

[Filed 3-2-05]

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

STATE OF IOWA ex rel.  
THOMAS J. MILLER,  
ATTORNEY GENERAL OF IOWA,  
99AG25112

Applicant,

v.

WALTER KARL, INC.,  
a New York corporation, and

WALTER KARL INTERACTIVE,

Respondents.

) Equity No. CE 50633  
)  
)  
)  
)  
) APPLICATION FOR ORDER  
) ENFORCING ATTORNEY  
) GENERAL'S CIVIL  
) INVESTIGATIVE DEMAND  
)  
)  
)  
)  
)  
)

FILED  
POLK COUNTY, IA  
2005 MAR -2 P 1:21  
CLERK DISTRICT COURT

The Iowa Attorney General, through the undersigned, states as follows in support of this Application For Order Enforcing Attorney General's Civil Investigative Demand pursuant to Iowa Code § 714.16 (6) (2003). A copy of the Civil Investigative Demand (hereinafter "CID") is attached hereto as Exhibit 1.

**INTRODUCTORY OVERVIEW**

1. Over the last several years many Iowans, including a disproportionate number of elderly Iowans, have fallen prey to sophisticated direct mail and telemarketing schemes. These schemes often work in combination and are designed to zero in on consumers who can be cheated out of large sums of money. Although the primary designers and perpetrators of such schemes are pursued by the Iowa Attorney General and other authorities as fully as limited law enforcement resources allow, such perpetrators are many, diffuse, transitory, chameleonic, and, with increasing frequency, located outside U.S. borders. These perpetrators of fraud often rely, however, upon the assistance and support of U.S. businesses that are stable, well-established, and – too often – willing to profit by

facilitating what they know or should know is unlawful and predatory activity. Law enforcement efforts increasingly focus on this cooperating infrastructure, assigning liability under consumer protection statutes to those actively facilitating consumer fraud. If facilitators are motivated to withdraw support from fraudulent enterprises, the defrauders operate less effectively (if at all) and claim fewer victims.

2. Many mass-oriented scams, including direct mail and telemarketing, rely on the effective identification of consumer targets. In an earlier day and on a smaller scale, con artists traded their lists of easy marks – called “mooch lists” in some quarters – among themselves. As a current version of such practices, the modern list brokering and list management industry enables con artists working through intermediaries to obtain and exploit lists developed by other con artists – lists which may include tens of thousands of consumers pre-screened for their susceptibility to fraudulent pitches.

3. Several months ago an elderly Iowan provided a solicitation mailing he had received to a Consumer Protection investigator.<sup>1</sup> The investigator recognized the mailing to be part of a scheme to create a list of consumers who would be good targets for subsequent telemarketing fraud. Further investigation established a link between the mailing enterprise and the list management business of Walter Karl, Inc. and Walter Karl Interactive (“Walter Karl”), where lists developed by the mailing enterprise were being rented out.

4. Therefore the Attorney General issued a Civil Investigative Demand under the Iowa

---

<sup>1</sup> The affidavit of Consumer Protection Investigator Barbara A. Blake is attached hereto as Exhibit 2.

Consumer Fraud Act to determine the extent to which Walter Karl's list brokering and management services are used by fraudulent operators, and whether Walter Karl knew or should have known of such activities. After a period of cooperation – albeit slow and fitful cooperation – Walter Karl refused to provide certain key information, including information it had earlier agreed to provide, which led to this Application To Enforce the Civil Investigative Demand.

### **BACKGROUND ON WALTER KARL**

5. Walter Karl, Inc. is a New York corporation with its main office in Pearl River, New York, and satellite offices in Colorado, Illinois and New York. Walter Karl Interactive is a division of Walter Karl, Inc. and the Respondents will be referred to herein collectively as “Walter Karl,” unless the context suggests otherwise.

6. Walter Karl's business consists of providing list brokering and list management services. As a list broker, Walter Karl acts as an agent on behalf of individuals or businesses that wish to gain access to a pool of potential customers by renting an existing list from the list's owner. As a list manager, Walter Karl acts as agent on behalf of list owners who wish to market their lists to others. Walter Karl evidently deals exclusively with lists developed by others, and does not compile its own lists.

