



Court: Marion County District Court
Case Number: 2018-CV-000030
Case Title: State of Kansas ex rel Derek Schmidt Atty General
vs. Terence J. Rohleder, et al.
Type: Journal Entry of Consent Judgment

SO ORDERED.

A handwritten signature in blue ink, appearing to read "Steven Hornbaker".

/s/ Honorable Steven Hornbaker, District Court
Judge

3. Mid-America Opportunity Research Enterprises, Inc., (“M.O.R.E.”) has a principal place of business located at 606 Main St. Suite 202, Newton, Harvey County, Kansas, 67114. M.O.R.E. previously operated its business at 305 East Main, Goessel, Marion County, KS 67053.

4. M.O.R.E. is a Kansas corporation organized under the laws of the State of Kansas registered with the Kansas Secretary of State in good standing.

5. Terence Rohleder (“Rohleder”) is an individual and serves as President of M.O.R.E.

6. Rohleder resides at 2048 Highway K-168, Lehigh, KS.

7. All references to the Defendants herein include acts performed individually, in concert, or by or through employees, directors, officers, owners, managers, agents, assigns, and all other persons or entities acting in concert with them or on their behalf, including their predecessors, subsidiaries, affiliates and successors.

8. The Court has subject matter and personal jurisdiction pursuant to the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*

9. Venue is proper under K.S.A. 50-638(b) in the Eighth Judicial District, Marion County, Kansas.

10. At all times relevant hereto, Defendants have acted as a “supplier” as defined by K.S.A. 50-624(l).

11. At all times relevant hereto, Defendants have engaged in “consumer transactions” as defined by K.S.A. 50-624(c).

ALLEGATIONS

12. The Plaintiff alleges that Defendants engaged in unconscionable and deceptive acts or practices in violation of the KCPA which acts and practices include, but are not limited to:

Making misrepresentations to the consumer they will receive a rebate, discount or other benefit as an inducement for entering into a consumer transaction in return for giving the supplier the names of prospective consumers or otherwise helping the supplier to enter into other consumer transactions, if receipt of benefit is contingent on an event occurring after the consumer enters into the transaction in violation of K.S.A. §50-626(b)(1)(E);

Willfully using, any oral or written misrepresentation which is an exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. §50-626(b)(2);

Willfully failing to state a material fact or the willful concealment, suppression or omission of a material fact, in violation of K.S.A. §50-626(b)(3); and

The supplier made a misleading statement of opinion on which the consumer was likely to rely to the consumer's detriment, in violation of K.S.A. §50-627(b)(6).

Defendants deny these allegations.

13. Defendants understand the Office of the Attorney General is not subject to a statute of limitations for consumer protection violations pursuant to *State ex rel. Stephan v. Brotherhood Bank*, 8 Kan App. 2nd 57, 649 P.2nd 419 (1982).

14. The Attorney General is mandated to enforce the KCPA under K.S.A. 50-628. The Attorney General is authorized by law to enter into consent judgments pursuant to K.S.A. 50-628(a)(5)(B).

15. By signing this consent judgment Defendants do not waive any right of due process, under the Kansas Constitution, Section 18, related to the Attorney General's enforcement of the consent judgment herein.

16. Defendants voluntarily agree to this Consent Judgment without trial or adjudication of any issue of fact or law, solely for the purpose of settlement and without admitting any allegation contained herein.

17. Compliance with this agreement is not an admission of guilt by Defendants. This consent judgment is entered into to resolve disputed claims and allegations herein. Nothing contained herein shall be taken or construed to be an admission of any violation of the law or of any other matter of fact or law or of any liability or wrongdoing.

18. The Office of the Attorney General will provide Defendants notice of future complaints filed with its office and allow Defendants' an opportunity to respond to such complaint(s).

INJUNCTIVE RELIEF

19. Defendants agree to refrain from and to be permanently enjoined from engaging in those acts and practices alleged to be unlawful, deceptive and unconscionable in Paragraph Twelve (12) of this Consent Judgment, including but not limited to multi-level marketing schemes and pyramid schemes.

20. The Defendants agree to comply with all Kansas laws, statutes, rules and regulations relating to consumer transactions in Kansas, specifically, but not limited to, the KCPA, K.S.A. § 50-623 *et seq.*

21. Defendants understand that engaging in such acts or similar acts, after the date of this Consent Judgment, may constitute a violation of this Order and civil penalties may be imposed for each subsequent violation.

22. Defendants shall not cause or encourage third parties, nor knowingly permit third

parties acting on its behalf to engage in practices from which Defendants are prohibited by this Consent Judgment.

23. Defendants agree to be permanently enjoined from entering into, forming, organizing or reorganizing into any partnership, corporation, sole proprietorship or any other legal structure(s), for the purpose of avoiding compliance with the terms of this Consent Judgment.

RESTITUTION, INVESTIGATIVE FEES AND CIVIL PENALTIES

24. Defendants agree to make full restitution (not installment payments) as a result of any future consumer complaint alleging violation of the KCPA. The Office of the Attorney General agrees to provide Defendants with a copy of the complaint and an opportunity to respond to such complaint(s). Defendants' will provide notice to the Office of the Attorney General within 20 days of receipt of the complaint and advise the Office of the proposed disposition.

