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Office of the Attorney General
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IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS
Division 10

STATE OF KANSAS, *ex rel.*,)
CARLA J. STOVALL, Attorney General,)
)
Plaintiff,)
)
v.)
)
RF Management Group of Wichita, Inc., d/b/a)
Bernard Haldane Associates; RF Management)
Group of Kansas City, Inc. d/b/a Bernard)
Haldane Associates; and DRB, Ltd., d/b/a)
Bernard Haldane Associates,)
)
Defendants.)

Case No. 02 CVM6080

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

AMENDED JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 11 day of October, 2002, comes before the Court the Amended Journal Entry of Consent Judgment entered into between the Plaintiffs and Defendants, pursuant to K.S.A. 50-632(b). The State of Kansas, *ex rel.* Carla J. Stovall, Attorney General, appears by and through Shelley H. King, Assistant Attorney General. Defendants RF Management Group of Wichita, Inc., d/b/a Bernard Haldane Associates and RF Management Group of Kansas City, Inc., d/b/a Bernard Haldane Associates, appear by and through Thomas Bath, BATH & EDMONDS, P.A., Overland Park, Kansas, and J. Brett Milbourne, WALTERS, BENDER, STROHBEHN & VAUGHAN, P.C., Kansas City, Missouri. Defendant DRB, Ltd., d/b/a Bernard Haldane Associates

CLERK OF DISTRICT COURT
JOHNSON COUNTY, KS
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appears by and through Andrew P. Miller, POWELL GOLDSTEIN FRAZER & MURPHY LLP, Washington D.C., and Douglas Lancaster, Overland Park, Kansas, local counsel. There are no other appearances.

Due to wording irregularities in the original Consent Judgment, by stipulation the parties have agreed that the original Consent Judgment, dated September 13, 2002, shall be replaced with the Amended Consent Judgment. The parties further stipulate and the Court orders, that the original Consent Judgment shall be deemed confidential and kept under seal, only to be released by order of this Court.

Whereupon, the parties advise the Court that they have stipulated and agreed to the following matters:

1. Carla J. Stovall 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 statutory and common law of Kansas, specifically, the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*
3. Defendants RF Management Group of Wichita, Inc. and RF Management Group of Kansas City, Inc., d/b/a Bernard Haldane Associates, are Maryland corporations and have consented to service of process by serving their registered agent at 7007 College Blvd., Suite 727, Overland Park, KS 66211.
4. Defendant DRB, Ltd., d/b/a Bernard Haldane Associates, is a California Corporation with its principal place of business at 192 Lexington Avenue, Fifteenth Floor, New York, NY 10016 and may be served with process by Serving CEO/Chairman Jerry Weinger at that address.
5. Defendants voluntarily enter their appearances for the sole purpose of entering into this Consent Judgment and any enforcement thereof.

6. Each defendant is a supplier as defined by K.S.A. 50-624(j)(2001 Supp.) and has engaged in consumer transactions as defined by K.S.A. 50-624(c)(2001 Supp.).

7. Defendants admit that the Court has jurisdiction over the parties and the subject matter for the sole purpose of entering into this Consent Judgment and any subsequent enforcement thereof.

8. Defendants admit that venue is proper in the Tenth Judicial District of Kansas (Johnson County) for the sole purpose of entering into this Consent Judgment and any enforcement thereof.

9. Defendants admit that, at all relevant times hereto, Defendants are responsible for the acts of their employees, agents and representatives under the legal theory of *respondeat superior*.

ALLEGATIONS

10. The Plaintiff alleges that Defendants have committed deceptive acts and practices in violation of the Kansas Consumer Protection Act, K.S.A. 50-626(a) and (b), including, but not limited to, the following:

- a. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2), or in the alternative Defendants made representations knowingly or with reason to know that the supplier had a sponsorship, approval, status, affiliation or connection that the supplier did not have, in violation of K.S.A. 50-626(b)(1)(B) in that Defendants represented to consumers that they could get their clients in front of persons with hiring decision capabilities, bypassing the normal human

resources and personnel departments of the employers, when they were not in fact able to do so.

- b. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2), or in the alternative Defendants made representations knowingly or with reason to know that the supplier had a sponsorship, approval, status, affiliation or connection that the supplier did not have, in violation of K.S.A. 50-626(b)(1)(B) in that as an inducement to clients Defendants represented to consumers that their services were tax deductible when they were not.
- c. Defendants made representations knowingly or with reason to know that the supplier had sponsorship, approval, status, affiliation or connection that the supplier did not have, in violation of K.S.A. 50-626(b)(1)(A) and (B) in that the Defendants administered the Myers-Briggs test to clients but had no employees qualified to accurately and correctly interpret the results of the tests.
- d. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2), or in the alternative that Defendants made representations knowingly or with reason to know that the supplier or its services had sponsorship, approval, status, affiliation or connection that the supplier did not have, in violation of K.S.A. 50-626(b)(1)(B) in that as an inducement Defendants told clients they had access to the "hidden job market", a proprietary list of employers and contacts available to clients only through the Defendants, when this was not true.

