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**IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS**  
**Division 10**

**STATE OF KANSAS, *ex rel.*** )  
**CARLA J. STOVALL, Attorney General,** )  
 )  
 **Plaintiff,** )  
 **v.** )  
 )  
**LESLIE EDWIN SNELL, *et al.*,** )  
 )  
 **Defendants** )  
 **and** )  
 )  
**ACCOUNTEMPS,** )  
 )  
**VILLAGE PRESBYTERIAN CHURCH,** )  
 )  
 **Intervenors.** )

**Case No. 99-C-10402**

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

**JOURNAL ENTRY OF DEFAULT JUDGMENT**

**NOW** on this 20th day of April, 2000, comes on for hearing the Motion for Judgment by Default against Defendant Leslie Edwin Snell [hereinafter "Defendant Snell"] and the Application for Judgment by Default against Defendants Education Management Associates, LLC; Association of 21<sup>st</sup> Century Scholars; Regency University; Snell Corporation; Association of the Morning Star; Cedar Creek Publishers, LLC; Monticello University of South Dakota; Thomas Jefferson Institute;

CLERK DISTRICT COURT  
JOHNSON COUNTY, KS  
2000 JUL 10 PM 2:41

University Associates, LLC; Monticello University of Hawaii; Thomas Jefferson University of Hawaii and Big Bear Syndicate, LLC, [hereinafter "corporate Defendants"] filed by the Plaintiff, State of Kansas, *ex rel.* Carla J. Stovall, Attorney General. Plaintiff appears by and through counsel, Derek L. Schmidt and Gail E. Bright, Assistant Attorneys General. There are no other appearances.

Upon review of the file and the statements of counsel, and being fully apprised of the particulars in this matter, the Court finds and concludes as follows:

1. On August 11, 1999, the Plaintiff filed a Petition [hereinafter "Plaintiff's Petition"] alleging that Defendants committed numerous deceptive and unconscionable acts in violation of the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*; numerous acts in violation of K.S.A. (1999 Supp.) 74-3201, *et seq.*, relating to the Kansas Board of Regents; numerous acts in violation of the Charitable Organizations and Solicitations Act, K.S.A. 17-1759, *et seq.*; numerous acts in violation of the common law of Kansas prohibiting the unauthorized practice of law; and numerous acts in violation of the Kansas General Corporation Code, K.S.A. 17-6001, *et seq.*

2. Each Defendant was personally served with a copy of the summons and a copy of the Plaintiff's Petition on September 2, 1999.

3. This Court has subject matter jurisdiction over this case pursuant to the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*; K.S.A. (1999 Supp.) 74-3201, *et seq.*, relating to the Kansas Board of Regents; the Charitable Organizations and Solicitations Act, K.S.A. 17-1759, *et seq.*; the law related to unauthorized practice of law pursuant to Quo Warranto, K.S.A. 60-1201, *et seq.*, and *State ex rel. Stephan v. Williams*, 246 Kan. 681, 793 P.2d 234 (1990); and the Kansas General Corporation Code, K.S.A. 17-6001, *et seq.*

4. Each Defendant is subject to *in personam* jurisdiction in this Court.

5. This Court is the proper venue for this action.
6. More than thirty (30) days have elapsed since each Defendant was served with a copy of the summons and a copy of the Petition.
7. None of the corporate Defendants has filed an answer as required by K.S.A. 60-212(a) nor has any such corporation appeared.
8. Each of the corporate Defendants is in default, pursuant to K.S.A. 60-308(a)(3).
9. Plaintiff's oral motion to renew its Application for Judgment by Default against the corporate Defendants should be sustained.
10. Plaintiff's Application for Judgment by Default against the corporate Defendants has merit and should be sustained.
11. On February 24, 2000, this Court sustained a Motion to Compel filed by the Plaintiff and ordered Defendant Leslie Edwin Snell to appear for deposition.
12. On March 2, 2000, counsel for Plaintiff notified Defendant Snell that his deposition would be conducted March 16, 2000.
13. Defendant Snell did not appear on March 16, 2000, and has not appeared for deposition as ordered by the Court.
14. On February 24, 2000, this Court ordered the parties to exchange witness and exhibit lists by March 10, 2000.
15. Defendant Snell has not filed with the Clerk of the District Court, or provided to counsel for Plaintiff, a witness and exhibit list.

