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KS DISTRICT COURT
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AUG 19 2 17 PM '92

GENERAL JURISDICTION
TOPEKA KANSAS

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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 13

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

vs.)

NATIONAL MARKETING SERVICES, INC.)
)
Defendant.)

Case No. 92CV1087

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 19th day of AUGUST, 1992, the petition for approval of consent judgment comes before the court for consideration. Plaintiff, State of Kansas ex rel. Robert T. Stephan, Attorney General, appears by and through Daniel P. Kolditz, Deputy Attorney General. Defendant, National Marketing Services, Inc., appears by and through its counsel, Gary Shores, Attorney at Law, 500 NW 13th Street, Oklahoma City, Oklahoma 73103, and Joseph M. Weiler, Alderson, Alderson, Montgomery & Newbery, 2101 SW 21st, Topeka, Kansas 66604.

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 an Oklahoma corporation whose principal place of business is located at 2 East 11th, Edmond, Oklahoma.

3. Defendant enters its voluntary appearance and admits the court has personal and subject-matter jurisdiction over the parties.

4. The Attorney General alleges the following acts by defendant were deceptive and violated the Kansas consumer protection act:

a) On or about February 12, 1992, defendant sent a bill to [REDACTED], [REDACTED] - [REDACTED] [REDACTED], Kansas for magazine subscriptions.

b) [REDACTED] [REDACTED] had never ordered any magazines, but had spoken with defendant by telephone concerning defendant's collection activities directed toward her mother during a visit with her mother at the Sunset Manor Nursing Home, Waverly, Kansas.

c) In or about December, 1991, defendant sent a bill to [REDACTED] [REDACTED], [REDACTED] [REDACTED] Arkansas City, Kansas, after soliciting the sale of magazines to Mr. Hough by telephone.

d) [REDACTED] [REDACTED] had never ordered magazines from defendant.

e) In connection with its consumer transactions with [REDACTED] [REDACTED] and [REDACTED] [REDACTED] defendant committed a deceptive act under K.S.A. 1991 Supp. 50-626(b)(8) by falsely stating, knowingly or with reason to know,

that a consumer transaction involves consumer obligations.

f) Such acts were prohibited by and violated K.S.A. 1991 Supp. 50-626(a).

g) Defendant's billings to the above-named consumers were prohibited by K.S.A. 1991 Supp. 50-672(d) as defendant had not first received any written contract as described at K.S.A. 1991 Supp. 50-672(b).

5. Defendant voluntarily agrees to this consent judgment without admitting liability and without trial or adjudication of any issue of fact or law.

6. The provisions of this consent judgment will be applicable to defendant and its employees, agents or telemarketers.

7. Defendant agrees to stop and be enjoined from engaging in the acts alleged by plaintiff to be deceptive in paragraph number four.

8. Any further consumer complaints received by the Attorney General's Office will result in a cancellation of the subscription and cancellation of the consumer's account balance with defendant.

9. Upon request to defendant by any consumer living in Kansas who made a subscription agreement with defendant after July 1, 1991, defendant shall cancel the subscription and cancel any account balance with defendant.

10. Defendant agrees to and shall rescind its purported subscription agreements with the following Kansas consumers:

- a) [REDACTED], Waverly, Kansas
- b) [REDACTED], Waverly, Kansas
- c) [REDACTED], Arkansas City, Kansas
- d) [REDACTED], Salina, Kansas
- e) [REDACTED], Mulvane, Kansas
- f) [REDACTED], Topeka, Kansas
- g) [REDACTED], Cedar Point, Kansas

11. Defendant shall not enter into, form, organize, or re-organize into any partnerships, corporation, sole proprietorship or any other legal structures, for the purpose of avoiding compliance with the terms of this consent judgment.

12. Defendant agrees to pay One Thousand Five Hundred Dollars (\$1,500.00) toward investigative fees and expenses of the Attorney General. Payments will be by certified check, payable to the Attorney General of Kansas, and delivered to plaintiff at the time of entry of this consent judgment.

13. Defendant agrees to pay a \$750.00 civil penalty for each consumer transaction with Betty VanSchaick and Lester Hough, for a total of One Thousand Five Hundred Dollars (\$1,500.00) in civil penalties. As noted earlier, defendant denies the allegations of the petition at paragraph number four. Payment will be by certified check, made payable to the State of Kansas, and delivered to plaintiff at the time of entry of this consent judgment.

14. Defendant agrees to pay all court costs and filing fees.

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 K.S.A. 1991 Supp. 50-632(b), the court hereby approves the terms of the consent judgment and adopts the same as the order of this court.

Defendant is assessed any court costs and filing fees.

IT IS SO ORDERED.

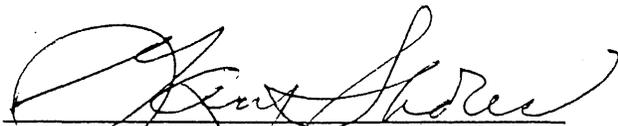
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DISTRICT JUDGE

Approved by:

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Attorney General

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