

Transcript (North Dakota Attorney General phone call)

September 12, 2014

Recording Length 40:31.27

Recording Location

AG\_ND\_CPAT110200.009\_DiscussAbuseOfProcess\_9-12e4y.mp3

Elin Alm , Parrell Grossman

**00:00.2 Automated system:** ...reached the Attorney General's Consumer Protection Division. If you're calling long distance from within North Dakota and you are not calling on our toll-free line, you may wish to hang up now and redial toll-free, 1-800-472-2600. If you're calling about Do Not Call, please press 8 now. If you know the name of the staff person you would like to speak to, please press 1 now. If you wish to file a com...

**00:37.3 Attendant:** Consumer Protection, Attorney General's Office.

**00:40.0 V. Adolph:** Parrell Grossman, please.

**00:42.2 Attendant:** I can see if he's available. May I ask who's calling?

**00:44.6 V. Adolph:** Yeah: Vladimir Adolph.

**00:47.9 Attendant:** Okay. And it's regarding?

**00:50.0 V. Adolph:** CPAT110200.009.

**00:55.5 Attendant:** Okay, it was 11... What was it? Zero...

**00:57.6 V. Adolph:** Yup: 110-200.

**01:00.5 Attendant:** Okay. I'll see if he's available.

**02:04.5 Elin Alm:** Hello, this is Elin.

**02:06.3 V. Adolph:** Parrell, please.

**02:08.9 Elin Alm:** Parrell is not in the office right now.

**02:11.8 V. Adolph:** Okay. What's Parrell's email?

**02:16.1 Elin Alm:** I don't know if I necessarily want to give out his direct email.

**02:23.6 V. Adolph:** Is it pgrossman@nd.gov?

**02:29.2 Elin Alm:** That's probably on the Cease and Desist, isn't it?

**02:32.7 V. Adolph:** No, actually: that's the format of your email addresses.

**02:37.1 Elin Alm:** Okay, hold on. Hmm...

**02:41.3 V. Adolph:** You see... Who am I speaking with please?

**02:43.6 Elin Alm:** Yeah – I'm one of the other attorneys in the office, and you're calling in regards to the Cease and Desist order, I'm assuming?

**02:49.9 V. Adolph:** Right. Who am I speaking with, please?

**02:52.2 Elin Alm:** This is Elin Alm.

**02:53.4 V. Adolph:** Elin Alm, okay.

**02:54.9 Elin Alm:** Yes.

**02:55.5 V. Adolph:** Elin, I believe that me and my company were the subject of an abuse of process here. I received a Cease and Desist order that says that we're attempting to collect monies from people that never authorized services, and whereas we contend that those people set up a free trial service with us. Yet you then say that we have a trial service. But our program is vilified and grossly misrepresented to depict a scheme that has nothing to do with what I sent you.

**03:28.6 Elin Alm:** It *has* to do with what you sent me: I listened to absolutely all the tape recordings; I looked at all the invoices that you sent me. And I have not to see that there is any authorization for the services for the ones that actually were billed. It's different with the trial service – your new one – which I don't know if that's different from what you did before but there is no – and I've already pointed this out to you – there is nothing that documents authorization before the services were rendered.

**03:59.2 V. Adolph:** We have had different campaigns and of course, most of the companies that have set up services, they concede that they have enlisted with our company on a trial premise. The other thing is that beyond the way that we marketed our product before, with what we call the 10T campaign, the 7B campaign also shows that we do conduct a trial program. And the benefit of assumption is that the same people that are authorizing services on the 7B campaign and saying that they didn't, when we sent you a recording and the proof of authorization, that these people agreed to list on our site, to cancel during the 30 days if they wanted to rescind, and to pay for the service after the trial. And obviously, you depict that we say that you would only hypothetically be paying and you said that that is misleading. They would only hypothetically be paying if they don't cancel. Now obviously that may have been said by one of our people, but that's not in our scripts.

**05:04.2 Elin Alm:** It's in the script, but it's in the written...

**05:07.8 V. Adolph:** It's in *one* of the conversations...

**05:09.0 Elin Alm:** ...record of the call that was made to one of the hotels in town...

**05:12.9 V. Adolph:** It's in *one* of the conversations but of course, it's a 30-day trial and people are only paid if they don't cancel. So it is not misleading to tell them that if you don't cancel, you know, you're going to be billed for it. That is not misleading in any way. Our scripts, they are adhering with the Telemarketing Sales Rules of every state. This is the only state that we're having such an issue with.

