

CHARLES L. RUTTER, #19574
 Assistant Attorney General
 Office of the Attorney General
 Consumer Protection & Antitrust Division
 120 SW 10th Ave., 4th Floor
 Topeka, Kansas 66612-1597

2009 DEC -3 PM 2:45
 CLERK OF DISTRICT COURT
 WYANDOTTE COUNTY KANSAS
 DEPUTY

IN THE DISTRICT COURT OF WYANDOTTE COUNTY, KANSAS
 DIVISION 6
 THE HONORABLE DAVID BOAL

STATE OF KANSAS, *ex rel.*)
 STEVE SIX, ATTORNEY GENERAL,)
)
 Plaintiff,)
)
)
 v.)
)
 MARIA S. REYES, an individual d/b/a)
 LTS INSURANCE and/or LATINO TAX)
 SERVICES & INSURANCE *et al.*,)
)
 Defendants.)

Case No. 08-CV-2193

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 3rd day of December, 2009, the above-captioned matter comes before this Court for approval of a stipulated Journal Entry of Consent Judgment pursuant to K.S.A. 50-632(b). Plaintiff, State of Kansas, *ex rel.* Steve Six, Attorney General, appears by and through counsel, Charles L. Rutter, Assistant Attorney General. Defendant Maria S. Reyes appears by and through counsel, Manu K. Rattan, of Kansas City, Kansas.

THEREUPON the Court, being fully advised in the premises and taking notice of the parties' stipulations, makes the following findings of fact and conclusions of law:

I. PARTIES TO THIS AGREEMENT

1. Plaintiff, State of Kansas, ex rel. Steve Six is the duly appointed and acting Attorney General of the State of Kansas.
2. 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. 50-632(b).
3. Defendant, Maria S. Reyes ("Reyes"), is an individual who conducted business as LTS Insurance and/or Latino Tax Services & Insurance, a sole proprietorship located at 3276 Everett Ave., Suite 103, Kansas City, Kansas 66102.
4. Reyes offered tax and insurance services to patrons, and also sold "International Driver's licenses" and other Identification Cards to Kansas consumers, which is the subject of this consent judgment.

II. JURISDICTION AND VENUE

5. Defendant Reyes admits that, at all times relevant to the allegations set forth herein and, in the ordinary course of business, she acted as a "supplier" as defined by K.S.A. 50-624(j), by soliciting, advertising, and selling "International Driver's Licenses" and other Identification Cards to Kansas consumers from her business address located in Wyandotte County, Kansas.
6. Reyes admits that, at all times relevant to the allegations set forth herein and, in the ordinary course of business, she engaged in consumer transactions as defined by K.S.A. 50-624(c), either individually or through her employees, representatives, and agents.

7. Reyes admits and the Court determines personal jurisdiction over Reyes and the subject matter of this action are satisfied under K.S.A. 50-623 and K.S.A. 50-638(a).
8. Venue is also proper in the Twenty-Ninth Judicial District of Kansas (Wyandotte County) pursuant to K.S.A. 50-638(b).

III. ALLEGATIONS COMMONS TO ALL CONSUMERS

9. Plaintiff alleges that Defendant Reyes committed the following acts or practices in violation of the KCPA.
10. During 2008 and all periods relevant to the allegations set forth herein, Defendant Reyes sold "International Driver's Licenses" ("IDLs") and/or Kansas Identification Cards ("KS IDs") to approximately 248 Kansas consumers, resulting in a loss to consumers totaling \$24,810.00.¹
11. Reyes entered into an agency agreement with the other named Defendants, Vimar International Distribution Corp. ("Vimar") and/or IDL Network, Inc., ("IDLN") for the purpose of selling the invalid IDLs, KS ID Cards, and other forms of identification cards to Kansas consumers.
12. The IDLs amounted to fake versions of valid and lawful International Driving Permits ("IDPs") authorized by United Nations Convention on Road Traffic (1949) ("U.N. Treaty").

