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IN THE EIGHTEENTH JUDICIAL DISTRICT
DISTRICT COURT, SEDGWICK COUNTY, KANSAS
CIVIL DEPARTMENT

STATE OF KANSAS, <i>ex rel.</i>)
)
NOLA FOULSTON, District Attorney, Eighteenth Judicial District of Kansas)
and)
CARLA J. STOVALL, Attorney General, The State of Kansas)
Plaintiffs,)
)
vs.)
)
KOHL'S DEPARTMENT STORES INC., a Wisconsin corporation,)
Defendant.)

Case No. 000 4110

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW, on this 19th day of December, 2000, the above matter comes on for disposition on the joint motion of the plaintiffs and defendant corporation Kohls Department Stores Inc., doing business as "Kohl's", hereafter referred to as the defendant, for approval by the Court of a Consent Judgment, pursuant to K.S.A. 50-632. The plaintiff, the State of Kansas, *ex rel.* Carla J. Stovall, Attorney General of the State of Kansas appears by and through C. Steven Rarrick, Deputy Attorney General. The plaintiff, the State of Kansas, *ex rel.* Nola Foulston, District Attorney for the Eighteenth Judicial District of Kansas appears by and through John J. Kisner, Jr., Assistant District Attorney of the Eighteenth Judicial District of the State of Kansas. The defendant appears by and through Lynn D. Preheim, of the law firm Morrison & Hecker, LLP.

THEREUPON, the Court, after being duly advised in the premises, and after hearing the statements of counsel, makes the following findings, to-wit:

1. The defendant does business within the State of Kansas and has seven (7) retail locations within the state. Those stores are located in Douglas County, Shawnee County, Johnson County and Sedgwick County, Kansas.

2. The defendant, at all times mentioned herein was, and now is, engaged in the business, inter alia, of advertising for sale and the retail sale of general merchandise including clothing, jewelry, home furnishings, cookware and small appliances in their stores located within the State of Kansas.

3. The property and services provided by the defendant, as described in paragraph 2 above, involve consumer transactions as defined in K.S.A. 50-624(c), and the defendant is a supplier as defined in K.S.A. 50-624(i).

4. The plaintiffs and defendant have stipulated, agreed and consented to this final judgment without any trial or adjudication of any issue of fact or law herein and without any admission on the part of the defendant.

5. The Court has jurisdiction over the parties and the subject matter, including the consenting defendant.

6. The provisions of this judgment are applicable to the plaintiff and the defendant, its agents, employees, and representatives.

7. On numerous occasions between the dates of January 1, 2000 and June 30, 2000, representatives of the Office of the District Attorney of the Eighteenth Judicial District of Kansas reviewed the defendant's print advertisements and visited the defendant's retail stores located in

Wichita, Kansas, for the purpose of investigating, inspecting and reviewing the advertising, pricing and signage of the defendant's stores. This investigation found numerous items designated as being on "SALE." Additional signs next to those items indicated, in large type, a currently offered price and in smaller type on the sign a "Reg" or regular (higher) price was indicated. Over the period of several months the investigators noted that many of these items were continually designated by brightly colored signs as "SALE" and these items were never offered at the regular price.

8. On or about July 6, 2000, the Office of District Attorney Nola Foulston, pursuant to her authority under K.S.A. 50-631, issued a subpoena to the Store Manager of the Kohl's located at 3561 North Rock Road, in Wichita. That subpoena requested specific price information for ten (10) items selected by the District Attorney and requested the displayed regular price, the displayed sale price (if any) and the actual point-of-sale price for each day from January 1, 2000 through and including June 30, 2000, for each of the ten (10) items. The defendant's response to said subpoena confirmed that during this period of six (6) months that seven (7) of the ten (10) items were never offered at the stated reference (regular) price and the other three (3) items were each offered at the reference price for less than two (2) weeks during this period.

9. While, pursuant to K.S.A. 50-632(b) and paragraph 4 above, the defendant does not admit said violations, the information obtained by the Office of the District Attorney reveals that the defendant designated items as being on "SALE" and the defendant set forth a reference price on the signage, when in fact, the items were seldom being sold and/or offered for sale at the stated reference price. These acts and practices are in violation of K.S.A. 50-626(a) and (b)(7) of the Kansas Consumer Protection Act.

10. Information obtained by the Office of the Kansas Attorney General confirmed that the pricing policies and procedures (with regard to the use of "Sale" and "Regular" prices) found at the defendant's North Rock Road store in Wichita were consistent with those at the defendant's other Kansas stores.

IT IS THEREFORE, BY THE COURT, CONSIDERED, ORDERED, ADJUDGED AND DECREED that:

A. The defendant shall pay to the Clerk of the District Court, upon the filing of this Consent Judgment, costs in the amount of One Hundred One Dollars (\$101.00).

B. The defendant shall pay to the Clerk of the District Court, upon the filing of this Consent Judgment, the sum of Two Hundred Thousand Dollars (\$200,000), which amount is hereby found to be reasonable. Upon receipt thereof, the Clerk shall: (i) disburse Fifty Thousand Dollars (\$50,000.00) to the "State General Fund" and Fifty Thousand Dollars (\$50,000.00) to the "Sedgwick County General Fund" pursuant to K.S.A. 50-636(a); and (ii) disburse Fifty Thousand Dollars (\$50,000.00) to the "Office of the Attorney General" and Fifty Thousand Dollars (\$50,000.00) to the "Special Investigative Fund, District Attorney's Office for the Eighteenth Judicial District of Kansas" pursuant to K.S.A. 50-632(a)(4).

C. The defendant agrees to refrain from and is hereby permanently enjoined from making false or misleading representations, knowingly or with reason to know, of fact concerning the reason for, existence of or amounts of price reductions, or the price in comparison to prices of competitors or one's own price at a past or future time pursuant to the provisions of K.S.A. 50-626(b)(7).

D. The defendant shall immediately begin to implement changes necessary to come into compliance with the injunctive provisions herein. However, said injunctive provisions shall be effective and enforceable on February 15, 2001.

E. Upon filing of this Consent Judgment and receipt of the amounts set forth in paragraph B above, the defendant is released from any and all claims, demands or civil causes of action under the Kansas Consumer Protection Act arising out of any acts and practices engaged in prior to February 15, 2001 in the nature and/or of the type described in paragraphs seven (7) through ten (10) above.

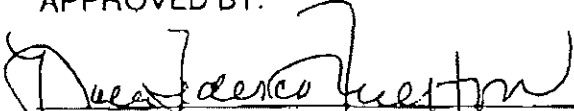
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over the parties and subject matter of this action for the purpose of rendering any additional equitable relief, orders, decrees, and judgments as by the Court may be deemed appropriate.

IT IS FURTHER BY THE COURT ORDERED that this agreement and Consent Judgment is hereby approved by this Court and shall be valid and enforceable as an Order of the Court, pursuant to K.S.A. 50-632(b).


IT IS SO ORDERED.

JUDGE OF THE DISTRICT COURT

APPROVED BY:

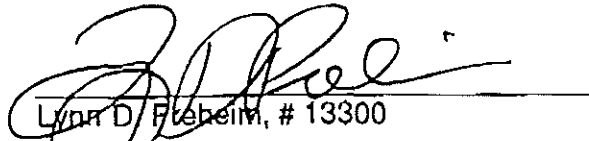


Nola T. Foulston, #09175
District Attorney

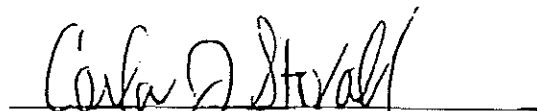


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