

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

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

Plaintiff,

v.

**FIRST CHOICE COMMUNICATIONS,
LLC,**
A Delaware corporation;

and

MICHAEL S. GRIFFITH, in his
individual capacity and corporate capacities;

and

KRISTAL J. JACOBS, in her
individual capacity and corporate capacities,

Defendants.

EQUITY No. EQCE083063

CONSENT JUDGMENT

The Court, having been presented by Assistant Attorney General J. Andrew Cederdahl with this Consent Judgment, finds and orders as follows:

1. The term “Defendants” as used herein shall refer to First Choice Communications, LLC, Michael S. Griffith, in his individual and corporate capacities, and Kristal J. Jacobs, in her individual and corporate capacities, and their employees, successors, principles, partners, members, agents, representatives, subsidiaries, assigns, parent or controlling entities, and all other persons, corporations or other entities acting in concert or participating with First Choice Communications, Michael S. Griffith, and/or Kristal J. Jacobs who have actual or constructive knowledge of this Consent Judgment.

2. This Consent Judgment, which has been approved by all Defendants, is intended to resolve this litigation pursuant to IOWA CODE § 714.16, the Iowa Consumer Fraud Act

(CFA), and IOWA CODE 555A, the Door-to-Doors Sales Act (Door-to-Door). For purposes of entry of this Consent Judgment, the above-captioned Defendants agree that any and all service or notice requirements relating to this Consent Judgment may be fully met through notice of a file-stamped copy of this document via EDMS to Defendant First Choice Communication's attorney, Billy Mallory.

2. The Court has jurisdiction of the parties and subject matter.

3. The Defendants deny that they, or (as applicable) their agents, owners, officers, directors, or employees are legally responsible for any conduct in violation of the CFA or Door-to-Door, and this Consent Judgment is not an admission of liability by those individuals or entities.

4. The Court finds that this Consent Judgment should be entered.

IT IS THEREFORE ORDERED, pursuant to Iowa R. Civ. P. 1.1501 *et seq.*, the CFA, and Door-to-Door, that Defendants shall at all times hereafter comply with the CFA and Door-to-Door when operating within Iowa; specifically, the Defendants shall:

a. Furnish each Iowa buyer with a fully completed receipt or copy of any contract pertaining to a door-to-door sale at the time of its execution, which is in the same language as that principally used in the oral sales presentation and which shows the date of the transaction and contains the name and address of the seller, and in immediate proximity to the space reserved in the contract for the signature of the buyer or on the front page of the receipt if a contract is not used and in boldface type of a minimum size of ten points, the following statement: "You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.";

b. Furnish each Iowa buyer, at the time each buyer signs door-to-door sales contracts or otherwise agrees to buy consumer goods or services from the seller, a

completed form in duplicate, captioned “Notice of Cancellation”, which shall be attached to the contract or receipt and easily detachable, and which shall contain in ten point boldface type the information, statements and prompts reflected within Iowa Code § 555A.3;

c. Provide two written notices of cancellation with the required content and form, such notices to be completed by the Defendants’ salespersons (not consumers contracting with or through Defendants), at the time merchandise is sold to each Iowa consumer door-to-door;

d. Not include in any contract or receipt any confession of judgment or any waiver of any of the rights to which each Iowa buyer is entitled under Door-to-Door and this Judgment, including specifically the right to cancel the sale in accordance with the provisions of Door-to-Door;

e. Accurately inform each Iowa buyer orally, at the time each buyer signs a contract or purchases goods or services, of the right to cancel pursuant to Door-to-Door;

f. Not misrepresent in any manner Iowa buyers’ rights to cancel pursuant to Door-to-Door;

g. Honor any notice of cancellation by Iowa buyers that is validly effectuated pursuant to Door-to-Door;

h. Within ten business days after the receipt of a valid notice of cancellation by an Iowa buyer, refund all payments made under the buyer’s contract or sale, return any goods or property traded in, in substantially as good condition as when received by the seller, and cancel and return any negotiable instrument executed by the buyer in connection with the contract or sale and take any action necessary or appropriate to terminate promptly any security interest created in the transaction;

i. Not negotiate, transfer, sell, or assign any note or other evidence of

indebtedness to a finance company or other third party prior to midnight of the seventh business day following the day each contract with Iowan consumers is signed or the goods or services are purchased;

j. Within ten business days of the Defendants' receipt of any Iowa buyer's notice of cancellation, notify the buyer whether the Defendants intend to repossess or to abandon any shipped or delivered goods;

k. Obtain valid and proper peddler's license(s) consistent with applicable laws prior to engaging in door-to-door sales, if required within the Iowa location wherein Defendants or their agents engage in door-to-door sales; and

l. Not orally misrepresent or contradict written terms of the contracts the Defendants solicit Iowans to execute, or misrepresent the scope or terms of the specific offers the Defendants solicit Iowans to buy and/or contract.

