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# STATE OF VERMONT OFFICE OF THE ATTORNEY GENERAL 109 STATE STREET MONTPELIER 05609-1001

June 21, 2018

Jody Thomas López-Jacobs, Esq. Via email to: jlopez-jacobs@consumerslaw.com Flitter Milz, P.C. 450 N. Narberth Ave, Suite 101 Narberth, PA 19072

Dear Ms. López-Jacobs:

I write in response to your public record act request dated today, June 21, 2018, in which you request complaint records related to "Vivint". Your request states that you initially requested this information on May 22, 2018, via our online system. We do not have a record of this initial request however our technology department is analyzing the matter. We do apologize for the confusion and delay.

Attached please find records in response to your request. Please note that personal contact information has been redacted pursuant to 1 V.S.A. § 317(c)(7). If you feel information has been withheld in error, you may appeal to the Deputy Attorney General, Josh Diamond.

I hope this information is helpful to you.

Sincerely,

Jessica Mishaan

Paralegal



# Vermont Attorney General's Office Consumer Assistance Program

102 Morrill Hall 146 University Place Burlington, Vt 05405

### Dear Sirs:

This letter's purpose is to address with you status of Vivint Security company and their business practices. According to the Utah Better Business Bureau's report (the company is headquartered in Salt Lake City), they have received 3515 customer complaints and 80 negative reviews of the 115 total; additionally, Kansas, Nebraska, Ohio and Wisconsin have taken punitive actions against Vivint for various aggressive and dysfunctional business practices.

The grade and report is at this link: (http://www.bbb.org/utah/business-reviews/burglar-alarm-systems-dealers-monitoring-and-service/vivint-inc-in-provo-ut-4002276).

Please consider protecting residents from Vivint and other predatory companies and ban them from conducting business in Vermont.

Thank you very much.



AUG 2 4 2015

The Honorable William H. Sorrell Attorney General of Vermont 109 State St. Montpelier, VT 05609-1001

DEC - 5 2016

## Not on my watch

Do what you will with this. My hope is that this company has simply flown under the radar until now. We'll see. The company involved is MOST afraid of publicity – they admit as much, as you'll see below – so my primary goal is to get this into the hands of the press. I'll be as concise as possible – there are unbelievable amounts of info in publically accessible places that will confirm everything I say below. I also promised one of their 'Customer Loyalty' employees that I was going to send a letter to every Attorney General in the U.S. and I'm a man of my word. If you doubt any of this – go start reading the BBB complaints and resolutions on the Utah BBB website. There are plenty to choose from, nearly 4,000. ADT has a similar number – but ADT has 5 million more customers. That alone should raise some eyebrows.

Peter Thiel said in 2014 that all successful businesses have secrets. In April 2016, he and Mitt Romney invested 100 million dollars in Vivint Smart Home. I decided to find out why, as I already knew ONE of Vivint's secrets.

As of November, 2016, Thiel is on Trump's transition team and Romney – despite a supposedly 100% anti-trump stance before the election – is suddenly being favored for a position on Trump's cabinet. Trump, who supposedly *cannot* let go of a grudge, seems okay with this even at the expense of angering his supporters.

In 1995, Utah Attorney Nathan B. Wilcox was researching surreptitious recording. See Utah State Bar Association, Ethics and Advisory opinion 96-04 on their website. Wilcox is listed in the first footnote. This was finalized in late 96 and published online in December, 1997.

In 1992, Todd Pedersen was selling pesticides door to door. In 1997, he switched to burglar alarms – just around the same time Wilcox was getting the implied 'Okay' from the bar association to record surreptitiously. In 2006, Vivint started retaining their own customers. In 2007 Nathan B. Wilcox was hired as Vivint's general counsel. In 2009, Vivint built its own monitoring station in St. Paul, MN as well as a headquarters in Provo, UT. This put the cherry on the sundae, it was the long-term goal from the time Pedersen switched from pesticide to burglar alarms.

