

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

701-328-5570 (Telephone) 701-328-5568 (Facsimile)



STATE OF NORTH DAKOTA OFFICE OF ATTORNEY GENERAL

STATE OF NORTH DAKOTA EX REL. WAYNE STENEHJEM, ATTORNEY GENERAL.

Petitioner.

CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING

-vs-

JASON RHODEN, VEHICLE PROTECTION DEPARTMENT, LLC,

Respondents.

CPAT 170184.002

To the individuals identified below ("Respondents"):

JASON RHODEN
VEHICLE PROTECTION DEPARTMENT,
LLC
2961 W. MACARTHUR BLVD.
STE. 209
SANTA ANA, CA 92704
jr@vehicleprotectiondepartment.net

JASON RHODEN
VEHICLE PROTECTION DEPARTMENT,
LLC
C/O DAVID CUNNINGHAM
2183 FAIRVIEW RD.
COSTA MESA, CA 92627
dave@seomarketingteam.com

BACKGROUND

1. The Attorney General of North Dakota has a reasonable basis to believe Respondents have engaged in, or is engaging in, acts or practices declared unlawful by N.D.C.C. ch. 51-15, commonly referred to as the "Consumer Fraud Law," and N.D.C.C. ch. 51-28, commonly known as the "Telephone Solicitations Law." It is necessary and

appropriate in the public interest and for the protection of consumers to restrain the Respondents' unlawful acts or practices.

- 2. Respondents, individually and by and through their agents, are doing business under some or all of the names identified above, and have engaged in violations of North Dakota law by making or causing to be made telephone solicitations to the telephone line of North Dakota subscribers who, for at least thirty-one days before the date of the call, have been on the do-not-call list established and maintained or used by the attorney general under N.D.C.C. § 51-28-09 or the national do-not-call registry established and maintained by the Federal Trade Commission under 16 Code of Federal Regulations § 310, in violation of N.D.C.C. ch. 51-28.
- 3. Respondents' last known address is 2961 W. MacArthur Blvd., Ste. 209, Santa Ana, CA 92704. Respondent Jason Rhoden also uses the e-mail address jr@vehicleprotectiondepartment.net.
- 4. Respondents are in the business of soliciting and selling merchandise, including engaging in the sale of vehicle warranties. Respondents, or Respondents' agents on Respondents' behalf, solicited North Dakota customers.
- 5. Respondents made or caused to be made telephone solicitations to the telephone line of North Dakota subscribers who, for at least thirty-one days before the date of the call, have been on the do-not-call list established and maintained or used by the attorney general under N.D.C.C. § 51-28-09 or the national do-not-call registry established and maintained by the Federal Trade Commission under 16 Code of Federal Regulations § 310. Under N.D.C.C. § 51-28-13, when it appears to the Attorney General that a person has engaged in, or is engaging in, any practice declared to be

unlawful under N.D.C.C. ch. 51-28, the Attorney General, in enforcing N.D.C.C. ch. 51-28, has all of the powers provided in N.D.C.C. chs. 51-28 or 51-15, and may seek all remedies in N.D.C.C. chs. 51-28 or 51-18.

- 6. On May 17, 2017, the Attorney General received a telephone call from a consumer who reported that she received a telephone solicitation even though her number is registered on the "do-not-call" list. The consumer explained that she received a telephone solicitation to sell her a warranty on a Cadillac that she does not own. An agent, on behalf of Respondent, asked her for the Vehicle Identification Number (VIN) of her vehicle. When the consumer questioned being asked for this information, Respondent's agent asked the consumer why she was "getting snippy," to which the consumer described responding with a "snippy" remark. Respondent's agent then threatened the North Dakota consumer, telling her that he knows where she lives. Respondent's agent then disconnected the telephone call.
- 7. When an investigator called the number the consumer provided to the Attorney General, the automated system identified the business as the "Vehicle Protection Department."
- 8. Subsequent investigation determined that the telephone number associated with the call is owned by Respondents Vehicle Protection Department and Jason "JR" Rhoden at 2961 W. MacArthur Blvd, Ste. 209, Santa Ana, CA 92704.
- 7. Based on information received, it appeared to the Attorney General that Respondent was or is engaged in violations of North Dakota law. Pursuant to N.D.C.C. § 51-15-06.1, on September 21, 2017, the Attorney General offered an Assurance of Voluntary Compliance ("AVC") to Respondents in order to settle violation of N.D.C.C. §

