

PK

Meghan E. Stoppel, #23685
Assistant Attorney General
Office of the Kansas Attorney General
120 SW 10th Avenue, 2nd Floor
Topeka, Kansas 66612
(785) 296-3751
meghan.stoppel@ksag.org

FILED BY CLERK
KS. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, KS
2014 JAN 31 P 4: 08

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 6

STATE OF KANSAS, *ex rel.*)
DEREK SCHMIDT, Attorney General,)
)
Plaintiff,)
)
v.)
)
AUTO PROTECTON ALLIANCE, LLC)
d/b/a AUTO PROCESING CENTER)
and)
LEAD SERVICES, LLC)
)
Defendants.)

Case No. 14095

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 31st day of January, 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 Auto Protection Alliance, LLC d/b/a Auto Processing Center and Lead Services, LLC 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 Auto Protection Alliance, LLC d/b/a Auto Processing Center ("Defendant APA") is a Nevada limited liability company with a principal place of business at 12661 Hoover Street, Garden Grove, CA 92841.

4. Defendant Lead Services, LLC ("Defendant Lead Services") is a Nevada limited liability company with a principal place of business at 12661 Hoover Street, Garden Grove, CA 92841.

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

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

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

ALLEGATIONS

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

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

10. Defendants contacted Kansas consumers by telephone for the purpose of soliciting the sale of Defendants' products and services.

11. 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;
- 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);
- 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
- d. initiating outbound telephone calls to Kansas consumers when those consumers previously stated they did not wish to receive outbound telephone calls made by or on behalf of Defendant, in violation of 16 C.F.R. 310.4(b)(1)(iii)(A).

12. 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.

INJUNCTIVE RELIEF

13. Defendants agree to refrain, and to be permanently enjoined, from engaging in those acts and practices set forth in paragraph eleven (11), 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.

14. 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.*

15. 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. § 1601 *et seq.*, and all federal regulations promulgated thereby, including the Telemarketing Sales Rule, 16 C.F.R. § 310 *et seq.*

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

17. 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.

18. 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.

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

20. 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

21. 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.

22. Defendants agree to pay the aforementioned fees and penalties in eleven (11) installments as follows:

- a. Defendants shall pay \$2,500.00 to the Office of the Kansas Attorney General at the time of signing this Consent Judgment. The remaining \$7,500.00 shall be paid in ten (10) equal installments of \$750.00 due on or before the first day of each month thereafter, beginning on February 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.

23. 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 10th Ave, 2nd Floor
Topeka, Kansas 66612

24. Defendants agree to be held jointly and severally liable for the entire amount set forth in paragraph twenty-one (21).

25. 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

26. 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.

27. 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.

28. 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.

29. 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.

30. 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 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:


Derek Schmidt, KS #17781
Attorney General

Office of the Kansas Attorney General
120 SW 10th Ave., 2nd Floor
Topeka, Kansas 66612
(785) 296-2215



Meghan E. Stoppel, KS #23685
Assistant Attorney General
Office of the Kansas Attorney General
120 SW 10th Ave., 2nd Floor
Topeka, Kansas 66612
(785) 296-3751
Fax: (785) 291-3699
meghan.stoppel@ksag.org
Attorneys for Plaintiff

DEFENDANTS:

Karen Rameson, Managing Member
Auto Protection Alliance, LLC

Karen Rameson, Managing Member
Lead Services, LLC

[INSERT LOCAL COUNSEL]
Attorney for Defendants

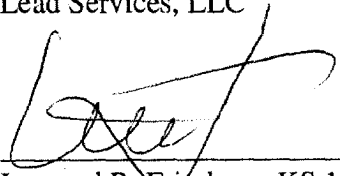
Office of the Kansas Attorney General
120 SW 10th Ave., 2nd Floor
Topeka, Kansas 66612
(785) 296-2215

Meghan E. Stoppel, KS #23685
Assistant Attorney General
Office of the Kansas Attorney General
120 SW 10th Ave., 2nd Floor
Topeka, Kansas 66612
(785) 296-3751
Fax: (785) 291-3699
meghan.stoppel@ksag.org
Attorneys for Plaintiff

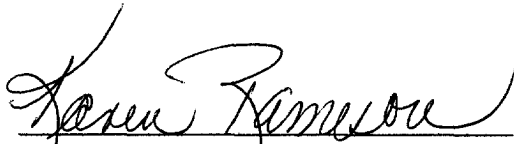
DEFENDANTS:

Karen Rameson, Managing Member
Auto Protection Alliance, LLC

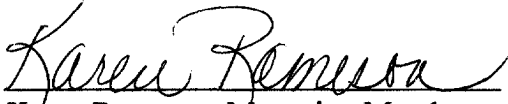
Karen Rameson, Managing Member
Lead Services, LLC



Leonard R. Frischer KS 12476
Frischer & Schaffer
12980 Foster Street
Suite 370
Overland Park, KS 66213
(913)345-0100
Attorney for Defendants



Karen Rameson, Managing Member
Auto Protection Alliance, LLC



Karen Rameson, Managing Member
Lead Services, LLC

[INSERT LOCAL COUNSEL]

Attorney for Defendants