

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

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POLK COUNTY
2012 JUL 11 AM 8:01
IOWA DISTRICT COURT

STATE OF IOWA ex rel.)
THOMAS J. MILLER,)
ATTORNEY GENERAL OF IOWA,)
99AG25112,)
Plaintiff,)
v.)
AARON VINCENT WILLIAMS, dba)
IOWA CORPORATE COMPLIANCE,)
Defendant.)

Equity No. CE 71996

PETITION IN EQUITY

The State of Iowa ex rel. Attorney General Thomas J. Miller, through Assistant Attorney General Steve St. Clair, states as follows.

INTRODUCTION

1. Aaron Vincent Williams has perpetrated a predatory scheme that involves sending official-looking notices to Iowa companies, including small businesses and professional offices, in an effort to trick them into paying a \$125.00 "document fee" to the so-called "Business Services Division" of an entity called "Iowa Corporate Compliance." The notices are designed to create the false impression that they are sent by a governmental agency and that company representatives are required to respond. Many Iowa businesses have been successfully duped into filling out bogus forms and sending checks in response to these deceptive mailings.

PARTIES AND VENUE

2. **Thomas J. Miller** is the Attorney General of the State of Iowa, and is expressly authorized to enforce the Iowa Consumer Fraud Act, Iowa Code § 714.16 (2011). Actions attributed to "the Attorney General" herein include actions of authorized representatives of the office of the

Iowa Attorney General.

3. **Aaron Vincent Williams** (hereafter “Williams” or “Defendant”) is believed to reside at 6565 Crescent Park West, No. 418, Playa Vista, California, and does business in Iowa as Iowa Corporate Compliance.

4. Williams arranged for mailed responses to solicitations sent in the name of his dba to be received at a commercial mail-drop in Des Moines, Iowa, and one or more of the Iowans whose mail was received at that mail-drop were residents of Polk County, Iowa; venue is proper in Polk County pursuant to Iowa Code § 714.16 (10).

JURISDICTION

5. The Iowa Consumer Fraud Act, Iowa Code § 714.16 (2)(a) provides in pertinent part:

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.

6. 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.

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

Except in an action for the 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 to 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.

8. In describing remedies under the Consumer Fraud Act, Iowa Code § 714.16 (7)

provides in pertinent part as follows:

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.

9. It appears to the Attorney General that Williams has engaged in, is engaging in, or is about to engage in one or more practices declared to be unlawful by the Consumer Fraud Act.

FACTUAL BACKGROUND

10. On or about June 5, 2012, Williams arranged to receive mail through a UPS Store in Des Moines, Inc.

11. On or about June 18, 2012, the Consumer Protection Division of the Iowa Attorney General's Office received from an Iowa business a copy of a mailing it had received from "Iowa Corporate Compliance"; that mailing included among other things a request that a \$125.00 "document fee" be sent to the mail drop address that Mr. Williams had arranged at the Des Moines UPS Store.

12. On June 22, 2012, the Consumer Protection Division issued a consumer fraud subpoena to the UPS Store in question to obtain the responses from Iowans that were being received at the box number that Mr. Williams had arranged.

13. Beginning on June 25, 2012, the Consumer Protection Division has received, pursuant to the above-referenced subpoena, mail directed to the box number in question, which mail has included about 270 letters from Iowans responding to the Iowa Corporate Compliance mailing.

14. Since June 25, 2012, the Consumer Protection Division has contacted seven of the Iowa businesses whose response was included among the letters obtained through the subpoena. Each of the Iowa business representatives contacted indicated that they had responded in the belief that the mailing had come from a governmental entity and that they were required to respond. Five of the seven business representatives contacted had enclosed at least one check for \$125.00 in their response, and two of the seven had mailed back two checks for \$125 each, because they had received two separate mailings from "Iowa Corporate Compliance" (e.g., for two separate but related corporate entities).

