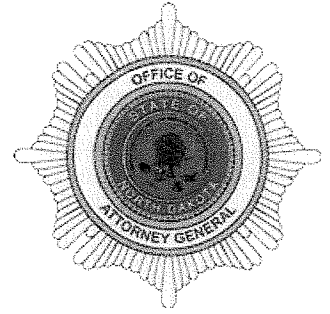




OFFICE OF ATTORNEY GENERAL
 CONSUMER PROTECTION AND ANTITRUST DIVISION
 GATEWAY PROFESSIONAL CENTER
 1050 E INTERSTATE AVENUE, STE 200
 BISMARCK, NORTH DAKOTA 58503-5574



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-

**YOUNG PEOPLE WORKING, LLC, and
 CRYSTAL CLARK, individually**

Respondents.

CPAT # 150118.001

.....
To the individual and entity identified below (hereinafter "Respondents"):

Young People Working, LLC
 12720 West Denton Ave
 Litchfield Park, AZ 85340
 and
 6660 Delmonico Dr. Ste D-470
 Colorado Springs, CO 80919-1899
 and
 1521 Concord Pike Ste 301
 Wilmington, DE 19803
 701-593-1373
 719-593-1375

Crystal Clark
 6660 Delmonico Dr. Ste D-470
 Colorado Springs, CO 80919-1899
 and
 12720 West Denton Ave
 Litchfield Park, AZ 85340
 cdavis057@aol.com
 719-233-2983

(including all of those entities' officers, directors, owners, agents, servants, employees and representatives as well as all other persons in active concert or participation with them, extending to all "doing business as" names, formal corporate names, fictitious names of any kind or any variations of the same)

BACKGROUND

1. The Attorney General of North Dakota has a reasonable basis to believe Respondents have engaged in or are engaging in acts or practices declared unlawful by N.D.C.C. ch. 51-15, commonly referred to as the "Consumer Fraud Law;" N.D.C.C. ch. 51-04, commonly referred to as the "Transient Merchants Law;" and N.D.C.C. ch. 51-18, commonly referred to as the Home Solicitation Sales Law. Respondents have refused or failed to respond to the Attorney General's Civil Investigative Demand, issued to Respondents pursuant to N.D.C.C. § 51-15-07. It is necessary and appropriate in the public interest and for the protection of consumers to restrain Respondents' unlawful acts or practices.

2. Respondent Young People Working, LLC, a Delaware limited liability company, and Respondent Crystal Clark have engaged in advertising and soliciting the sale of merchandise, including but not limited to, magazine subscriptions, in North Dakota. Respondents went to consumers' homes in Griggs County, North Dakota, soliciting and accepted advance payments for magazine subscriptions. Respondents did not have a transient merchant's license as required by N.D.C.C. ch. 51-04, and were not providing consumers with the appropriate cancellation notices required by N.D.C.C. ch. 51-18. Additionally, Respondents expressly, impliedly, or by omission of a material fact, misrepresented to consumers that they were legally authorized to conduct business in North Dakota when, in fact, Respondents did not have a transient

merchant's license as required by N.D.C.C. ch. 51-04. Respondents have now left North Dakota.

3. On July 10, 2015 the Attorney General's Consumer Protection Division issued a Civil Investigative Demand pursuant to the Attorney General's authority under N.D.C.C. § 51-15-04. The Civil Investigative Demand was issued to Young People Working, LLC and Crystal Clark, individually. The Civil Investigative Demand required Respondents to provide to the Attorney General certain information and documentation regarding their business activities in North Dakota by July 24, 2015. Respondents did not respond to the Attorney General's Civil Investigative Demand.

4. Respondents did not comply with the Attorney General's Civil Investigative Demand and, pursuant to N.D.C.C. § 51-15-07, the Attorney General may issue a cease and desist order for the Respondents' failure or refusal to file a statement or report under N.D.C.C. ch. 51-15.

5. Before issuing this Cease and Desist Order the Attorney General attempted to resolve this matter with an Assurance of Voluntary Compliance which required Respondents to become properly licensed and provide refund to North Dakota consumers. However, Respondents stopped communicating with the Attorney General, and a formal agreement was never executed.

