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KS DISTRICT COURT
SHAWNEE COUNTY DISTRICT

92-026

Nov 9 4 45 PM '92

GENERAL
JURISDICTION
TOPEKA KS

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 3

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

Plaintiff,

vs.

SONNY HILL JEEP-EAGLE, INC.;
SONNY HILL CHEVROLET, INC.; AND
SONNY HILL PONTIAC BUICK GMC
TRUCKS, INC.

Defendants.

Case No. 92CV1434

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this _____ day of _____, 1992, the plaintiff's petition for approval of consent judgment comes before the court for consideration under K.S.A. 1991 Supp. 50-632(b). The State of Kansas ex rel. Robert T. Stephan, Attorney General, appears by and through Shelly Gasper, Assistant Attorney General. The defendants appear by and through Clyde Meise.

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

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

2) Defendants Sonny Hill Jeep-Eagle and Sonny Hill Chevrolet are Kansas corporations. Defendant Sonny Hill Pontiac Buick GMC Trucks, Inc. is a Delaware corporation. Defendants' businesses are located in Olathe, Lawrence, and Leavenworth, Kansas. The defendants enter their voluntary general appearances and admit the court has jurisdiction over the parties and the subject matter.

3) Defendant Sonny Hill Chevrolet placed an advertisement in the Topeka Capital-Journal on February 9, 1992. A true and correct copy is attached as Exhibit A. This ad showed several vehicles with a selling price labeled "MSRP." MSRP is the common abbreviation for "manufacturer's suggested retail price."

4) Numerous vehicles listed in this advertisement with an MSRP are program vehicles, and therefore used. Only new vehicles have a manufacturer's suggested retail price.

5) Defendant represents the advertised vehicles as new when they are not new, which is a representation made knowingly or with reason to know that property is original or new, if such property has been deteriorated, altered, reconditioned, repossessed or is second-hand or otherwise used to an extent that is materially different from the representation in violation of K.S.A. 1991 Supp. 50-626(b)(1)(A).

6) Defendant Sonny Hill Pontiac Buick GMC Trucks placed an advertisement in the Kansas City Star on January 18, 1992. A true and correct copy is attached as Exhibit B. This ad showed numerous different vehicles separated into individual boxes. In one box was a car above which was stated, "Over 50 to

choose from! SSE/SSEi's IN STOCK!" Under the car was a price of \$15,990.

7) The price advertised was for an SE, the bottom-of-the-line Bonneville, not an SSE or SSEi.

8) It appears from the ad that SSE and SSEis are available for \$15,990 when they are not, which is a representation made knowingly or with reason to know that property is of a particular standard, quality, grade, style or model, when it is another which differs materially from the representation, in violation of K.S.A. 1991 Supp. 50-626(b)(1)(C). In the alternative, the representation was the willful failure to state a material fact, in violation of K.S.A. 1991 Supp. 50-626(b)(3) or an intentional concealment, suppression or omission of a material fact in violation of K.S.A. 1991 Supp. 50-626(b)(2).

9) Numerous advertisements placed by Sonny Hill dealerships contained an asterisk by the price. The asterisk refers to limitations at the bottom of the ad in small print which state "plus freight and college grad," and other similar disclosures. Exhibits B, C, and D are true and correct copies of such advertisements.

10) The limitations are printed in type size substantially smaller than other print contained in the solicitation, and are not positioned in close proximity to the advertised price. Additionally, the limitations on Exhibit B are printed using dark ink on a dark background, such that the contrast is insufficient to create reasonable notice to readers.

11) The practices described herein constitute ineffective disclosures of material fact, and intentional concealments, suppressions or omissions of material fact in violation of K.S.A. 1991 Supp. 50-626(b)(2).

12) Defendant's advertisements included restrictions for which the consumer must qualify in order to obtain the advertised price, such as "college grad," and "first time buyer," or that only apply to certain vehicles, such as factory rebates and special interest rates.

13) Because such a small percentage of people qualify for the rebates and other specials, the advertised price was not available to the majority of the general public. This false representation concerning the fact of a price reduction is a deceptive practice in violation of K.S.A. 1991 Supp. 50-626(b)(7).

14) Defendant's advertisements included restrictions for which the consumer must qualify in order to obtain the advertised price, such as "college grad," and "first time buyer," or that only apply to certain vehicles, such as factory rebates and special interest rates.

15) Such advertisements did not disclose the original price or the amount of the price reductions. By the willful use of exaggeration as to the price for which most consumers would have to pay for the vehicle, defendants have engaged in a deceptive practice in connection with a consumer transaction as defined in K.S.A. 1991 Supp. 50-626(b)(2).

16) The defendants voluntarily agree to this consent judgment without trial or adjudication of any issue of fact or law.

17) The provisions of this consent judgment will be applicable to the defendants, and every employee, agent or representative of the defendants.

18) The defendants agree to make available and/or disclose the provisions of this consent judgment to its employees, agents and representatives.

19) The defendants agree to refrain from and to be enjoined from the practices complained-of in paragraphs number 4 through 15. Additionally, defendants agree to abide by the attorney general's guidelines, attached as Exhibit E and incorporated herein by reference.

20) The defendants 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.

21) The defendants agree to pay \$5,000 in investigation fees and expenses to the Attorney General of the State of Kansas and a \$5,000 civil penalty to the State of Kansas at the time of filing this consent judgment. Payment will be by certified checks.

22) The defendants agree to allow the Attorney General to inspect relevant business records in the future.

23) The defendants agree 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.

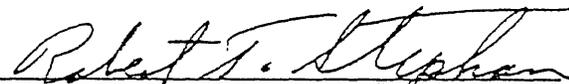
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas consumer protection act, and the provisions of K.S.A. 50-632(b), the court hereby approves the terms of the consent judgment and adopts the same as the order of the court.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the defendants will pay all court costs and filing fees.

IT IS SO ORDERED.

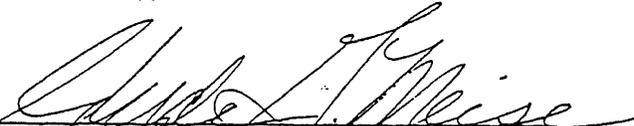

DISTRICT JUDGE

Approved by:


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