

3. Defendant East Valley Financial LLC (“Defendant EVF”) is a foreign corporation organized and existing under the laws of Arizona, and registered with the Arizona Corporation Commission.

4. Defendant EVF has a principal place of business at 2023 West Guadalupe Road, Suite 11, #198 in Mesa, Arizona 85202.

5. Defendant David Sourwine Jr. (“Defendant Sourwine”) is an individual and serves as the manager and sole member of Defendant EVF.

6. Defendant Sourwine resides at 2238 West Saratoga Drive in Mesa, Arizona 85202.

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

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

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

10. Defendants are suppliers within the definition of K.S.A. 50-624(j).

11. Defendants are engaged in consumer transactions in Kansas within the definition of K.S.A. 50-624(c).

DEFINITIONS

As used herein, the following terms shall mean:

12. “Advertise,” “Advertisement,” or “Advertising,” shall mean any written, oral, graphic, or electronic statement, illustration, or depiction that is designed to create interest in the purchasing of, impart information about the attributes of, publicize the availability of, or affect the sale or use of, goods or services, whether the statement appears in a brochure, newspaper,

magazine, leaflet, mailer, letter, catalogue, poster, billboard, point-of-purchase display, electronic mail, website, homepage, film, radio, television, or any other medium.

13. “Clear and Conspicuous” or “Clearly and Conspicuously,” shall refer to a statement that, regardless of the medium in which it is made, is readily understandable and presented in such size, color, contrast, duration, location, and audibility, as compared to the other information with which it is presented, that it is readily apparent to the person to whom it is disclosed. A clear and conspicuous statement may not contradict or be inconsistent with any other information with which it is presented. If a statement modifies, explains, or clarifies other information with which it is presented, it must be present in close proximity to the information it modifies and in a manner that is readily apparent and understandable.

14. “Consumer,” “Client,” or “Customer” shall mean any individual, husband and wife, sole proprietor, or family partnership who seeks or acquires property or services for personal, family, household, business or agricultural purposes, as defined in K.S.A 50-624.

15. “Defendants” shall mean East Valley Financial, LLC and David Sourwine, Jr., their employees, directors, officers, owners, members, managers, parents, agents, assigns, and all other persons or entities acting in concert with them or on their behalf, including their predecessors, subsidiaries, affiliates, and successors.

16. “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,” including without limitation “representation,” “misrepresent,” and “misrepresentation.”

ALLEGATIONS

17. Plaintiff alleges that Defendants, while engaging in the advertising, solicitation and sale of debt management and credit counseling products and services, committed acts and practices in violation of the KCPA, which acts and practices include, but are not limited to:

- a. Making misrepresentations regarding the cost of Defendant's services and the manner in which consumers will incur charges for Defendant's services, in violation of K.S.A. §50-626(b)(1)(A);
- b. Making representations regarding the benefits of Defendant's services, without a reasonable basis for making such representations, in violation of K.S.A. §50-626(b)(1)(F);
- c. Charging a price which grossly exceeded the price at which similar property or services were readily obtainable in similar transactions by similar consumers, in violation of K.S.A. §50-627(b)(2);
- d. Charging Kansas consumers' credit cards, for the purchase of Defendant's services, prior to receiving a signed confirmation from each consumer disclosing in full the terms of the transaction, in violation of K.S.A. §50-672(c);
- e. Making, or causing to be made, unsolicited consumer telephone calls to numbers listed on the national Do-Not-Call registry, in violation of K.S.A. §50-670a;
- f. Providing debt management services to Kansas consumers without registering with the Kansas State Bank Commissioner, in violation of K.S.A. §50-1118(a).

18. Defendants do not admit the above allegations but agree to this Consent Judgment without trial or adjudication of any issue of fact or law, solely for the purpose of settlement.

INJUNCTIVE RELIEF

19. Defendants agree to refrain, and to be permanently enjoined, from engaging in those acts and practices set forth in paragraph seventeen (17) herein, 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.

20. Defendants agree to refrain, and to be permanently enjoined, from making oral representations that, directly or indirectly, contradict terms or language contained in Defendants' written contracts with Kansas consumers.

21. Defendants agree to refrain, and to be permanently enjoined, from misrepresenting, directly or indirectly, in Defendants' advertising, promotional materials, sales presentations, or in any manner the cost of Defendants' services or the manner in which Kansas consumers will incur charges for Defendants' services.

