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FILED BY CLERK  
K.S. DISTRICT COURT  
THIRD JUDICIAL DIST.  
TOPEKA, KS.  
2014 APR 28 P 3:46

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS  
Division 6

STATE OF KANSAS, *ex rel.* )  
DEREK SCHMIDT, Attorney General, )  
 )  
Plaintiff, )

v. )

Case No. 13 C 1467

OUTREACH MARKETING GROUP LLC )  
and )  
DIRECT SOURCE MEDIA LLC )  
and )  
SECURE 1, INC. )  
d/b/a )  
SECURE ONE SYSTEMS )  
a/k/a )  
SECURITY ONE SERVICE )  
 )  
Defendants. )

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 28<sup>th</sup> day of APRIL, 2014, 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 Meghan E. Stoppel, Assistant Attorney General. Defendants Outreach Marketing Group LLC, Direct Source Media LLC, and Secure 1, Inc. d/b/a Secure One Systems a/k/a Security One Service appear by and through the undersigned counsel.

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 elected, 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, K.S.A. 50-623, *et seq.*

3. Defendant Outreach Marketing Group LLC ("Defendant Outreach") is a California limited liability company with a principal place of business at 2850 Red Hill Avenue, Suite 120, Santa Ana, California 92705.

4. Defendant Direct Source Media LLC ("Defendant Direct Source") is a California limited liability company with a principal place of business at 2850 Red Hill Avenue, Suite 120, Santa Ana, California 92705.

5. Defendant Secure 1, Inc. ("Defendant Secure 1") is a California corporation doing business as "Secure One Systems" and "Security One Service," with a principal place of business at 17993 Cowan, Irvine, California 92614.

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

7. Defendants stipulate and admit that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties.

8. Defendants stipulate and admit that venue is proper in this Court.

## ALLEGATIONS

9. Defendants acted as a “telephone solicitors” in Kansas, as that term is defined by K.S.A. 50-670(a)(3).

10. Defendants engaged in “consumer telephone calls” in Kansas, as that term is defined by K.S.A. 50-670(a)(1).

11. Defendants contacted Kansas consumers by telephone for the purpose of soliciting the sale of residential security products and services, including but not limited to products and services described by Kansas consumers as “home security systems” and “security monitoring services.”

12. Defendants, while conducting the aforementioned solicitations in Kansas, engaged in acts and practices in violation of the Kansas No Call Act, K.S.A. 50-670 *et seq.* and the Telemarketing Sales Rule, 16 C.F.R. § 310 *et seq.*, which acts and practices include, but are not limited to:

- a. making, or causing to be made, unsolicited consumer telephone calls to Kansas consumers whose telephone numbers are listed on the National Do Not Call Registry, in violation of K.S.A. 50-670a and 16 C.F.R. § 310.4(b)(1)(iii)(B);
- b. failing to consult the National Do Not Call Registry prior to making unsolicited consumer telephone calls in Kansas, in violation of K.S.A. 50-670a(b); and
- c. failing to identify the business on whose behalf Defendants were soliciting during the aforementioned telephone calls, in violation of K.S.A. 50-670(b)(2) and 16 C.F.R. § 310.4(d)(1).

13. Pursuant to K.S.A. 50-632(b), this Consent Judgment is not an admission by the Defendants of a violation of the Kansas No Call Act or any other applicable law or regulation as alleged by Plaintiff. Notwithstanding, Defendants agree to this Consent Judgment without trial or adjudication of any issue of fact or law solely for the purpose of settlement.

14. Defendants specifically deny the allegations set out in paragraphs 11 and 12 above, but share with Plaintiff an interest in resolving this dispute efficiently and effectively and thereby agree to the entry of this Consent Judgment.

#### INJUNCTIVE RELIEF

15. Defendants agree to refrain, and to be permanently enjoined, from engaging in those acts and practices set forth in paragraph twelve (12), and Defendants agree that engaging in any such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Consent Judgment.

16. Defendants agree 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.* and the Kansas No-Call Act, K.S.A. 50-670, *et seq.*

17. Defendants agree to comply with the Telephone Consumer Protection Act, 47 U.S.C. § 227 *et seq.*, the Telemarketing Consumer Fraud and Abuse Prevention Act, 15 U.S.C. § 6101 *et seq.*, and all federal regulations promulgated thereby, including the Telemarketing Sales Rule, 16 C.F.R. § 310 *et seq.*

18. Defendants agree to cooperate with the Office of the Kansas Attorney General in investigating and remedying any complaints filed with the Consumer Protection Division.

19. Defendants agree 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 of this Consent Judgment.

20. Defendants agree 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.

21. Defendants shall require their independent contractors comply with the terms set forth in this Consent Judgment.

22. Defendants agree that the terms of this Consent Judgment apply to acts performed individually, in concert, or by or through its employees, agents, representatives, affiliates, assignees and successors.

**INVESTIGATIVE FEES AND CIVIL PENALTIES**

23. Defendants agree to pay to the Office of the Kansas Attorney General ten thousand dollars (\$10,000.00) in investigative fees and civil penalties for violations of the Kansas No Call Act, pursuant to K.S.A. 50-670(g) and 50-670a(m). Upon receipt of payment in full, Plaintiff agrees to release and discharge Defendants from all claims Plaintiff could have brought for civil penalties, costs, and/or investigative fees under the Kansas No Call Act, K.S.A. 50-670 *et seq.*, or the Telemarketing Sales Rule, 16 C.F.R. § 310 *et seq.*, based on Defendants' conduct prior to the date of entry of this Consent Judgment.

24. Defendants agree to pay the aforementioned fees and penalties in six (6) installments as follows:

- a. Defendants shall pay \$2,000.00 to the Office of the Kansas Attorney General at the time of signing this Consent Judgment. The remaining \$8,000.00 shall be paid in five (5) equal installments of \$1,600.00 due on or before the first day of each month thereafter, beginning on June 1, 2014.

b. Defendants agree that time is of the essence for each of the aforementioned payments, and Defendants shall be responsible for the timely submission thereof.

25. Payment shall be made in the form of a cashier's check, money order or other certified funds payable to the Office of the Kansas Attorney General, mailed to:

Meghan E. Stoppel, Assistant Attorney General  
Office of the Kansas Attorney General  
120 SW 10<sup>th</sup> Ave, 2<sup>nd</sup> Floor  
Topeka, Kansas 66612

26. Defendants agree to be held jointly and severally liable for the entire amount set forth in paragraph twenty-two (22).

27. Defendants agree 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 penalties and/or fees shall not be dischargeable in any bankruptcy proceeding commenced after the entry of this Consent Judgment.

#### **OTHER PROVISIONS**

28. Jurisdiction is retained by this Court only 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.

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 the Defendants 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 Defendants nor shall the 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 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. Each 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 Defendants immediately become a judgment upon filing.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendants and in favor of Plaintiff in the amount of \$10,000.00.

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:

  
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DEFENDANTS:

  
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