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

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
DIVISION TWELVE

2010 JAN 30 P 3:17

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

Plaintiff,

v.

CREDEXX CORPORATION, a California
Corporation, d/b/a AUTO ONE WARRANTY
SPECIALISTS,

and

DAVID J. TABB, an individual,

Defendants.

Case No. 10 C 647

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

FILED BY CLERK
K.S. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, KS
2010 DEC 30 P 4:24

JOURNAL ENTRY OF CONSENT JUDGMENT

This JOURNAL ENTRY OF CONSENT JUDGMENT ("JUDGMENT") is entered into between the State of Kansas, ex rel. Steve Six, Attorney General, by and through Tai J. Vokins, Assistant Attorney General, and Defendants Credexx Corporation, d/b/a Auto One Warranty Specialists, and David J. Tabb. The Parties submit judgment for the Court's approval pursuant to K.S.A. 50-632, and stipulate to the following:

DEFINITIONS

1. Unless defined in this Section or defined elsewhere in this JUDGMENT, the Parties agree that the definitions applicable to this JUDGMENT are those contained in the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*:

a. "Credexx Corporation" means and includes all owners, operators, board members, officers, directors, managers, employees, affiliates, subsidiaries,

parent companies, independent contractors, and agents of Credexx Corporation, d/b/a Auto One Warranty, who engage in “consumer transactions” as that term is defined by K.S.A. 50-624(c).

- b. **“Consumer”** means and includes a person with a physical address within the United States who has been contacted by **“Credexx Corporation”** whether by mail, telephone, facsimile, in-person, or some other method, for the purpose of advertising, promoting, soliciting, seeking, or effecting a sale of goods or services or collecting on a debt arising out of the sale of goods or services.
- c. **“Kansas Consumer”** means and includes a “consumer” as defined by K.S.A. 50-624(b).

GENERAL TERMS

1. Business Operations. David J. Tabb is the president of Credexx Corporation, a California corporation, located at 310 Commerce, Suite 150, Irvine, California 92602. Credexx Corporation operates under the assumed business name of Auto One Warranty Specialists.

2. Jurisdiction and Venue. The Parties agree that, under K.S.A. 50-623 *et seq.*, this Court has personal and subject matter jurisdiction. The Parties agree that venue is proper in Shawnee County, Kansas, pursuant to K.S.A. 50-638(b).

3. Doing Business in Kansas. Defendants conducted business in the State of Kansas as a “supplier” as that term is defined by K.S.A. 50-624(j).

4. Consumer transactions. Defendants engaged in “consumer transactions” in Kansas as that term is defined by K.S.A. 50—624(c).

5. Knowledge of Duties. The Parties enter into this JUDGMENT voluntarily and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this JUDGMENT.

6. No Implied Approval. If this JUDGMENT expressly requires an act or procedure, Defendants shall not represent or imply that the Attorney General or the State of Kansas has

approved Defendants' procedures, policies, advertising, techniques, or other manners of performance.

7. Effective Date. The Effective Date of this JUDGMENT is the date on which this Court signs it.

REPRESENTATIONS AND WARRANTIES

13. Authority to Stipulate. Defendants acknowledge that they are the proper parties to this JUDGMENT. Defendant Tabb warrants and represents that, as president of Defendant Credexx Corporation, he is authorized to enter into this JUDGMENT and to bind Defendant Credexx Corporation to all of the terms and conditions of this JUDGMENT.

14. Good Faith Negotiation. The Parties represent and warrant that they negotiated the terms of this JUDGMENT in good faith. Defendants have had a reasonable opportunity to consult an attorney and to obtain legal advice regarding their rights and responsibilities under this JUDGMENT and under state and federal laws.

INJUNCTIVE PROVISIONS

15. Jurisdiction. 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 of this Consent Judgment. Jurisdiction is retained by this Court for the purpose of enforcement of compliance with this consent judgment, and for the punishment of violations of this Judgment.