22. Defendants agree to refrain, and to be permanently enjoined, from misrepresenting, directly or indirectly, in Defendants' advertising, promotional materials, sales presentations, or in any manner the nature of the services to be performed, specifically the ability of Defendants to: 1) achieve a particular level of savings for Kansas consumers and/or 2) achieve results for Kansas consumers within a particular time period.

23. Defendants agree to refrain, and to be permanently enjoined, from misrepresenting, directly or indirectly, in Defendants' advertising, promotional materials, sales presentations, or in any manner the qualifications, training or experience of Defendants' personnel.

24. Defendants agree to refrain, and to be permanently enjoined, from charging Kansas consumers' credit cards prior to receiving written, signed confirmations disclosing in full the terms of the transaction.

25. Defendants agree to refrain, and to be permanently enjoined, from billing or charging Kansas consumers for products and services that Defendants neither provide nor perform.

26. Defendants agree to refrain from, and to be permanently enjoined from, making unsolicited telephone calls to Kansas consumers with telephone numbers listed on the Federal Trade Commission's Do-Not-Call Registry.

27. Defendants agree to comply with all Kansas laws, statutes, rules and regulations, relating to consumer transactions in Kansas, specifically the Kansas Consumer Protection Act, K.S.A. §50-623, *et seq.*

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

29. 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 or this Consent Judgment.

30. 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.

INVESTIGATIVE FEES AND CIVIL PENALTIES

31. Defendants agree to pay to the Office of the Kansas Attorney General twelve thousand dollars (\$12,000.00) in investigative fees, pursuant to K.S.A. §50-632.

32. Defendants agree to pay an additional \$5,000.00 in civil penalties to the Office of the Kansas Attorney General for violations of the Kansas No Call Act, pursuant to K.S.A. §50-670a(m).

33. Defendants agree to pay the aforementioned fees and penalties in eighteen (18) installments as follows.

- a. Defendants shall pay \$1,700.00 to the Office of the Kansas Attorney General at the time of signing this Consent Judgment. The remaining \$15,300.00 shall be paid in seventeen (17) equal installments of \$900.00 due on or before the first day of each month thereafter, beginning on December 1, 2011.
- b. Defendants shall be responsible for the timely submission of each of the aforementioned installment payments.

34. Payment from Defendants shall be made in the form of a cashier's check, money order or check disbursed through an attorney's trust account, made payable to the Office of the Kansas Attorney General, and mailed to:

Office of the Kansas Attorney General
Consumer Protection Division
Attn: Meghan E. Stoppel
120 SW 10th Avenue, 2nd Fl.
Topeka, Kansas 66612

35. Defendants agree to be held jointly and severally liable for the amounts sets forth in paragraphs thirty-one (31) and thirty-two (32).

36. 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.

GENERAL PROVISIONS

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

38. 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.

39. 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.

40. 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.

41. 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 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.

42. 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. Defendants further represent that they have had an

opportunity to consult with and obtain the advice of private legal counsel prior to entering into this Consent Judgment.

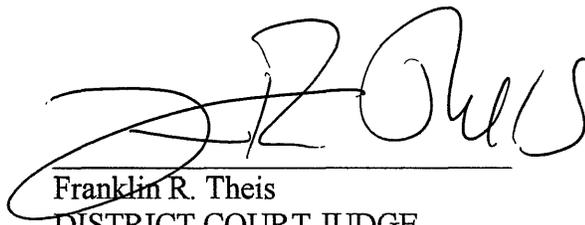
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the stipulation and agreement of the parties contained herein are adopted and approved as the findings of fact and conclusions of law of the Court and any monies owed hereunder by Defendants immediately become a judgment upon filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendants and in favor of Plaintiff in the amount of \$5,000.00 in civil penalties and \$12,000.00 in investigative fees.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants 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.


Franklin R. Theis
DISTRICT COURT JUDGE

Consent Judgment continues...

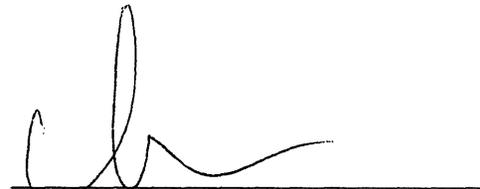
Prepared and approved by:

PLAINTIFF:

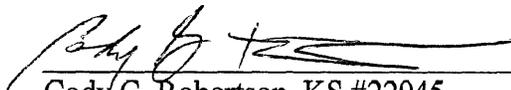
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