Part of the equipment Vivint installs in the homes and businesses they service is a 2-way cellular device that could very easily be used for – you guessed it! – Surreptitious Recording! You see, Pedersen switched from *de*-bugging houses to *bugging* them in 1997, with a long term goal of growing their company to the point where they could eventually control the monitoring of these bugged systems. And Thiel and Romney invest 100 million in an election year. Didn't Romney's dad serve on Richard M. Nixon's cabinet?

In 2008, Vivint got me with a bait-and-switch on my initial contract. Told me it was 24 months with 30 days to cancel, I found out way later that it was 60 months with 3 days to cancel. I never noticed. . .

On March 8, 2013 Vivint called and read off a long blurb in a telephone conversation asking if I wanted to extend for 24 months. I said ONE WORD: 'yes'. By some cosmic coincidence, on this very same day, I ordered a suite of digital music software. This led me down a path where I later purchased some DAW software, which is used to edit digital audio files. Vivint had set up my extension conversation in such a way that they could later use the SAME kind of software to change the terms of my agreement, on the SAME DAY I started learning how to make such edits to audio files myself.

In December, I moved. Called Vivint to cancel, and was told I couldn't – I had agreed to an extension. I had some telephone interaction with them, they kept insisting that I listen to the recording, I kept refusing, finally I said 'What the hell, let me hear it.' I was then told that they'd have to call me back 'later that day, maybe after lunch' to let me hear it. I said 'forget it' and hung up. They needed the extra time to CHANGE the recording, and I found out through later email contact with them that they were now claiming I'd agreed to 42 months – not the 24 I had remembered.

I had a family member who was having health issues so this fell into the background for me until March, 2016. I called Vivint again to make sure my contract hadn't got still longer. . . and again, I kept getting pressured to listen to the recording. I finally agreed to hear it, and as I should have known, as I have experience with the software

used to do such a thing, it had been CHANGED from 24 months to 42. I submitted a complaint to the BBB, then found on Vivint's forward looking statement in the Investor relations page of their website that the FIRST RISK they list to their business is 'publicity around methods used to obtain and retain customers.' Yep – Secret Number One. If this isn't wire fraud, it should be.

Because of our original misunderstanding in 2013 and the way it 'ended' in 2015, I was left with a bad taste in my mouth and I have continued to watch these people. Something is ALWAYS happening with them to further confirm what I know to be true, in fact a man named Spencer Pedersen was arrested in Provo just last week for procuring kittens online for the purpose of torturing them to death. He had a criminal record going back to 2008, including Arson and felony drug charges, including distribution. Vivint claims they do background checks – but they had this guy, who could possibly even be a serial killer, going door to door selling burglar alarm systems. You see, he had 'Sales Manager – Vivint Smart Home' listed on his facebook page, which has now been taken down. You can still find it on his linkedin account. Vivint hires these people because if they hired a bunch of boyscouts, they'd be out of business. The overhead on their equipment is such that it's a terrible business model – at least without the help of a great deal of fraud.

In November of 2015, a Vivint salesperson in San Antonio Texas got into an altercation with a potential customer (witnesses say over a No Soliciting sign), got a gun out of his car and murdered Kerry O'Toole.

In the Spring of 2016, Todd Pedersen struck and killed an 8 year old child while driving in an off-road race in Mexico. While I don't doubt that this was an accident, I also don't doubt that it would not have happened if Pedersen had been in a Federal prison where he belongs.

To my knowledge, none of the three events above made it to national news. These people have an UNCANNY way of avoiding publicity.

In 2014, ABC 20/20 did a story about them, they had lied to a bunch of military customers. Vivint released a statement that said 'We reviewed the pre-telephonic survey recordings and didn't see any red flags.' Of course they didn't – they ask green flag questions, get the customer to say 'Yes' once, and then alter the recordings later. (Look up 'editing audio with Audacity' on youtube. Audacity is open-source, free, and has been around since 1999. I believe this is probably what they're using. All they'd have to do is set up a template for each person who calls customers for recordings, then copy and paste at will – almost exactly like you'd do in a word document.