7. Walter Karl advertises the lists it manages and its other list-related services through at least two websites.<sup>2</sup> The websites contain various information about Walter Karl's services, including descriptions of specific lists that one may obtain through Walter Karl. A standardized description of a list is referred to as a “datacard.” Datacards typically include a general description

---

<sup>2</sup> [www.walterkarl.com](http://www.walterkarl.com) and [www.wkinteractive.com](http://www.wkinteractive.com)

of the pool of consumers represented by the list, as well as such information as how the list might best be used, the source of the list (e.g., “direct mail”), how recently the list was compiled or updated, and demographic information that may include gender, income range, and age. The datacard also indicates the price of renting the list, and the additional cost of obtaining specific additional information, called “selects,” for each listed consumer, such as credit card ownership.

8. When Walter Karl receives an order for a list, the business placing the order is required to submit a sample mailing piece, advertisement or telemarketing script; then, the actual owner of the list must approve the transaction before Walter Karl accepts the order.

9. Walter Karl promotes its list management and brokering services nationwide, including to Iowans, through the two websites referred to above. Upon information and belief: Iowa businesses have been among Walter Karl’s clients in connection with both list management and list brokering services; commercial mail drops located in Iowa have been used to create lists of people who respond to direct mail campaigns, which lists have been managed and/or brokered by Walter Karl; and many Iowa consumers appear on lists that Walter Karl actively advertises, manages, and brokers.

#### **APPLICABLE PROVISIONS OF THE IOWA CONSUMER FRAUD ACT**

10. The Iowa Consumer Fraud Act, Iowa Code § 714.16 (2)(a) (2003) (“the Consumer Fraud Act”) 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.*

11. 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.*

12. 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.*

13. Iowa Code section 714.16 (3) provides as follows:

*When it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in any practice declared to be unlawful by this section or when the attorney general believes it to be in the public interest that an investigation should be made to ascertain whether a person in fact has engaged in, is engaging in or is about to engage in, any such practice, the attorney general may: (a) Require such person to file on such forms as the attorney general may prescribe a statement or report in writing under oath or otherwise, as to all the facts and circumstances concerning the sale or advertisement of merchandise by such person, and such other data and information as the attorney general may deem necessary; ...*

14. Iowa Code § 714.16 (6) provides:

*If a person fails or refuses to file a statement or report, or obey any subpoena issued by the attorney general, the attorney general may, after notice, apply to the Polk county district court...and, after hearing, request an order:*

*a) Granting injunctive relief, restraining the sale or advertisement of any merchandise by such persons.*

*...*

*c) Granting such other relief as may be required until the person files the statement or report, or obeys the subpoena.*

## SUMMARY OF WALTER KARL'S RESPONSE TO THE CID

15. The Civil Investigative Demand was served by registered mail on each Respondent on May 5, 2004. (Service in that manner is expressly permitted under Iowa Code § 714.16(5)(b) (2003)). The CID requested a response within 28 days, but expressly noted the Attorney General's willingness to extend the response time frame upon receipt of assurances that "a good faith attempt will be made to answer the CID." *See* Exhibit 1, page 2.

16. Counsel for Respondents, Thomas J. Culhane of Erickson & Sederstrom, P.C. in Lincoln, Nebraska, phoned the undersigned on June 3, 2004 and followed up on that same day with a letter providing a partial response to the CID. From the outset, counsel for Walter Karl asserted that the Iowa Attorney General lacked "the authority to compel compliance with an investigative demand by service on a corporation located in a state other than Iowa," but agreed to cooperate, subject to and without waiving its potential jurisdictional challenges. Mr. Culhane also asserted that Walter Karl's good faith effort to cooperate might be limited by burden, expense, or concerns with disclosure of proprietary information.

17. Various requests for additional time were made by Walter Karl in the course of responding, to which the Attorney General<sup>3</sup> acceded. Ultimately, Walter Karl submitted its initial substantive responses to the CID on June 3, 2004 (noted above) and June 21, 2004.<sup>4</sup>

18. By letter of July 23, 2004, the Attorney General provided Walter Karl with a detailed list

---

<sup>3</sup> A reference to an action taken by "the Attorney General" is short-hand for an action taken by the undersigned or other representatives of the office of the Iowa Attorney General.

