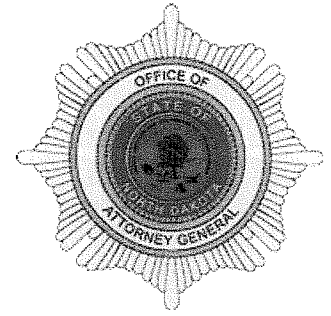




OFFICE OF ATTORNEY GENERAL
CONSUMER PROTECTION AND ANTITRUST DIVISION
GATEWAY PROFESSIONAL CENTER
1050 E INTERSTATE AVENUE, STE 200
BISMARCK, NORTH DAKOTA 58503-5574



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-

STEVEN SHORT, individually;
**EPIPHANY MANAGEMENT SYSTEMS,
LLC**, **STEVEN SHORT**, individually;
CONSIGNED SAVINGS, **STEVEN
SHORT**, individually, doing business as
CONSIGNEDSAVINGS.COM;
EFFICIENT BUDGETING, **STEVEN
SHORT**, individually, doing business as
EFFICIENTBUDGETING.COM;

Respondents.

CPAT # 140219.002

To each of the individuals and entities identified below (hereinafter collectively "Respondents"):

Steven Short
10486 Valencia Rd.
Seminole, FL 33772
727-278-3415
352-568-2454

Epiphany Management Systems, LLC
Steven Short, individually
10486 Valencia Rd.
Seminole, FL 33772

Consigned Savings
Steven Short, individually
10486 Valencia Rd.
Seminole, FL 33772

Efficient Budgeting
Steven Short, individually
10486 Valencia Rd.
Seminole, FL 33772

consignedsavings.com
10486 Valencia Rd.
Seminole, FL 33772

efficientbudgeting.com
10486 Valencia Rd.
Seminole, FL 33772

(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 and 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. 51-18, commonly referred to as the "Home Solicitation Sales Law;" and N.D.C.C. ch. 51-28, commonly referred to as the "Do Not Call 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's Consumer Fraud Law by making false or misleading

statements or misrepresentations in telephone solicitations aimed at North Dakota consumers.

3. Steven Short is the managing member of Epiphany Management Systems, LLC, a Florida limited liability company with a registered address at 10486 Valencia Rd, Seminole, Florida 33772. Steven Short and Epiphany Management Systems, LLC own the telephone numbers used by Consigned Savings doing business as consignedsavings.com and Efficient Budgeting doing business as efficientbudgeting.com.

4. Respondents are in the business of advertising, soliciting and selling merchandise, including services to lower interest rates on consumers' credit cards. Respondents, or Respondents' agents on Respondents' behalf, have solicited North Dakota customers through telemarketing.

5. Respondents have made untrue, deceptive and misleading representations to consumers by calling, or having their agents call on their behalf, consumers and representing that Respondents could lower the consumer's credit card interest rates. Respondents, or their agents on their behalf, solicited North Dakota subscribers on the Do Not Call list using prerecorded messages. During these telephone solicitations consumers were provided a telephone number to call. The Attorney General's investigation discovered that Epiphany Management Systems, LLC and Steven Short are the owners of the telephone numbers that were used during the telephone solicitations and appeared on consumers' credit card statements.

6. The Attorney General's Office received a consumer complaint from a consumer that had paid Respondents \$795 to lower her credit card interest rates. The consumer was properly registered on the Do Not Call list, and received a prerecorded

message in violation of N.D.C.C. ch. 51-28. After receiving the complaint, the Attorney General commenced an investigation and issued a Civil Investigative Demand to Respondents pursuant to the Attorney General's authority under N.D.C.C. § 51-15-04. However, Respondents failed to respond to the Civil Investigative Demand. Respondents did not provide any of the documents requested or answer any of the questions asked in the Civil Investigative Demand. Pursuant to N.D.C.C. § 51-15-07, the Attorney General may issue a cease and desist order for their failure to respond to the Civil Investigative Demand.

7. It appears that Respondents, or Respondents agents on Respondents' behalf, are engaged in telephone solicitations to telephone lines of subscribers in North Dakota who, for at least 31 days before the date the call is made, have been on the North Dakota or Federal Trade Commission do-not-call list and have engaged in the use of prerecorded messages in violation of N.D.C.C. ch. 51-28.

8. It appears that 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, during their telephone solicitations to North Dakota subscribers.

9. It appears that Respondents are marketing, soliciting and selling merchandise to North Dakota consumers, without providing consumers with the necessary notices of right to cancel, as required by the North Dakota Home Solicitation Sales statute, N.D.C.C. ch. 51-18, and are soliciting or accepting payments from North Dakota consumers prior to receiving an original copy of the sales contract signed by the consumer, in violation of N.D.C.C. § 51-18-04.2.

10. Violations of N.D.C.C. ch. 51-28 are violations of N.D.C.C. ch. 51-15.

11. Violations of N.D.C.C. ch. 51-18 are violations of N.D.C.C. ch. 51-15.

12. Respondents are 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 North Dakota's Consumer Fraud, Home Solicitation Statute, and Do Not Call Law. In doing so, Respondents have committed acts in pursuit of the agreement and the agreement has proximately caused damage to North Dakota consumers.

13. 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.'").

