

**IN THE IOWA DISTRICT COURT FOR POLK COUNTY**

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STATE OF IOWA ex rel.  
THOMAS J. MILLER,  
ATTORNEY GENERAL OF IOWA

Plaintiff,

v.

ALPHONSO WADE BARNUM;  
LAFAYIA KAY BARNUM;  
WILLIE C. NANCE;  
TOP FAITH SOLUTIONS LLC;  
TOP FAITH SOLUTIONS LLC d/b/a  
TFS LLC;  
CITY WIDE PROMOTIONS LLC;  
CITY WIDE PROMOTIONS LLC d/b/a  
CW PROMOTIONS LLC;  
NEW START MEDIA LLC;  
NEW START MEDIA LLC d/b/a  
ALUMNI SPORTS LLC and d/b/a  
NEW START MARKETING,

Defendants.

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**PETITION**

**EQUITY** EQCE083843

COMES NOW the State of Iowa ex rel. Attorney General of Iowa, Thomas J. Miller, by Assistant Attorneys General Benjamin E. Bellus, Mariclare Thinnes Culver and William Pearson, and pursuant to the provisions of Iowa Code § 714.16 commonly referred to as the Iowa Consumer Fraud Act, states as follows for its claims against Defendants:

**PARTIES**

1. Iowa Attorney General Thomas J. Miller is authorized to bring this action on behalf of the State of Iowa by § 714.16 (7) of the Iowa Consumer Fraud Act.

2. Defendant Alphonso (“Al”) Wade Barnum at all times material hereto has been a citizen of the state of Iowa, and resides in Davenport, Scott County, Iowa. Defendant Barnum has created, owned, and operated numerous Iowa limited liability companies (“LLCs”), which LLCs

are also named as Defendants in this action. Barnum has a lengthy criminal history in Iowa state court, in Rock Island County, Illinois state court and in the Southern District of Iowa, including but not limited to criminal felony and misdemeanor convictions for deceptive practices, forgery, theft, and felon in possession of a firearm.

3. Defendant New Start Media LLC was created by Defendant Al Barnum as an Iowa limited liability company by the filing of a certificate of organization with the Iowa Secretary of State's Office on or about April 22, 2015. Defendant Al Barnum identified himself as the registered agent and organizer of New Start Media LLC and listed its address at various times as 3127 Brady Street, #4, Davenport, Iowa, and 601 Brady Street, Suite 101, Davenport, Iowa. New Start Media LLC at all times material hereto was engaged nationwide in the sale of advertising space on promotional items and has been used by Defendants to perpetrate the nationwide frauds described in this Petition. Defendant Barnum has represented himself and/or held himself out to be the managing member of Defendant New Start Media LLC.

4. On or about August 22, 2016, Defendant Al Barnum adopted a resolution creating the fictitious name "New Start Marketing LLC" for New Start Media LLC pursuant to a Fictitious Name Resolution filed with the Iowa Secretary of State on that date. New Start Marketing LLC at all times material hereto was engaged nationwide in the sale of advertising space on promotional items and used has been by Defendants to perpetrate the nationwide frauds described in this Petition.

5. On or about September 1, 2016, Defendant Al Barnum adopted a resolution creating the fictitious name of "Alumni Sports LLC" for New Start Media LLC pursuant to a Fictitious Name Resolution filed with the Iowa Secretary of State on that date. Alumni Sports LLC at all times material hereto was engaged nationwide in the sale of advertising space on promotional

items and has been used by Defendants to perpetrate the nationwide frauds described in this Petition.

6. Defendant City Wide Promotions LLC was created by Defendant Al Barnum on or about October 19, 2016 as an Iowa limited liability company. City Wide Promotions LLC's certificate of organization identifies a "James Wilson" of 1115 West 3<sup>rd</sup> Street, Davenport, Iowa as its initial registered agent and organizer, which name is believed to be fake or a pseudonym of Defendant Al Barnum. On December 27, 2016, the name of the registered agent for City Wide Promotions LLC was changed to Alphonso W. Barnum at 1115 West 3<sup>rd</sup> Street, Davenport, Iowa.

7. Defendant City Wide Promotions LLC at all times material hereto has been engaged nationwide in the sale of advertising space on promotional items and used by Defendants to perpetrate the nationwide frauds described in this Petition. Defendant Barnum has represented himself and/or held himself out to be the managing member of Defendant City Wide Promotions LLC.

8. Defendant City Wide Promotions LLC has conducted business as CW Promotions LLC, an entity for which Defendant Al Barnum has listed its Fed Tax ID/EIN as the same Fed Tax ID/EIN for City Wide Promotions LLC. CW Promotions LLC appears to be an unregistered fictitious name or d/b/a of City Wide Promotions LLC.