IT IS FURTHER ORDERED that the Defendants shall, at least 5 days prior to each time the Defendants or agents on the Defendants' behalf who return to Iowa to engage in Door-to-Door sales, inform the Attorney General in writing the date upon which solicitations shall commence and the location of the solicitations. "Inform" means the Defendants shall mail a letter addressed to the Director of the Iowa Attorney General Office's Consumer Protection Division that is signed by a representative of the Defendants, and which contains the required information and references this Consent Judgment.

IT IS FURTHER ORDERED that the Defendants, jointly and severally, shall pay to the Attorney General \$5,000 in the manner instructed by the Attorney General, such sum to be deposited in the Consumer Fraud Enforcement Fund referred to in Iowa Code § 714.16C.

IT IS FURTHER ORDERED Defendants et. al. shall comply with reasonable requests from the Attorney General for information relating to compliance with this Consent Judgment.

IT IS FURTHER ORDERED that nothing contained in this Assurance shall be construed to waive any individual right of action by a consumer or a local, state, federal or other governmental entity.

IT IS FURTHER ORDERED that nothing herein diminishes or enlarges the requirements, duties, obligations, or powers set forth in the CFA.

IT IS FURTHER ORDERED that Defendants cooperate with reasonable requests from the Office of the Iowa Attorney General for information relating to Defendants' compliance with this Consent Judgment.

IT IS FURTHER ORDERED that the Attorney General's execution of this Consent Judgment and its subsequent entry by the Court constitutes a settlement, and a release of the Defendants from any and all liability for conduct that (i) occurred prior to entry of this Consent Judgment; and (ii) would violate the CFA and Door-to-Door. The Attorney General may seek to enforce violations of this Consent Judgment.

IT IS FURTHER ORDERED that, in addition to whatever other legal remedies may be available, a material violation of this Consent Judgment constitutes a violation of the Consumer Fraud Act, Iowa Code § 714.16 (CFA), and each such violation by any of the Defendants of this Consent Judgment, if established by a preponderance of the evidence in an enforcement action by the Attorney General, gives rise to all of the remedies provided in the CFA.

IT IS FURTHER ORDERED that the Court retain jurisdiction to enforce this Consent Judgment.

IT IS FURTHER ORDERED that the Defendants pay court costs, if any.

SO ORDERED.

The undersigned, who have the authority to consent and sign on behalf of Defendants and the Attorney General of Iowa, hereby consent to the form and contents of this Consent Judgment.

Approved:

STATE OF AZ)
) ss:
COUNTY OF Maricopa)

Subscribed and sworn to by Diane Dolezal before the undersigned notary public in and for the state of AZ on this 8 day of November, 2018.

Diane Dolezal
Notary Public in and for the State of AZ

Date: 11-8-18

[Signature]
First Choice Communications, LLC (dba First Choice)

By: Michael Griffith CE-2
(print name)



STATE OF AZ)
) ss:
COUNTY OF Maricopa)

Subscribed and sworn to by Kristal J. Jacobs before the undersigned notary public in and for the state of AZ on this 8 day of November, 2018.

Diane Dolezal
Notary Public in and for the State of AZ

Date: 11-08-18

[Signature]
Kristal J. Jacobs, in her corporate and personal capacities



STATE OF Az)
) ss:
COUNTY OF Maricopa

Subscribed and sworn to by Michael S. Griffith before the undersigned notary public in and for the state of Az on this 8 day of November, 2018.



State of Arizona Notary Public
County of Pinal
Diane Dolezal
My Commission Expires
May 13, 2022

Diane Dolezal
Notary Public in and for the State of Az

Date: 11-8-18

Michael S. Griffith
Michael S. Griffith, in his corporate and personal capacities

Date: 11-20-18

Billy Maffery

Billy Maffery, Attorney for Defendants First Choice Communications, Kristal Jacobs and Michael Griffith

Date: 11/26/2018

J. Andrew Cederdahl
J. Andrew Cederdahl
Assistant Attorney General



State of Iowa Courts

Type: OTHER ORDER

Case Number **Case Title**
EQCE083063 STATE OF IOWA VS FIRST CHOICE COMMUNICATIONS ET AL

So Ordered

A handwritten signature in black ink, appearing to be "David May", written over a horizontal line.

David May, District Court Judge,
Fifth Judicial District of Iowa