James J. Welch, 09546 Assistant Attorney General Office of the Attorney General 301 SW 10th Topeka, Kansas 66612-1597 (913) 296-3751

> IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS Division

STATE OF KANSAS, *ex rel.*, CARLA J. STOVALL, Attorney General,

Plaintiff,

vs.

CONSUMER ACCEPTANCE NETWORK, INC. AND JEROME DAVID JONES,

Defendants.

CASE NO. 94 CV 798

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Petition Pursuant to K.S.A. Chapter 60

## JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this <u>4</u>th day of <u>4</u>, 1996, Plaintiff's Petition for Approval of Consent Judgment comes before the Court pursuant to K.S.A. 50-632(b). Plaintiff, the State of Kansas, *ex rel.* Carla J. Stovall, Attorney General, appears by and through James J. Welch, Assistant Attorney General. Defendants Consumer Acceptance Network, Inc. and Jerome David Jones appear by and through Kristopher Kuckelman..

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

1. Carla J. Stovall is the Attorney General of the State of Kansas.

The Attorney General's authority to bring this action is derived from the statutory and common law of the State of Kansas, specifically the Kansas Consumer Protection Act, K.S.A. 50-623 et seq.

 The officers and shareholders of Consumer Acceptance Network, Inc. are Jerome David Jones.

4. Defendant is a supplier within the definition of K.S.A. 50-624(i) and has engaged in consumer transactions in Kansas within the definition of K.S.A. 50-624(c) and (h).

5. Defendant admits the Court has personal and subject matter jurisdiction over the parties.

6. Defendant is a Kansas corporation engaged in retail sales through catalog orders.

7. The Attorney General alleges Defendant engaged in the following acts and practices which are deceptive and/or unconscionable and violate the Kansas Consumer Protection Act:

- a. Defendant, through its agent, is a telemarketer as defined in K.S.A. 50-671(b).
- Defendant, through its agent, does not obtain a signed confirmation as required by K.S.A. 50-672(a).
- c. Defendant, through its agent, debits consumers checking accounts for its fee without obtaining a signed confirmation as required by K.S.A. 50-672(d).
- d. Defendant refuses to refund consumers' money when requested, in violation of K.S.A. 50-672(e).

8. Defendant voluntarily agrees to this Consent Judgment without trial or adjudication of any issue of fact or law.

9. Defendant, by entering into this Consent Judgment, shall not be deemed to admit the violations of the Kansas Consumer Protection Act.

10. Defendant agrees to refrain from and to be permanently enjoined from engaging in those acts and practices alleged to be deceptive or unconscionable in paragraph 7 of this Consent Judgment, and Defendant agrees that engaging in such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Order.

11. Defendant agrees to refrain from and to be permanently enjoined from engaging in any and all deceptive and/or unconscionable acts and practices in violation of the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*, as it now exists or as amended in the future and Defendant agrees that engaging in such acts or practices after the date of this consent judgment shall constitute a violation of this Order.

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

13. Defendant agrees to make available and/or disclose the provisions of this Consent Judgment to its current employees, agents and representatives within five days of signing the Consent Judgment.

14. Defendant agrees to resolve any future unsolicited complaints filed with the Office of the Attorney General regarding Defendant after the date of this Consent Judgment to the satisfaction of the Attorney General within 30 days of the date such complaint is forwarded to Defendant for resolution.

15. Defendant agrees to be permanently enjoined from entering into, forming, organizing or reorganizing into any partnership, corporation, sole proprietorship or any other legal structures, for the purpose of avoiding compliance with the terms or this Consent Judgment.

16. Defendant agrees to pay the total sum of \$7,500.00 as restitution to "the consumers listed on Exhibit A in their respective amounts" pursuant to K.S.A. 50-632(a)(3). Payment shall be made by certified check and shall be delivered to the Attorney General of the State of Kansas at the time of signing this Consent Judgment.

17. Defendant agrees to pay all expenses and reasonable attorney's fees in connection with the collection of any amounts in this judgment, provided Defendant does not pay the amounts as agreed herein within the time frame stated.

18. Defendant agrees to maintain all business records for a period of three years and to allow the Attorney General to inspect all of Defendant's business records in the future.

19. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Consent Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the enforcement of compliance herewith, and for the punishment of violations thereof.

20. If any portion, provision, or part of this Consent Judgment is held to be invalid, unenforceable, or void for any reason whatsoever, that portion shall be severed from the remainder and shall not affect the validity or enforceability of the remaining provisions, portions or parts.

21. Compliance with this Consent Judgment does not relieve Defendant of any obligation imposed by applicable federal, state, or local law, nor shall the Attorney General be precluded from taking appropriate legal action to enforce civil or criminal statutes under her jurisdiction.

22. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the Attorney General of the business practices of Defendant nor shall Defendant represent the decree as such an approval. The parties further understand that any failure by the State of Kansas or by the Attorney General to take any action in response to any information submitted pursuant to the Consent Judgment shall not be construed as an approval of or sanction of any representations, acts or practices indicated by such information, nor shall it preclude action thereon at a later date.

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 fact and conclusions of law of the Court and any monies owed hereunder by Defendant immediately become a judgment upon filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendant in favor Plaintiff in the amount of \$7,500.00 as set forth in paragraph 16 above.

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.

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Approved by:

Carla J. Stovall, #1/1433

Attorney General

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Assistant Attorney General Kansas Judicial Center Topeka, Kansas 66612-1597 (913) 296-3751

Attorney for Plaintiff

Consumer Acceptance Network, Inc. 15145 South Keeler - Suite A Olathe, Kansas

Defendant

Jerome David Jones, President

(Home Address)

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1-20-59 (Date of Birth)

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Kristopher Kuckelman 110 West Loula Olathe, Kansas

Attorney for Defendant