9. Defendant Top Faith Solutions LLC is an Iowa LLC organized on or about September 4, 2017 by Defendants Al Barnum and LaFayia Kay Barnum and is owned by Defendant Al Barnum and possibly others. Top Faith Solutions LLC's certificate of organization identifies Defendant Willie C. Nance, who is Defendant Al Barnum's mother, as the organizer and initial registered agent of Top Faith Solutions LLC. It is unknown whether Willie C. Nance's

signature on the certificate of organization for Top Faith Solutions LLC is authentic or has been forged by one or more of the other Defendants.

10. Top Faith Solutions LLC at all times material hereto has been engaged nationwide in the sale of advertising space on promotional items and has been used by Defendants to perpetrate the nationwide frauds described in this Petition. The domain name “topfaithsolutions.com” was registered to a “James Wilson” at 1921 West 70<sup>th</sup> Street, Davenport, Iowa, which is Defendant Al Barnum’s personal residence. Currently, Defendants maintain a website at “topfaithmarketing.com” for the business.

11. Defendant Al Barnum has held himself out as the managing member of Top Faith Solutions LLC. Defendant Top Faith Solutions LLC is or was operated out of the back of a Davenport, Iowa dress shop called Eminent Fashions located at 3127 Brady Street #4, which dress shop is or was owned by Defendant LaFayia Kay Barnum. The Top Faith Solutions LLC address at 3127 Brady Street #4 is the same address listed at various times for Defendant New Start Media LLC.

12. Defendants have opened one or more bank accounts and merchant/credit card processing accounts for Top Faith Solutions LLC by applying for and opening the accounts in the name of TFS LLC, which is believed to be an unregistered d/b/a of Top Faith Solutions LLC. TFS LLC at all times material hereto was engaged nationwide in the sale of advertising space on promotional items and has been used by Defendants to perpetrate the nationwide frauds described in this Petition.

13. Defendant LaFayia Kay Barnum, formerly known as LaFayia Kay Sherman, is a resident of Davenport, Scott County, Iowa, and holds herself out as being married to Defendant Al Barnum. Defendant LaFayia Kay Barnum has held herself out to be an owner, manager, and/or

member of one or more of the Defendant limited liability companies. Defendant LaFayia Kay Barnum has applied for and obtained bank accounts and/or merchant/credit card payment processing accounts with banks and credit card payment processing companies in the name of one or more of the Defendant limited liability companies. These accounts were and are used by Defendants in the commission of fraud and other unlawful acts in violation of the Iowa Consumer Fraud Act.

14. Defendant Willie C. Nance is a resident of Rock Island, Illinois and is believed to be the mother of Defendant Al Barnum. Willie C. Nance has held herself out to be an owner, manager, and/or member of one or more of the Defendant limited liability companies. Defendant Willie C. Nance has applied for and obtained bank accounts and/or merchant/credit card processing accounts with banks and credit card processing companies in the name of one or more of the Defendant limited liability companies. These accounts were and are used by Defendants in the commission of fraud and other unlawful acts in violation of the Iowa Consumer Fraud Act.

**VENUE**

15. Venue is proper in Polk County, Iowa, because Defendants did business in Polk County, directed solicitations at issue to residents of Polk County, made advertising sales to residents of Polk County, and one or more consumer victims of the Defendants' unlawful practices in question reside in Polk County. Iowa Code § 714.16(10)(2017).

**APPLICABLE LEGAL PROVISIONS**

16. The Iowa Consumer Fraud Act, § 714.16 (2)(a) (2017) defines **UNLAWFUL PRACTICES** as follows:

The act, use or employment by a person of an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation, or the concealment, suppression, or omission of a material fact with intent that others rely upon the concealment, suppression, or omission, in connection

with the lease, sale, or advertisement of any merchandise or the solicitation of contributions for charitable purposes, whether or not a person has in fact been misled, deceived, or damaged, is an **unlawful practice**.

It is deceptive advertising within the meaning of this section for a person to represent in connection with the lease, sale, or advertisement of any merchandise that the advertised merchandise has certain performance characteristics, accessories, uses, or benefits or that certain services are performed on behalf of clients or customers of that person if, at the time of the representation, no reasonable basis for the claim existed. The burden is on the person making the representation to demonstrate that a reasonable basis for the claim existed.

17. Iowa Code § 714.16(1) provides the following definitions:

(f) **“Deception”** means an act or practice which has the tendency or capacity to mislead a substantial number of consumers as to a material fact or facts.

