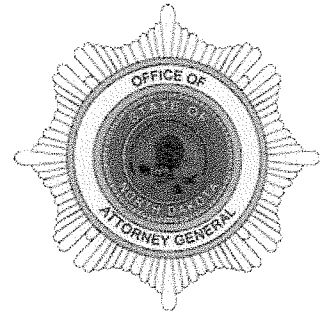




OFFICE OF ATTORNEY GENERAL
 CONSUMER PROTECTION AND ANTITRUST DIVISION
 GATEWAY PROFESSIONAL CENTER
 1050 E INTERSTATE AVENUE, STE 200
 BISMARCK, NORTH DAKOTA 58503-5574



701-328-5570 (Telephone)
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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-

PREMIUM BUSINESS SOLUTIONS, LLC, and
 JEREMY SILVERS, Individually.

Respondents.

CPAT 160050.003

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

PREMIUM BUSINESS SOLUTIONS, LLC
 625 WEST SOUTHERN AVENUE STE E
 MESA AZ 85210-5018

PREMIUM BUSINESS SOLUTIONS, LLC
 1616 E MAIN ST SUITE 210
 MESA AZ 85203-9074

PREMIUM BUSINESS SOLUTIONS, LLC
 1616 E MAIN ST SUITE 205
 MESA AZ 85203-9074

AND

JEREMY SILVERS
 PREMIUM BUSINESS SOLUTIONS, LLC
 1616 E MAIN ST SUITE 210

MESA AZ 85203-9074

Email: Contact@PremiumBusiness.Solutions

(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 N.D.C.C. ch. 51-15, commonly referred to as the "Consumer Fraud Law." Respondents have refused or failed to respond to the Attorney General's Civil Investigative Demand, issued to Respondents pursuant to N.D.C.C. § 51-15-04. It is necessary and appropriate in the public interest and for the protection of consumers to restrain the Respondents' unlawful acts or practices.

2. Respondent Premium Business Solutions, LLC is an Arizona Limited Liability Company with its principal place of business at 1616 E Main St Suite 210, Mesa, Arizona 85203-9074.

3. Respondent, Jeremy Silvers, is the manager, member and the registered agent for Premium Business Solutions, LLC.

4. Premium Business Solutions, LLC and Jeremy Silvers (hereinafter "Respondents") are or were engaged in the advertising, solicitation and sale of merchandise, including home-based business opportunity or support products, training or services, grant assistance and grant application services.

5. The Attorney General has received a consumer complaint and other information alleging that Respondents have made untrue, deceptive and misleading

representations, and have 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.

6. 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. "Merchandise" is defined as any objects, wares, goods, commodities, intangibles, real estate, charitable contributions, or services. N.D.C.C. § 51-15-01(3).

7. The Attorney General has received information that Respondents have misrepresented to consumers the nature and quality of merchandise sold, including falsely represented the likelihood of the consumer receiving a grant, and made false promises of grants to consumers.

8. The Attorney General's Consumer Protection Division received a consumer complaint against Respondents alleging misrepresentations, false promises, and refusal to cancel and refund, together with other deceptive advertisement and sales practices ("the consumer complaint"). The consumer complaint alleges that Respondents made promises that the consumer would obtain a grant to assist the consumer with credit card debt. Respondents charged the consumer \$ 2,450. The consumer alleges she was never told about the charge. The consumer did not receive a grant. The only thing the consumer received was a booklet for premium grants. The consumer alleges she was deceived by Respondents and that she suffered severe financial hardship due to Respondents conduct.

9. The consumer's complaint alleges that Respondents' promises were false and deceiving, and that the consumer did not receive a grant as represented by Respondents.

10. Based on the consumer complaint and other information received, it appears to the Attorney General that 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. Respondent's deceptive acts or practices include: (1) making untrue, deceptive and misleading representations regarding merchandise offered and sold; (2) making false promises to consumers regarding expected grants; (3) expressly, impliedly, or by omission of a material fact, misrepresenting the nature or quality of merchandise sold by Respondents; (4) failing to disclose cost and charges; and (5) refusal to refund.