- e. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2), in that Defendants posted job openings in the newspaper as a way of recruiting clients when no job openings actually existed, and the advertisements were actually solicitations for the Defendants services.
- f. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2) in that as an inducement to clients they represented to clients that Defendants only accept a small percentage of applicants as clients when most clients who applied and paid were accepted.
- g. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2) in that they gathered prospective clients' resumes from the internet, then contacted them and requested they come in for a job interview, when in reality they were being called in for a sales presentation for the Defendants' services.
- h. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2) in that as an inducement to clients, they represented to clients that companies had Swiss Chalets available for employees, when no such amenity existed to their knowledge.
- i. Defendants willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2), in that Defendants

charged clients for production of a video tape of the clients but did not provide the service to the clients.

INJUNCTIVE RELIEF

11. Defendants agree to this Consent Judgment without trial or adjudication of any issue of law or fact, but deny each act and deny that any described act constitutes a violation of law.

12. Defendants agree to be permanently enjoined from all deceptive and unconscionable acts and practices alleged herein, from any further violations of the Kansas Consumer Protection Act, K.S.A. 50-623 et seq., and from any act or practice misleading or tending to mislead clients about the services Defendants can provide or are capable of providing.

13. Except for complaints previously resolved by agreement or enforcement action, Defendants agree to pay \$300,000 as restitution to be distributed to the consumers listed in Exhibit A and to any additional consumer who files a complaint or requests a refund with Plaintiff within forty-five days of September 13, 2002 (up to and including October 28, 2002), alleging the violations contained in Paragraph Ten (10) of this Consent Judgment and occurring prior to September 13, 2002. The \$300,000 payment shall be deposited in the Trust Account of Douglas Lancaster at the time of signing this Consent Judgment. In the event consumer restitution amounts are less than \$300,000, any remaining amount shall be returned to Defendants upon approval of Plaintiff.

Within ten (10) days of the expiration of the forty-five (45) day period described above, Plaintiff shall notify Defendants of the names and amounts claimed by all consumers entitled to restitution under this Consent Judgment. If the total amount of restitution payable exceeds \$300,000, consumers shall be paid a pro-rata share of the \$300,000 restitution amount as determined by Plaintiff. Defendants shall, within ten days of receiving notification from Plaintiff of the amounts

payable, deliver to Plaintiff checks made payable to each individual consumer. Each check will contain the following language on the back:

By cashing this check, I fully and forever release RF Management Group of Wichita, Inc., d/b/a Bernard Haldane Associates and RF Management Group of Kansas City, Inc., d/b/a Bernard Haldane Associates and DRB Ltd., d/b/a Bernard Haldane Associates from any and all liability under the Kansas Consumer Protection Act arising out of the transactions I conducted with RF Management Group of Wichita, Inc., d/b/a Bernard Haldane Associates, RF Management Group of Kansas City, Inc., d/b/a Bernard Haldane Associates and DRB Ltd., d/b/a Bernard Haldane Associates which are alleged to be deceptive or unconscionable in the Consent Judgment with the Office of the Kansas Attorney General.

14. From the date of this Consent Judgment, Defendants agree to respond to and promptly resolve all complaints against Defendants alleging deceptive or unconscionable acts in violation of the Kansas Consumer Protection Act.

15. Through December 31, 2003, Defendants agree to provide to the Office of the Kansas Attorney General a copy and summary of each written "negative feedback" received by Defendants pertaining to Defendants' operations in Kansas. Written "negative feedback" shall be defined to include any feedback from a customer of the Defendants of an adverse nature pertaining to the provision of goods or services provided by the Defendants that alleges conduct similar in nature to that alleged herein, alleges that goods or services provided by the Defendants did not comport with prior written or oral representations made by the Defendants, or requests a remedy from the Defendants such as a refund, restitution, contract rescission, or other specific remedy.

16. Defendants agree to pay to the Office of the Kansas Attorney General \$100,000 in Civil Penalties and Investigative Fees at the time of execution of this Consent Judgment, to be distributed according to the provisions of K.S.A. 50-623 *et seq.* Payment shall be made by cashier's check(s) and shall be delivered to the Attorney General of the State of Kansas at the time of signing this Consent Judgment.

17. Provisions of this Consent Judgment are applicable to Defendants, and every employee, agent or representative of Defendants.

18. If Defendants do not pay the amounts as agreed herein, within the time allowed herein, Defendants agree to pay all expenses and reasonable attorney's fees in connection with the collection of any amounts in this judgment.

19. Defendants agree to maintain all business records relating to the operations of the Kansas offices for a period of three (3) years and to allow the Attorney General to inspect all of such business records in the future.

20. 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.

21. 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.

22. 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 her jurisdiction.

23. 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 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.

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 immediately become a judgment upon finding.