6. Respondents are alleged to be "transient merchants," as defined by N.D.C.C. §51-04-01(2). Respondents traveled to North Dakota and solicited and sold magazine subscriptions to North Dakota consumers without obtaining a transient merchant's license as required by N.D.C.C. ch. 51-04. Respondents are not licensed as transient merchants and it appears that Respondents have engaged in sales activity in

North Dakota without first obtaining the required transient merchant license pursuant to N.D.C.C. ch. 51-04.

7. Respondents have made untrue, deceptive and misleading representations, and/or have made or engaged in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that others rely thereon, in violation of N.D.C.C. ch. 51-15, the Consumer Fraud Law.

8. N.D.C.C. ch. 51-15 prohibits a person from engaging in any deceptive act or practice, fraud, false pretense, false promise, or misrepresentation, with the intent that others rely thereon in connection with the sale or advertisement of any merchandise.

9. Each of the Respondents is engaged in a combination of two or more persons who have agreed to act together to inflict a wrong or an injury upon another, or who have agreed to act together to commit a lawful act using unlawful means to inflict a wrong or injury upon another, namely violation of N.D.C.C. chs. 51-04, 51-18, and 51-15. In doing so, Respondents have committed acts in pursuit of an agreement and the agreement has proximately caused damage to North Dakota consumers.

10. Respondents are liable for their own misconduct and/or for directing others to engage in misconduct. See *e.g. Zimprich v. North Dakota Harvestore Sys., Inc.*, 419 N.W.2d 912, 914 (N.D. 1988); *Rickbeil v. Grafton Deaconess Hosp.*, 23 N.W.2d 247, 257 (N.D. 1946)("The general rule with reference to this feature is considered and set out in the great series of volumes of jurisprudence familiar to the courts. In 52 Am. Jur., 440, this rule is stated, 'It is a conceded general rule that all persons or entities are liable for torts committed by them, or by their agents while acting within the scope of their duties.'").

11. Respondents who are natural persons will additionally be subject to personal liability for corporate misconduct. *Hilzendager v. Skwarok*, 335 N.W.2d 768 (N.D. 1983)(quoting *Schriock v. Schriock*, 128 N.W.2d 852, 866 (N.D. 1964)("'... but, when the notion of legal entity is used to defeat public convenience, justify wrong, protect fraud, or defend crime, the law will regard the corporation as an association of persons.' Fletcher, Private Corporations Sec. 41 (1963 rev. vol.)"). The crime/fraud exception to the protections of corporate form has long been recognized in North Dakota, "neither law nor equity will ever recognize the right of a corporate entity to become the receptacle or cover for fraud or wrong based on deception for the purpose of defeating the right of innocent parties." *McFadden v. Jenkins*, 169 N.W. 151, 163 (N.D. 1918). See also *Danks v. Holland*, 246 N.W.2d 86 (N.D. 1976); *Family Center Drug v. North Dakota St. Bd. of Pharm.*, 181 N.W.2d 738, 745 (N.D. 1970).

ORDER

12. Based upon the foregoing information, it appears to the Attorney General that Respondents have engaged in violations of N.D.C.C. chs. 51-04, 51-18, and 51-15 and Respondents have failed or refused to respond to the Civil Investigative Demand, as required by N.D.C.C. § 51-15-07; **NOW, THEREFORE, IT IS ORDERED** pursuant to N.D.C.C. § 51-15-07 that Respondents immediately **CEASE AND DESIST** from: 1) advertising, soliciting or selling merchandise to North Dakota consumers, including magazine subscriptions; 2) advertising, soliciting, or selling merchandise to a North Dakota consumer without providing the consumer the written and verbal notice of rights to cancel as required by N.D.C.C. ch. 51-18; 3) soliciting or accepting from consumers advance payments or consumer deposits in connection with any sale of merchandise, as defined by N.D.C.C. § 51-15-01(3), including, but not limited to, magazine

subscriptions; 4) engaging in any sales or business activities in North Dakota, including soliciting, advertising or selling goods, services and/or merchandise as defined by N.D.C.C. § 51-15-01(3), without a Transient Merchants license. Respondents also shall immediately **CEASE AND DESIST** from issuing any invoices or bills to North Dakota consumers for the sale of contracting 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 contracting services or merchandise or other services and/or merchandise as defined in N.D.C.C. § 51-15-01(3).