(n) **“Unfair practice”** means an act or practice which causes substantial, unavoidable injury to consumers that is not outweighed by any consumer or competitive benefits which the practice produces.

18. Iowa Code § 714.16(7) provides, in pertinent part:

Except in an action for concealment, suppression, or omission of a material fact with intent that others rely upon it, it is not necessary in an action for reimbursement or an injunction, to allege or prove reliance, damages, intent to deceive, or that the person who engaged in an unlawful act had knowledge of the falsity of the claim or ignorance of the truth.

19. In describing remedies, the Iowa Consumer Fraud Act provides, in pertinent part:

If it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in a practice declared to be unlawful by this section, the attorney general may seek and obtain in an action in a district court a temporary restraining order, preliminary injunction, or permanent injunction prohibiting the person from continuing the practice or engaging in the practice or doing an act in furtherance of the practice. The court may make orders or judgments as necessary to prevent the use or employment by a person of any prohibited practices, or which are necessary to restore to any person in interest any moneys . . . which have been acquired by means of a practice declared to be unlawful by this section . . .

In addition to the remedies otherwise provided for in this subsection, the attorney general may request and the court may impose a civil penalty not to exceed forty

thousand dollars per violation against a person found by the court to have engaged in a method, act, or practice declared unlawful under this section; provided, however, a course of conduct shall not be considered to be separate and different violations merely because the conduct is repeated to more than one person. In addition, on the motion of the attorney general or its own motion, the court may impose a civil penalty of not more than five thousand dollars for each day of intentional violation of a . . . permanent injunction issued under authority of this section.

20. Regarding an award of attorney fees and costs, Iowa Code § 714.16(11) provides:

In an action brought under this section, the attorney general is entitled to recover costs of the court action and any investigation which may have been conducted, including reasonable attorneys' fees, for the use of this state.

**FACTUAL ALLEGATIONS: DEFENDANTS' UNLAWFUL ACTS AND PRACTICES**

21. Defendants, acting through various Defendant LLCs they own, operate, are employed by, contracted by, and/or use, and while using deception and unlawful practices, have perpetrated nationwide frauds by which they and their employees, servants, and agents sell advertising space on various promotional paper items Defendants will allegedly create, such as maps, magnets, high school sports calendars, business brochures, "direct mailers", and/or city information guides. The advertising space is frequently sold to consumers who own their own businesses, such as real estate and insurance agents. The persons who purchase the advertising space from Defendants are hereafter referred to as "Consumers." The Consumers are told by the Defendants that the promotional items on which the Consumer is buying advertising space will be widely distributed in the Consumer's local community.

22. The Defendants' nationwide frauds generally involve:

- a. Defendants operate their scams from a rented business location in Davenport, Iowa, using the business name of one of the Defendant limited liability companies, or short hand variations of the LLC's name under which they are doing business;

- b. Defendants generally target a town, zip code, or school district. Defendants use the internet, paid lead services and/or the targeted town's chamber of commerce website to target specific business owners in the targeted locale;
- c. Defendants often use email address-harvesting applications or devices to obtain the email addresses of the Consumers and businesses they intend to target. Defendants then often send an email advertisement to the targeted Consumers to introduce the opportunity to purchase an advertisement on a promotional item, which is often a local school or community-related paper promotional item such as a school sports calendar, magnet or information guide;
- d. Defendants use cell phones and phone apps to "spoof," that is, to mirror the telephone area code of the Consumer's location that Defendants are calling, which makes it appear to the Consumer being called that the Consumer is receiving a local call, not a call from Davenport, Iowa;
- e. Defendants make misrepresentations and false statements to Consumers, including, but not limited to, that the Defendants will make or manufacture a promotional item containing the Consumer's advertisement, which promotional item will be widely distributed in the Consumer's community, handed out at local sporting events, distributed at the schools, grocery stores, libraries, with Domino's pizza deliveries, and/or delivered to all households in a certain zip code;
- f. Defendants falsely represent or deceptively imply that they are associated or contracted with the Consumer's local Chamber of Commerce and/or local school;
- g. Defendants tell Consumers that 5,000, up to 5,000 or thousands of the promotional items containing the Consumer's advertisement will be distributed in the Consumer's local community;
- h. Once the Consumer agrees to purchase an ad to be placed on the promotional item, the advertisement sale is invoiced and usually paid immediately by the Consumer over the phone or computer by credit card, with the assistance of various payment processing companies contracted by Defendants. These are referred to as "card not present" transactions, in which the Consumer verbally, over the telephone, gives the Defendants all of the information from the front and back of the Consumers' credit card, and the Defendants process the credit card payments. The advertisements paid for by credit cards cost from a few hundred dollars to more than a thousand dollars depending on the size and the number of ads purchased by the Consumer;