51-28-06 without further investigation and litigation. The Attorney General requested return of the AVC on or before October 5, 2017. The AVC and cover letter was sent to Respondents by mail and e-mail.

- 8. On the same date, September 21, 2017, by mail and e-mail, the Attorney General issued a Civil Investigative Demand to Respondents. If Respondents did not accept the proffered AVC, Respondents were instructed to comply with the CID on or before October 23, 2017. Respondents did not respond to the AVC or CID.
- 9. On October 26, 2017, the Attorney General sent a letter by mail and e-mail to Respondents advising them that the AVC was withdrawn, and they must comply with the September 21, 2017 CID on or before November 9, 2017. Respondents did not comply with the CID, and did not contact the Attorney General.
- 10. Mail sent to Respondents' 2961 MacArthur Blvd., Santa Ana, CA 92704 address was returned to the Attorney General by the Post Office. Respondents did not provide an updated or an otherwise correct mailing address.
- 11. Vehicle Protection Department maintains a website at www.vehicleprotectiondepartment.net, where it lists its address as 2961 W. MacArthur Blvd., Santa Ana, CA 92704, with a phone number of (800) 949-8255. Vehicle Protection Department's website is registered to David Cunningham, 2183 Fairview Rd., Costa Mesa, CA 92627, (888) 502-4697, dave@seomarketingteam.com.
- 12. It appears to the Attorney General that Respondents, or Respondents' agents on Respondents' behalf, engaged in violations of N.D.C.C. ch. 51-28 by making or causing to be made telephone solicitations to the telephone line of North Dakota subscribers who, for at least thirty-one days before the date of the call, have been on

the do-not-call list established and maintained or used by the attorney general under N.D.C.C. § 51-28-09 or the national do-not-call registry established and maintained by the Federal Trade Commission under 16 Code of Federal Regulations § 310, in violation of N.D.C.C. ch. 51-28.

ORDER

Based upon the foregoing information, it appears to the Attorney General that Respondents have engaged in violations of N.D.C.C. ch. 51-28 and Respondents have failed or refused to respond to the Civil Investigative Demand as required by N.D.C.C. § 51-15-04; NOW, THEREFORE, IT IS ORDERED pursuant to N.D.C.C. § 51-15-07 that Respondents, individually, immediately CEASE AND DESIST from making or causing to be made telephone solicitations to the telephone line of North Dakota subscribers who, for at least thirty-one days before the date of the call, have been on the do-not-call list established and maintained or used by the attorney general under N.D.C.C. § 51-28-09 or the national do-not-call registry established and maintained by the Federal Trade Commission under 16 Code of Federal Regulations § 310, in violation of N.D.C.C. ch. 51-28. Respondents also shall immediately CEASE AND DESIST from issuing any invoices or bills to North Dakota consumers for any services or merchandise and CEASE AND DESIST from taking any payments from North Dakota consumers including, but not limited to, direct debits or withdrawals from North Dakota consumers' bank accounts, cash, checks, or credit card payments for the sale of merchandise as defined in N.D.C.C. § 51-15-01(3).

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 12.1-09-03 a person is guilty of a criminal offense if he or she intentionally "alters, destroys, mutilates, conceals, or removes

a record, document, or thing with intent to impair its verity or availability" in an official proceeding. As such, intentional destruction of any documents related to this matter may result in criminal prosecution.

