



**Court:** Geary County  
**Case Number:** GE-2020-CV-000141  
**Case Title:** State of Kansas ex rel Derek Schmidt  
vs.  
Judy Srca  
**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

**IN THE DISTRICT COURT OF GEARY COUNTY, KANSAS**

<b>STATE OF KANSAS, <i>ex rel.</i>,</b>	)
<b>DEREK SCHMIDT, Attorney General,</b>	)
	)
<b>Plaintiff,</b>	)
	)
<b>v.</b>	)
	)
<b>Judy A. Srca, d/b/a</b>	)
<b>Collections Unlimited,</b>	)
	)
<b>Defendant.</b>	)
	)

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

**JOURNAL ENTRY OF CONSENT JUDGMENT**

**NOW** on this day, 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 Lynette R. Bakker, Assistant Attorney General. Defendant appears by Tom R. Barnes II.

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

**STIPULATED FINDINGS OF FACT  
AND CONCLUSIONS OF LAW**

1. Derek Schmidt is the Attorney General of the State of Kansas.
2. The Attorney General's authority to enter this Consent Judgment 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 Judy A. Srca, is an individual, doing business as Collections Unlimited. She is the owner and sole proprietor of Collections Unlimited. In this position, Ms. Srca possessed

the authority to control Collection Unlimited's acts and practices. Ms. Srca is currently a resident of Kansas.

4. Collections Unlimited's principal place of business is located in Junction City, Kansas.

5. Defendant is not currently registered with the Secretary of State to do business in the State of Kansas.

6. All references to Defendant herein include acts individually, in concert with, or by or through employees, agents, representatives, affiliates, assignees and successors of Collections Unlimited.

7. Defendant stipulates and admits that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties, under the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*

8. Defendant stipulates and admits that venue is proper in the 8th Judicial District of Kansas (Geary County) under K.S.A. 50-638(b).

9. Defendant stipulates and admits that she is not licensed or otherwise authorized by the Kansas supreme court to practice law in Kansas, nor is she employed by a licensed attorney.

10. At all times relevant hereto, and in the ordinary course of business, Defendant has acted as a "supplier" as defined by K.S.A. 50-624(1).

11. At all times relevant hereto, and in the ordinary course of business, Defendant has engaged in "consumer transactions" in Kansas, as defined by K.S.A. 50-624(c).

### **ALLEGATIONS**

12. Defendant knowingly represented, in oral and written representations to Kansas consumers, that she was authorized to collection debts owed to incorporated businesses, with reason to know those representations differ materially from her actual authorization, in violation of K.S.A. 50-626(b)(1)(B).

13. Defendant knowingly or with reason to know that she lacked a required license or status, filed limited actions cases in court to collect debts owed to her clients, in violation of K.S.A. 50-626(b)(1)(B).

14. Defendant represented and negotiated debt settlements with consumers not knowledgeable in the debt collection process and entered into collections arrangements, taking advantage of the inability of consumers to protect their interests due to ignorance, illiteracy or inability to understand the language of an agreement or similar factor, in violation of K.S.A. 50-627(b)(1).

15. Defendant engaged in the acts and practices set forth in paragraphs twelve (12) through fourteen (14) set forth in paragraphs twelve (12) through fourteen (14) from at least 2015 to 2017.

#### **INJUNCTIVE RELIEF**

16. Defendant agrees to refrain, and to be permanently enjoined, from engaging in those acts and practices set forth in paragraphs twelve (12) through fourteen (14), 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 make available and/or disclose the provisions of this Consent Judgment to each employee, agent, independent contractor and/or representative of Collections Unlimited within ten (10) days of signing the Consent Judgment.

19. Defendant agrees to seek to vacate or file a satisfaction of judgment in all cases she filed in a Kansas court in an attempt to collect a consumer debt.

20. Within ninety (90) days of the entry of this Judgment, Defendant shall file a report with the Office of the Attorney General regarding the status of the filings required by paragraph nineteen (19). To the extent required filings remain outstanding at that time, Defendants shall file an updated report every sixty (60) days until all filings have been completed.

21. Defendant shall not issue any IRS Form 1099 to any consumer in connection with the filings undertaken as a result of the requirements of paragraph nineteen (19).