- i. Defendants request that Consumers pay Defendants by check over the phone. Defendants obtain Consumers' banking information, remotely create checks drawn on Consumer's bank accounts with one or more Defendants as the payee, and withdraw funds from Consumers' bank account with checks they have created remotely;
- j. Defendants then sometimes, but not always, work with the Consumer on the creation of the advertisement allegedly to be placed on the promotional item. Sometimes, but not always, Defendants send the Consumer by email a digital mock-up or "proof" of the Consumers' advertisement;
- k. The promotional items on which the advertisements are to be placed are generally paper items such as magnets, calendars, or brochure-like city guides which Defendants represent will be manufactured by them and distributed in the Consumers' local community;
- l. Defendants frequently represent to the Consumer that Defendants will send to the Consumer 25-50 "courtesy copies" of the promotional item containing the Consumer's ad for the Consumer to hand out to family, friends and customers. The rest of the advertising space on the courtesy copies of the promotional item is filled by Defendants with fake filler advertisements of charities or national Fortune 500 Companies, whose names and intellectual property rights are used by Defendants without authorization or license. Often, Defendants do not send the Consumer the 25-50 courtesy copies of the promotional item containing the Consumer's ad, as promised;
- m. If Defendants do send to the Consumer the 25-50 courtesy copies of the promotional item containing the ad, most often those 25-50 courtesy copies are the only promotional items produced and distributed by Defendants;
- n. Defendants do not make, manufacture or have made or manufactured the thousands of promotional items containing the Consumer's ad as represented by the Defendants to the Consumer;
- o. Defendants do not distribute in the Consumer's community the thousands of the promotional item as represented by the Defendants to the Consumer;
- p. When Defendant Al Barnum or his most current LLC operating the scam receives enough Consumer complaints by email, telephone or the Better Business Bureau, or is flagged on the internet as a scam by enough angry Consumers, Defendant Barnum sets up a new limited liability company with a different name or adopts a d/b/a or different fictitious name for his LLC and continues perpetrating the fraud using the new LLC or the different company name;

- q. Defendants pay a revolving group of persons, many with criminal backgrounds, to assist them in carrying out their scams including, but not limited to Misty Barnes, Paul Barnes, Defendant Al Barnum's son Joseph Lewis, Kelsey Patterson Sagers, Christopher Dagen, and Latasha Morrison.
- r. Sometimes, several days to months after receiving a Consumer's credit card information and payment from the Consumer, the Defendants run additional unauthorized credit card charges (payments to Defendants) on the Consumer's credit card;
- s. Sometimes, several days to months after receiving a Consumer's banking account information, Defendants will create additional remotely-created checks on the Consumer's bank account, with one of the Defendants as payee, and "pay" themselves additional money, without authorization or the legal right to do so;
- t. Communicating with potential Consumers, Defendants and their employees and agents use fake names and refer to nonexistent company departments (i.e. "Samantha," "Connor Martin," "Chelsea – Senior Director, Top Faith Solutions," "Nicole, Customer Service Department") to conceal their real identities, to create the false impression of a large, legitimate multi-department company, and to make it more difficult for Consumers to recognize they are being scammed or to identify the person(s) who are scamming them;
- u. Telling potential Consumers that they will be the only person in their industry or profession (i.e. real estate) with an ad on the promotional item;
- v. Falsely representing that 5000 of the high school sports calendars or promotional items will be distributed in the town where the school is located;
- w. Falsely representing that the promotional item will be distributed by the local school;
- x. Falsely representing that thousands of the promotional items containing the advertisement will be mailed into the Consumer's local community;
- y. Falsely representing that the promotional item will be distributed to every student attending a given school, or to every household within a given community;
- z. Falsely representing that the promotional item will be sent to various popular locations within the Consumer's local community (Hy-Vee, Dairy Queen, etc.) and available to be picked up for free by members of the Community;