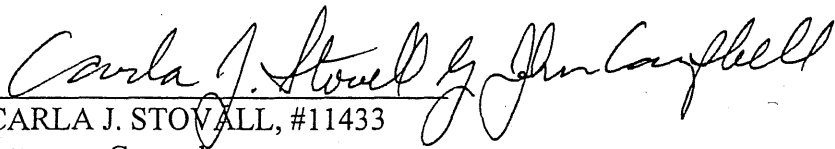
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

LARRY McCLAIN

THE HONORABLE
DISTRICT COURT JUDGE

Prepared and approved by:
ATTORNEYS FOR PLAINTIFFS


CARLA J. STOVALL, #11433

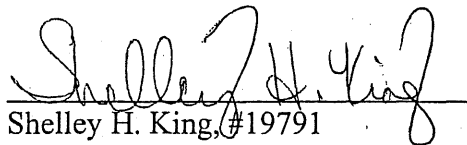
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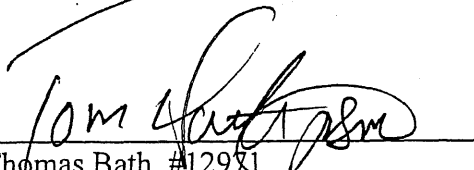
Consumer Protection/Antitrust Division

120 SW 10th Avenue, 2nd Floor

Topeka, Kansas 66612-1597

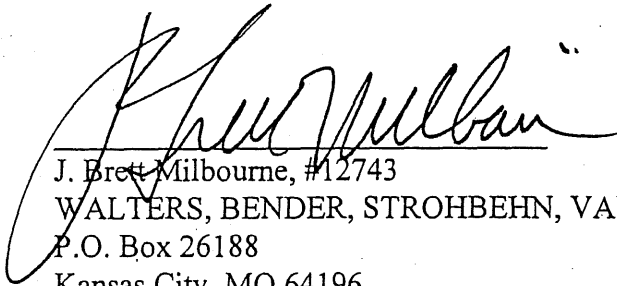
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9/29/07
Douglas Lancaster # 6386
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Overland Park, Kansas 66210
(913)663-4442
Local Counsel for DRB, Ltd. d/b/a Bernard Haldane Associates

Exhibit A

File No.	Name	Refund Needed
	Corporate Files	
00-5209	Terry Winkler	\$3,800.00
00-5436	Kenneth Hile	\$3,510.00
00-7167	Richard Goin	\$4,200.00
00-7658	Brian Morris	\$2,500.00
01-7298	Connie Mosier	\$3,610.00
	Overland Park Files	
00-4691	Robert Gard	\$4,005.00
00-4827	Dean Fleming	\$5,085.00
00-5226	Michael Muldoon	\$5,200.00
00-5335	Joey Ellzey	\$3,951.00
00-5432	Brian Pieper	\$5,625.00
00-6190	Stephen Staudenmaier	\$4,725.00
00-6207	Carolyn Wells	\$4,185.00
00-7330	Eldon Slife	\$5,085.00
00-7393	Andrew DiGirolamo	\$6,435.00
00-7395	Ronald Thompson	\$3,510.00
00-7396	Frank Woodbury	\$4,095.00
00-7399	Christie Endsley	\$5,085.00
00-7406	Norman Miller	\$4,185.00
00-7470	David Wilson	\$4,200.00
00-7471	Edward Miller	\$6,912.00
00-7584	James Noland	\$6,885.00
00-7713	Max Wood	\$3,600.00

Exhibit A

00-7775	Deborah Woodbury	\$2,047.50
00-7866	Al Moser	\$5,715.00
01-0176	John Sauer	\$6,705.00
01-0306	Jesse Eppler	\$10,755.00
01-0386	Randall Borgman	\$4,635.00
01-0466	Arno Pinnow	\$4,000.00
01-3521	Douglas Smith	\$4,914.00
01-5319	Gary Stern	\$5,530.00
01-7531	David Mansfield	0
	New Files	
02-2780	Paul Hughes	\$2,178.92
02-2959	Roger Verser	\$6,000.00
02-3085	John Crumley	\$4,995.00
02-3091	Susan Lash	\$5,537.00
02-3143	Diane Henderson	\$6,500.00
02-3197	Salvator DiRosa	\$3,666.67
02-3198	Kathy Duvenci	\$4,995.00
02-3199	Timothy Shuh	\$5,625.00
02-3271	Steven Gibson	\$5,715.00
02-3307	Douglas Billings	\$5,976.00
02-3309	Donna Parrot	\$5,625.00
02-3684	Donald Krepps	\$7,200.00
02-3759	Richard A. Helgerson	\$5,625.00
02-3909	Dennis R. Braley	\$3,735.00
02-3910	Robert Mitchell	\$5,895.00
02-3977	Mark Devane	\$7,092.00

Exhibit A

02-4549	William Wakefield, II	\$5,215.00
02-3758	John Vallejo	\$8,215.00
02-4765	Roger Peckman	\$6,075.00
	TOTAL:	\$250,555.09