22. Defendant shall request that the Geary County Court remove “Judy Srca/Collections Unlimited” from “Group A” Limited Civil Court Days.

23. 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 of this Consent Judgment.

#### **MONETARY RELIEF**

24. Defendant agrees to pay to the Office of the Kansas Attorney General five thousand dollars (\$5,000.00) for reasonable investigative fees and expenses, as provided by K.S.A. 50-632(a)(4) and K.S.A. 50-636(c). Payment of investigative fees and expenses shall be paid monthly over a period of three (3) years until the amount is paid in full. The payments shall be made by the 1<sup>st</sup> day of every month in the form of a cashier's check, money order or other certified funds payable to the Office of the Kansas Attorney General, marked **CP-16-001772** and delivered to:

Office of the Kansas Attorney General  
Attn: Lynette Bakker, Assistant Attorney General  
120 SW 10<sup>th</sup> Ave., 2<sup>nd</sup> Floor  
Topeka, Kansas 66612

#### **OTHER PROVISIONS**

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

26. Proceedings instituted under the foregoing paragraphs are in addition to, and not in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings Plaintiff may initiate to enforce this Consent Judgment.

27. Compliance with this Consent Judgment does not relieve the Defendant 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 any other statutes under his jurisdiction.

28. The parties understand that this Consent Judgment shall not be construed as an approval of, or sanction by, the Attorney General of any representations, acts, or business practices of the Defendant, nor shall the 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.

29. The Defendant agrees that the Attorney General may take appropriate legal action against the Defendant for violation of this Consent Judgment and/or for future violations of the Kansas Consumer Protection Act and any other law which the Attorney General is authorized to pursue and/or enforce.

30. The Defendant hereby represents and warrants that she has had the opportunity to consult with, and receive the advice of, legal counsel regarding all matters relative to this Consent Judgment, including the rights and obligations of the Defendant under this Consent Judgment and the consequences of a breach of this Consent Judgment. The Defendant represents that she has read the foregoing Consent Judgment and therefore knows and understands the contents thereof. The Defendant further represents and warrants that she is signing this Consent Judgment as the result of her own free act, and that she has not relied on any statement(s) or representation(s) of the Attorney General or anyone acting on his behalf, except for those contained in this Consent Judgment. By executing this Consent Judgment, each of the undersigned covenants and represents that he or she has the power and authority to execute this Consent Judgment.

31. Defendant agrees to this Consent Judgment without trial or adjudication of any issue of fact or law solely for the purposes of settlement. Defendant acknowledges that this Consent Judgment constitutes a stipulation to the allegations set forth herein and that nothing about this Consent Judgment shall operate as a bar to any private action that any consumer may bring or has brought against the Defendant.

32. The Defendant or Defendant's representative, signing this Journal Entry of Consent Judgment, warrants that they are duly authorized to enter into and execute this Journal Entry of Consent Judgment on behalf of Defendant.

**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 and expenses.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant pays 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.**

**THIS ORDER IS EFFECTIVE ON THE DATE AND TIME SHOWN ON THE  
ELECTRONIC FILE STAMP.**

**Prepared and approved by:**

**PLAINTIFF**

/s/ Derek Schmidt, with permission

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Derek Schmidt, #17781  
Attorney General of the State of Kansas

/s/ Lynette R. Bakker

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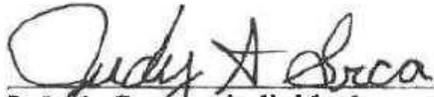
Lynette R. Bakker, Bar #22104  
Assistant Attorney General  
Office of the Attorney General  
Consumer Protection Division  
120 SW 10th Ave., 2nd Floor  
Topeka, Kansas 66612-1597  
Tel: 785-296-3751  
*Attorneys for Plaintiff*

/s/ Kaley Schrader, with permission

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Kaley Schrader, Bar #27700  
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*Attorneys for Plaintiff*

**DEFENDANT**



Judy A. Sroca, an individual  
d/b/a Collections Unlimited



Tom R. Barnes II #13437  
Stumbo Hanson LLP  
2887 SW Mac Vicar Avenue  
Topeka, KS 66611-1789  
*Attorney for Defendant*