- aa. Representing that a “separate department” within Top Faith Solutions sets up distribution of the thousands of promotional items that the Consumer is told will be distributed in the Consumer’s local community;
- bb. Defendants have a long practice of ignoring Consumers’ telephone calls, emails and/or other correspondence complaining about Defendants’ unfair, misleading and unlawful solicitation and sales practices described herein and making false statements and misrepresentations to Consumers on the infrequent occasion that a Consumer actually reaches one of the Defendants’ representatives to complain;
- cc. Often, when a Consumer is finally successful in reaching a Defendant or an agent of one of the Defendant LLCs and complaining that Defendants did not perform as promised or that the Consumer did not receive what was promised them by Defendants, Defendants will falsely represent to the Consumer that a refund of money will be sent to the Consumer, when Defendants have no intention of and do not send the Consumer a refund of money;
- dd. Falsely telling Consumers that they are trying to obtain a refund for the Consumer, and stringing the Consumer along past the Consumer’s financial institution’s time period for protesting account charges;
- ee. Falsely telling Consumers that the Consumer previously agreed to purchase ad space on a given promotional item, and that the money is due or overdue to pay for such advertisement;
- ff. Harassing Consumers, telling Consumers that if they fail to pay the amount Defendants falsely represent are owed by the Consumer for previously-agreed to advertising sales, that the Consumer’s account will be turned over to collections;
- gg. Upon information and belief, Defendants have paid one or more employees of a Texas-based promotional advertising company called Universal AdCom<sup>1</sup>, or UAC, which has a local office in the Quad Cities, to obtain for Defendants the names and/or contact information of Universal AdCom customers. Defendants’ agents and employees then call the Universal AdCom customers and attempt to confuse and deceive the customers, telling them that they still owe more money for the promotional advertising item the Consumer purchased. Defendants repeatedly tell Consumers that the Consumer had previously agreed to make payments of several hundred dollars in installment or quarterly payments. Defendants tell Consumers that they contractually agreed to make such payments, that they are legally obligated to make such payments, and that Defendants have previously-

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<sup>1</sup> Universal AdCom is the subject of hundreds of Better Business Bureau Complaints and currently has a rating of “F” from the BBB. It has dozens of fictitious names.

made recording(s) of the Consumer agreeing to make such payments, which recordings the Defendants never produce;

- hh. Calling potential Consumers, representing that they are attempting to collect on a past due debt for advertising sold, when no such debt is owed;
- ii. Unsolicited, Defendants send a few dozen cheap paper promotional items to a business and then call and/or invoice the business seeking to collect hundreds and sometime thousands of dollars for the business' advertisement on the promotional item, which the business never agreed to purchase; and
- jj. Using a system of fake invoices designed to confuse and mislead Consumers into believing they purchased advertising on promotional items and/or owe Defendants money for unpaid invoices, and/or owe money for sales transactions never undertaken or approved by the Consumer.

23. Defendants City Wide Promotions LLC, New Start Media LLC and Top Faith Solutions LLC have maintained websites on the internet available to Consumers in Iowa and in all other states. The websites contain or have contained deceptive, false, and misleading statements and misrepresentations in violation of the Iowa Consumer Fraud Act, Iowa Code Section § 714.16, including, but not limited to, the following claims:

- a. That the business has been in operation longer than it in fact has;
- b. New Start Media LLC has “high quality professional service,” will “get the job done right” with a “professional staff;”
- c. “City Wide Promotions LLC has the best customer care in the industry;”
- d. “If your [sic] a realtor, a contractor, an insurance agent, a lender, a car dealership, etc. ... we have helped thousands just like you reach more people through our comprehensive programs;”
- e. “With our award-winning customer service and sales staff, you can rest assured knowing you are in good hands;”
- f. “Our programs are individually tailored to our customers to ensure [sic] a great experience and return, time after time;”
- g. Defendant Top Faith Solutions LLC's internet website falsely identifies it as “Leaders in Marketing and Promotional Campaigns;” falsely claims that “with more than 20 years' experience, our marketing advisers and

advertising specialists have an in depth understanding of marketing. These experts also have vast knowledge about promotional campaigns and how advertising benefits your business. We consult with our clients to discuss their particular needs and build a strategy that works with their long-term business goals;”

- h. Top Faith Solutions LLC’s website falsely represents that it uses “certified” “advertising specialists;” that it is “affiliated with top agencies and promotional campaigns nationwide,” that its “reputation is solid” and that it “adhere[s] to the strictest standards and guidelines;”
- i. The Top Faith Solutions LLC website includes fake customer testimonials heralding work allegedly done by Top Faith Solutions LLC; and
- j. Top Faith Solution LLC’s website identifies “677 Avenue of the Cities” in East Moline, Illinois as its physical location, which in reality is a UPS store.

24. In furtherance of their fraudulent, deceptive and unfair practices, Defendants Al Barnum, LaFayia K. Barnum and/or Willie C. Nance have opened multiple merchant accounts, also known as credit card payment processing accounts, to process the credit card payments made by Consumers across the country who believed they were purchasing business advertising on thousands of pieces of promotional items that would be distributed in or mailed into their local communities. The credit card sale monies processed by the payment processors were, and are, then deposited into various bank accounts opened, owned, and/or controlled by Defendants Al Barnum, LaFayia K. Barnum and Willie C. Nance.