<sup>4</sup> The Attorney General intends to submit all letters referred to herein at the hearing on this Application.

of what had yet to be produced in response to the CID, including a reminder that applicable law required the response to be submitted under oath.

19. Counsel for Walter Karl indicated on August 6, 2004 that Walter Karl expected to make a supplemental response by August 30, 2004. However, counsel later indicated that the supplementation would be delayed.

20. By letter of October 12, 2004, Walter Karl submitted its supplemental response. The October 12 letter provided information responsive to some of the pending information requests that the Attorney General had highlighted in the July 23 letter as in need of supplementation, but did not supplement, or even acknowledge, several other information requests the Attorney General had highlighted. Neither did Walter Karl's response supply the missing oath.

21. By letter of October 19, 2004, the Attorney General noted Walter Karl's continuing failure to respond fully and under oath, and asked that the company's response be completed by October 29, 2004.

22. By letter of October 28, 2004, counsel for Walter Karl reiterated the company's position that the Iowa Attorney General lacked the authority to require the company to respond to the CID, and provided no further responsive information.

### **THE REQUIRED OATH**

23. As noted above, Iowa Code section 714.16 (3) provides that in conducting a consumer fraud investigation of a person "the attorney general may ... [r]equire such person to file on such forms as the attorney general may prescribe a statement or report in writing under oath ..." (Emphasis supplied.) This requirement ensures that the Attorney General receives complete and

reliable responses from investigated parties.

24. The CID served on Walter Karl included the following oath, to be separately signed by a representative of each Respondent: “I, \_\_\_\_\_, certify under penalty of perjury that the answers submitted by me to the preceding Civil Investigative Demand and Notice of Intent to Proceed are true and complete to the best of my knowledge.”

25. Neither Walter Karl’s June 3 nor June 21 responses to the CID included the required oath. The Attorney General’s letter of July 23 to counsel for Walter Karl therefore addressed that discrepancy:

Before specifying the CID paragraphs that require further attention at this juncture, please note that the CID response is to be accompanied by the oath of an appropriate representative of each respondent swearing to the accuracy and completeness of the response. Iowa Code § 714.16 (3)(a) permits us to require a sworn response, and doing so is our primary means of ensuring that each respondent devotes the time and effort necessary to assemble and submit a reliable and thorough response.

26. In spite of this effort to obtain Walter Karl’s compliance with the oath requirement, the company’s subsequent responses of October 12 and October 28 neither provided the oath nor even addressed that requirement.

27. The authority granted by the legislature to the Attorney General to investigate consumer fraud is of little use in the effort to protect Iowa consumers if an investigated party is never required to swear to the accuracy and completeness of its response. Without an oath attesting to accuracy, the person responding to an investigation may lack incentive to ensure that the information provided is fully reliable. Without an oath attesting to completeness, the person responding to an investigation might provide a volume of documents, while systematically withholding the responsive documents that would most advance the goals of the investigation. To avoid these counterproductive results,

the legislature's dictate that parties investigated for consumer fraud may be required by the Attorney General to respond under oath must be given full effect.

28. As one concrete example of the importance of the oath, CID paragraph 12(b) requests information and documents relating to how specified lists, identified by the datacards attached to the CID, were created. Walter Karl's response was terse: "The Respondents did not compile the lists which are the subject of this request and *therefore* do not have information responsive to this request." (Emphasis added.) While it may prove accurate that Walter Karl has no information relating to how any of the lists in question were created, the fact that the company does not itself compile such lists does not resolve the matter, as company personnel could still have information regarding how particular lists were compiled. Indeed, some knowledge regarding how a list was developed would presumably be very useful to Walter Karl employees in determining how the list could most effectively be marketed. A sworn response to this information request would serve to ensure that Walter Karl had made the effort necessary to respond fully and properly to this important inquiry, as well as others identified below.

#### **CID PARAGRAPHS**

29. The Attorney General directs the Court's attention to the following information requests of the CID, and the exchanges between counsel that occurred regarding these requests. Although each CID paragraph requesting information is summarized below for convenience, the exact scope of each request is determined by the language of the CID itself (Exhibit 1).

30. **Paragraph No. 6** asks for the identity of the officers, directors, and principal stockholders and owners of Walter Karl, and, for each person with an ownership interest exceeding

10%, asks that the person's percentage share be specified.

