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LYON COUNTY DISTRICT COURT

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OLERK OF THE DISTRICT COURT

Bryan J. Brown, Bar # 17634 Deputy Attorney General Office of the Attorney General 120 W. 10th Street, 2nd Floor Topeka, KS 66612-1597 (785) 296-3751

IN THE DISTRICT COURT OF LYON COUNTY, KANSAS FIFTH JUDICIAL DISTRICT

Case No. 04CV218

JOURNAL ENTRY OF CONSENT JUDGMENT WITH DEFENDANT IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC.

NOW on this Aday of March, 2006, comes before the Court the Journal Entry of Consent Judgment entered into between the parties, pursuant to K.S.A. 50-632(b). Plaintiff, State of Kansas, *ex rel.* Phill Kline, Attorney General, appears by and through Bryan J. Brown, Deputy Attorney General. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. appears *pro se*. There are no other appearances.

WHEREUPON, the parties advise the Court they have stipulated and agreed to the following matters:

- 1. Phill Kline is the Attorney General of the State of Kansas.
- 2. The Attorney General's authority to bring this action is derived from statutory and common law of Kansas, specifically, the Kansas Consumer Protection Act, K.S.A. 50-623, et seq
- 3. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. is a Limited Liability Company organized and existing under the laws of Texas, with its principal place of business at P.O. Box 2819, Sugar Land, Texas. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. is a supplier as that term is defined by K.S.A. 50-624(j).
- 4. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. engaged in consumer transactions in Kansas as defined by K.S.A. 50-624(c).
- 5. This Court has subject matter jurisdiction over this case under the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq*. Defendant is subject to jurisdiction of the court under the Kansas Consumer Protection Act, specifically K.S.A. 50-638(a). Venue is proper in the Fifth Judicial District of Kansas (Lyon County) under K.S.A. 50-638(b)
- 6. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. stipulates that each contract that was used by Francisco Rodriguez to sell Kansas consumers failed to comply with Kansas law in some fashion.

- 7. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. stipulates that in more than one contract used by Francisco Rodriguez to sell products to Kansas consumer was predicated upon fraudulent representations.
- 8. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. stipulates that Regal Ware Inc. d/b/a Regal Ware Worldwide knew that Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. was using the LIFETIME label.
- 9. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. stipulates that Regal Ware Inc. d/b/a Regal Ware Worldwide at no time asked or ordered Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. to cease and desist representing itself as LIFETIME.
- 10. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. agrees to entry of judgment as follows:
- A. Not to set up any Independent contractor relationship in the State Of Kansas for a period of 7 years;
- B. Not to send any sales agents or sales representatives to the State Of Kansas for the next 7 years;
- C. Not collect in any outstanding balances from customers in the State Of Kansas;
- D. Imperial Ware will honor the guaranty of the products to the customers.
 - E. To pay \$2,500.00 in civil penalties to the Office of the Attorney General as investigatory costs.
 - F. To pay back to Kansas consumers, Maritza Calderon, as a consumer restitution, by certify funds, made out to Maritza Calderon in the amount of \$800.00.

- The provisions of this Consent Judgment will be applicable to Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC., and every employee, agent or representative of Defendant.
- Nothing in this Consent Judgment shall be interpreted to prevent any consumer from pursuing such remedies at law as are not inconsistent with the provisions hereof.
- 13. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. agrees to be permanently enjoined from entering into, forming, organizing or reorganizing into any partnership, corporation, sole proprietorship or any other legal structures, where such restructuring is done for the purpose or object of avoiding compliance with the terms of this Consent Judgment.
- 14. 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.
- 15. 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.
- 16. Compliance with this Consent Judgment does not relieve Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. 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. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. further understands that nothing in this Consent Judgment shall preclude the Attorney General from taking further action against Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. in promoting, soliciting or selling his services or any business associated therewith upon belief that such activity is being promoted or operated in a fashion that otherwise violates the law.

- 17. The parties understand 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.
- 18. Pursuant to the United States Bankruptcy Code, specifically 11 U.S.C. 523(a)(2)(A) and (a)(7), the judgment herein is not discharge able.
- 19. Defendant IMPERIAL WARE d/b/a LIFE TIME, I.W.C. FINANCE INC. agrees to this Consent Judgment without trial or adjudication of any issue of fact or law.
- 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.

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.

PREPARED AND APPROVED BY:

PHILL KLINE, #13249 Attorney General

Bryan J. Brown, Bar # 17634

Deputy Attorney General

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APPROVED BY:

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Defendant Prose