25. For example, on or about May 21, 2015, Defendant Willie C. Nance was involved in the opening of a bank account at Southeast National Bank for Defendant New Start Media LLC. Defendants Al Barnum and Willie C. Nance executed and placed on file a Southeast National Bank “Authorization Resolution” dated May 22, 2015, stating that Al Barnum and Willie C. Nance are Members/Managers of New Start Media LLC, and the account bears the signature of Willie C. Nance, which, according to the Resolution, established by “conclusive evidence” her authority to

act on behalf of the LLC. Defendants set up Willie C. Nance's home address of 622 8<sup>th</sup> Street in Rock Island, IL as the mailing address for the bank account statements.

26. After Defendants opened up the New Start Media LLC bank account at Southeast National Bank, Defendants Al Barnum, LaFayia Barnum and Willie C. Nance applied for and obtained merchant accounts at several credit card payment processing companies. The credit card payment processing companies made daily or near daily deposits into the Defendants' Southeast National Bank account as a result of Defendants' fraudulent, deceptive, and unfair practices resulting in sales of advertising on promotional items.

27. The money deposited into Defendants' account for New Start Media LLC at Southeast National Bank totaled tens of thousands of dollars per month in calendar year 2016.

28. In January 2017, Defendant Al Barnum opened a different account for Defendant City Wide Promotions LLC at Southeast National Bank. At that time, Defendant Al Barnum represented to the bank that he was the sole member and owner of City Wide Promotions LLC.

29. After opening the bank account for City Wide Promotions LLC at Southeast National Bank, Defendants Al Barnum, LaFayia Barnum and Willie C. Nance set up accounts for City Wide Promotions LLC with several credit card payment processing companies, which payment processing companies then made daily or near daily deposits into the City Wide Promotions LLC account at Southeast National Bank as a result of Defendants' fraudulent, deceptive and unfair practices resulting in sales of advertising on promotional items.

30. The deposits into Defendants' City Wide Promotions LLC account at Southeast National Bank totaled tens of thousands of dollars each month in calendar year 2017.

31. On or about May 2015, Defendant Al Barnum opened a bank account in the name of New Start Media LLC d/b/a New Start Marketing LLC at Black Hawk Bank & Trust in

Davenport, Iowa. After opening the account for New Start Media LLC at Black Hawk Bank & Trust, Defendants set up merchant accounts/credit card payment processing accounts for New Start Media LLC at several payment processing companies. Beginning on or about January 2016, the credit card payment processing companies made daily or near daily deposits into the New Start Media LLC account at Blackhawk Bank & Trust as a result of Defendants' fraudulent, deceptive and unfair trade practices and resulting in sales of advertising on promotional items.

32. The deposits into Defendants' New Start Media LLC account at Black Hawk Bank & Trust totaled tens of thousands of dollars each month from approximately January 2016 through May 2017.

33. Defendants have engaged in a pattern of unlawful practices, whereby using misrepresentations they: open new bank accounts; apply for and obtain numerous merchant/credit card processing accounts; tie the different credit card payment processing accounts to the different bank accounts; have the credit card processing companies make daily or near daily deposits into the Defendants' bank accounts all as a result of Defendants' fraudulent, deceptive and unfair practices resulting in sales of advertising of promotional items, which practices continue to the present.

34. When one credit card processing company terminates Defendants' account due to too many suspected fraudulent transactions and/or charge backs, Defendants simply apply for and obtain different credit card processing accounts with a different company and start the process all over again.

**NON-COMPLIANCE WITH CONSUMER FRAUD ACT CIVIL INVESTIGATION DEMANDS ("CIDS") ISSUED BY THE IOWA ATTORNEY GENERAL'S OFFICE**

35. The Consumer Protection Division of the Attorney General's Office received several Consumer complaints in which the Consumer alleged that he or she purchased advertising

on a promotional item from Defendants and later discovered that the promotional items had not been made or manufactured, and/or had not been distributed and/or mailed out into the Consumer's local community as represented by Defendants. Many Consumers alleged either they were unable to reach Defendants despite numerous attempts, and/or were told by Defendants that their money would be refunded, and it was not and/or had requested but were denied refunds of the amounts paid by Defendants<sup>2</sup>.

36. The Office of the Iowa Attorney General became aware that Defendants were engaging in practices which were, or which may be proven to be unlawful under the Iowa Consumer Fraud Act, Iowa Code § 714.16 et seq. In order to investigate the Defendants' underlying business practices, the Attorney General personally served a Civil Investigative Demand under the Iowa Consumer Fraud Act, Iowa Code § 714.16(3) and (4) upon Defendants Al Barnum, City Wide Promotions LLC, and New Start Media LLC on April 12, 2017. Those Defendants' partial responses to the first April 2017 CID was received by the State on May 22, 2017.