¹ See copy of aggrieved consumer spreadsheet, attached hereto as Exhibit "A."

13. Under the Treaty, signatories like the United States allow IDPs to be issued from a government affiliated licensing bureau in the driver's respective country of origin.²
14. However, Reyes was never authorized to issue valid driving permits such as the IDP, or any other driving related document.
15. Despite this fact, the IDLs sold by Reyes to consumers impliedly and/or expressly represented authorization or affiliation with the United Nations for the purpose of issuing IDLs.
16. Reyes' issuance of IDLs closely resembling authentic IDPs caused confusion to consumers and helped legitimize the sale of IDLs. The IDL, however, was not a valid IDP, driver's license, or any other kind of nationally or internationally recognized official driving document.
17. Reyes advertised IDLs to consumers using an enlarged photograph of an older version of a valid Kansas Driver's License, stating: "Obtain your form of identification in this country, International Driver's License and/or identification from Kansas or Missouri."

² The lawful and intended purpose of an IDP is to translate a foreign driver's license into the common language of a country the person is visiting. An IDP is commonly issued for a U.S. citizen who is driving in a foreign country while they are on vacation. An IDP also confirms that a person holds a legitimate foreign driver's license in their home country. The IDP is not required for foreign motorists visiting the United States. Foreign motorists who are lawfully visiting the United States can legally drive using their valid, foreign domestic driver's license for a period not to exceed one year. See Convention on Road Traffic, Nov., 8 1968, art. 1, 3 U. S. T. 3008, 125 UNTS 22. Foreign motorists lawfully visiting the United States can also obtain a non-commercial driver's license from the Kansas Department of Revenue for a fee of twenty-four dollars (\$24.00). The U.N. Treaty gives each signatory State the power to designate the association or agency that issues an IDP. Article 24 of the U.N. Treaty authorizes the U.S. Department of State to empower certain organizations to issue IDPs to those who hold valid U.S. driver's licenses. For U.S. citizens traveling abroad, the State Department designated the American Automobile Association (AAA) and the American Automobile Touring Alliance as the only authorized distributors of IDPs.

18. Reyes took pictures of Kansas consumers when purchasing their IDLs or KS ID Cards, and then sent the photos to Defendants Vimar and/or IDLN for processing.
19. Working with Vimar and IDLN, Reyes created documents that resembled official IDPs in the form of IDLs and blue passport-like booklets. Defendants also created invalid KS ID Cards and other identification cards for consumers using official looking government seals, logos, and/or state names.
20. Reyes, working as an agent for Vimar and/or IDLN, used the official looking blue passport-like booklet, along with information stated directly on the IDLs, to represent to consumers that IDLs were recognized as a valid driving document by government authorities, which is inconsistent the law and mouse print disclaimers used on Defendants' websites. Such inconsistencies were confusing and misleading to consumers.
21. Reyes sold IDLs to consumers for a price of approximately One Hundred Dollars (\$100.00). In contrast, a valid, non-commercial Kansas driver's license can be obtained from the Kansas Department of Motor Vehicles for approximately twenty-four dollars (\$24.00). A valid IDP could have been obtained by consumers from an authorized government affiliate, the American Automobile Association (AAA), for a price of only fifteen dollars (\$15.00).
22. Reyes also sold KS ID Cards to consumers for a price of approximately eighty dollars (\$80.00). In contrast, a valid Kansas identification card for individuals 65 years of age and younger can be purchased from the Kansas Department of Revenue for fourteen dollars (\$14.00). For individuals over age 65, such ID cards are available for ten dollars (\$10.00).