History: By letter of June 21, 2004, Walter Karl provided the names and positions of four corporate officers, but provided none of the requested information regarding owners and ownership shares. The Attorney General's letter of July 23, 2004 noted this discrepancy, and requested the remaining information. It was never provided.

Reasons the information is sought<sup>5</sup>: Ownership and control identifies persons who may be responsible for objectionable (and potentially actionable) conduct, and may reveal important interrelationships among investigated entities. Determining the persons who ultimately own and control an investigated entity is a standard part of any law enforcement investigation.

31. **Subparagraph No. 12(c)** requests "copies of all correspondence, e-mails, notes, memos, and other documents reflecting communications between representatives of the list owner and Respondents" regarding the datacards attached to the CID, for the period from January 1, 2001 to the present.<sup>6</sup>

History: Prior to addressing this subparagraph by letter of October 12, 2004, counsel for Walter Karl informed the undersigned that responding to this request for the full period for which communications were sought would be burdensome. As an accommodation, the Attorney General agreed to limit the period to the preceding 12 months. On October 12, 2004, Walter Karl provided

---

<sup>5</sup> Although the Consumer Fraud Act does not require the Attorney General to disclose specific reasons for seeking particular information as part of a consumer fraud investigation, and although the reasons identified herein should not be considered exhaustive, the Attorney General provides these explanations to further the Court's understanding of the overall investigation.

<sup>6</sup> The CID instructions establish that period as the default, if no other period is specified.

a set of datacards bearing 2004 dates, with no explanation of how these datacards might be responsive to Subparagraph 12(c). No documents whatsoever have been provided reflecting the communications sought by this subparagraph.

Reasons the information is sought: Communications between Walter Karl and the owners of the lists attached to the CID are reasonably likely to reveal important information regarding how the lists were created, their optimal uses, how they should be described for marketing purposes, and the potential vulnerability of the persons on the list.

32. **Paragraph No. 12(d)** requests the specific date that the information in each of the datacards attached to the CID was provided to Walter Karl and the specific date that Walter Karl was informed by each list owner of the availability of the list for sale.

History: By letter of June 3, 2004, Walter Karl responded by stating: "Generally the lists are updated by the list owner and the Respondents are generally advised when monthly updates are completed." The Attorney General's letter of July 23, 2004 noted that Walter Karl's response lacked the requested specificity and in fact provided none of the requested dates. Walter Karl nevertheless has declined to supplement its response.

Reasons the information is sought: Initial judgments as to whether a particular list is the likely result of a particular misleading mailing campaign will often depend upon how the dates align.

33. **Subparagraph 12(i)** seeks a description of each separate transaction in which Walter Karl supplied all or part of a list represented by the datacards attached to the CID to a list user. By trying to pin down each separate instance in which one of the investigated lists was rented out, this subparagraph seeks list rental transaction data that serve as the basis for subsequent information

requests. For example, paragraph 13 requests important particulars relating to the individual list rental transactions that subparagraph 12 (i) sought to identify.

History: Walter Karl's June 3 letter said "[w]e are still in the process of compiling" the information sought by subparagraph 12(i), and committed to "supplement at a later date." Walter Karl's June 21 letter repeated the commitment to "supplement at a later date." In spite of this repeated commitment, no further response expressly supplementing subparagraph 12(i) was ever provided. It should be noted, however, that some of the information responsive to this request may have been provided as part of the October 12 supplementation, but mistakenly designated as a response to paragraph 21 rather than 12. (*See also* the discussion of CID paragraph 21, below.) Assuming this occurred, and assuming the individual list orders making up the October 12 response to paragraph 21 constitute a complete set, the promised supplementation may have occurred after all. As discussed below, however, even if the mis-designated materials do supply the complete accounting of list rentals sought by subparagraph 12(i), the additional information for each rental (sought by paragraph 13) has still not been provided.

Reasons the information is sought: The requested rental transaction data is at the heart of the Attorney General's inquiry. To the extent the transaction data serves as the basis for a complete production of information and document sought by companion paragraph 13, it would permit the Attorney General to examine how lists that appeared subject to abuse were in fact used.