**05:40.0 Elin Alm:** I don't think so because I believe Arkansas sued you.

**05:42.9 V. Adolph:** Arkansas did not sue us. Arkansas sent us a subpoena, we responded, and that was the last of it. And that was six months ago.

**05:49.8 Elin Alm:** I've seen the complaint and the press release that they filed a lawsuit.

**05:55.9 V. Adolph:** That was five or six months ago. They sent us a subpoena, we responded, we provided them the evidence that these people, they have set up these services: we responded and that was five or six months ago. Now, obviously there's a Telemarketing Sales Rule, so... we're legitimate in offering our service on a trial basis. The premise of the Telemarketing Sales Rule is that the people, they know that they will be billed if they don't cancel. And that is clearly established. Also, there are means by which they have to cancel, and the dates by which they have to cancel. After we send them the links to cancel, we call them and even ask them, "did you receive the link? Because if you don't cancel you will be billed". We are beyond diligent.

**06:39.2 Elin Alm:** I haven't seen any scripts indicating that. I haven't seen any recordings indicating that, either. If so, you didn't provide me all the documents we asked for if that in fact exists. But I don't know if you recorded or not.

**06:53.6 V. Adolph:** The first one that I sent you – let me just go over it here – "Sent Items"... Let's see...  
I believe that on 6/25 is when I sent you the... You sent us the subpoena, the request for information. Yeah, I sent you an email on 6/25. And that was as a precursor saying that "this is what our program is". To that one you responded that we still have to respond to the subpoena. So are you looking at that one there?

**07:45.5 Elin Alm:** I don't have it in front of me. I know which one you're talking about: you sent me one for [-----], I believe with Mr. [-----].

**08:02.6 V. Adolph:** Yeah: [-----], [-----]. Now, we sent [-----], on 5/19, an email with links to cancel. And we called [-----] on 5/20 and asked him, "did you receive that email?". He said that he had received it but that he hadn't looked at it yet. So we reminded him that "there is a link in the email to cancel before the trial ends, and if you keep the listing you'll receive an invoice for the next year of service". He knew what it would cost: we had disclosed it; he knew that he had to cancel, he accepted those terms. And this is in complete compliance with federal and every other state regulations with the Telemarketing Sales Rules. Now, the first campaign we had before—the 10T campaign – was not designed the same way: we have improved it. But we have a lot of expertise in marketing our product with trials.

**08:51.7 Elin Alm:** And we also have several businesses that were told back in 2010 that you would forgive the debt and not collect anymore and you're now collecting again. That's the one that I sent you and we also have another one.

**09:04.9 V. Adolph:** That doesn't show that... You know, we have thousands of clients. We only have 25 or maybe 60 clients in North Dakota. That doesn't show the scheme that you depicted in the Cease and Desist order, on one hand. On the other hand, we have shown that our program is up to par – our trial offer is up to par. Now, that may be a customer service issue.

**09:27.8 Elin Alm:** I respectfully disagree. If you want to hold on for a minute, I will see if Parrell is in. Maybe he wants to talk to you.

**09:34.9 V. Adolph:** But you received the conversation with [-----], and in there, Mr. [-----] is disclosed what it would cost and he accepts those terms, right, if he goes past the trial? He also accepts to cancel before the trial ends.

**09:48.9 Elin Alm:** I don't know that he knew what he was agreeing to. Because the way your script is set up, it's not even set up as a sales call. You're just calling to verify the address and then there's a hypothetical question if you will pay bills in the future. It's not even an offer. It's a confirmation of company information.

