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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS

Division 12

FILED BY CLERK
KS. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, KS

2011 JAN 19 P 3:17

STATE OF KANSAS, *ex rel.*)
 DEREK SCHMIDT, Attorney General,)
)
 Plaintiff,)
)
 v.)
)
 RBSL Group, Inc.)
)
 and)
)
 Funding Universe, Inc.)
)
 Defendants.)

Case No. 11CL65

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

JOURNAL ENTRY CONSENT JUDGMENT

NOW on this 19th day of January, 2011, Plaintiff's Journal Entry of Consent Judgment comes before the Court pursuant to K.S.A. §50-632(b). The Plaintiff, State of Kansas, *ex rel.* Derek Schmidt, Attorney General, appears by and through Benjamin Miller-Coleman, Assistant Attorney General.

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

PARTIES, JURISDICTION AND VENUE

1. Derek Schmidt is the duly appointed, qualified and acting Attorney General for 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 ("KCPA"), K.S.A. §50-623, *et seq.*

3. Defendant Funding Universe, Inc. and RBSL Group, Inc. ("RBSL") are a corporation organized and existing under the laws of Utah.

4. Defendant Funding Universe and RBSL Group, Inc. have a principal place of business at 3630 W. South Jordan Parkway, Suite 201 in South Jordan, Utah 84095.

5. All references to Defendant herein include acts individually, in concert, or by or through employees, agents, representatives, affiliates, assignees and successors.

6. Defendant stipulates and admits that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties, pursuant to K.S.A. 50-623 *et seq.*

7. Defendant stipulates and admits that venue is proper in this Court.

8. Defendant is a supplier within the definition of K.S.A. §50-624(j).

9. Defendant is engaged in consumer transactions in Kansas within the definition of K.S.A. §50-624(c).

DEFINITIONS

10. "Defendant" shall mean Funding Universe, Inc., RBSL Group, Inc. and any other aliases and fictitious names Funding Universe, Inc. operates under; its employees, directors, officers, owners, members, managers, parents, agents, assigns, and all other persons or entities acting in concert with Funding Universe or on its behalf, and Funding Universe's predecessors, subsidiaries, affiliates, and successors.

11. "Represent" means to state or imply, directly or indirectly, through claims, statements, questions, conduct, graphics, symbols, lettering, formats, devices, language, documents, messages, or any other manner or means by which meaning might be conveyed. This definition applies to other forms of the word "represent."

ALLEGATIONS

12. Defendant engages in consumer transactions in the form of the practice of loan assistance, which includes, but is not limited to, assisting consumers secure loans or obtain lines of credit for personal or business use.

13. The Plaintiff alleges that Defendant, while engaging in consumer transactions, committed deceptive acts in violation of the KCPA, specifically, but not limited to, K.S.A. §50-626. The Plaintiff alleges the following:

- a. Defendant engaged in a deceptive act in connection with a consumer transaction in violation of the KCPA, K.S.A. §50-626(a).
- b. Defendant made representations knowingly or with reason to know that the services had sponsorship, approval, accessories, characteristics, uses, benefits or quantities that it did not have in violation of the KCPA, K.S.A. §50-616(b)(1)(A).
- c. Defendant committed an unconscionable act by inducing a Kansas Consumer into a transaction that was excessively one-sided in favor of the Defendant in violation of the KCPA, K.S.A. §50-627(b)(5).
- d. Defendant committed an unconscionable act by taking advantage of the consumer's inability to understand the language of the contract in violation of the KCPA, K.S.A. §50-627(b)(1).
- e. Defendant committed an unconscionable act when the price of their product grossly exceeded the price at which similar services were readily obtainable in similar transactions by similar consumers in violation of the KCPA, K.S.A. §50-627(b)(2).
- f. Defendant committed an unconscionable act when the consumer was unable to receive a material benefit from the subject of the transaction in violation of the KCPA, K.S.A. §50-627(b)(3).
- g. Defendant made a misleading statement of opinion on which the consumer was likely to rely on to the consumer's detriment in violation of the KCPA, K.S.A. §50-627(b)(7).

14. Defendant specifically denies the allegations contained in paragraph 13.

15. Defendant further alleges that, if any allegations contained in paragraph 13 are true, which Defendant denies, then any such acts constitute a bona fide error and are therefore not violations of the Kansas Consumer Protection Act, KSA 50-623 *et seq.*

INJUNCTIVE RELIEF

16. Defendant agrees to refrain, and to be permanently enjoined, from engaging in those acts and practices set forth in paragraphs thirteen (13) herein, and Defendant agrees that engaging in any such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Consent Judgment.