34. **Paragraph No. 13:** This request, in its subparagraphs (a) through (h), seeks various information and materials relating to each of the separate list rental transactions that 12(i) had sought to identify. Assuming that the October 12 response to paragraph 21 was a mis-labeled response to

paragraphs 12 and 13, the response falls short in failing to provide: information addressing rentals relating to five of the datacards attached to the CID (Exhibits G, J, K, M & N); the written agreements governing the rentals; communications concerning the rental; and perhaps most importantly copies of documents, such as direct mail solicitations or telemarketing scripts, revealing the user's plan for profiting from the list.<sup>7</sup>

History: By letter of June 3, Walter Karl said the information sought was being compiled, and the response would later be supplemented. (The only exception was subparagraph 13(d), which sought a sublist of Iowans on the lists in question; the company stated that it did not have access to this information.) Walter Karl's June 21 letter repeated this position. The company's final response on October 12 appeared to be completely silent as to most of the subparagraphs to which Walter Karl had earlier committed to respond. As noted above, however, if the information purportedly submitted in response to paragraph 21 is applied to the requests contained in paragraphs 12 and 13, the gap between what was sought and what was provided is narrowed, but not closed.

Reasons the information is sought: Details regarding who rented lists of ostensibly vulnerable (and often elderly) consumers, and for what purposes those lists were rented, is a core part of the Attorney General's inquiry. For example, it would be important to learn whether telemarketers in Canada submitting suspect telemarketing scripts are nevertheless able to obtain lists of demonstrably vulnerable retirees identified as having an acute interest in prize promotions.

---

<sup>7</sup> Walter Karl expressly stated in response to CID paragraph 9 that when a list order is received, "a sample of the mailing piece, advertisement or telemarketing script is required ..." This key information is being withheld.

35. **Paragraph No. 14** requests information regarding the “Profile” section of the datacards attached to the CID. Specifically, it seeks the basis for characterizing the people on the lists as “cash hungry individuals,” “hard core sweeps fanatics,” and the like. It also seeks to identify those responsible for crafting such characterizations.

History: On June 21 Walter Karl provided its only response: “The list owner determines the final wording of the datacards.” This was minimally responsive, as it failed to provide the requested explanation for the characterizations, and failed to identify the actual drafter of the terms in question. These discrepancies were noted in the Attorney General’s letter of July 23, which pointed out that a list owner’s determination of “final wording” could amount to little more than approval or ratification of language authored by a Walter Karl employee. Nevertheless, no supplementation was ever forthcoming.

Reasons information is sought: Walter Karl advertises lists of people described (*inter alia*) as “opportunity seekers who aspire to win it BIG in sweepstakes,” and, as noted above, “cash hungry individuals” and “hard core sweeps fanatics.” These descriptions appear to suggest awareness of how the lists were compiled, and insight into what characteristics of the people on the lists will be of greatest interest to prospective list renters. These issues are central to efforts to ensure that vulnerable and/or elderly consumers are not being knowingly targeted by illegitimate schemes.

36. **Paragraph No. 16** asks Walter Karl what policies, practices, procedures or safeguards it has in place, if any, to ensure that a person supplied a list is not defrauding the people on the list.

History: On June 21 Walter Karl responded that it has no “formal policies fitting this request.” However, because the CID request was much broader than whether Walter Karl had what

it considered to be “formal policies,” the Attorney General asked by letter of July 23 for a response embracing any safeguards or procedures beyond “formal policies.” Walter Karl never responded to this latter request.

Reasons information is sought: “Formal policies” aside, it is important to know whether, given the potential abuses to which certain customer lists are subject and given the manner in which some of these lists are openly promoted, Walter Karl has any procedures in place to guard against fraudulent uses of its lists. If so, they should be described, as requested; if not, Walter Karl should acknowledge that fact.

37. **Paragraph No. 19** requests the identity of telemarketers who rented lists related to sweepstakes (such as the “hard core sweeps fanatics” list referred to above), where the telemarketers were either operating in Canada or were marketing credit cards.

History: Walter Karl’s June 21 response to paragraph 19 provided no information, but promised to “supplement at a later date.” However, no further response was ever provided.