16. Permanent Prohibition against Doing Business. Defendants are prohibited permanently from engaging in "consumer transactions" (as defined by K.S.A. 50-624(c)) in the State of Kansas. Defendants understand that any engagement in consumer transactions as

defined by Kansas law will be a violation of this Judgment for which civil penalties may be assessed.

CIVIL PENALTIES, COSTS, & FEES

17. Civil Penalties. Defendants agree to a judgment in the amount of \$75,000.00 for civil penalties which the Attorney General agrees to hold in abeyance as long as Defendants comply with the terms of this JUDGMENT. If this Court later determines that Defendants violated this JUDGMENT, Defendants shall pay the Attorney General \$75,000.00 within three business days of entry of the Court's order.

18. Costs and Fees. The State is further awarded the sum of Three Thousand Dollars (\$3000) for attorneys' fees, investigative costs, consumer education, enforcement or other consumer protection purposes at the discretion of the Attorney General. Defendants shall pay the amount set forth above in three (3) installments of One Thousand Dollars (\$1,000) each via cashier's check made payable to: "Kansas Attorney General's Office." The first installment shall be due upon execution. The second installment shall be due 30 days after execution, and the final installment shall be due 60 days after execution. If Defendant Tabb files bankruptcy before the expiration of the 60 days or if he provides documentation to the Attorney General that such a filing is imminent, the Attorney General may seek payment of the \$3,000 through the bankruptcy court, assuming assets are available for distribution.

OTHER TERMS

19. If any portion, provision, or part of this Consent Judgment is held to be invalid, unenforceable, or void for any reason, that portion shall be severed from the remainder and shall not affect the validity or enforceability of the remaining provisions, portions or parts.

20. 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.

21. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the Kansas Attorney General of the business practices of Defendants nor shall Defendants represent the decree of such 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.

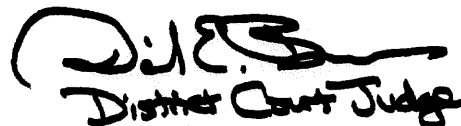
IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the stipulation and agreement of the parties contained herein are adopted and approved as the findings of fact and conclusions of law of the Court and any monies owed hereunder by Defendants immediately become a judgment upon filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendants in favor of Plaintiff as outlined herein.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that each party shall bear their own costs associated with this action.

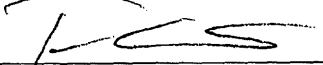
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632, the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.


District Court Judge

~~HONORABLE DAVID BRUNS~~
~~DISTRICT COURT JUDGE~~

Submitted and approved by:

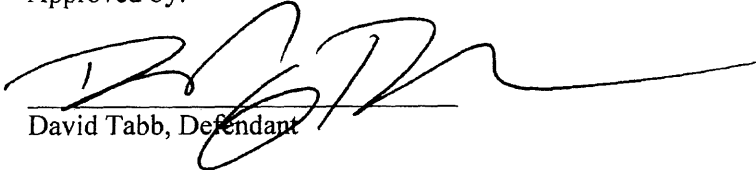


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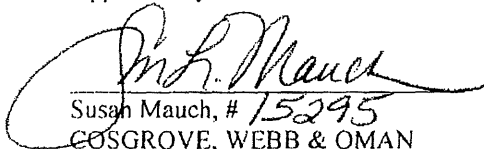
David Tabb, Defendant

HONORABLE DAVID BRUNS
DISTRICT COURT JUDGE

Submitted and approved by:

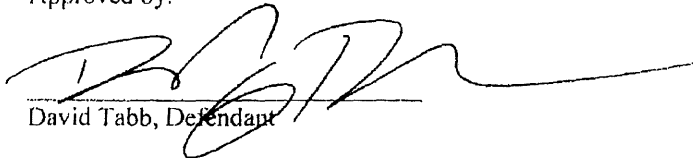
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