15. The forms contained within Defendant's mailings are titled "Annual Meeting Disclosure Statement." Although Iowa law does require corporations to keep minutes of certain meetings they conduct, the law does not require such records to be sent in as part of any registration or reporting process, and Defendant's "Annual Meeting Disclosure Statement" form has no official status or function, and is neither required nor recognized by the State of Iowa. According to the Iowa Secretary of State's office, its official forms bear the name of the Secretary of State, Matt Schultz, as well as the official seal of the Secretary of State.

16. Des Moines West KOA Campground in Adel, Iowa was among the recipients of

Defendant's mailings. Chris Rademacher, who with his wife, Jamie, owns the campground, responded to the mailing by completing the "Annual Meeting Disclosure Statement" and returning it to Defendant's mail drop with a \$125 check for the "document fee." Mr. Rademacher has indicated that Defendant's "Statement" form looked like paperwork he was required to fill out, and that it looked legitimate.

17. A complete copy of the mailing Defendant directed to Iowa businesses is appended as Attachment I, with the name of the intended recipient redacted.

18. Although Defendant's mailings include disclaimer language which, if noticed, carefully read, and properly interpreted, might lessen the misleading effect, such disclaimer language is in fact ineffective, and is insufficient to overcome the deceptive and unfair nature of the mailings.

19. Defendant Williams' current government agency look-alike mailing is not his first. In 2008, Williams agreed to a consent order with the United States Postal Inspection Service (USPIS) to resolve a complaint regarding the misleading nature of a comparable Georgia mailing purportedly from "Georgia Corporate Compliance Business Services Division" (*see* mailing excerpt, Attachment II), and in 2010 Williams agreed to a consent order with the USPIS resolving a complaint regarding the misleading nature of comparable mailings in Illinois, Indiana, and Ohio (*see, e.g.*, mailing excerpt, Attachment III).

20. 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 paragraph 7 above), establishing these 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. Those acts and practices of Defendant in violation of subsection (2)(a) of the Consumer

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

21. The acts and practices of Defendant alleged herein constitute multiple violations of the prohibition of Iowa Code § 714.16(2)(a) against misleading, deceptive, unfair, and omissive acts and practices, and otherwise violate that provision of Iowa law.

22. A temporary injunction should issue restraining Defendant from sending to Iowa addresses any other communications substantially similar to Attachment I, and from obtaining or receiving any payments (including checks) sent in response to such communications. This restraint should continue through the course of this litigation, and be included in a permanent injunction included in a final judgment or other resolution of this case.

23. Neither all nor any part of the application for injunctive relief herein has been previously presented to and refused by any court or justice. Iowa R. Civ. P. 1.1504.

24. In an action by the state, no security shall be required of the state. Iowa R. Civ. P. 1.207.

CERTIFICATION

25. In conjunction with the Consumer Fraud Act provisions cited above, Iowa R. Civ. P. 1.1501 *et seq.* provide for entry of temporary injunctive relief. Iowa R. Civ. P. 1.1507 provides that a temporary injunction may issue without notice if the required showing is made, such showing to include a certification by the applicant's attorney as to certain matters. The undersigned certifies as follows:

a) Delaying injunctive relief by providing advance notice and hearing to Defendant is likely to result in an extended period during which additional consumers are at risk of being unlawfully induced to make payments on the basis of the misleading and unfair solicitation practices detailed herein.

b) Continuation of the misleading conduct that Plaintiff seeks to enjoin would divert funds from the operation of Iowa businesses that might otherwise have been used for important business functions.

c) The injunctive terms sought by Plaintiff would not halt any legitimate, non-misleading marketing or activities in which Defendant may be engaged. The injunction requested is not such as to “stop the general and ordinary business of a corporation” for purposes of Iowa R. Civ. P. 1.1507.

d) Given the egregious nature of the “Iowa Corporate Compliance” ruse, as described above, any doubt about halting the apparently deceptive diversion of funds from Iowa business operations should be resolved in favor of preventing further victimization.