**10:10.0 V. Adolph:** That is a gross misrepresentation of our program. And it's important that what this is and what is written is what can be proven before an informed and impartial party. Not, you know, not what may be, for whatever reason, you know, you want to portray it to be. The question we ask him: "if you keep the listing past the trial..." – it's right there – the way that it's worded is that "if you keep the listing past the trial, you will be billed at a rate of about \$60 per month, on a 12-month contract that renews every year until you discontinue. If you keep it, will your accounting department pay for the service?". And he says "yes". He says "and that would be paid through our corporate office". If you have it, that's the way it's worded. It's worded very clearly: it's very clear and conspicuous. The second question is that "I'm going to be emailing you instructions how to find your listing on Google" – because those people are being published on Google – "I'm also going to call to make sure that you received the email: there's a link in the email to cancel during the trial. Is that fair enough?". Mr. [-----] said "Yeah", he said "Okay". He agreed to that as well. And then our agent told him, "We don't need to secure a credit card payment. We will bill you if you decide not to cancel. Is that fair enough?" Mr. [-----] said "Yes" as well to that. That's very clear. Mr. [-----] was sent an email and, like we said, we did call afterwards – to ask him if he received it – and on the second call we reminded him, now that he had the link to cancel in his hands, "Okay, if you don't cancel you will be billed. If you find the service of benefit – being published on the first page of Google – if you find that to be beneficial, only then you will receive... and if you don't cancel within the trial period, then you will be billed". That could not be clearer and more conspicuous.

**11:48.8 Elin Alm:** Well, I totally disagree with you. And we just have to disagree and...

**11:51.8 V. Adolph:** That's (unclear)...

**11:53.7 Elin Alm:** Hold on for a minute. I will... If you want to speak to my director I will see if he is available: he should be back.

**11:59.5 V. Adolph:** But I'm talking about a factual evidence here. That's what is written. I'm not interpreting anything.

**12:05.3 Elin Alm:** Well yes, but you're also focusing totally on Mr. [-----]. This has nothing to do with the other 52 businesses that you've been billing. The documentation...

**12:17.5 V. Adolph:** The other 52 businesses, they were solicited in a similar fashion. And also, this is the way that we're conducting business going forward. We have improved even on this method since; we're improving our program every day. The trial program is only getting better day after day. There is nothing about our scripts that is misleading, that is the scheme of fraud that you want to put on my company and my name.

**12:45.1 Elin Alm:** Okay. I'm going to put you on hold for a minute.  
Okay?

**12:49.5 V. Adolph:** Yes, I'm holding.

**14:13.4 Elin Alm:** Are you there?

**14:13.9 V. Adolph:** Yes, I am.

**14:15.0 Elin Alm:** Yes. Thanks for holding. Parrell's not available right this minute. He might be – and he's on a different call. But you have to understand: we don't issue the Cease and Desist orders without having the belief that there is something wrong going on. And we believe that we have enough documentation to show that what you're doing is misleading.

**14:38.1 V. Adolph:** It's the way that it's presented...

**14:38.5 Elin Alm:** And I believe also that the order shows – it actually spells out what rights you have to object to it. Which, of course, you have a right to do.

**14:48.0 V. Adolph:** But the order is an abuse of process. There's no justification to issue that order in the first place.

**14:53.2 Elin Alm:** There is justification to issue the order.

**14:57.0 V. Adolph:** That's the way that it is presented. You depict a scheme that is duplicitous. In your depiction, you say that we're soliciting payments from companies that have never authorized services, alleging that they accepted a trial. Yet you say yeah, they do have a trial, but everything we do, you just paint, you just vilify not to be what it is.

**15:21.3 Elin Alm:** But you have to agree with me that the trial that you offered to [-----] did not exist in 2010 when you started billing the other businesses. I have listened to the tape recordings of all the ones that you did send bills to back from 2010 through the time where you sent it to [-----], which I believe is in 2014...

**15:43.4 V. Adolph:** We have – our program has evolved.

**15:43.9 Elin Alm:** ...or 2013. There is absolutely *nothing* in those records that shows that the companies authorized that listing before the listing was rendered. If you *have* such belief – such evidence – you need to *provide* it to us and you didn't, so I'm assuming that what you provided me is all that you have.

**16:04.7 V. Adolph:** Our programs have evolved, since 2010. Our means of documenting and recording these things, they also have evolved. The necessity to do so, based on the responses that we've had since as well, they have also evolved. In most of the even current and most recent that are very well structured and designed, based on the Telemarketing Sales Rule – which is a guideline that the federal agency says that if you follow that guideline – then it's...

**16:34.5 Elin Alm:** It doesn't matter what a federal agency says in guidelines for North Dakota law: it's completely different.

