any violation of this Order that also is a violation of N.D.C.C. § 13-05-02 is a class C felony. 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

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 Respondents' expense.

Dated this 13th day of July, 2020.

STATE OF NORTH DAKOTA
Wayne Stenehjem
Attorney General

BY: Parrell D. Grossman
Parrell D. Grossman (ND ID 04684)
Assistant Attorney General
Director, Consumer Protection and
Antitrust Division
Office of Attorney General
Gateway Professional Center
1050 East Interstate Avenue Ste. 200
Bismarck, ND 58503-5574
(701) 328-5570

STATE OF NORTH DAKOTA
BURLEIGH COUNTY

BEFORE THE
ATTORNEY GENERAL

IN THE MATTER OF:

IKS AND ASSOCIATES LLC and
KARRIEM MADISON, Individually, dba
BRADFORD STEVENS AND ASSOCIATES

**AFFIDAVIT OF SERVICE
BY MAIL, CERTIFIED MAIL, AND
EMAIL**

Respondents

CPAT 190201.002

STATE OF NORTH DAKOTA)
) ss
COUNTY OF BURLEIGH)

1. Kimberley Missel states under oath as follows: I swear and affirm upon penalty of perjury that the statements made in this affidavit are true and correct and made upon personal knowledge.

2. I am of legal age and on the 13th day of July, 2020, I served the CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING upon the following by placing true and correct copies thereof in an envelope addressed as follows:

FIRST CLASS MAIL

CERTIFIED MAIL RECEIPT # 70191120000077814903

KARRIEM MADISON
IKS AND ASSOCIATES LLC
8782 REDCLIFF PLACE
RIVERSIDE CA 92508-3290

KARRIEM MADISON
IKS AND ASSOCIATES LLC
8782 REDCLIFF PLACE
RIVERSIDE CA 92508-3290

FIRST CLASS MAIL

CERTIFIED MAIL RECEIPT # 70191120000077814910

KARRIEM MADISON
IKS AND ASSOCIATES LLC
12155 MAGNOLIA AVE STE 3B
RIVERSIDE CA 92503-4969

KARRIEM MADISON
IKS AND ASSOCIATES LLC
12155 MAGNOLIA AVE STE 3B
RIVERSIDE CA 92503-4969

FIRST CLASS MAIL

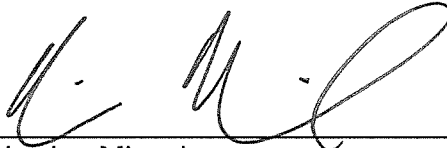
CERTIFIED MAIL RECEIPT # 70191120000077814880

IKS AND ASSOCIATES LLC
DBA BRADFORD STEVENS AND
ASSOCIATES
3380 LA SIERRA AVE # 104-232
RIVERSIDE CA 92503-5271

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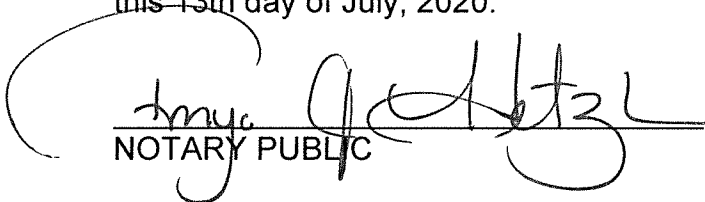
and depositing the same, with postage prepaid, in the United States mail at Bismarck, North Dakota, as first-class mail and as CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

3. Also on the 13th day of July, 2020 I served the CIVIL INVESTIGATIVE DEMAND upon Respondents via electronic mail by e-mailing the document to nkandassociates@outlook.com.



Kimberley Missel

Subscribed and sworn to before me
this 13th day of July, 2020.



NOTARY PUBLIC