Reasons information is sought: As noted in Investigator Blake’s attached affidavit, sweepstakes-related scams emanating from Canada and advance-fee credit card scams (from Canada and elsewhere) are currently among the most successful and predatory forms of telemarketing fraud. It would obviously be useful for law enforcement to know which telemarketers meeting this profile have expressly sought out lists such as the “hard core sweeps” list. It may also shed light on the extent to which Walter Karl is possessed of information that would permit it to perform a rudimentary gatekeeping function in connection with the distribution of such lists, to avoid facilitating fraud.

38. **Paragraph No. 20** requests the identity of the five biggest users of sweepstakes-related lists, as well as list volumes.

History: Walter Karl's June 21 response to paragraph 20 provided no information, but promised to "supplement at a later date." However, no further response was ever provided.

Reasons information is sought: Lists of individuals eager to participate in sweepstakes are subject to prize-related frauds at the hands of telemarketers. Knowing the five largest users of such lists could therefore be an effective way of focusing the limited resources of law enforcement on entities whose conduct may be touching (victimizing) the largest number of people. The fact that one or more of these five high-volume users may turn out to be engaged in unobjectionable activity does not undercut the value of the inquiry as part of a thorough investigation.

39. **Paragraph No. 22** requests a description of Walter Karl's relationship to Richard Panas and Panas-controlled businesses (collectively "Panas"), including details and documents relating to Walter Karl's management or brokering of lists for Panas, and vice versa.

History: Walter Karl's June 21 letter provided a partial response to paragraph 22. The Attorney General's letter of July 23 noted what had yet to be provided, including copies of the contracts or other documents reflecting the actual terms of the transactions, and copies of whatever mailing samples or telemarketing scripts Panas submitted. The Attorney General's letter also noted that the list identifiers at the top of some datacards that Walter Karl provided were cut off and rendered illegible, and requested intact copies of those datacards. In spite of these requests, no supplementation of any kind occurred in connection with this CID paragraph.

Reasons information is sought: As noted in Investigator Blake's affidavit, the investigation

leading up to the State of Iowa's injunction against Panas revealed a systematic effort to deceive elderly consumers in order to harvest their names for a list, and then profit from the rental of the list to telemarketers, at least some of whom reportedly defrauded the listed consumers. Clearly, a full response to all inquiries regarding Walter Karl's relationship with Panas, including mailings and scripts submitted to Walter Karl by Panas or by others in connection with the rental of one of Panas's lists, is vital.

40. **Paragraphs No. 26 & 27:** These paragraphs request identification of responsive documents withheld on privilege grounds (CID paragraph 26) or no longer available to be produced (CID paragraph 27).

History: The company's only response to each of these paragraphs, set forth in the June 21 letter, was "N/A."

Reasons information is sought: It may well be that these provisions have not come into play, in part because Walter Karl has yet to provide a response that a company representative swears to be accurate and complete. However, to the extent that the company is required to supplement its response and "N/A" is no longer an appropriate response, Walter Karl should respond accordingly.

#### **ALLEGATIONS IN SUPPORT OF RELIEF SOUGHT**

41. Defendants' failure to provide the information sought by the CID warrants entry of an order requiring them to comply with the CID and enjoining them from conducting business in Iowa until they have done so.

42. 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.

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

**PRAYER**

44. The Attorney General prays that, pursuant to Iowa Code § 714.16(6), the Court order Walter Karl, Inc. and Walter Karl Interactive: to respond fully to the CID paragraphs identified above as having received incomplete responses; to accompany such responses with the oath provided by the Attorney General with the CID; and to complete the response within thirty (30) days of the Court's order.

45. The Attorney General also prays that, if Respondents fail to comply with the Court's order in full, they be prohibited from doing business in Iowa, pursuant to Iowa Code § 714.16(6)(a), and that the Court provide such other relief as the Court deems equitable.

Respectfully submitted,



---

Steve St. Clair PK 2715271  
Assistant Attorney General  
Hoover Building, 2d Floor  
Des Moines, Iowa 50319  
Ph: (515) 281-5926  
Fax: (515) 281-6771

[Two exhibits were filed with this "Application for Enforcement." Go to the Attorney General's news release dated 3-3-05 for link to Exhibit 1, the "Civil Investigative Demand" filed April 23, 2004, & Exhibit 2, Barbara Blake affidavit, dated March 1, 2005. ]