13. **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

14. **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 per violation. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-04 may result in additional civil penalties of not more than \$5,000 per violation and is a Class B misdemeanor. Any violation of this Order that also is a violation of N.D.C.C. ch. 51-18 may result in additional civil penalties of not more than \$5,000 per violation and is a Class B misdemeanor. 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 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. chs. 51-04, 51-18, and 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

15. **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 WITHIN TEN (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 4th day of September, 2015.

STATE OF NORTH DAKOTA
Wayne Stenehjem
Attorney General

BY: 
Parrell D. Grossman, ID No. 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) 328-3404

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL

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

Petitioner,

-vs-

YOUNG PEOPLE WORKING, LLC, and
CRYSTAL CLARK, individually

Respondent.

**AFFIDAVIT OF SERVICE
BY EMAIL, CERTIFIED MAIL,
AND FIRST CLASS MAIL**

CPAT # 150118.001

STATE OF NORTH DAKOTA)
) ss
COUNTY OF BURLEIGH)

1. Alexis Bieber states under oath as follows:
2. I swear and affirm upon penalty of perjury that the statements made in this affidavit are true and correct and made upon personal knowledge.
3. I am of legal age and on the 4th day of September, 2015, I served (1) CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING, and (2) AFFIDAVIT OF SERVICE BY EMAIL, CERTIFIED MAIL, AND FIRST CLASS MAIL upon the following by placing a true and correct copies thereof in an envelope addressed as follows:

First Class Mail

CRYSTAL CLARK
6660 DELMONICO DR STE D-470
COLORADO SPRINGS CO 80919-1899

Return Receipt # 7013 1090 0000 5841 4418

CRYSTAL CLARK
6660 DELMONICO DR STE D-470
COLORADO SPRINGS CO 80919-1899

First Class Mail

YOUNG PEOPLE WORKING, LLC
6660 DELMONICO DR STE D-470
COLORADO SPRINGS CO 80919-1899

Return Receipt # 7011 2970 0003 8089 9798

YOUNG PEOPLE WORKING, LLC
6660 DELMONICO DR STE D-470
COLORADO SPRINGS CO 80919-1899

First Class Mail

CRYSTAL CLARK
12720 WEST DENTON AVE
LITCHFIELD PARK, AZ 85340

Return Receipt # 7013 1090 0000 5841 4425

CRYSTAL CLARK
12720 WEST DENTON AVE
LITCHFIELD PARK, AZ 85340

First Class Mail

YOUNG PEOPLE WORKING, LLC
12720 WEST DENTON AVE
LITCHFIELD PARK, AZ 85340

Return Receipt # 7011 2970 0003 8089 9781

YOUNG PEOPLE WORKING, LLC
12720 WEST DENTON AVE
LITCHFIELD PARK, AZ 85340

First Class Mail


YOUNG PEOPLE WORKING, LLC
1521 Concord Pike Ste 301
Wilmington, DE 19803

Return Receipt # 7011 2970 0003 8089 9804

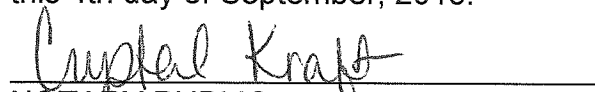
YOUNG PEOPLE WORKING, LLC
1521 Concord Pike Ste 301
Wilmington, DE 19803

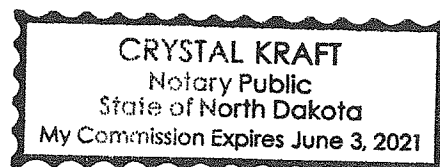
and depositing the same, with postage prepaid, in the United States mail at Bismarck, North Dakota.

4. Also on the 4th day of September, 2015, I served (1) CEASE AND DESIST ORDER, NOTICE OF CIVIL PENALTY AND NOTICE OF RIGHT TO REQUEST A HEARING and (2) AFFIDAVIT OF SERVICE BY EMAIL, CERTIFIED MAIL, AND FIRST CLASS MAIL upon Young People Working, LLC and Crystal Clark, individually, by emailing the documents to cdavis057@aol.com.


ALEXIS BIEBER

Subscribed and sworn to before me
this 4th day of September, 2015.


NOTARY PUBLIC



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