PRAYER

Plaintiff prays the Court grant the following relief:

A. Pursuant to Iowa Code § 714.16 (7), and upon further request by Plaintiff therefor addressed to the Court, enter a temporary restraining order and preliminary injunction restraining Defendant and (as applicable) Defendant’s directors, officers, principals, partners, employees, agents, servants, representatives, subsidiaries, affiliates, successors, assigns, parent or controlling entities, and all other persons, corporations and other entities acting in concert or participating with Defendant who have actual or constructive notice of the Court’s injunction from engaging in the deceptive, misleading, omissive, and unfair practices alleged in this Petition; from otherwise violating the Iowa Consumer Fraud Act; and/or from seeking or arranging to receive checks or other payments stemming from violations of the Consumer Fraud Act and/or other prohibited activity.

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

law.

C. Pursuant to Iowa Code § 714.16 (7), enter judgment against for amounts necessary to restore to Iowa consumers all money acquired by means of acts or practices that violate the Consumer Fraud Act.

D. Pursuant to Iowa Code § 714.16 (7), enter judgment against for such additional funds as are necessary to ensure complete disgorgement of all ill-gotten gain traceable to the unlawful practices alleged herein.

E. Pursuant to Iowa Code § 714.16 (7), enter judgment against for up to \$40,000.00 for each separate violation of the Consumer Fraud Act.

F. Award Plaintiff interest as permitted by law.

G. Pursuant to Iowa Code § 714.16 (11), enter judgment against each for attorney fees, state's costs and court costs.

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

Respectfully submitted,

Thomas J. Miller
Attorney General of Iowa



Steve St. Clair AT 0007441
Assistant Attorney General
Hoover Building, 2d Floor
Des Moines, Iowa 50319
Ph: 281-5926
Fax: 281-6771
Email: steve.stclair@iowa.gov



IOWA CORPORATE COMPLIANCE
Business Services Division
2643 Beaver Ave #327
Des Moines, IA 50310-3909

Presorted
First Class
US Postage
PAID
Addressers

IMPORTANT BUSINESS MAIL ENCLOSED
THIS IS NOT A GOVERNMENT DOCUMENT

NAME OF CORPORATION: NOTICE DATE: 06/14/12 IA-45009

[REDACTED] Lic
[REDACTED]
Des Moines, IA
[REDACTED]



INSTRUCTIONS TO COMPLETING FORM

Complete this form for processing and fulfillment of the Annual Minutes for your corporation. Submit a single check or money order made payable to **Iowa Corporate Compliance** and mail to:

Mailing Address:

IOWA CORPORATE COMPLIANCE
BUSINESS SERVICES DIVISION
2643 Beaver Ave #327
Des Moines, IA 50310-3909

Annual Minutes Disclosure Statement of Annual Directors and Shareholders as follows:

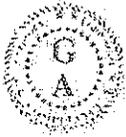
- Line 1** Enter the complete street address, city, state and zip code, of the principal business office.
- Line 2** Enter the complete street address, city, state, and zip code of the corporation's business mailing address in Iowa, if any. Please do not enter a P.O. Box or abbreviate the name of the city. Complete this item only if the address in Item 2 is outside of Iowa.
- Line 3-5** Enter the name and complete business or residential address of the corporation's officers (CEO, CFO and Secretary).
- Line 6-7** Enter the name and complete business or residential address of the corporation's directors; if there are more than two directors please attach additional pages. The corporation should have one or more directors.
- Line 8** Enter the business phone number and contact person for further information if necessary; and date of last meeting held.
- Line 9** Enter the name and complete business or residential address of each incumbent shareholder. If there are more than two shareholders please attach additional pages.
- NOTE:** Type or print the name and title of the officer or agent completing this statement, then sign and enter the date this statement was completed.

By submitting this Disclosure Statement of Annual Shareholders and Directors to Iowa Corporate Compliance Business Services Division, the corporation certifies the information contained herein, including any attachments, is true and correct.