IV. ALLEGED VIOLATIONS OF THE KCPA

A. DECEPTIVE ACTS OR PRACTICES

(Misrepresentations as to characteristics, uses, and benefits of IDLs)

23. Defendant Reyes engaged in deceptive conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-626(b)(1)(A), in that she knowingly, or with reason to know, made express or implied representations that IDLs had sponsorship, approval, characteristics, uses, and benefits they did not have (*i.e., stating that IDLs were valid translations of driver's licenses or driver's licenses; IDLs would help drivers when stopped by police; that most if not all countries recommend or mandate use of IDLs; using official looking logos like "IAA" rather than AAA, and making references to the U.N. Treaty on both the IDL and blue passport-like book*).
24. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

B. DECEPTIVE ACTS OR PRACTICES

(Misrepresentations as to characteristics, uses, and benefits of IDLs)

25. Defendant Reyes engaged in deceptive conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-626(b)(1)(A) and (B), in that she knowingly, or with reason to know, made implied or express representations to consumers that her company had sponsorship, approval, characteristics, uses, and benefits that they did not have (*i.e., representing that IDLs were akin to IDPs as valid translations of driver's licenses or driver's licenses; IDLs would help drivers when stopped by police; that most if not all countries recommend or mandate use of IDLs; using official looking logos like "IAA" rather than AAA,*

and making references to the U.N. Treaty on both the IDL and blue passport-like book in order to suggest to consumers that her company or its affiliates were somehow affiliated or sponsored by the government to sell valid IDPs).

26. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

C. UNCONSCIONABLE ACTS OR PRACTICES

(Sale and Advertising of Fake Driver's Documents to Kansas Consumers)

27. Defendant Reyes engaged in unconscionable conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-627(a), (b)(1) and (b)(2), in that she knew or had reason to know IDLs were not valid translations of driver's licenses or driver's licenses, thereby taking advantage of the inability of consumers to reasonably protect their own interest due to ignorance, illiteracy, or inability to understand the English language.
28. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

D. UNCONSCIONABLE ACTS OR PRACTICES

(Sale and Advertising of Fake Driver's Documents to Kansas Consumers)

29. Defendant Reyes engaged in unconscionable conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-627(b)(2), in that she knew or had reason to know the prices charged to consumers for IDLs grossly exceeded the price at which similar but legitimate products were readily obtainable in similar transactions.
30. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

E. UNCONSCIONABLE ACTS OR PRACTICES

(Sale and Advertising of Fake Driver's Documents to Kansas Consumers)

31. Defendant Reyes engaged in unconscionable conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-627(b)(3), in that she knew or had reason to know consumers received no material benefit in purchasing IDLs from her.
32. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

F. UNCONSCIONABLE ACTS OR PRACTICES

(Sale and Advertising of Fake Driver's Documents to Kansas Consumers)

33. Defendant Reyes engaged in unconscionable conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-627(b)(6), in that she knew or had reason to know that statements to consumers about the validity and uses of IDLs were misleading, and that consumers were likely to rely on such statements to their detriment.
34. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

G. UNCONSCIONABLE ACTS OR PRACTICES

(Sale and Advertising of KS ID Cards to Kansas Consumers)

35. Defendant Reyes engaged in unconscionable conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-627(b)(1) and (2), in that she knew or had reason to know that such cards presented to consumers with official looking government seals, logos, or references to states took advantage of the inability of the consumers to reasonably protect their own interest because of

ignorance, illiteracy, inability to understand the English language, or similar factor regarding the availability of valid Kansas identification cards.

36. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

H. UNCONSCIONABLE ACTS OR PRACTICES

(Sale and Advertising of KS ID Cards to Kansas Consumers)

37. Defendant Reyes engaged in unconscionable conduct in connection with consumer transactions in Kansas pursuant to K.S.A. 50-627(b)(2), in that she knew or had reason to know the purported "KS ID Cards" sold by her to consumers were not valid documents, and were readily obtainable through authentic sources at prices greatly reduced from what she was charging consumers.

