James R. McCabria, #16563 Assistant Attorney General Office of the Attorney General 120 SW 10<sup>th</sup> Street, 2<sup>nd</sup> Floor Topeka, KS 66612-1597 (785) 296-3751

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

STATE OF KANSAS, <i>ex rel.</i> PHILL KLINE, Attorney General	> - 06CV0783
Plaintiff	/ }
<b>v.</b>	) Case No. 06-C
STEVEN IMPORT GROUP, INC. D/B/A STEVEN SUBARU-ISUZU Inc., a Kansas Corporation,	FILED _ 2006 FFB 2. CLERK C. ISTH JUDI SEDGWIO BY
JASON MATTHEW WOLFF, an individual and	F DIST.
MATTHEW LEE HASKINS, an individual	) $)$ $(12)$ $(12)$ $(12)$
Defendants	)   <sup>S</sup> <sup>S</sup> <sup>T</sup> <sup>2</sup> 1

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

## JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 22 day of February, 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 James R. McCabria, Assistant Attorney General. Defendant appears by and through counsel, Todd E. Shadid. There are no other appearances.

WHEREUPON, the Parties advise the Court they have stipulated and agree 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 Steven Import Group, Inc. ("Steven Import") is a Kansas Corporation in good standing, with principal place of business at 6631 East Kellogg, Wichita, Kansas, 67207. Steven Import Group, Inc. did or does business as Stevens Subaru-Isuzu, Inc., at 6637 East Kellogg, Wichita Kansas, in connection with the consumer transaction at issue herein. Defendants Jason Wolff and Matthew Lee Haskins are employees of Defendant Steven Import and were so employed at all relevant times herein.

4. Defendants are each suppliers within the definition of K.S.A. 50-624(j) and at all relevant times have engaged in consumer transactions in Kansas within the definition of K.S.A. 50-624(c). The nature of Defendants business is selling and soliciting consumers to enter into contracts to purchase and/or finance automobiles.

5. Defendants each admit that this Court has personal and subject matter jurisdiction over all matters and parties hereto.

6. On or about October 5, 2004, Defendants entered into a consumer transaction with Birgindi Clayton for the purchase of a used 2002 Chevrolet Cavalier (VIN1G1JC524327388062).

7. The Attorney General alleges the following described facts relating to the above transaction constitutes violations of the Kansas Consumer Protection Act:

A) Prior to entering into the Clayton transaction, Defendant Wolff assured Birgindi Clayton that he had verified that he and/or Defendant Steven Import has obtained financing for the Cavalier that she selected and that the terms any described act constitutes a violation of the Kansas Consumer Protection Act.

9. The parties agree that paragraph Seven sets forth the Attorney General's allegations as to the acts and circumstances that constitute the alleged violations of the Kansas Consumer Protection Act in connection with the transaction Birgindi Clayton entered into with the Defendants. The parties further agree that it is the Attorney General's position that it is the totality of the circumstances which, taken together, work to constitute the violations set forth and that no single act, taken out of the context of the particular transaction, can be said to constitute the violation.

Without limiting the application of those facts or alleged violations to any future action which the Attorney General may assert against any one or all of these Defendants, the parties agree that, in particular, the conduct described in subparagraphs (G), (I), (N), (R) and (S) of Paragraph Seven is intended by the Attorney General to constitute the acts that bring the transaction into conflict with the KCPA and that such conduct in the context of similar consumer transactions would violate this Consent Judgment.

Defendants, without admitting that any violations occurred in this case, agree to refrain from and be permanently enjoined from engaging in the conduct set forth in the above sub-paragraphs in any future consumer transactions.

10. Defendants agree to pay \$5,769.40 in investigative fees, expense and civil penalties to the "Office of the Attorney General" of the State of Kansas. Payment shall be by cashier's check and shall be delivered to the Attorney General of the State of Kansas upon signing this Consent Judgment. Defendants shall pay the sum of \$1,230.60 as damages to Birgindi Clayton. Payment shall be by cashier's check and shall be made payable to Birgindi Clayton.

5

11. The provisions of the Consent Judgment will be applicable to Defendants, and every employee, agent, or representative of Defendant Steven Import insofar as the prohibitions of paragraph Nine. Insofar as the Attorney General has the authority to seek enhanced civil penalties pursuant to K.S.A. 50-636(b) for a willful violation of any terms of a consent judgment, the provisions of this Consent Judgment shall be limited to a period of three years from its effective date. Nothing in this paragraph shall be construed to in any way limit the authority of the Attorney General to proceed against any or all of the Defendants for any future violation of law but is intended only to apply to the issue of what civil penalties may be sought for such violations

12. Defendant Steven Import agrees to be permanently enjoining from entering into, forming, organizing or reorganizing into any partnership, corporation, sole proprietorship or any other legal structure, where such restructuring is done for the purpose or object of avoiding compliance with the terms of this Consent Judgment.

13. 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 or compliance herewith, and for the punishment of violations hereof.

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

6

15. Compliance with this Consent Judgment does not relieve Defendants of any obligation imposed by applicable federal, state or local law, nor shall this Consent Judgment preclude the Attorney General from taking appropriate legal action to enforce civil or criminal statutes under his jurisdiction. Defendants further understands that nothing in this Consent Judgment shall preclude the Attorney General from taking further action against Defendants in operating this or any other program upon belief that the program is being promoted or operated in a fashion that otherwise violates the law.

16. 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 Defendants nor shall Defendants represent the decree as such an 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 which the Attorney General now has in his possession and believes forms the basis for a violation of any law within his jurisdiction to enforce shall not be construed as an approval of or sanction of any representations, acts or practices indicated by such information, nor shall it preclude action thereon at a later date.

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 and any monies owed hereunder by Defendant shall immediately become a judgment upon filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against the Defendant and in favor of Plaintiff in the amount of \$7,000.00 and payment of such amount as directed in paragraph 10 shall constitute satisfaction of this judgment.

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.

MANDAU

Judge of the District Court

PREPARED AND AF PROVED BY: fill Kline, #132 Attorney General

James R. McCabria, #16563 Assistant Attorney General 120 SW 10<sup>th</sup> Avenue, 2<sup>nd</sup> Floor Topeka, Kansas 66612-1597 (785) 296-3751 Attorney for Plaintiff

APPROVED BY:

Todd E. Shadid, #16615 Klenda, Mitchell, Austerman & Zuercher, LLC 1600 Epic Center 301 North Main Wichita, KS 67202-4888 Attorney for Defendants