**16:40.4 V. Adolph:** Ma'am, it's a *guarantee* that if we follow a certain guideline that our program (unclear)...

**16:45.5 Elin Alm:** There's no guarantee (unclear)!

**16:48.2 V. Adolph:** The way that you depict our program is you vilify our program to be something different than what it is.

**16:54.4 Elin Alm:** We see these programs all the time!

**16:56.4 V. Adolph:** In 2010, it was different than what we have today: granted. However, the benefit of assumption that we are giving trials now and we have a certain expertise doing so: people are authorizing our services; they have also done so in 2010. And our means of documenting these trials were different then. And even going forward, before you say "Cease and desist conducting business in North Dakota", how is our program the way that it is today? And our program is compliant.

**17:25.0 P. Grossman:** Right – this is Parrell Grossman. What can I do for you?

**17:27.8 V. Adolph:** Hi. Mr. Grossman, I received the Cease and Desist order. Okay?

**17:34.7 P. Grossman:** Good.

**17:35.4 V. Adolph:** Alright. Now, I have sent Elin Alm an email on June 25<sup>th</sup>, 2014, after we received the request for information. That email depicted an example. In that example, [-----] in Bismarck, North Dakota...

**17:56.4 P. Grossman:** I received all this information: you should be aware of that. So I'm not (unclear)...

**17:59.4 V. Adolph:** Okay. But may I have the opportunity, sir, to represent my position here and to ask for some fairness, sir?

**18:08.5 P. Grossman:** Well, you got the fairness you're going to get. You have the Cease and Desist order so if you want to...

**18:14.1 V. Adolph:** Sir, I believe this is an abuse of process and that does not take into account...

**18:18.8 P. Grossman:** (unclear) you want to summarize your comments I will listen to it. Otherwise, we welcome the opportunity to have a hearing for you and your staff and all of your people to come and testify and for us to do a full investigation. I mean, that really is your option. So having said that, I will listen (unclear) but I really don't want to rehash this all.

**18:42.1 V. Adolph:** My comments are very summarized, sir. So if you allow me the opportunity to represent my position in fairness, I will do so at this point in time. So on 6/25, I sent in the email where [-----] of [-----] in Bismarck, North Dakota said that he was authorized and he agreed to advertise on my company's web site for a 30-day trial to be publicized on Google. He agreed to pay for the service after the 30 days, and to cancel during the trial if he wanted to rescind on that authorization. The transcript we sent shows that we asked him, we discussed payments with him: "If you keep the listing past the trial, the rate will be about \$60 per month on a 12-month contract that will renew every year until you discontinue. If you go past the trial, will you pay for it?". And Mr. [-----] said "yes", he would. Our next question to Mr. [-----] is that we would "send you a link to cancel in an email and then we will call to ask if you received it because we want to make sure that you know how to cancel". And Mr. [-----] also said "yes": that would be fair enough for him to cancel by. And we told him that "we don't need to secure a credit card but we will bill you if you don't cancel during the trial. Is that fair enough?". And Mr. [-----] also said that that was fair. We sent Mr. [-----] an email on May 19<sup>th</sup>, to his email, and then we called him on May 20<sup>th</sup> and asked him, "did you received it?". Mr. [-----] confirmed that he received it, and then we told him – we told Mr. [-----] that "if you don't cancel, that you will be billed". Once he had the email in hand.

**20:09.7 ( – static – ):**

**20:18.9 V. Adolph:** So we've been completely up front. Our program is designed as completely up front; it's completely fair. It is not the scheme that is depicted. And the way that my company and my company's product and service are depicted are vilified...

**20:35.7 P. Grossman:** Yup. Well, I'm sorry: we just simply disagree with you. So I guess we'll have to (unclear)...

**20:40.6 V. Adolph:** But we need to look at the evidence for what it is documented. The email you have matches what is said in the tran[script]... on the recording, and it's transcribed accurately. So those other questions that he asks – Mr. [-----] – that shows the information is proper.

**20:57.8 P. Grossman:** And again, we're not really interested in debating one isolated incident. We've looked at your scheme that we think is fraudulent as a whole, and I think our debates or allegations and... You know, there's a process. You don't have to agree to it; if you want to have the administrative... Where are you located?

