

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS

Division 12

FILED BY CLERK
KS. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, KS

2010 MAY 24 P 2:19

STATE OF KANSAS, *ex rel.*)
STEVE SIX, Attorney General,)
)
Plaintiff,)
)
v.)
)
THE GREATEST VIRTUAL OFFICE, LLC)
and)
GREATEST EMARKETING, LLC)
and)
SANDRA KAY JOHNSON, an individual,)
a/k/a SANDRA JOHNSON ADARALEGBE)
)
Defendants.)

Case No. 10C111

(Pursuant to K.S.A. Chapter 60

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 24th day of May, 2010, 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.* Steve Six, Attorney General, appears by and through Meghan E. Barnds, Assistant Attorney General. Defendant The Greatest Virtual Office, LLC and Defendant Sandra Kay Johnson a/k/a Sandra Johnson Adaralegbe, an individual, appear through Carrie E. Josserand of Lathrop & Gage LLP.

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

PARTIES, JURISDICTION AND VENUE

1. Steve Six is the Attorney General of 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, ("KCPA") K.S.A. 50-623 *et seq.*

3. Defendant The Greatest Virtual Office, LLC ("Defendant GVO") is a limited liability company organized and existing under the laws of Arizona, and registered with the Arizona Secretary of State.

4. Defendant GVO has a principal place of business at 2601 North 3rd Street, Suite 217 in Phoenix, Arizona 85004.

5. Defendant GVO has no current certificate of registration filed with the Kansas Secretary of State's Office to operate as a foreign corporation in the State of Kansas.

6. Defendant Greatest EMarketing, LLC ("Defendant GEM") is a limited liability company organized and existing under the laws of Arizona, and registered with the Arizona Secretary of State.

7. Defendant GEM has a principal place of business at 2601 North 3rd Street, Suite 217 in Phoenix, Arizona 85004.

8. Defendant GEM has no current certificate of registration filed with the Kansas Secretary of State's Office to operate as a foreign corporation in the State of Kansas.

9. Defendant Sandra Kay Johnson a/k/a Sandra Johnson Adaralegbe ("Defendant Johnson") has exclusive authority to control the acts and practices of Defendant GVO.

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

11. Defendants stipulate and admit that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties, pursuant to K.S.A. 50-623 *et seq.*

12. Defendants stipulate and admit that venue is proper in this Court.
13. Defendants are suppliers within the definition of K.S.A. 50-624(j).
14. 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:

15. "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.

16. "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.

17. "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.

18. "Defendants" shall mean The Greatest Virtual Office, LLC ("GVO"), Greatest EMarketing, LLC ("GEM") and Sandra Kay Johnson a/k/a Sandra Johnson Adaralegbe, along with 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, and their predecessors, subsidiaries, affiliates, and successors.

19. "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

20. Defendants engage in the advertising, solicitation and sale of business development products and marketing services.

21. Defendants contact consumers, over the phone, for the purpose of soliciting the sale of the aforementioned products and services.

22. The aforementioned advertisements, solicitations and sales are made to consumers across the United States, including consumers in Kansas.

23. The Plaintiff alleges that Defendants, while offering the aforementioned products and services for sale in Kansas, engaged in deceptive and unconscionable acts and practices in violation of the KCPA, which acts and practices include, but are not limited to:

- a. Charging consumers' credit card accounts, for the purchase of Defendants' products and services, prior to receiving signed confirmations from consumers disclosing in full the terms of the transaction, in violation of K.S.A. 50-672(c) ;

b. 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;

24. Defendants deny Plaintiff's allegations and agree to this Consent Judgment without trial or adjudication of any issue of fact or law solely for the purposes of settlement.

INJUNCTIVE RELIEF

25. Defendants agree to refrain from, and to be permanently enjoined from, engaging in those acts and practices set forth in paragraph twenty-three (23) 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.

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

27. Defendants agree to clearly and conspicuously disclose in their advertisements all material terms related to Defendants' products and services, including but not limited to all information related to Defendants' refund and cancellation policies.

28. Defendants agree to refrain from, and to be permanently enjoined from, misrepresenting, directly or indirectly, in Defendants' advertising, promotional materials, sales presentations, or in any manner Defendants' products and services.

29. Defendants agree to refrain from, and to be permanently enjoined from, making unsolicited telephone calls to Kansas consumers with telephone numbers listed on the national Do-Not-Call registry.

30. 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.*

31. Defendants agree to comply with all federal laws, statutes, rules and regulations, relating to consumer transactions in Kansas, specifically the Telemarketing Sales Rule, 16 C.F.R. 310, *et seq.*

32. 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.

33. Defendants agree to make available and/or disclose the provisions of this Consent Judgment to each officer, director and employee of management level that is involved in Kansas operations of the Defendant within ten (10) days of execution of this Consent Judgment.

CONSUMER RESTITUTION

38. Defendants agree to cancel and provide a full refund to any Kansas consumer who has been misled by Defendants and requests a refund from Defendants within ninety (90) days after execution of this Consent Judgment.

INVESTIGATIVE FEES AND CIVIL PENALTIES

39. Defendants agree to pay \$5,000.00 in investigative fees and \$15,000.00 in civil penalties to the Office of the Kansas Attorney General, pursuant to K.S.A. §50-632 and §50-636.

40. Defendants agree to pay \$5,000.00 to the Office of the Kansas Attorney General within thirty (30) days of signing this Consent Judgment. The remaining \$15,000.00 shall be paid in three (3) equal installments of \$5,000.00. The installments shall be due within sixty (60), ninety (90) and one hundred and twenty (120) days of signing this Consent Judgment.

41. Defendants agree to be held jointly and severally liable for payment of all civil penalties and investigative fees.

OTHER PROVISIONS

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

43. 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.

44. 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.

45. 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.

46. 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.

47. Each of the Defendants' representatives, signing this Journal Entry of Consent Judgment, warrants that the representative has been duly authorized by the Defendants for whom the representative appears to be acting to enter and execute this Journal Entry of Consent Judgment on behalf of Defendants. 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 for investigative fees and expenses in the amount of \$5,000.00 and civil penalties in the amount of \$15,000.00.

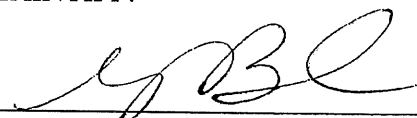
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632(b), the court hereby approves the terms of the Consent Judgment and adopts the same as the Order of the Court.

IT IS SO ORDERED.


DISTRICT COURT JUDGE

Prepared and approved by:

PLAINTIFF:

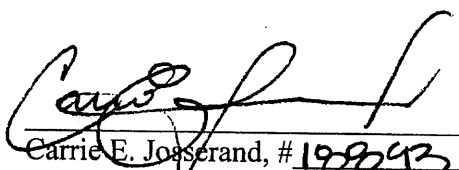


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DEFENDANTS:

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Member/Manager
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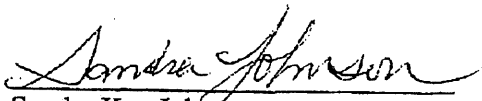
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DEFENDANTS:


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