Post Office will
not deliver
without proper
postage

Thank You

IOWA CORPORATE COMPLIANCE
BUSINESS SERVICES DIVISION
2643 Beaver Ave #327
Des Moines, IA 50310-3909



ANNUAL MINUTES DISCLOSURE STATEMENT

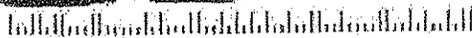
DIRECTORS AND SHAREHOLDERS
DOMESTIC STOCK CORPORATION
GEORGIA CORPORATION # 704338

IMPORTANT: READ INSTRUCTIONS BEFORE COMPLETING THIS FORM. PLEASE PRINT OR TYPE LEGIBLY.

ANNUAL FEE \$125

NAME OF CORPORATION: NOTICE DATE: 10/17/07 04157GA
[REDACTED] (INC (FLORIDA))

REPLY NO LATER THAN
October 31, 2007



GEORGIA CORPORATIONS CODE: 14-2-1601.

(a) A corporation shall keep its permanent records minutes of all meetings of its shareholders and board of directors, executed consents evidencing all actions taken by the shareholders or board of directors without a meeting, a record of all actions taken by committee of the board of directors in place of the board of directors on behalf of the corporation, and waivers of notice of all meetings of the board of directors and its committees (b) A corporation shall maintain appropriate accounting records (c) A corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order by class of shares showing the number and class of shares held by each. (d) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Maintaining records is vital to the existence of all corporations; in particular the recording of shareholder and director meetings. If ever sued and requested by the courts, failure to comply with certain requirements could cause your corporation to lose its limited liability status "Pierced Veil". If so, personal liability or exposure could possibly be put on directors and shareholders for failing to document formalities. We assist corporations to avoid non-compliance with the above provisions. Order corporate minutes by completing the statement form below. Provide the following candidate names for the positions listed and submit with the proper ANNUAL FEE OF \$125 WITHIN 30 BUSINESS DAYS to ensure sufficient time for processing, fulfillment, and mailing of the annual minutes for your corporation. For questions or further information, please contact customer service at: (866) 455-1971.

1. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE: CITY & STATE: ZIP CODE:

2. MAILING ADDRESS (if address is outside of Georgia) CITY & STATE: ZIP CODE:

3. CHIEF EXECUTIVE OFFICER/

4. CHIEF FINANCIAL OFFICER/

5. SECRETARY/

6. DIRECTOR/ (Directors who are also officers)

7. DIRECTOR/

8. BUSINESS PHONE: ()

9. SHAREHOLDER INFORMATION/ (If applicable) - (Attach additional pages if necessary)

NAME: MAILING ADDRESS: # SHARES (incl *s)

NAME: MAILING ADDRESS: # SHARES (incl *s)

THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY ANY GOVERNMENT AGENCY AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE GOVERNMENT. (S.E.C. 39, § 3001a) THIS IS A SOLICITATION FOR THE ORDER OF SERVICES, AND NOT A BILL, INVOICE, OR STATEMENT OF ACCOUNT DUE. YOU ARE UNDER NO OBLIGATION TO MAKE ANY PAYMENTS ON ACCOUNT OF THIS OFFER UNLESS YOU ACCEPT THIS OFFER.

YOUR CORPORATION SHOULD COMPLY WITH APPLICABLE LAWS AND REGULATIONS FOR ADEQUATE RECORD TRANSFER PLEASE PRINT LEGIBLE ALL INFORMATION WILL BE TREATED AS PRIVATE AND CONFIDENTIAL. PLEASE ALLOW 30 DAYS FROM THE DATE OF RECEIPT FOR COMPLETE PROCESSING, FULFILLMENT, AND MAILING OF THE ANNUAL MINUTES FOR YOUR CORPORATION.