**21:21.2 V. Adolph:** We're out of New York.

**21:23.3 P. Grossman:** You're in New York?

**21:24.1 V. Adolph:** Um-hum.

**21:25.0 P. Grossman:** You've got a PO box? Do you live in New York?

**21:27.6 V. Adolph:** No, I don't live in New York. I live in Canada.

**21:31.9 P. Grossman:** Canada: of course you do. Because that's where all these companies live. So (unclear)...

**21:37.3 V. Adolph:** What companies? That's prejudicial, sir.

**21:40.7 P. Grossman:** (unclear) not prejudicial at all – that's just where all these fraudulent billing companies are located!

**21:44.7 V. Adolph:** Sir, this is not a fraudulent billing company, sir. And I would ask you to refrain from referring to my company as that. Please.

**21:51.2 P. Grossman:** No, thank you. You're not a New York company at all, so what I'm suggesting is, you know, we would... Have you ever been to North Dakota?

**21:59.3 V. Adolph:** No, sir.

**22:00.4 P. Grossman:** Okay, well you might enjoy the trip. Come see us, let's bring your key people, some staff, let's conduct our hearings, let's review all of your business records. And we'll see in the end whether...

**22:12.9 V. Adolph:** Sir, you have submitted a request for information. That is not a fair... Basically you just set out and you make allegations, and then I have to jump through hoops to dispel your allegations while you have the evidence in front of you. That is not a fair request, sir. That is an abuse of process and the purpose of asking is predicated on the fact that it is a deterrent for us, to disrupt our operation to do so, and because based on the information you have, your process is an abuse of the system and prejudicial towards my company. And I ask you to withdraw it at once.

**22:55.2 P. Grossman:** We're not going to withdraw it. And you have every opportunity to dispute these before the appropriate body, which is a[n] administrative hearing proceeding in North Dakota. And I just encourage you to avail yourself of that opportunity, sir; and we'll review your records and we'll review your testimony at that time. I would anticipate this will be a fairly significant lawsuit. I can see here that we just simply aren't going to reach an agreement.

**23:29.0 V. Adolph:** Do you have a commissioner-type of overseer? Of course, there's always the Attorney General, whom I hope would be more impartial, but do you have a third-party, impartial, commissioner-type of party in North Dakota?

**23:43.2 P. Grossman:** Well, the hearing: the administrative hearing officer. But you'll have to come here and testify before the court and you'll have to produce your business records. But no, there isn't an agency that... The North Dakota court system oversees the Attorney General, but you have to start your challenge before, with the administrative proceeding. We issue a complaint, and then we conduct discovery, and you get to answer the complaint, and ultimately I would imagine you can only do so much of that through your legal counsel. You'll eventually have to come here, and (unclear)...

**24:22.9 V. Adolph:** There's no problem, there's no problem with that. However, the information – what you're asking me is a deterrent for me to disrupt my operation and staff, to come satisfy that based on a Cease and Desist order that is not based in facts. You have evidence that suggests that – you have information that shows that Cease and Desist order, it is an abuse of process.

**24:47.7 P. Grossman:** Well again, I'm just sorry: I cannot agree with that characterization.

**24:54.4 V. Adolph:** You have the way that our program is designed going forward and you're saying that that program, the way that it is designed, the disclosures that [-----] has had – and that has even improved since – and you're saying that Mr. [-----] was not properly informed that if he didn't cancel that he would be billed, did not agree to be billed for... to try the service?

**25:16.5 Elin Alm:** I don't think that we're focusing on Mr. [-----]. I think that we've shown that you've violated North Dakota law in the past. You were unwilling to work with us to resolve it. I just think that most of your so-called customers are disputing they authorized it, if not all of them. I don't know what Mr. [-----]'s saying, I guess.

**25:36.6 V. Adolph:** We have... I could send you our scripts the way that it is designed currently. Now...

**25:42.2 Elin Alm:** I have your scripts with Mr. [-----], but it doesn't fix all the stuff you've done in the past either...

**25:48.5 P. Grossman:** No, I...

**25:49.0 Elin Alm** ...and it's still deceptive.

**25:50.6 V. Adolph:** Your allegation that we have done things – that I have done things – it actually doesn't get the benefit of assumption, because we have a trial program. And my contention is that the 2010-2011-2012 clients, they *have* participated in a trial program. Now, my means to record these offers were not as elaborate as they are today. And we have evidence that they are authorizing those trials now, and we didn't have it then. We're doing it now: the benefit of assumption is that we did it then.