37. On or about July 27, 2017, Defendants Al Barnum, New Start Media LLC and City Wide Promotions LLC were each personally served with a second CID. These Defendants never responded to the July 2017 CID.

38. On May 16, 2018, Defendant Al Barnum was personally served with a third CID directed to him. Defendant Barnum never responded to the May 2018 CID.

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<sup>2</sup> The Iowa Attorney General's office sent dozens of consumer complaints to Defendant Al Barnum and the LLC Defendants for response. Those Defendants refused to respond to the vast majority of complaints sent to them by the Attorney General's office.



39. On May 14, 2018, Defendant Top Faith Solutions LLC was served with a CID directed to it. Service was made on Willie C. Nance, as registered agent for Top Faith Solutions LLC. Defendant Top Faith Solution LLC never responded to the May 2018 CID.

40. On May 14, 2018, Willie C. Nance was personally served with a CID directed to her. Defendant Nance never responded to the May 2018 CID.

41. On May 16, 2018, Defendant LaFayia Kay Barnum was personally served with a CID directed to her. Defendant LaFayia Barnum never responded to the May 2018 CID.

42. The Attorney General's efforts to obtain compliance with these CIDs has proceeded at follows.

- a. On April 20, 2017 the Attorney General gave Defendants' legal counsel a verbal extension on time to respond to the first April 2017 CIDs;
- b. By email dated May 19, 2017, the Attorney General's Office inquired as to when it could expect Defendants' responses to the first April 2017 CID;
- c. The Defendants' responses to the July 2017 CID were due on August 16, 2017. By email dated September 11, 2017, the State asked Defendants' counsel when the Attorney General's Office would receive Defendants' responses to the July 2017 CID, which had been due on August 16, 2017. The Attorney General's Office also informed Defendants' counsel that failure to respond to the CID would result in an action to enforce the CID;
- d. Defendants' legal counsel responded to the above inquiry by email dated September 13, 2017, indicating that it hoped to have responses to the July 2017 CID in the near future;
- e. On October 9, 2017, the State again inquired of Defendants' legal counsel as to when the Defendants' responses to the July 2017 CIDs would be received, as they were now two months overdue;
- f. On November 3, 2017, the State informed Defendants' legal counsel that the State had been more than accommodating to any need by Defendants for additional time, and that the Defendants' full and complete responses to the July 2017 CIDs were expected within the next five business days;
- g. Defendants never provided the State with any response to the July 2017 CIDs;

- h. On April 10, 2018 the State sent an email to Defendants' legal counsel to determine if he was still representing Mr. Barnum and his companies regarding the Attorney General's investigation. After failing to receive a response, the State sent Defendants' counsel a second email on April 23, 2018 inquiring whether counsel was still representing Mr. Barnum and his corporate entities. Defendants' legal counsel replied by email in the affirmative on April 25, 2018;
- i. On May 4, 2018, the State inquired as to whether Defendants' legal counsel was representing Mr. Barnum's new limited liability company called Top Faith Solutions LLC, as well as Mr. Barnum's wife LaFayia K. Barnum and his mother Willie C. Nance;
- j. On May 10, 2018 Defendants' counsel asked the State for the legal bases of any potential claims against Mr. Barnum's wife, and accused the State of harassing Mrs. LaFayia Barnum; and
- k. On May 10, 2018 the State informed Defendants' legal counsel that Defendant Barnum's mother Willie C. Nance and his wife LaFayia Barnum had represented themselves to be owners of one or more of Mr. Barnum's LLC's for the purpose of securing bank accounts and/or merchant accounts for processing Consumers' credit cards.

43. The response of Defendants Al Barnum, New Start Media LLC and City Wide Promotions LLC to the April 2017 CID were incomplete.

44. Defendant Al Barnum never responded to the July 2017 CID or the May 2018 CIDs.

45. Defendants City Wide Promotions LLC and New Start Media LLC never responded to the July 2017 CIDs.

46. Defendants Top Faith Solutions, LaFayia Barnum and Willie C. Nance never responded to the May 2018 CIDs.

47. Defendants have exhibited a complete indifference to the investigative efforts of the Iowa Attorney General pursuant to the Consumer Fraud Act. Pursuant to Iowa Code § 714.16(6) the failure or refusal to respond to the Attorney General's investigative efforts permits the district court, after notice and hearing, to enter injunctive relief restraining the sale or

advertisement of any merchandise by such persons, by dissolving said corporations, and by granting any other relief as the Court deems appropriate.