14. 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

Based upon the foregoing information, it appears to the Attorney General that Respondents have engaged in violations of N.D.C.C. chs. 51-28, 51-18, and 51-15 and Respondents Epiphany Management Systems, LLC, Consigned Savings doing business as consignedsavings.com, Efficient Budgeting doing business as efficientbudgeting.com, and Steven Short, individually, 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, and where applicable their officers, directors, owners, agents, servants, employees, contractors, representatives (extending to all "doing business as" names, formal corporate names, aliases, fictitious names of any kind or any variations of the same) as well as all other persons in active concert or participation with them, whether directly or indirectly, immediately **CEASE AND DESIST** from: 1) soliciting or selling to North Dakota consumers services to lower their credit card interest rates, and all other services and/or merchandise as defined in N.D.C.C. § 51-15-01(3); 2) soliciting using untrue, deceptive or misleading representations to consumers or engaging in deceptive acts or practices, fraud, false pretenses, false promises or misrepresentations with the intent that consumers rely thereon, in violation of N.D.C.C. § 51-15-02; 3) advertising, soliciting, or selling to North Dakota consumers merchandise without providing the

consumer the written and verbal notice of rights to cancel as required by N.D.C.C. ch. 51-18; 4) soliciting or accepting any payment from a North Dakota consumer before Respondents have received an original copy of the sales contract signed by the consumer, in violation of N.D.C.C. § 51-18-04.2; 5) engaging in telephone solicitations to the telephone line of any subscriber in North Dakota who, for at least 31 days before the date the call is made, has been on the North Dakota or Federal Trade Commission do-not-call list; and 6) engaging in the use of prerecorded messages, 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 medical alert devices and monitoring services, or other services and/or 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 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 per violation. 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. 51-28 may result in additional civil penalties of not more than \$2,000 per violation and additional civil penalties of not more than \$5,000 per violation as a separate violation of N.D.C.C. ch. 51-15. 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 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 25th day of November, 2014

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,

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

-vs-

STEVEN SHORT, individually;
**EPIPHANY MANAGEMENT SYSTEMS,
LLC, STEVEN SHORT**, individually;
**CONSIGNED SAVINGS, STEVEN
SHORT**, individually, doing business as
CONSIGNEDSAVINGS.COM;
**EFFICIENT BUDGETING, STEVEN
SHORT**, individually, doing business as
EFFICIENTBUDGETING.COM;

Respondents.

CPAT # 140219.002

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 25th day of November, 2014, 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 FIRST CLASS MAIL AND CERTIFIED Mail upon the following by placing a true and correct copies thereof in an envelope addressed as follows:

FRIST CLASS MAIL

**STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

CERTIFIED MAIL RECEIPT # 7011 1570 0001 5793 9341

**STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

FRIST CLASS MAIL

**CONSIGNED SAVINGS
STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

CERTIFIED MAIL RECEIPT # 7011 1570 0001 5793 9358

**CONSIGNED SAVINGS
STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

FRIST CLASS MAIL

**EPIPHANY MANAGEMENT
SYSTEMS LLC
STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

CERTIFIED MAIL RECEIPT # 7011 1570 0001 5793 9365

**EPIPHANY MANAGEMENT
SYSTEMS LLC
STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

FRIST CLASS MAIL

**EFFICIENT BUDGETING
STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

CERTIFIED MAIL RECEIPT # 7011 1570 0001 5793 9372

**EFFICIENT BUDGETING
STEVEN SHORT
10486 VALENCIA RD
SEMINOLE FL 33772**

FRIST CLASS MAIL

**CONSIGNEDSAVINGS.COM
10486 VALENCIA RD
SEMINOLE FL 33772**

CERTIFIED MAIL RECEIPT # 7011 1570 0001 5793 9389

**CONSIGNEDSAVINGS.COM
10486 VALENCIA RD
SEMINOLE FL 33772**

FRIST CLASS MAIL

**EFFICIENTBUDGETING.COM
10486 VALENCIA RD
SEMINOLE FL 33772**

CERTIFIED MAIL RECEIPT # 7011 1570 0001 5793 9396

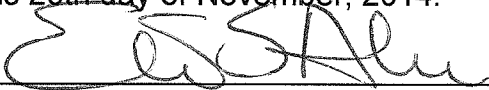
**EFFICIENTBUDGETING.COM
10486 VALENCIA RD
SEMINOLE FL 33772**

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



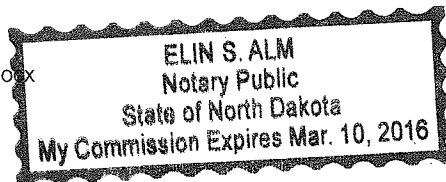
ALEXIS BIEBER
Administrative Assistant III
Consumer Protection & Antitrust Division
Office of Attorney General
Gateway Professional Center
1050 E. Interstate Ave., Suite 200
Bismarck, ND 58503-5574
Telephone (701) 328-5570
Facsimile (701) 328-5568
abieber@nd.gov

Subscribed and sworn to before me
this 25th day of November, 2014.



NOTARY PUBLIC

G:\CPAT\NODAK\SHORT, STEVEN\ASM-C&D 112414.DOCX



[News Release](#)