

STATE OF NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL

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

Petitioner,

-vs-

MIKE BRUCE MONEYSMAKER aka  
BRUCE MONEYSMAKER; FORTRESS  
SECURED, INC dba CREDIT  
ACTIVATION HOTLINE dba CASH  
ADVANCE PROCESSING HOTLINE dba  
FSN LENDING dba FS LENDING;  
CUSTOMER SERVICES, INC.; STORED  
VALUE MARKETING, INC.; SVM, INC;  
CAROLINE KMENT; and CLAUDIA  
PATRICIA ALVAREZ aka CLAUDIA  
SIMONINE ALV,

Respondents.

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

CPAT 080286.001

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

Mike Bruce Money maker  
aka Bruce Money maker  
5302 Caminito Vista Lujo  
San Diego, CA 92130  
and  
12707 High Bluff Dr  
San Diego, CA 92130  
and  
237 S. Sierra St  
Reno, NV 89501

**Fortress Secured, Inc.**  
dba Credit Activation Hotline  
dba Cash Advance Processing Hotline  
dba FSN Lending

dba FS Lending  
75 Bank St., Ste 5  
Sparks, NV 89431-6200  
[www.yourbalancecheck.com](http://www.yourbalancecheck.com)  
[www.onlineloanterms.com](http://www.onlineloanterms.com)  
[www.consumerbill.com](http://www.consumerbill.com)  
877-218-0169  
877-807-4696  
877-807-4711  
877-606-3783  
213-416-2882  
213-416-2885  
770-783-5969  
877-890-1211  
and  
c/o American Legal Services  
237 S. Sierra St  
Reno, NV 89501

**Customer Services, Inc.**

75 Bank St, Unit 5  
Sparks, NV 89431  
775-359-2299 – p  
775-359-2282 – f  
and  
237 S. Sierra St  
Reno, NV 89501

**Stored Value Marketing, Inc.**

12707 High Bluff Dr  
Ste. 200  
San Diego, CA 92130  
858-492-8012 - p  
[www.svmincorporated.com](http://www.svmincorporated.com)  
and  
PO Box 2324  
Las Vegas, NV 89416  
and  
c/o American Legal Services  
237 S. Sierra St  
Reno, NV 89501

**SVM, Inc.**

PO Box 27740  
Las Vegas, NV 89126  
[mflectcher@corporateservicecenter.com](mailto:mflectcher@corporateservicecenter.com)  
and

c/o Nevada Corporate Headquarters, Inc.  
101 Convention Center Dr, Ste 700  
Las Vegas, NV 89109

**Caroline Kment**

PO Box 52080  
Sparks, NV 89431  
[caroline@svmincorporated.com](mailto:caroline@svmincorporated.com)

**Claudia Patricia Alvarez**

aka Claudia Simonine Alv  
101 Convention Center Dr  
Las Vegas, NV 89109  
and  
237 S. Sierra St  
Reno, NV 89501

(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. 51-12, commonly referred to as the False Advertising 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 have been the subject of North Dakota consumer complaints alleging do not call violations. N.D.C.C. ch. 51-28 prohibits 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.

3. Respondents have been the subject of North Dakota consumer complaints alleging use of prerecorded messages. N.D.C.C. § 51-28-02, prohibits certain calls using automatic dialing-announcing devices ("prerecorded messages" or "robo-calls") to telephone subscribers in North Dakota.

4. Respondents are doing business under some or all of the names Credit Activation Hotline, Cash Advance Processing Hotline, FSN Lending, FS Lending, and ConsumerBill.com or, in the alternative, are engaged with those entities and their principals 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 Law 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.

5. Respondents purport to offer a "cash advance up to \$1,500 and/or an auto loan" or a "guaranteed \$10,000 credit line and stored value visa card." Respondents, however, are not lenders, auto lessors, or credit card issuers. Respondents only will forward loan requests to five lenders. Instead, the solicitations all are a ruse designed to secure personal and banking information from consumers so that electronic funds transfers can be made, with or without authorization, from consumers' accounts.

Once consumers provide their bank account numbers they are automatically enrolled in "two separate free trial memberships" which include a grant program, discount medical program, and platinum visa membership. If the consumer does not properly cancel the memberships within the Respondents' seven day trial period, the consumers' bank accounts will be charged a one-time fee ranging from \$39.95 to

\$49.95, followed by monthly fees ranging from \$16.95 to \$19.95 depending on the membership.

6. Respondents have engaged in misleading or deceptive advertising and fraudulent business practices in connection with the advertisement and sale of merchandise as those terms are defined in N.D.C.C. § 51-15-01.

7. Respondents, by telephone with the intent to sell, 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.

8. Petitioner offered an Assurance of Voluntary Compliance to Respondents through their attorney in September 2008 pursuant to § 51-15-06.1 of the North Dakota Century Code. The Assurance of Voluntary Compliance provided Respondents the opportunity to voluntarily agree to be enjoined from the unlawful acts or practices without formal legal action by Petitioner. Respondents would not accept the proposed terms of the Assurance of Voluntary Compliance. Respondents were advised that their failure to respond could result in an enforcement action by the Attorney General against them. Petitioner's repeated attempts to secure information from Respondents were unsuccessful. Counsel is no longer representing Respondents.

9. Respondents, by their foregoing conduct, with the intent to sell or induce consumers to enter into an obligation relative to, or to acquire title or interest in, any merchandise or service, made, published, disseminated, circulated and placed before the public advertisements which contained assertions, representations and statements of fact which were untrue, deceptive, or misleading in violation of N.D.C.C. §§ 51-12-01

and -08. Violations of N.D.C.C. §§ 51-12-08 through 51-12-12 are a class B misdemeanor.

10. Respondents have engaged in the foregoing deceptive acts or practices through the telephone to North Dakota consumers. Respondents have disseminated advertisements, as that term is defined in N.D.C.C. § 51-15-01, and engaged in efforts to induce North Dakota consumers to enter into an obligation or acquire any title or interest in merchandise. Respondents' actions are in violation of N.D.C.C. § 51-15-02.

11. 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 North Dakota's False Advertising Law at ch. 51-12 and Consumer Fraud Law at ch. 51-15. In so doing, Respondents have committed acts in pursuit of the agreement and the agreement has proximately caused damage to North Dakota consumers.

12. 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.'").

13. 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

**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 soliciting, advertising or selling goods, services and/or merchandise as defined N.D.C.C. § 51-15-01(3) in North Dakota. Respondents also shall immediately **CEASE AND DESIST** from issuing any invoices or bills and **CEASE AND DESIST** from taking any payments from North Dakota consumers including, but not limited to, direct debits or withdrawals from consumers' bank accounts, cash, checks, or credit card payments.

**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. 51-12 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.

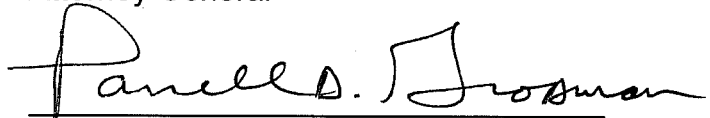
Dated this 5th day of February, 2009.

**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

PO Box 1054

Bismarck, ND 58502-1054

(701) 328-3404

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