

[Filed 3-2-05]

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

STATE OF IOWA ex rel.
THOMAS J. MILLER,
ATTORNEY GENERAL OF IOWA,
99AG25112

Applicant,

v.

WALTER KARL, INC.,
a New York corporation, and

WALTER KARL INTERACTIVE,

Respondents.

) Equity No. CE 50633
)
)
)
)
) APPLICATION FOR ORDER
) ENFORCING ATTORNEY
) GENERAL'S CIVIL
) INVESTIGATIVE DEMAND
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FILED
POLK COUNTY, IA
2005 MAR -2 P 1:21
CLERK DISTRICT COURT

The Iowa Attorney General, through the undersigned, states as follows in support of this Application For Order Enforcing Attorney General's Civil Investigative Demand pursuant to Iowa Code § 714.16 (6) (2003). A copy of the Civil Investigative Demand (hereinafter "CID") is attached hereto as Exhibit 1.

INTRODUCTORY OVERVIEW

1. Over the last several years many Iowans, including a disproportionate number of elderly Iowans, have fallen prey to sophisticated direct mail and telemarketing schemes. These schemes often work in combination and are designed to zero in on consumers who can be cheated out of large sums of money. Although the primary designers and perpetrators of such schemes are pursued by the Iowa Attorney General and other authorities as fully as limited law enforcement resources allow, such perpetrators are many, diffuse, transitory, chameleonic, and, with increasing frequency, located outside U.S. borders. These perpetrators of fraud often rely, however, upon the assistance and support of U.S. businesses that are stable, well-established, and – too often – willing to profit by