25. Defendants agree to pay ten thousand (\$10,000.00) in civil penalties. Defendant agrees to pay fifty four thousand five hundred twenty five (\$54,525.00) in investigative fees to the Office of the Attorney General of the State of Kansas. Payment shall be made by check payable to the Office of the Kansas Attorney General and shall be delivered to the Attorney General of the State of Kansas at the time of Defendants' signing this Consent Judgment.

GENERAL PROVISIONS

26. The provisions of this Consent Judgment shall be applicable to Defendants and every employee, agent or representative of Defendants.

27. Defendants agree to physically take possession of documents produced to the Office of the Attorney General in response to two administrative subpoenas. These documents

are located at 120 SW 10th Ave, Topeka, KS. Defendants must make arrangements to remove these documents during business hours (8:00 am-5:00 pm) and removal must be completed in one day. The removal of these documents must be completed within three (3) weeks after the filing date of the consent judgment. Defendants will coordinate with Melanie Jack (785) 368-8242 regarding the return of property. Failure to take possession of these documents as stated above is a violation of this consent judgment and may subject these documents to the state's document retention policy.

28. Defendants agree to make available and to disclose the provisions of this Consent Judgment to its employees, agents and representatives within five days of signing the Consent Judgment.

29. This Court shall retain jurisdiction for the purpose of enabling each 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 or compliance of any provisions contained herein. This Court shall also retain jurisdiction if any violation of any terms of this Consent Judgment is committed, subject to Defendants' right to due process.

30. 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.

31. Compliance with this Consent Judgment does not relieve 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, subject to Defendants' due process rights.

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

33. Defendants are joint and severally liable for all damages; civil penalties; costs; expenses and investigative fees.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the stipulations and agreements 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 Defendants agree to physically take possession of documents previously produced to the Office of the Attorney General, 120 SW 10th Ave, Topeka, KS. Defendants will make arrangements to remove these documents during business hours (8:00 am-5:00 pm) and completed in one day. The removal of these documents must be within three (3) weeks of the filing date of the consent judgment. Failure to take possession of these documents as stated above is a violation of this consent judgment and may subject these documents to the state's document retention policy.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED Defendants make full restitution (not installment payments) as a result of any future consumer complaint alleging

violation of the KCPA. The Office of the Attorney General agrees to provide Defendants with a copy of the complaint and an opportunity to respond to such complaint(s).

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendants in favor of Plaintiff pursuant to K.S.A. 50-636, in the amount of ten thousand dollars (\$10,000.00) for civil penalties.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendants in favor of Plaintiff in the amount of fifty forty thousand five hundred twenty five dollars (\$54,525.00) for investigation fees and expenses pursuant to K.S.A. 50-632(a).

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

IT IS FURTHER ORDERED, ADJUDGED AND DECREED the Defendants are joint and severally liable for all damages; civil penalties; costs; expenses and investigative fees.

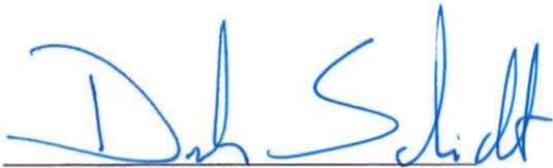
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the KCPA, K.S.A. 50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

THIS ORDER IS EFFECTIVE AS OF THE DATE AND TIME OF THE ELECTRONIC FILE STAMP.

Prepared and approved by:

**OFFICE OF THE ATTORNEY GENERAL
DEREK SCHMIDT**



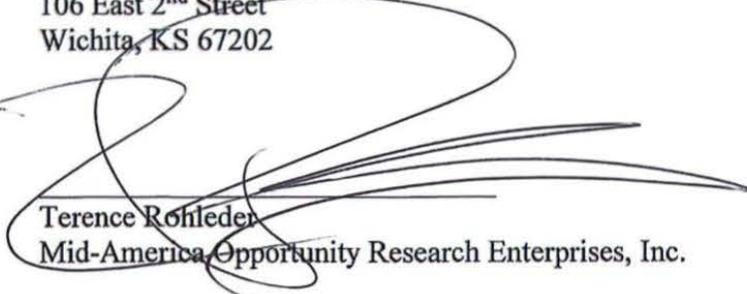
Derek Schmidt, #17781
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Terence Rohleder
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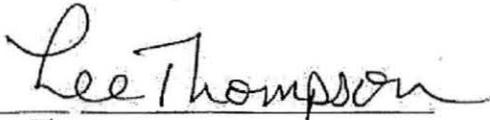
Prepared and approved by:

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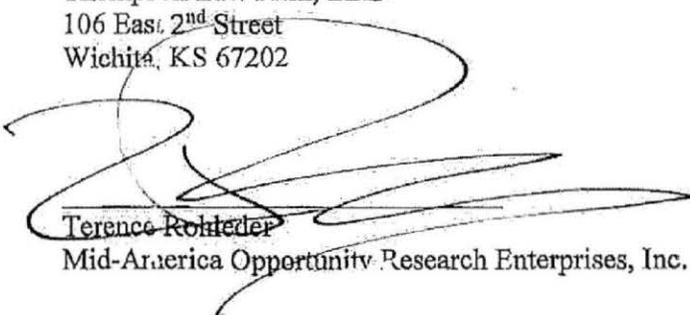
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