**26:21.7 P. Grossman:** When we have our hearing it'll be real interesting when the victims testify as to what their understanding (unclear) we think that we've been straightforward.

**26:31.0 V. Adolph:** Again, sir, your depiction of a "victim" or the party you qualify as a victim is actually mis(???). We are actually the ones here that are the victim of an abuse of process. You have evidence that this process is not justified, sir.

**26:44.7 P. Grossman:** Okay, well again, I'm just sorry: we can't...

**26:47.7 V. Adolph:** Now, you're saying that 2010-2011-2012 customers, because I don't have evidence that they took the trial, even though I have a trial program now, you're saying that they never had a trial. As opposed to saying that I don't have the evidence. Which is two different things.

**27:08.9 Elin Alm:** Well, no: if you can't prove you *had* it, then you didn't *have* it. And it's not that we're saying that your 2014 trials, that there isn't issues to that either. I think we have spelled out that we think there are several issues with your 2014 trials, too.

**27:23.9 V. Adolph:** There is no... This has been designed with the FTC in mind, and with the Telemarketing Sales Rules in mind, and it's compliant fully. Now, what you point out in your Cease and Desist order is that it's a trial. People are not billed if they cancel. And so you're pointing out that someone was told that "hypothetically, if you don't cancel, will you pay for it?", well if they cancel, then that satisfies that condition. They will not be billed if they cancel. So obviously, it is hypothetical that if they don't cancel, that they will be billed. Because they *have* the option to cancel: they know how to avoid being billed for the service.

**28:06.6 P. Grossman:** Yeah, and we think that's deceptive. So...

**28:08.5 V. Adolph:** You think that it's deceptive to tell someone that it's a trial: if you don't cancel you will be billed?

**28:12.9 P. Grossman:** The whole hypothetical pitch is deceptive. So...

**28:17.6 V. Adolph:** And that's also not on our script. That's one person that said that, and even that said that in conversation. That is not deceptive in the first place, but also that is not a reason to put a Cease and Desist order in North Dakota for my trial program. We might work on guidelines; we might try to work on something here. But you might see that your 2010, 2011 and 2012 campaign – since you don't have those recordings – to void those ones out, and that would be a concession, because I really did, just like we have a program now. But going for[ward], you might also say that "in your scripts for 2014, 2015 and going forward, here's what we want". And you have to concede that we have a trial program; you have to concede that we *are* doing disclosures, but...

**29:20.5 P. Grossman:** Again, I feel like we're going in circles here. We're not reaching agreement; there are plenty other states where you can take advantage of consumers or businesses or churches or...

**29:28.2 V. Adolph:** Sir, we're not taking advantage of North Dakota consumers, sir. And I'm attempting to progress here, I'm attempting to move forward here. And I'm saying that you can see that there's a trial program. You can see that disclosures are being made. Do you have conditions that you want to set on our trial programs?

**29:48.9 P. Grossman:** No, we don't. We've issued a Cease and Desist order and we don't want you doing business here. And if you conti[nue]...

**29:55.0 V. Adolph:** Well, your position is highly prejudicial and the "we don't want you doing business here, sir", I assure you that I must have recourse. The "we" is used rather liberally here, sir. It's prejudicial and it is an abuse of process!

**30:12.0 P. Grossman:** Okay, well those are arguments for your legal counsel to make, but be prepared to come to North Dakota and spend some time here.

**30:21.3 V. Adolph:** There's no issue with going to North Dakota, sir. So, I mean...

**30:24.1 P. Grossman:** But be prepared to bring your records, though. Because I assure you, we won't just be focusing on the one example you've cited. We'll be bringing in the consumers who feel they were taken advantage of and we'll be asking for your records going back. And if you're unable to produce those, I wouldn't guess that will be very beneficial for you.

**30:44.0 V. Adolph:** We are not in any records-keeping violation, Mr. Grossman. We have satisfied your request for information, sir.

**30:55.7 P. Grossman:** You responded. I don't know whether you satisfied or not. It doesn't stop there, now. We've issued a Cease and Desist order and now we have the opportunity to examine your entire business model. You have the opportunity to accept it, and move on, or to dispute it – and what I'm trying to make *you* aware of, sir, is that then we have the opportunity now to go through and make our tapes with the complaint and interview you and your employees and your other personnel, to make sure the court is aware you're really *not* in New York or New Jersey or anyplace else: you're really a Canadian company that is purporting to be a New York entity.