38. Each time such acts or practices were committed constituted a distinct and separate violation under the KCPA.

V. AGREED REMEDIES

39. Defendant Reyes agrees to entry of judgment against her, and to be permanently enjoined from committing the acts or practices set forth herein in any ongoing or future consumer transactions in this State.
40. Reyes agrees that her agents, employees, and representatives are also permanently enjoined from committing the acts or practices described above in any ongoing or future consumer transactions in this State.
41. Reyes agrees to pay consumer restitution in the amount of **\$10,000.00**. Said payment is to be made by cashier's check payable to the Office of the Kansas Attorney General as follows:

(1) On or before December 31, 2009, Reyes shall pay \$2,500.00;

(2) On or before April 30, 2010, Reyes shall pay \$7,500.00.

42. The Attorney General shall hold all restitution monies until the balance is paid in full, and then distribute the same *pro rata* to consumers who are able to be notified through reasonable efforts, and who comply with an opt-in plan implemented by the Attorney General's Office in its sole discretion. Any remaining balance in said fund shall revert to the Attorney General to compensate for reasonable investigative fees and expenses associated with this case, pursuant to K.S.A. 50-636. The Attorney General shall also file with the court a satisfaction of judgment after receipt of the \$10,000 payment.

43. Compliance with this Consent Judgment does not relieve Reyes 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 his jurisdiction.

44. The parties understand this Consent Judgment shall not be construed as an approval or sanction by the Kansas Attorney General of the business practices of Reyes, nor shall Reyes represent the decree of such 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

45. Nothing in this Consent Judgment shall be construed to limit the rights of any consumers from pursuing any and all legal remedies they may be entitled to assert individually through a private cause of action.
46. Defendant Reyes acknowledges and agrees this Court has continuing jurisdiction over this matter pursuant to K.S.A. 50-632(b) and, any breach of the conditions set forth herein, shall be treated as a violation of the Court's order and shall be subject to further penalties under the law.
47. This Court shall also retain such jurisdiction 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 relief as may be necessary or appropriate for the modification or compliance of any provisions contained herein. This Court shall also retain jurisdiction if any violation of any term of this Consent Judgment is committed.
48. Defendant further acknowledges and agrees that, pursuant to the United States Bankruptcy code, specifically 11 U.S.C 523(a)(2)(A) and (a)(7), and due to the nature of the conduct underlying this agreement, the judgments herein shall not be dischargeable in any federal court bankruptcy proceeding commenced after the entry of this judgment.
49. 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.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the stipulations and agreements of the parties contained herein are found to be reasonable and

are hereby adopted and approved as the findings of fact and conclusions of law of the Court.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is hereby entered against Defendant Reyes and in favor of the Plaintiff and named consumers in the amounts set forth herein.

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, or judgments as may be requested by the parties or may be deemed appropriate by 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



The Honorable David W. Boal

Respectfully submitted and approved by:
STEVE SIX, Attorney General,



CHARLES L. RUTTEK, #19574
Assistant Attorney General
Office of the Attorney General
Consumer Protection & Antitrust Division
120 SW 10th Ave., 4th Floor

I hereby certify the above and foregoing to be a True and correct copy, the original of which is filed and entered record in this court.

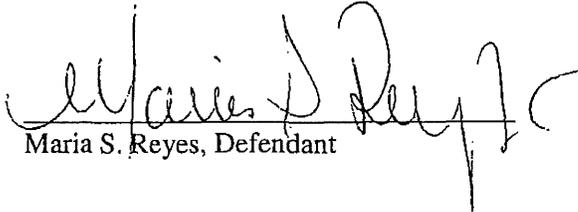
CLERK DISTRICT COURT
WYANDOTTE CO, KS
DATE 11/22/09
by [Signature] Deputy.

Topeka, Kansas 66612-1597
Tel: 785-368-8443
Email: charles.rutter@ksag.org
Attorney for the Plaintiff, State of Kansas

Attorney for Defendant Reyes:



Manu Rattan, #20802
Rattan Law Firm, LLC
2100 Silver Avenue
Kansas City, KS 66109
Tel: 913.432.0660
Fax: 913.432.3218
www.mykclawyer.com/rattan
Attorney for Defendant Maria S. Reyes d/b/a LTS Insurance



Maria S. Reyes, Defendant