BY SUBMISSION, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

NAME OF OFFICER OR AGENT: TITLE: SIGNATURE: DATE:

EXHIBIT [Signature]

INSTRUCTIONS TO COMPLETING FORM

Complete this form for processing and fulfillment of the Annual Minutes for your corporation. Submit a single check or money order made payable to Georgia Corporate Compliance and mail to:

Main Office:

GEORGIA CORPORATE COMPLIANCE
BUSINESS SERVICES DIVISION
925B Peachtree Street NE #850
Atlanta, GA 30309

Complete the Disclosure Statement of Annual Directors and Shareholders as follows:

- Line 1 Enter the complete street address, city, state and zip code, of the principal business office.
- Line 2 Enter the complete street address, city, state, and zip code of the corporation's business mailing address in Georgia, if any. Please do not enter a P.O. Box or abbreviate the name of the city. Complete this item only if the address in Item 1 is outside of Georgia.
- Line 3-5 Enter the name and complete business or residential address of the corporation's officers (CEO, Secretary and CFO).
- Line 6-7 Enter the name and complete business or residential address of the corporation's directors; if there are more than two directors please attach additional pages. The corporation should have one or more directors.
- Line 8 Enter the business phone number and contact person for further information if necessary.
- Line 9 Enter the name and complete business or residential address of each incumbent shareholder. If there are more than two shareholders please attach additional pages.

NOTE: Type or print the name and title of the officer or agent completing this statement, then sign and enter the date this statement was completed.

By submitting this Disclosure Statement of Annual Shareholders and Directors to Georgia Corporate Compliance Business Services Division, the corporation certifies the information contained herein, including any attachments, is true and correct.



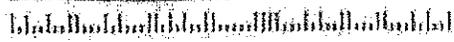
ANNUAL MINUTES DISCLOSURE STATEMENT

DIRECTORS AND SHAREHOLDERS
(DOMESTIC BUSINESS CORPORATION)
OHIO CORPORATE CONTROL #

NAME OF CORPORATION: NOTICE DATE: 01/19/09 041570H

[Redacted Corporation Name]

REPLY BY:
FEBRUARY 2, 2009



CORPORATIONS CODE SECTION 6.024. Books and records; right of inspection, prima facie evidence. (a) Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board and executive committee, if any, and shall keep at the office of the corporation in this state or at the office of its transfer agent or registrar in this state, a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form.

OHIO CORPORATE CONTROL #

Maintaining records is vital to the existence of all corporations; in particular the recording of shareholder and director meetings. If ever sued and requested by the courts, failure to comply with certain requirements could cause your corporation to lose its limited liability status "Pierced Veil". If so, personal liability or exposure could possibly be put on directors and shareholders for failing to document formalities. We assist corporations to avoid non-compliance with the above provisions. Order corporate minutes by completing the statement form below. Provide the following candidate names for the positions listed and submit with the **ANNUAL FEE OF \$120 WITHIN 10 BUSINESS DAYS** to ensure sufficient time for processing, fulfillment and mailing of the annual minutes for your corporation. For questions or further information, please contact our customer service unit at: (866) 633-9579.

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2. MAILING ADDRESS (If address is outside of Ohio): CITY & STATE: ZIP CODE:

3. CHIEF EXECUTIVE OFFICER/

4. CHIEF FINANCIAL OFFICER/

5. SECRETARY/

6. DIRECTOR/ (Directors who are also officers)

7. DIRECTOR

8. BUSINESS PHONE: ()

9. SHAREHOLDER INFORMATION (If applicable) - (Attach additional pages if necessary)

NAME: MAILING ADDRESS: # SHARES (Not %)

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YOUR CORPORATION SHOULD COMPLY WITH APPLICABLE LAWS AND REGULATIONS. FOR ADEQUATE RECORD TRANSFER, PLEASE PRINT LEGIBLE ALL INFORMATION WILL BE TREATED AS PRIVATE AND CONFIDENTIAL. PLEASE ALLOW 30 DAYS FROM THE DATE OF RECEIPT FOR COMPLETE PROCESSING, FULFILLMENT, AND MAILING OF THE ANNUAL MINUTES FOR YOUR CORPORATION.

NAME OF OFFICER OR AGENT: TITLE: SIGNATURE: DATE:

INSTRUCTIONS TO COMPLETING FORM

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Main Office:

OHIO CORPORATE COMPLIANCE
BUSINESS SERVICES DIVISION
605 N. High St # 301
Columbus, OH 43215

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