

U.S. DISTRICT COURT
SHAWNEE JUDICIAL DISTRICT
JAN 4 1 43 PM '91

Barbara A. Lombrano
Supreme Court #14120
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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
DIVISION 6

STATE OF KANSAS, ex rel.,
ROBERT T. STEPHAN, Attorney General,

Plaintiff,

vs.

GRANIER ENTERPRISES, INC. d/b/a
GOLD & SILVER JEWELERS

Defendant.

Case No. 90CV 2433

(Pursuant to K.S.A. Chapter 60)

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 13th day of December, 1990, the Petition for approval of Consent Judgment filed by the State of Kansas comes on for hearing. The State of Kansas appears on the relation of Robert T. Stephan, Attorney General, by and through Barbara A. Lombrano, Assistant Attorney General. The Defendant appears by its attorney, Bruce Woolpert.

Whereupon, the parties advise the Court they have stipulated and agreed to the following matters:

1. Robert T. Stephan, is the Attorney General of the State of Kansas.

2. Defendant is a Kansas corporation, not in good standing. Defendant's business is located at 2121 SW Wanamaker, Topeka, KS 66614. The Defendant enters its voluntary general appearance. The Defendant admits the Court has jurisdiction over the parties and the subject matter.

3. The Attorney General alleges the following acts and practices by the Defendant are violations of the Kansas Consumer Protection Act and are deceptive and unconscionable:

DECEPTIVE ADVERTISEMENTS

4a) Defendant advertises in newspapers special prices of up to 70% off jewelry.

4b) The special advertised prices offered by the Defendant are actually the regular prices of the jewelry. Specifically, the jewelry was advertised and offered at a special advertised price more often than it was offered at the regular price, consequently making the special advertised price not a special sale price, but a regularly offered price.

4c) This violates K.S.A. 50-626(b)(2) which prohibits the intentional use, in any

oral or written representation, of exaggeration, innuendo or ambiguity as to a material fact, and K.S.A. 50-626 (b) (3) which prohibits the intentional failure to state a material fact, or the intentional concealment, suppression or omission of a material fact, whether or not any person has in fact been misled, and K.S.A. 50-626(b) (7) which prohibits making false or misleading representations, knowingly or with reason to know, of fact concerning the reason for, existence of or amounts of price reductions, or the price in comparison to prices of competitors or one's own price at a past or future time.

DISPARAGING COMPETITORS

5a) Consumers are told by the Defendant that their competitor's price per gram of gold is much higher than the Defendant's price per gram of gold.

5b) Defendant makes representations regarding their competitor's price per gram without actual knowledge of the price charged by the competitor. Consequently, Consumers are misled to believe the Competitor's price per gram is the price quoted by Defendant,

when in fact, the Defendant inaccurately quotes the competitor's price per gram.

5c) This violates K.S.A. 50-626 (b) (4) which prohibits disparaging the property, services or business of another by making, knowingly or with reason to know, false or misleading representations of material facts and K.S.A. 50-626(b) (7) which prohibits making false or misleading representations, knowingly or with reason to know, of fact concerning the reason for, existence of or amounts of price reductions, or the price in comparison to prices of competitors or one's own price at a past or future time.

6. The provisions of this Consent Judgment will be applicable to the Defendant, and every employee, agent or representative of the Defendant.

7. The Defendant agrees to make available and/or disclose the provisions of this Consent Judgment to their employees, agents and representatives.

8. The Defendant agrees to refrain from and to be enjoined from engaging in all acts and practices alleged by the State of Kansas to be deceptive and unconscionable, in paragraphs number 4 and 5.

9. The Defendant shall not enter into, form, organize or reorganize into any partnership, corporation, sole proprietorship or any other legal structures, for the purpose of avoiding compliance with the terms of this Consent Judgment.

10. The Defendant agrees to pay \$5,000.00 in investigation fees and expenses to the Attorney General of the State of Kansas as follows:

a. One thousand dollars (1,000.00) upon signing of this consent judgement.

b. Five hundred dollars (500.00) every month for four months as follows:

1. First payment to be on or before January 31, 1991.

2. Second payment to be on or before Febuary 28, 1991.

3. Third payment to be on or before March 31, 1991.

4. Fourth payment to be on or before April 30, 1991.

c. Final two thousand dollar (2,000.00) payment on or before May 31, 1991.

d. All payments are to be paid by certified check.

11. The Defendant agrees to allow the Attorney General to inspect relevant business records upon reasonable suspicion that this consent judgement is being violated by the Defendant. The Attorney General will give reasonable notice for these inspections.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the stipulation and agreement of the parties contained herein are adopted and approved as the findings of the Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the Order of the Court.

IT IS SO ORDERED.

JUDGE OF THE DISTRICT COURT