16. Since February 24, 2000, counsel for Plaintiff has made repeated attempts to contact Defendant Snell, by United States Mail, facsimile, voice telephone messages and in person, for the purpose of obtaining discovery.

17. Since February 24, 2000, Plaintiff's attempts to contact Defendant Snell have been unsuccessful.

18. On March 21, 2000, counsel for Plaintiff notified Defendant Snell that Plaintiff's Motion for Judgment by Default against Leslie Edwin Snell would be heard by this Court on this date and at a specified time.

19. Plaintiff's Motion for Judgment by Default against Leslie Edwin Snell came before the Court at the time and on the date as noticed. Defendant Snell did not appear.

20. Plaintiff's Motion for Judgment by Default against Defendant Leslie Edwin Snell has merit and should be sustained.

21. More than twenty (20) days after each Defendant was served with a copy of the summons and Plaintiff's Petition, each Defendant was notified, pursuant to K.S.A. (1999 Supp.) 60-254(c) and Supreme Court Rule 118(d), that in the event of default, monetary judgment would be taken against each Defendant in the amount of \$1,509,200.00 in civil penalties and an additional \$7,500.00 in investigative fees. Defendants were further notified that in the event of default, judgment would be taken against each Defendant for an additional sum, to be subsequently determined, for payment of restitution to damaged consumers.

22. Judgment by default should be entered in favor of Plaintiff for all relief to which Plaintiff is by law entitled.

23. Plaintiff is entitled to declaratory and injunctive relief.

24. Plaintiff is further entitled to monetary judgment in the amount of \$1,509,200.00 for civil penalties, and such amount is fair and reasonable.

25. Plaintiff is further entitled to an additional monetary judgment in the amount of \$7,500.00 in investigative fees, and such amount is fair and reasonable.

26. Plaintiff is further entitled to an additional monetary judgment in an amount sufficient to compensate consumers who were damaged by the acts and practices of Defendants in violation of the Kansas Consumer Protection Act and of the Charitable Organizations and Solicitations Act.

27. There is no just reason for delay in entry of judgment by default on all claims except as to the total amount of consumer damages.

28. In light of Defendants' failure to provide information necessary to calculate the amount of consumer damages, it is fair and reasonable to permit the Consumer Protection Division of the Office of the Attorney General of the State of Kansas an additional ninety (90) days after the date of filing of this Journal Entry with the Clerk of the District Court to accept consumer complaints from consumers desiring refunds from one or more Defendants and to have those consumer damages included in the final judgment of this matter.

29. This judgment arises out of and results from an exercise of the police power of the State of Kansas for the enforcement of its laws and for the protection of the welfare of its citizens and should not be discharged, reduced, altered or otherwise affected in the event that any one or more Defendants files for bankruptcy under the laws of the United States.

**IT IS THEREFORE BY THE COURT ORDERED, ADJUDGED AND DECREED** that the Plaintiff's Motion for Judgment by Default against Defendant Leslie Edwin Snell is hereby sustained.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Plaintiff's oral motion to renew and to call up for consideration the Plaintiff's Application for Judgment by Default against the corporate Defendants is hereby sustained.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Plaintiff's Application for Judgment by Default against the corporate Defendants is hereby sustained.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is hereby entered in favor of Plaintiff and against Defendants for all relief to which Plaintiff is by law entitled, as set forth in this Journal Entry of Default Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the acts and practices alleged in paragraphs forty-eight (48) through fifty-six (56) of Plaintiff's Petition, including all subparagraphs thereof, are hereby declared to be deceptive and/or unconscionable and in violation of the Kansas Consumer Protection Act. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Leslie Edwin Snell and each other corporate Defendant, together with each Defendant's officers, directors, shareholders, incorporators, *alter egos*, employees, agents, servants, successors and assigns, are hereby permanently enjoined from engaging in the acts and practices alleged in paragraphs forty-eight (48) through fifty-six (56) of Plaintiff's Petition, including all subparagraphs thereof. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Leslie Edwin Snell and each other corporate Defendant, together with each Defendant's *alter egos*,