11. The consumer complaint was forwarded to Respondents on March 7, 2016, requesting a response. Respondents did not provide the Attorney General a response to the consumer complaint. Instead, Respondents contacted the consumer and attempted to negotiate a partial refund with the consumer.

12. On April 12, 2016 the Attorney General's Consumer Protection Division ("the Consumer Protection Division") sent a letter to Respondents addressing concerns regarding Premium Business Solutions, LLC's business activities in the state, and offering Respondents a way to address and resolve the alleged violations of North Dakota law. Respondents provided a response on April 25, 2016, in which Respondents indicated that they believed the complaint was distorted and that Jeremy Silvers would contact the Attorney General to discuss a resolution.

13. On April 26, 2016, the Attorney General's Consumer Protection Division received a telephone call from Jeremy Silvers. During this telephone conversation, Mr. Silvers stated that he would review the consumer's account history and the status of the consumer's pending charge back and further respond. The Attorney General's Office has not heard from Jeremy Silvers since that date.

14. The Consumer Protection Division called Respondents on May 16, 2016, and left a voice mail for Mr. Silvers. Mr. Silvers did not return the call. The Consumer Protection Division again called Respondents on May 19, 2016. An individual identifying himself as the office manager stated that Mr. Silvers was in the process of sending a package to the Attorney General in response to the Attorney General's inquiry. The Attorney General never received anything from Respondents. The Consumer Protection Division again called Respondents on June 3, 2016, and left a voice mail for Mr. Silvers. He did not return the call.

15. The Attorney General has learned that Respondents contacted the consumer on multiple occasions subsequent to receiving the consumer's complaint and correspondence from the Attorney General. During these contacts, Respondents have made additional promises and representations to the consumer regarding grants and grant opportunities, and have asked the consumer to recommit to the initial sales agreement, sign a new agreement, reverse the charge back, and withdraw the complaint filed with the Attorney General.

16. On June 24, 2016, after unsuccessful attempts to obtain information from Respondents relating to the complaint and Respondent's business activities in North Dakota, the Attorney General issued a Civil Investigative Demand to Respondents, pursuant to N.D.C.C. § 51-15-04. The Civil Investigative Demand was mailed to

Respondents via mail and certified mail, and the certified mail was signed for on July 6, 2016.

17. The Civil Investigative Demand requires Respondents to provide to the Attorney General certain information and documentation requested by July 22, 2016. Respondents have not responded to the Civil Investigative Demand.

18. On July 28, 2016 the Attorney General sent a letter to Respondents requesting that Respondents comply with the Civil Investigative Demand by August 5, 2016. Respondents did not respond to the letter or to the Civil Investigative Demand. Respondents did not comply with the Attorney General's Civil Investigative Demand.

19. Pursuant to N.D.C.C. § 51-15-07, the Attorney General may issue a cease and desist order for the Respondents' failure or refusal to file a statement or report under N.D.C.C. ch. 51-15.

20. It appears to the Attorney General that 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, in connection with the advertising, solicitation and sale of merchandise, including grants, grant assistance and grant application services.

21. 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."").

22. 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 Respondents have engaged in violations of N.D.C.C. ch. 51-15, and Respondents have failed or refused to respond to the Civil Investigative Demand as required by N.D.C.C. § 51-15-04; **NOW, THEREFORE, IT IS ORDERED** pursuant to N.D.C.C. § 51-15-07 that Respondents, individually, and, where applicable, their officers, directors, owners, agents, servants, employees, contractors, 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 them, whether directly or indirectly, immediately **CEASE AND DESIST** from: 1)

advertising, soliciting or selling merchandise to North Dakota residents; and 2) 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, in violation of N.D.C.C. ch. 51-15. Respondents also shall immediately **CEASE AND DESIST** from 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 past or future sale of merchandise or other services related to the sale of merchandise.

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. 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.

Dated this 24th day of August, 2016.

STATE OF NORTH DAKOTA
Wayne Stenehjem
Attorney General

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