17. Defendant agrees to comply with all Kansas laws, statutes, rules and regulations, relating to consumer transactions in Kansas, specifically, but not limited to, the Kansas Consumer Protection Act, K.S.A. §50-623, *et seq.*

18. Defendant agrees to offer a full refund to any Kansas Consumer who requests a refund within 60 days of the date of sale.

19. Defendant agrees to advertise the refund offer to Kansas Consumers on their website and in all contracts.

20. Defendant agrees to cooperate with the Office of the Kansas Attorney General in investigating and remedying any complaints filed with the Consumer Protection Division pertaining to the KCPA.

21. Defendant agrees to be permanently enjoined from entering into, forming, organizing or reorganizing into any partnership, corporation, sole proprietorship or any other legal structures, for the purpose of avoiding compliance with the terms or this Consent Judgment.

22. Defendant agrees to make available and/or disclose the provisions of this Consent Judgment to each officer, director, member, manager, employee, agent, independent contractor

and representative having responsibilities with respect to the subject matter of this Consent Judgment within ten (10) days of signing the Consent Judgment, or within fifteen (15) days after any person assumes such position or responsibilities.

INVESTIGATIVE FEES

23. Defendant agrees to pay to the Office of the Kansas Attorney General \$5,000.00 in investigative fees, pursuant to K.S.A. §50-632.

24. Payment from Defendant shall be made by check and shall be delivered to the Office of the Kansas Attorney General at the time of signing this Consent Judgment.

25. Defendant agrees that pursuant to 11 U.S.C. §§523(a)(2)(A) and 523(a)(7), and due to the nature of the conduct underlying this settlement, any unpaid restitution, penalties and/or fees shall not be dischargeable in any bankruptcy proceeding commenced after the entry of this Consent Judgment.

GENERAL PROVISIONS

26. The provisions of this Consent Judgment will be applicable to Defendant, and every employee, agent or representative of the Defendant.

27. 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 thereof.

28. This Consent Judgment is being entered into by the parties for the purpose of compromising all issues asserted herein and Defendant makes no admissions of liability by entering into such judgment.

29. 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.

30. 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 his jurisdiction.

31. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the Attorney General of the business practices of the Defendant nor shall Defendant 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 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 information, nor shall it preclude action thereon at a later date.

32. Each of the Defendant's representatives, signing this Journal Entry of Consent Judgment, warrants that the representative has been duly authorized by the Defendant for whom the representative appears to be acting to enter and execute this Journal Entry of Consent Judgment on behalf of the Defendant. Defendant further represents that it has had an opportunity to consult with and obtain the advice of private legal counsel prior to entering into this Consent Judgment.

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 immediately become a judgment upon filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendant and in favor of Plaintiff in the amount of \$5,000.00 in investigative fees.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant pay all costs associated with this action.

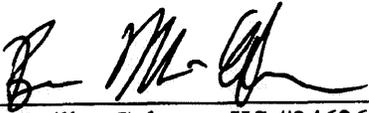
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. §50-632(b), the court hereby approves the terms of the Consent Judgment and adopts the same as the Order of the Court.

IT IS SO ORDERED.

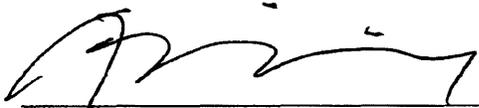

DISTRICT COURT JUDGE

Prepared and approved by:

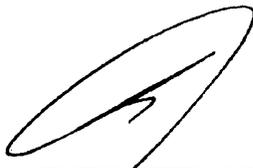
PLAINTIFF:


Ben Miller-Coleman KS #24626
Assistant Attorney General
Office of Kansas Attorney General
120 Southwest 10th Ave., 2nd Floor
Topeka, Kansas 66612-1597
(785) 296-3751
ben.coleman@ksag.org
Attorney for Plaintiff

DEFENDANT:



Levi King, President
Funding Universe, Inc.
3630 W South Jordan Pkwy, Ste 202
South Jordan, UT 84095
(801) 255-2495
levi.king@fundinguniverse.com



Jennifer Marie Zook, KS #23834
Law Office of
JURGENSEN ZOOK, P.A.
1111 SW Gage Blvd., Suite 300
Topeka, Kansas 66604-2285
(785) 408-5888; (785) 408-5890 FAX
Attorney for Defendant