

99-7B

Derek L. Schmidt, #17781
Assistant Attorney General
Office of the Attorney General
Kansas Judicial Center
Topeka, Kansas 66612-1597
(785) 296-3751

IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS
DIVISION 10

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

Plaintiff,

vs.

Case No. 99-C-12379

EVERETT GILBERT KNAPP III, individually,
d/b/a Knapp & Associates, and
d/b/a Knapp & Associates, Inc.,

Defendant.

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 23rd day of September, 1999, comes before the Court Plaintiff's Petition for Approval of Consent Judgment, pursuant to K.S.A. 50-632(b). The State of Kansas, *ex rel.* Carla J. Stovall, Attorney General, appears by and through Derek L. Schmidt, Assistant Attorney General. Defendant Everett Gilbert Knapp III, individually, d/b/a Knapp & Associates, and d/b/a Knapp & Associates, Inc., appears by and through counsel, Donald E. Jensen.

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

THE PARTIES

1. Carla J. Stovall is the Attorney General of the State of Kansas.
2. Defendant Everett Gilbert Knapp III, individually, d/b/a Knapp & Associates, and

d/b/a Knapp & Associates, Inc., is an individual doing business as a sole proprietor. Defendant resides at 11728 Woodward, Overland Park, Kansas 66210, and maintains a place of business at 7009 West 81st Street, Suite 201, Overland Park, Kansas 66204.

3. Defendant is a supplier as defined by K.S.A. 50-624(i).

4. At all times relevant hereto, and in the ordinary course of business, Defendant has engaged in consumer transactions in Kansas as defined by K.S.A. 50-624(c).

5. As used in this Consent Judgment, the term "craftworks" means any personal property or chattel, and specifically includes but is not limited to personal property or chattels created, built or otherwise shaped, formed or caused to exist through the individual labor or skill of any person.

JURISDICTION AND VENUE

6. Defendant enters his voluntary general appearance.

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

8. Defendant admits venue is proper in the Tenth Judicial District of Kansas (Johnson County).

ALLEGATIONS

9. The Attorney General has conducted an investigation of Defendant's business activities in the State of Kansas.

10. Based upon information gathered by and through the investigation described in paragraph nine (9), the Attorney General alleges Defendant has engaged in the following acts and practices that are deceptive and/or unconscionable and in violation of the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*:

a. Defendant, knowingly or with reason to know, represented to consumers that Defendant would assist consumers in obtaining journalistic coverage, advertising and/or other forms of publicity related to craftworks fabricated and/or owned by

the consumers. Defendant accepted samples of craftworks, which are items of value, from consumers but failed to provide any services or to return the craftworks to the consumers. Therefore, the consumers were unable to receive a material benefit from the subject of the transaction. Each such act is an unconscionable act in violation of K.S.A. 50-627(b)(3) and of K.S.A. 50-627(a).

b. Defendant represented to consumers that his business was a corporation when, in truth and in fact, it was not a corporation, a representation made knowingly or with reason to know that Defendant had a status he did not have. Each such act is a deceptive act or practice in violation of K.S.A. 50-626(b)(1)(B) and of K.S.A. 50-626(a).

c. Defendant, knowingly or with reason to know, represented to consumers that his business had multiple employees when, in truth and in fact, some or all of the "employees" other than Defendant did not exist. Consumers' contacts with such employees were, in truth and in fact, contacts with Defendant, who concealed his identity through use of alias names, including but not limited to the name Orville Timmons. Each such act is a deceptive act or practice in violation of K.S.A. 50-626(b)(1)(B) and of K.S.A. 50-626(a).

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

INJUNCTIVE RELIEF

12. Defendant agrees to refrain from and to be permanently enjoined from engaging in those acts and practices alleged to be deceptive and/or unconscionable in paragraph ten (10) of this Consent Judgment, including all subparagraphs thereof. Defendant agrees that engaging in such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Order.

CONSUMER RESTITUTION

13. Defendant agrees to pay \$675.00 as restitution to damaged consumers as set forth in paragraph fourteen (14). Payment shall be by cashier's check payable to the "Office of the Attorney General" and shall be made at the time of signing of this Consent Judgment.

14. The consumers to receive restitution pursuant to paragraph thirteen (13) are as follows:

<u>Name</u>	<u>Consumer File Number</u>	<u>Amount</u>
██████████	98-4956	\$500.00
██████████	99-0750	\$100.00
██████████	96-2235	\$75.00

15. Defendant to agrees to resolve to the satisfaction of the Attorney General any consumer complaints against Defendant that are received in the Office of the Attorney General after the date of this Consent Judgment. Defendant shall resolve each such complaint within twenty (20) days of being notified of such complaint by the Office of the Attorney General.

INVESTIGATIVE FEES AND CIVIL PENALTIES

16. Defendant agrees to pay \$750.00 in investigation fees and expenses and an additional \$750.00 in civil penalties to the "Office of the Attorney General." Payment shall be made as follows:

<u>Payment Number</u>	<u>Payment Due Date</u>	<u>Amount of Payment</u>
1	October 1, 1999	\$250.00
2	November 1, 1999	\$250.00
3	December 1, 1999	\$250.00
4	January 1, 2000	\$250.00

5	February 1, 2000	\$250.00
6	March 1, 2000	\$250.00

GENERAL PROVISIONS

17. Defendant agrees to be bound by this Journal Entry of Consent Judgment at all times after the date of entry without regard to whether Defendant acts through any principals, officers, directors, shareholders, representatives, agents, servants, employees, subsidiaries, successors, assigns or whether acting through any corporation or other entity whose acts, practices or policies are directed, formulated, or controlled by Defendant. Defendant agrees that any such act, after the date of this Consent Judgment, shall constitute a violation of this Order.

18. Defendant agrees not to enter into, form, organize or reorganize into any partnership, corporation, sole proprietorship or any other legal structures, for the purpose and/or with the effect of avoiding compliance with the terms of this Consent Judgment. Defendant agrees that any such act, after the date of this Consent Judgment, shall constitute a violation of this Order.

19. Defendant agrees to refrain from and to be permanently enjoined from representing, in any manner whatsoever and to any person or entity whatsoever, that this Consent Judgment constitutes approval by, endorsement by or authority from the State of Kansas and/or the Attorney General of the State of Kansas for the business practices of Defendant. Defendant agrees the making of any such representation, after the date of this Consent Judgment, shall constitute a violation of this Order.

20. 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 modification of any of the provisions hereof, for the enforcement of compliance herewith, and for the punishment of violations hereof.

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

22. 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.

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, the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendant Everett Knapp in the amount of \$2,175.00.

IT IS SO ORDERED.

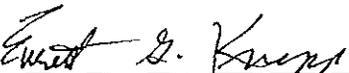
DISTRICT COURT JUDGE

Approved by:

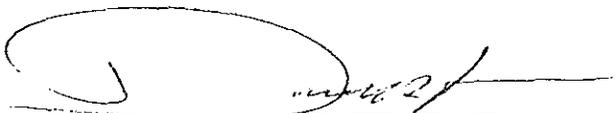

CARLA J. STOVALL, #1143B
Attorney General


Derek L. Schmidt, #17781
Assistant Attorney General
Kansas Judicial Center
Topeka, Kansas 66612-1597
(785) 296-3751

Attorneys for Plaintiff


EVERETT GILBERT KNAPP III

Defendant


Donald E. Jensen, # 8276
Cosgrove, Webb & Oman
1100 Nations Bank Tower
534 Kansas Avenue
Topeka, Kansas 66603
(785) 235-9511

Attorney for Defendant