48. Defendants have engaged in the unlawful conduct alleged herein separately and in combination and each is jointly and severally liable for all acts and omissions alleged herein.

**COUNT I**

**CONSUMER FRAUD ACT: UNFAIR AND DECEPTIVE ACTS AND PRACTICES**

49. The State re-alleges and incorporates Paragraphs 1 through 48 as if fully set forth herein.

50. Defendants' acts and practices as set forth herein constitute violations of the Iowa Consumer Fraud Act which prohibits, inter alia, misleading, deceptive, false, unfair and omissive acts and practices.

51. While the State has received complaints from Consumer victims across the county, and has located additional Consumer victims across the country, an unknown number of Consumer victims have suffered losses across the United States.

52. The acts and practices of Defendants described herein violate the Consumer Fraud Acts prohibition against misleading, deceptive, unfair and omissive acts and practices, and otherwise violate the Consumer Fraud Act, Iowa Code § 714.16, giving rise to the full complement of remedies available in that statute.

53. Although it is not necessary to establish reliance, damages or intent to deceive to obtain injunctive relief or reimbursement under the Consumer Fraud Act (See Iowa Code § 714.16(17)), establishing those factors, particularly intent, is nevertheless relevant inter alia to the Court's determination of the appropriate scope of injunctive relief and the appropriate amount of civil penalties. The acts and practices of Defendants in violation of Iowa Code § 714.16(2)(a) of

the Consumer Fraud Act as alleged in this Court did in fact induce reliance on the part of Consumer victims, did in fact cause damage to Consumers, and/or were in fact intentional.

**PRAYER FOR RELIEF**

The Attorney General respectfully request the Court grant the following relief:

A. To preclude each Defendant from conducting any discovery unless and until such Defendant has fully complied with the CIDs directed to them;

B. To permanently dissolve, by Order to be filed with the Iowa Secretary of State's Corporation Division, each Defendant limited liability company;

C. To enter an order prohibiting the individual Defendants from creating, incorporating, employing, or using any LLC, or any other form of corporate entity, in or with the Iowa Secretary of State's Office, for the purpose of conducting business from any location within the State of Iowa involving (1) advertising; or (2) the selling of promotional items containing advertising;

D. Pursuant to Iowa Code § 714.16(7) and upon further request by the State addressed to the Court, enter a TEMPORARY INJUNCTION and PERMANENT INJUNCTION restraining Defendants, and each of them, and, as applicable, each Defendants' agents, employees, independent contractors, salespersons, servants, representatives, officers and directors, principals, partners, members, affiliates, predecessors, successors, assigns, merged or acquired predecessors, parent or controlling entities and all other persons, corporation, and business entities acting in concert or participating with Defendant(s) who have actual or constructive notice of the Court's injunction, from engaging in the deceptive, misleading, unfair, unlawful acts, practices and statements alleged in this Petition or otherwise violation of the Iowa Consumer Fraud Act;

E. Pursuant to Iowa Code § 714.16(7) after trial on the merits or default by Defendants, make permanent the above-described injunctions, expanding their provisions as necessary by including, inter alia, such “fencing in” provisions as are reasonably necessary to ensure that Defendants and other enjoined persons and entities do not return to the unlawful practices alleged herein, or commit comparable violations of law;

F. Enter an order and judgment against Defendants, jointly and severally, for all amounts necessary to restore to Consumers all monies wrongfully obtained by Defendants against Consumer victims, where such amounts were obtained by Defendant(s) by means disclosed to be unlawful under the Consumer Fraud Act pursuant to Iowa Code § 714.16 (7);

G. If the Court deems that the cost of administering reimbursement to Consumers outweighs the benefit to Consumers or Consumers entitled to reimbursement cannot be located through reasonable efforts, the State prays the Court order disgorgement of moneys and/or property acquired by Defendants by awarding the moneys or property to the State to be used by the Attorney General for implementation and administration of the Consumer Fraud Act, pursuant to Iowa Code § 713.16 (7);

H. Pursuant to Iowa Code § 714.16 (7), in addition to other remedies, enter judgment against each of the Defendants, jointly and severally, for up to \$40,000 civil penalty for each violation;

I. Award the State interest as permitted by law;

J. Pursuant to Iowa Code § 714.16 (11), enter judgment against Defendants, jointly and severally, for attorney fees, the State’s costs and court costs;

K. Pursuant to Iowa Code § 714.16 (6), and after notice and hearing, or default, enter an order and impose by injunctive restrictions, a bar on each Defendant prohibiting each Defendant

from conducting business until compliance with the Consumer Fraud Act CIDs have been fully effected; and

L. Grant such additional relief as the Court deems just and equitable.

Respectfully submitted,

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Original filed.