employees, agents, servants, and assigns, are hereby permanently enjoined from participating in any manner in the solicitation and/or sale of education-related services and/or merchandise to consumers in the State of Kansas and/or from any location within the State of Kansas.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Leslie Edwin Snell and each other corporate Defendant, together with each Defendant's officers, directors, shareholders, *alter egos*, incorporators, employees, agents, servants, successors and assigns, are hereby permanently enjoined from conferring or awarding any degree, and from purporting to confer or award, whether academic or honorary, without approval of the Kansas Board of Regents.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Leslie Edwin Snell and each other corporate Defendant, together with each Defendant's officers, directors, shareholders, incorporators, *alter egos*, employees, agents, servants, successors and assigns, are hereby permanently enjoined from offering or conducting, and from purporting to offer or conduct, any course or program leading to the award or conferral of an academic degree unless such Defendant first lawfully registers such course or program with the Kansas Board of Regents.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the corporate charter of Defendant Education Management Associates, LLC, is hereby permanently revoked.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the corporate charter of Defendant Association of 21<sup>st</sup> Century Scholars is hereby permanently revoked.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the corporate charter of Defendant Regency University is hereby permanently revoked.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the corporate charter of Defendant Snell Corporation is hereby permanently revoked.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the corporate charter of Defendant Association of the Morning Star is hereby permanently revoked.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the corporate charter of Defendant Cedar Creek Publishers, LLC, is hereby permanently revoked.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the acts and practices alleged in paragraphs sixty-eight (68) through seventy-six (76) of Plaintiff's Petition, including all subparagraphs thereof, are hereby declared to be deceptive and/or unconscionable and in violation of the Charitable Organizations and Solicitations Act. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Leslie Edwin Snell and Defendant Association of 21<sup>st</sup> Century Scholars, and each such Defendant's officers, directors, shareholders, incorporators, *alter egos*, employees, agents, servants, successors and assigns, are hereby permanently enjoined from the acts and practices alleged in paragraphs sixty-eight (68) through seventy-six (76) of Plaintiff's Petition, including all subparagraphs thereof. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Leslie Edwin Snell is hereby permanently enjoined from the practice of law and from representing that he is a lawyer unless and until he is lawfully admitted to practice law before the Supreme Court of the State of Kansas.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Monticello University of South Dakota, Defendant Thomas Jefferson Institute, Defendant University Associates,



LLC, Defendant Monticello University of Hawaii, Defendant Thomas Jefferson University of Hawaii, and Defendant Big Bear Syndicate, LLC, together with each such Defendant's officers, directors, shareholders, *alter egos*, agents, and representatives are hereby permanently enjoined from transacting any business in and/or from any location within the State of Kansas.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is hereby entered in favor of Plaintiff and against each Defendant, jointly and severally, for civil penalties in the amount of \$1,509,200.00.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment, in addition to the amount set forth above, is hereby entered in favor of Plaintiff and against each Defendant, jointly and severally, for investigative fees and expenses in the amount of \$7,500.00.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment, in addition to the amounts set forth above, is hereby entered in favor of Plaintiff and against each Defendant, jointly and severally, for the compensation of consumers who have sustained damage, pursuant to K.S.A. 50-632(c)(2) and K.S.A. 50-632(c)(8) and pursuant to K.S.A. 17-1768(c)(2) and K.S.A. 17-1768(c)(3), and that the amount of said additional judgment for consumer damages shall be the sum of all damages sustained by consumers who have filed complaints against one or more Defendants with the Consumer Protection Division of the Office of the Attorney General of the State of Kansas or who so file on or before the ninetieth (90<sup>th</sup>) day after the filing of this Journal Entry with the Clerk of the District Court. Said amount shall include, but shall not be limited to, the amounts of damages sustained by the sixteen (16) consumers listed in Attachment A, which is hereby incorporated by reference as if set forth fully in this Journal Entry of Default Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Plaintiff shall file with the Clerk of the District Court a Notice of Amount of Consumer Damages, setting forth the amount of consumer damages as calculated pursuant to the previous paragraph, and that said notice shall be deemed to be incorporated by reference as if set forth fully in this Journal Entry of Default Judgment.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Journal Entry of Default Judgment constitutes an exercise of the police power of the State of Kansas for the enforcement of its laws and for the protection of the welfare of its citizens and shall not be discharged, reduced, altered or otherwise affected in the event that any one or more Defendants files for bankruptcy under the laws of the United States.

**IT IS SO ORDERED.**

**LARRY McCLAIN**

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The Honorable Larry McClain  
Judge of the District Court

**PREPARED BY:**



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