**31:39.9 V. Adolph:** “That is purporting to be a New Yor[k]”... We are incorporated, sir, in the State of New Jersey. I'm not sure what you're after here.

**31:45.0 P. Grossman:** [Of] course you are! It's convenient for you to create that impression, that you're a New Jersey business.

**31:52.5 V. Adolph:** You're vilifying even the constitution of corporations here. The laws of New Jersey, and the laws of every state – we could be incorporated in North Dakota. You're vilifying even the very laws...

**32:07.8 P. Grossman:** That doesn't mean you're a *legitimate* corporation. I've got *lots* of scam artists who've incorporated here and elsewhere, so...

**32:13.3 V. Adolph:** Yeah... “A lot of...” Alright. Now, like you said, you're intent on injury. You are hoping to get away with an abuse of process by putting me up to some measures that would be deterrent to go through. But no, obviously I'm not going to be vilified and be victimized. The things you're saying, they're full of prejudice.

**32:49.5 P. Grossman:** Well I don't think they're full of prejudice: we've had a lot of experience with this, and you carry some of the baggage of all the companies we...

**32:58.3 V. Adolph:** So basically, you're carrying baggage for your experiences?

**33:02.7 P. Grossman:** Oh, I'm just telling you I think we'll be able to prove our case – as you didn't let me finish – so I just don't see this as very productive. I think you've had an opportunity, but at some point here – I don't think we're going to resolve this with a telephone conversation; we're not going to resolve this with a call from your lawyer. We'll deal with your lawyer, we will resolve this when we issue a complaint. And you make us proceed with legal action: we'll be prepared to make our best case at that time, and...

**33:36.6 V. Adolph:** Well, certainly you have moved your pawn. And, of course, I've had to comply, because it is an order on a Cease and Desist. However, the order you have issued – again – is an abuse of process. You have evidence to the effect that the scheme that you depict is not founded in facts. It's prejudicial.

**34:00.2 P. Grossman:** No, we don't agree with that. We have an example you have cited. We have your perception or assertion or theory of how you're doing business. Now – again – we're anxious for you to produce those records in these past transactions. And solve...

**34:19.0 V. Adolph:** So, within time, sir – so in the meantime, obviously, we're bound on the order to comply to your Cease and Desist order. And within time, I will certainly build a case and show that your Cease and Desist order is an abuse of process, sir.

**34:41.6 P. Grossman:** We don't think so, but I can't stop you from having that theory.

**34:45.4 V. Adolph:** Um-hum. And, so...

**34:47.2 P. Grossman:** ...build a case that you've abused consumers, here! So (unclear)...

**34:53.3 V. Adolph:** There's no such case to build! There is no such case to build. You have vilified a completely legitimate business operation, you're making prejudicial statements based on where I'm based out of, but there's no such case to build. You have the conversation with Mr. [-----], you have evidence that our program has evolved. Mr. [-----] had a full disclosure – that is what our program is now – and that doesn't justify your issuing a Cease and Desist order.

**35:26.2 P. Grossman:** Alright, well. Anything else? Any other points you've missed?

**35:31.4 V. Adolph:** Do you want to review your position based on current evidence? Based on our conversation, and then we get back to you? Are you on our side at all? Are you on our side at all...

**35:40.7 P. Grossman:** We're confident in our Cease and Desist order and so I think you need to proceed through the court and we'll proceed through the court, and I guess we'll let the court system decide who's right.

**35:52.3 V. Adolph:** Are you interested at all in resolving this?

**35:57.2 Elin Alm:** I (unclear) how we would (unclear).

**35:59.3 P. Grossman:** Yeah! I don't think we can resolve this. We're not... We gave you the opportunity to (unclear) earlier...

**36:05.0 Elin Alm:** Hold it! I mean... We made you an offer of settlement and you didn't entertain it; you didn't comment on it and you didn't (counsel?) on it.

**36:14.8 V. Adolph:** Let me ask you... Let me ask you this one question. Is there a 30-day trial program advertising that a company could offer that would be designed in such a way that it would not fit what you depict? In other words, can anything be done right other than – you know, and not be depicted – and not be vilified?

