

COFFEY COUNTY, KANSAS
IN THE DISTRICT COURT OF COFFEY COUNTY, KANSAS
DIVISION _____

'88 FEB 2 PM 1 37 *CP*

STATE OF KANSAS, ex rel.,
Robert T. Stephan, Attorney
General,

Plaintiff,

vs.

FREEDOM FINANCIAL CORPORATION,

Defendant.

DEBBIE L. MOIRE
CLERK OF DISTRICT COURT

(Pursuant to KSA Chapter 60)

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW, on this 2nd day of Feb, 1988, the
Petition for Approval of Consent Judgment filed by the State
of Kansas comes on for hearing. The State of Kansas appears
by Robert T. Stephan, Attorney General, and D. Jeanne
Kutzley, Assistant Attorney General. The defendant, Freedom
Financial Corporation, appears by its attorney, Ford R.
Nelson, Jr.

Whereupon the parties advise the Court they have stipu-
lated and agreed to the following matters:

1. Robert T. Stephan is the duly elected, qualified
and acting Attorney General of the State of Kansas.

2. The Attorney General's authority to bring this
action is derived from the Kansas Consumer Protection Act,
K.S.A. 50-623, et seq.

3. Defendant is a Texas corporation with its principal
office located in Dallas, Texas. The defendant enters its
voluntary appearance solely for purposes of this Consent
Judgment.

4. Venue is proper in Coffey County according to

selling vacation resort property located outside Kansas to Kansas consumers.

7. Kansas consumers received advertisements attached as Exhibits A through N from the defendant.

8. The Attorney General, pursuant to K.S.A. 50-631, has investigated the business activities of the defendant based on the belief the defendant has engaged in, was engaging in or was about to engage in an act or practice allegedly in violation of the Kansas Consumer Protection Act, K.S.A. 50-626.

9. The Attorney General alleges the defendant committed certain acts and practices in violation of the following provisions of the Kansas Consumer Protection Act:

a. Representations made knowingly or with reason to know that the supplier has sponsorship or approval that he or she does not have, K.S.A. 50-626(b)(1)(B);

b. The intentional use, in any oral or written representation, of exaggeration, innuendo or ambiguity as to a material fact, K.S.A. 50-626(b)(2);

c. The intentional failure to state a material fact, or the intentional concealment, suppression or omission of a material fact, whether or not any person has in fact been misled, K.S.A. 50-626(b)(3).

10. The Attorney General alleges the defendant used advertisements which, due to printer's error, resembled official government documents (see attached Exhibits A, B, C and E), allegedly in violation of K.S.A. 50-626(b)(1)(B) and 50-626(b)(2).

11. The Attorney General alleges the defendant used, due to printer's error, advertisements which contained mis-

13. The provisions of this Consent Judgment will be applicable to the defendant, and every employee and sales representative of the defendant.

14. The defendant agrees to refrain from and discontinue mailing attached Exhibits A through N to Kansas consumers.

15. The defendant agrees to make available and/or disclose the provisions of this Consent Judgment to their employees, and send a copy of the Consent Judgment to DeFusco Advertising, 8433 Euclid Avenue, Manassas, Virginia 22111.

16. The defendant stipulates it has already notified Kansas consumers by direct mail, by newspaper advertisements and by telephone that certain information was omitted from the exhibits attached hereto which may have made them misleading due to the printer's error.

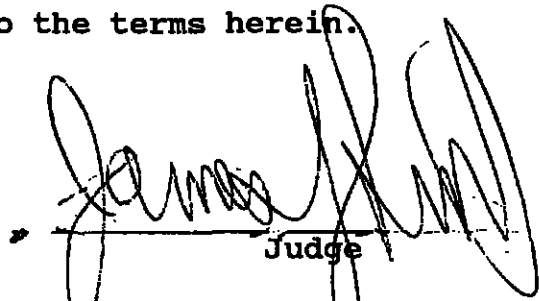
17. The defendant agrees to pay \$4,000.00 in investigation fees and expenses to the Kansas Attorney General Investigation Fund and a \$2,000.00 charitable contribution. These payments shall satisfy the fees and expenses and penalties due the Attorney General and the State of Kansas for each and every mailing by defendant to Kansas consumers to the date of this Consent Judgment.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, that the stipulations and agreements of the parties contained herein are adopted and approved as the findings of the Court.


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 this Consent Judgment and adopts the same as the Order of the Court.


a \$2,000 charitable contribution at the time of filing this Consent Judgment, according to the terms herein.

IT IS SO ORDERED.


Judge


APPROVED BY:

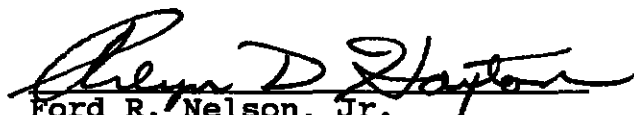

Robert T. Stephan, Attorney
General


D. Jeanne Kutzley, Assistant
Attorney General

ATTORNEYS FOR PLAINTIFF

FREEDOM FINANCIAL CORPORATION

By 
Robert E. Mead, Jr., President


Ford R. Nelson, Jr.
Arlyn D. Haxton #5888

ATTORNEYS FOR DEFENDANT