The next page is a fact sheet listing some very scary truths about each Vivint customer. EACH statement, taken alone, is terrifying. Think about the ramifications of the possible combinations of these, and wow. It's WORSE than George Orwell envisioned – and these scumbags are about to have some extremely powerful friends in Washington – possibly even the president himself. Thiel and Romney invested that 100 million, they're in Trump's ear, and there were rumors about Thiel being appointed to the Supreme Court. Romney is likely to end up secretary of state. And they're chummy with a company that's been working toward bugging every house in America (and Canada, and New Zealand – they want to be EVERYWHERE) since even before 9/11.

If NOTHING ELSE comes from this document, be aware of two things:

They're hiring some extremely shady folks to go door to door. There's at least one person dead because of it. This should NOT be taken lightly.

We live in a time when technology has progressed so quickly that most people, if they don't have a very specialized background, are completely unaware of just how easy it is to doctor up an audio recording. It's MUCH easier than photoshopping a picture, and with very little training and the right software, ANYONE can do it. For those authorities reading this, the 'Customer Loyalty' department at Vivint is very much 'in the know' about this. Your copy of this document will contain a slip of paper with the name of the person who first started this scam on me. I warned him in August, 2015 that if something wasn't done to stop it, someone would die as a result of this company's horrid business practices. I was right.

### If you're a Vivint customer:

The salesperson very likely lied to you about something to get you to sign up. It may have been the length of the contract, it may have been a promise of more equipment, it may have been a waived fee.

You took part in a telephonic pre-installation survey that Vivint purposefully set up in such a way that it could be easily altered later. The ONLY thing they really need from you is an utterance of the word 'Yes.' They can very easily – and quickly – cut and paste parts of the conversation. You'll find in some cases they tell people 'It takes longer to pull some conversations than others' which is utter nonsense. I'm an IT professional myself – a sound file is a sound file is a sound file. Vivint's 'Customer Loyalty' department is well aware of what's going on – in fact, I believe they're doing the editing, it wouldn't take an hour to train someone – and they know when they need to stall.

You put your trust in the representative – who might well have a criminal background – and let him inside your house. In the short term, assuming he set up your password for you, he would have the ability to disarm your alarm system if he wanted to. If that doesn't scare you, imagine that Spencer Pedersen or the fellow who killed Kerry O'Toole may have been your salesperson.

You've entered into a contract that you'll later find to be nearly impossible to get out of. You'll stay longer than you should, pay more than you should, and/or have your credit ruined by being sent to collections. They had no mercy at all on this earlier, they're starting to soften up. I'd imagine they think they're going to get away with it all.

They have a 2-way cellular device they COULD use to listen in on your family or business conversations or record them for posterity. If you're of the 'I don't care, I don't have anything to hide' camp, well congratulations – but remember, they're also adept at CHANGING conversations. Just never say the words 'Yes' or 'No' in the vicinity of the wall panel and you'll probably be okay.

If you move, but leave the panel behind – they not only won't let you out of the contract – but they'll still have their handy bug on the wall to listen in on the new homeowner, who has no relationship with them AT ALL in some cases. In fact, when that poor guy calls them to find out how to remove the system, they're going to tell him they can't help without the verbal pass code.

There's a high chance that you fall into one of these categories:

You're elderly and therefore much less likely to recognize that they're using technology to alter conversations

You're a member of the military and almost certainly can't afford an attorney to sue these people

You're living in a low income area where you're A: Less likely to be, say, an I.T. professional who might recognize what's going on AND B: not likely to be able to afford an attorney.

Here are some fun ones:

From Provo, UT j- they can remotely control your door locks – opening the door for their own access if they wanted to – or locking you out or even locking you IN for that matter.

It may seem I'm trying to scare people here – but if you read this, go do your own research. There's PLENTY to be scared of with these people. And just imagine what they'll get away with once Thiel and Romney take their places on Trump's cabinet.

They're hiring known criminals to perpetrate wire fraud on helpless victims as a means to an end: They're patiently and methodically bugging everyone they possibly can. I've seen about enough. Someone step up and stop this.