NOTICE OF CIVIL PENALTIES

YOU ARE FURTHER NOTIFIED that pursuant to N.D.C.C. § 51-15-07 any violation of this Cease and Desist Order is subject to civil penalties not to exceed \$1,000.00 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-15 may result in additional civil penalties of not more than \$5,000.00 per violation. Such penalties are separate and in addition to any civil penalties, costs, expenses, investigation fees, and attorney fees pursuant to N.D.C.C. ch. 51-15 or any other applicable statute. Nothing in this Order is intended to limit or waive any rights and remedies available to the State of North Dakota or consumers.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. § 51-15-07 you may request a hearing before the Attorney General if such a request is made in writing <u>WITHIN TEN</u>

(10) DAYS AFTER THE RECEIPT OF THIS ORDER. Respondents have the right to be represented by legal counsel at the hearing at the Respondents' expense.

Dated this 14th day of November, 2017.

STATE OF NORTH DAKOTA

Wayne Stenehjem Attorney General

BY:

Parrell D. Grossman, NDBID 04684

Assistant Attorney General

Director

Consumer Protection and

Antitrust Division

Office of Attorney General

Gateway Professional Center

1050 E. Interstate Ave., Suite 200

Bismarck, ND 58503-5574

(701) 328-5570

STATE OF NORTH DAKOTA OFFICE OF ATTORNEY GENERAL

STATE OF NORTH DAKOTA EX	REL
WAYNE STENEHJEM,	
ATTORNEY GENERAL,	

Petitioner,

AFFIDAVIT OF SERVICE BY MAIL, CERTIFIED MAIL, AND BY EMAIL

-VS-

JASON RHODEN, VEHICLE PROTECTION DEPARTMENT, LLC,

Respondents.

CPAT 170184.002

STATE OF NORTH DAKOTA) ss COUNTY OF BURLEIGH)

[¶1]Alexis Bieber states under oath as follows: I swear and affirm upon penalty of perjury that the statements made in this affidavit are true and correct and made upon personal knowledge.

[¶2]I am of legal age and on the 14th day of November, 2017 I served the (1) CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING, AND (2) AFFIDAVIT OF SERVICE BY MAIL, CERTIFIED MAIL, AND BY EMAIL upon the following by placing true and correct copies thereof in an envelope addressed as follows:

FIRST CLASS MAIL

CERTIFIED MAIL RECEIPT # 7014 1820 0000 9090 9691

JASON RHODEN
VEHICLE PROTECTION DEPARTMENT LLC
2961 W MACARTHUR BLVD STE 209
SANTA ANA CA 92704

JASON RHODEN
VEHICLE PROTECTION DEPARTMENT LLC
2961 W MACARTHUR BLVD STE 209
SANTA ANA, CA 92704

FIRST CLASS MAIL

CERTIFIED MAIL RECEIPT # 7014 1820 0000 9090 9684

JASON RHODEN
VEHICLE PROTECTION DEPARTMENT LLC
C/O DAVID CUNNINGHAM
2183 FAIRVIEW RD
COSTA MESA CA 92627

JASON RHODEN
VEHICLE PROTECTION DEPARTMENT LLC
C/O DAVID CUNNINGHAM
2183 FAIRVIEW RD
COSTA MESA CA 92627

and depositing the same, with postage prepaid, in the United States mail at Bismarck, North Dakota, as first class mail and as CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

[¶3]Also on the 14th day of November, 2017 I served the (1) CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING, AND (2) AFFIDAVIT OF SERVICE BY MAIL, CERTIFIED MAIL, AND BY EMAIL upon Respondents via electronic mail by e-mailing the document to jr@vehicleprotectiondepartment.net and dave@seomarketingteam.com.

Alexis Bieber

Subscribed and sworn to before me this 14th day of November, 2017.

NOTARY PUBLIC

JESSICA JUMA
Notary Public
State of North Dakota
My Commission Expires Aug 03, 2022