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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 7

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| STATE OF KANSAS, ex rel., |) |
| ROBERT T. STEPHAN, |) |
| Attorney General, and |) |
| WILLIAM CATON |) |
| Consumer Credit Commissioner |) |
| Plaintiffs, |) |
| vs. |) |
| GARY A. WALLACE, d/b/a AMERICAN |) |
| GOLD, and |) |
| AMERICAN GOLD, INC., |) |
| Defendants. |) |

Case 92 CY 74

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this ____ day of _____, 1992, 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 Shelly Gasper, Assistant Attorney General and on the relation of William

Caton, by and through Nancy Ulrich, Assistant Attorney General. The defendants appear by Tim O'Brien.

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 and brings this action under authority of the Kansas Consumer Protection Act.

2. William Caton is the Consumer Credit Commissioner of the State of Kansas and brings this action under the authority of the Kansas Consumer Credit Code.

3. Defendant Gary Wallace is an individual resident of Kansas. Defendant American Gold, Inc. is a Kansas corporation. Defendants' business is located at 127 S. Hydraulic, Wichita, Kansas. The defendants enter their voluntary general appearance. The defendants admit the Court has jurisdiction over the parties and the subject matter.

4. The plaintiffs allege that the defendants advance cash against a negotiable instrument, which is then held for two weeks or until the consumer's payday. The defendants charge \$30 per \$120 advanced, and other similar charges. These are unconscionable charges under K.S.A. 50-627(b)(2), and in excess of the charges permitted for a consumer loan permitted by K.S.A. 16a-2-401.

5. The defendants dispute and deny any liability for, as well as the truthfulness of the allegations described above and

voluntarily agree to this Consent Judgment without trial or adjudication of any issue of fact or law.

6. Except as set forth in this Consent Judgment, the plaintiffs hereby release, acquit and forever discharge the defendants, their present and former officers, directors, shareholders, employees, agents and representatives, from any and all liability, claims, actions, causes of action, demands, rights, damages, civil penalties, costs, interest, loss of service, expenses and compensation whatsoever that the plaintiffs now have or which may hereafter accrue against such parties, based on or arising out of the type of transactions described above which occurred prior to the approval of this Consent Judgment.

7. No actions taken by the parties hereto, or any of them, either previously or in connection with this Consent Judgment shall be deemed or construed to be an admission of the truth or falsity of any matter pertaining to any claim or defense to any alleged transactions, or an acknowledgement by any of the parties hereto of any liability to the other parties or to any person for any other claim, demand or action.

8. The provisions of this Consent Judgment will be applicable to the defendants, as well as their employees, agents or representatives.

9. The defendants agree to refrain from and to be enjoined from engaging in all acts and practices alleged by plaintiffs to be unconscionable, in paragraph number four (4).

For purposes of this agreement, defendants will be considered to be engaging in unconscionable practices if they continue to advance money in any delayed deposit check cashing transaction for any fee above that allowed by the Uniform Consumer Credit Code, or any subsequent law that is applicable to this type of activity.

10. This Consent Judgment shall be binding on the defendants, their successors and assigns, as long as the defendants engage in the business of delayed deposit check cashing under this or any other name.

11. The defendants agree to pay a total of \$1,000 in investigation fees and expenses to the Attorney General of the State of Kansas and a total of \$1,000 as a civil penalty to the State of Kansas at the time of filing this Consent Judgment. Payment will be by certified checks.

12. The defendants agree to allow the plaintiffs to inspect relevant business records of delayed deposit check cashing transactions in the future. Reasonable notice will be given for these inspections.

13. 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 is adopted and approved as the finding of the Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, K.S.A. 50-632(b) and the

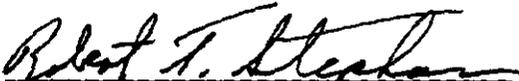
Uniform Consumer Credit Code, K.S.A. 16a-6-109, the Court hereby approves the terms of the Consent Judgment and adopts the same as the Order of the Court.

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

IT IS SO ORDERED.

JUDGE OF THE DISTRICT COURT

Approved by:


ROBERT T. STEPHAN, #05340
Attorney General


Shelly Gasper, #12896
Assistant Attorney General

Attorneys for plaintiff
State of Kansas


Nancy L. Ulrich, #11778
Assistant Attorney General

Attorney for plaintiff
Consumer Credit Commissioner



Tim O'Brien
Shook, Hardy & Bacon

Attorney for defendants.