

IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS

Division - 14

STATE OF KANSAS, *ex rel.*
STEVE SIX, Attorney General,

Plaintiff,

v.

AFFILIATED MANAGEMENT
SERVICES, INC.

Defendant.

Case No. 10 CV 5933
Div 14

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

JOURNAL ENTRY CONSENT JUDGMENT

NOW on this 2nd day of July, 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.

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

PARTIES, JURISDICTION AND VENUE

1. Steve Six is the duly appointed, 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 ("KCPA"), K.S.A. §50-623, *et seq.*

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CLERK OF DISTRICT COURT
JOHNSON COUNTY, KS

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only

3. Defendant Affiliated Management Services, Inc. ("AMS") is a domestic corporation organized and existing under the laws of Kansas, with a principal place of business at 5651 Broadmoor in Mission, Kansas 66202.

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

5. Defendant stipulates and admits that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties.

6. Defendant stipulates and admits that venue is proper in this Court.

7. Defendant is a supplier within the definition of K.S.A. §50-624(j).

8. Defendant is engaged in consumer transactions in Kansas within the definition of K.S.A. §50-624(c).

DEFINITIONS

9. "Communicate" or "Communication" means the conveying of information regarding a debt directly or indirectly to any person through any medium.

10. "Debtor" shall mean any person, a natural person, or individual obligated or allegedly obligated to pay any debt.

11. "Defendant" shall mean AMS, its employees, directors, officers, owners, members, managers, parents, agents, assigns, and all other persons or entities acting in concert with AMS or on its behalf, and AMS's predecessors, subsidiaries, affiliates, and successors.

12. "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."

ALLEGATIONS

13. Defendant engages in the practice of collecting "debt" as defined in the Fair Debt Collection Practices Act, 15 U.S.C. §1692a(5).

14. The Plaintiff alleges that Defendant, while engaging in the practice of debt collection, committed deceptive acts in violation of the KCPA, specifically, but not limited to, K.S.A. §50-626. The Plaintiff alleges the following:

a. Defendant sent letters to consumers which included the representation that the consumers' debts had been reported to their local credit bureaus, at a time when Defendant had not, in fact, reported the consumers' debts to any credit bureau, in violation of the Fair Debt Collection Practices Act, 15 U.S.C. §1692e(10) and K.S.A. §50-626.

15. Defendant specifically denies the allegations contained in paragraph 14, including subpart a.

16. Defendant further alleges that, if any allegations contained in paragraph 14 are true, which Defendant denies, then any such acts constitute a bona fide error and are therefore not violations of 15 USC § 1692e(10) and KSA 50-626.

INJUNCTIVE RELIEF

17. Defendant agrees to refrain, and to be permanently enjoined, from engaging in those acts and practices set forth in paragraphs fourteen (14) herein, 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.

18. Defendant agrees to comply with all Kansas laws, statutes, rules and regulations, relating to debt collection and consumer transactions in Kansas, specifically, but not limited to, the Kansas Consumer Protection Act, K.S.A. §50-623, *et seq.*

19. Defendant agrees to respond to all consumer complaints in good faith and in a reasonable, timely manner.

20. Defendant agrees to cooperate with the Office of the Kansas Attorney General in investigating and remedying any complaints filed with the Consumer Protection Division pertaining to the KCPA.

21. 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 or this Consent Judgment.

22. Defendant agrees 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

23. Defendant agrees to pay to the Office of the Kansas Attorney General five thousand dollars (\$5,000.00) in investigative fees, pursuant to K.S.A. §50-632.

24. Payment from Defendant shall be made by check and shall be delivered to the Office of the Kansas Attorney General at the time of signing this Consent Judgment.

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

GENERAL PROVISIONS

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

27. 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.

28. This Consent Judgment is being entered into by the parties for the purpose of compromising all issues asserted herein and Defendant makes no admissions of liability by entering into such judgment.

29. 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.

30. Compliance with this Consent Judgment does not relieve Defendant 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.

31. 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 Defendant nor shall 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.

32. 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. 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.

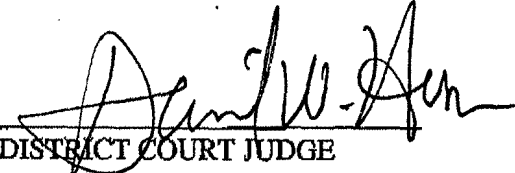
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the stipulation and agreement of the parties contained herein are adopted and approved as the findings of fact and conclusions of law of the Court and any monies owed hereunder by Defendant immediately become a judgment upon filing.

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.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant 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.


DISTRICT COURT JUDGE

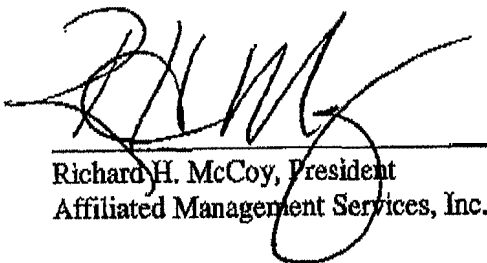
Prepared and approved by:

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