**36:41.3 Elin Alm:** Yeah, I'm sure there are trial programs that can follow the law; yes.

**36:45.2 V. Adolph:** Okay, and how does my trial program, based on the conversation that even with Mr. [-----] and going forward, that it's not following the law? Is there anything that we can (unclear)...

**36:56.4 Elin Alm:** We're not going to give you a recipe on how to comply with the law.

**36:59.5 P. Grossman:** Yeah, we can't give you legal advice on how to comply.

**37:02.6 V. Adolph:** We are com[plian]. That's the whole premise of our disagreement. We are compliant, and the law is the Telemarketing Sales Rule. We are compliant with the Telemarketing Sales Rule. However, you have issued a Cease and Desist order, based on what we are compliant with, based on what those laws are. They were never...

**37:22.2 Elin Alm:** You're there violating the law every time you invoice one of your old customers from your *old* program.

**37:29.3 V. Adolph:** I'm sorry?

**37:30.8 P. Grossman:** Every time you try to collect from a consumer that you signed up with your *old* program, it's a violation, and we think that your *new* program has misreps.

**37:40.8 V. Adolph:** Again, is there any way that a program could be designed that would not fit the scheme, that would not be vilified to be the scheme that you portray?

**37:52.4 P. Grossman:** Again, I think at this point we're in litigation. We gave you the opportunity before to settle this; you declined. At this particular point, you have our Cease and Desist order and we're not going to give you legal advice or suggest how you can fix your business. Possibly, we could have had that conversation before, (unclear)...

**38:12.4 V. Adolph:** Our business is acceptable in every other State. But however, we're being victimized in the State of North Dakota.

**38:18.8 P. Grossman:** Anything else? I have to go, here, so is there anything else?

**38:23.0 V. Adolph:** Okay, so you are not interested at all in settling this. So now, what is next with you?

**38:31.1 P. Grossman:** Well, it's up to *you*. It's what legal action do *you* want to take? So...

**38:35.1 V. Adolph:** Um-hum. Okay, how can I start the review process? Do I go through the court system or how do I start that? Do I file a complaint with (unclear)?

**38:47.1 P. Grossman:** You'll have to go through the administrative process. If you request action, then we issue a summons and complaint, we sue you, we start asking for your business records, we take your depositions... And you know I (blank sound), many many months down the road and thousands of dollars later, we might have it resolved. So it's up to you.

**39:06.7 V. Adolph:** But you don't think that what you're telling me: many many months down the line and thousands of dollars later is being told to me so that you can simply get away with an abuse of process?

**39:17.5 P. Grossman:** I'm just telling you it isn't going to be easily resolved and so I don't want you mischaracterizing. So, I think we're done here, because I think you've become argumentative. So (unclear)...

**39:28.1 V. Adolph:** I'm defending being victimized here, and an abuse of process. I'm defending my company.

**39:34.5 P. Grossman:** And I'm defending the businesses you've taken advantage of in North Dakota. So...

**39:39.1 V. Adolph:** That statement is falsely made, and you're only hoping that I won't do anything so that you can get away with being abusive.

**39:47.0 P. Grossman:** [*I'm*] not hoping at all. I really want you to come and testify and bring your business records.

**39:52.7 V. Adolph:** Um-hum.

**39:52.9 P. Grossman:** And I want to lay your business practices out for everyone to see.

**39:57.1 V. Adolph:** Okay. Alright. Okay. So again, within time, who's right will be shown, and who is not, also. I mean...

**40:04.3 P. Grossman:** Right!

**40:04.7 V. Adolph:** Um-hum. Okay. Alright, so you go ah[ead]. I certainly don't expect you to be vilifying my company and, you know, that's absolutely...

**40:14.4 P. Grossman:** You like that word "vilifying" and I don't think I'm vilifying your company.

**40:18.6 V. Adolph:** You have evidence that shows that what you have done is an abuse of process.

**40:23.3 Elin Alm:** We're not having this conversation again. If you want to review your options...

**40:24.4 P. Grossman:** Alright. Thank you...

**40:27.6 Elin Alm:** ...you need to talk to your own attorney.

**40:29.5 P. Grossman:** Okay. Bye.

End of Transcript