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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 4

STATE OF KANSAS, *ex rel.*
PHILL KLINE, Attorney General,

Plaintiff,

vs.

Rural Cellular Corporation, and
RCC Holdings, Inc., a subsidiary of
Rural Cellular Corporation, f/k/a Triton
Cellular, a/k/a Cellular One, a/k/a Unicel

Defendants.

Case No. 03 C 445

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 20th day of March, 2003, the Petition for Approval of Consent Judgment comes before the Court pursuant to K.S.A. 50-632(b). The Plaintiff, the State of Kansas, *ex rel.* Phill Kline, Attorney General, appears by and through Kristy L. Hiebert, Assistant Attorney General and Joseph N. Molina, Assistant Attorney General. Defendants Rural Cellular Corporation and RCC Holdings, Inc., a subsidiary of Rural Cellular Corporation, f/k/a Triton Cellular, a/k/a Cellular One, a/k/a Unicel (hereinafter "RCC") appear by and through counsel Christopher J. Leopold of Stinson Morrison Hecker LLP.

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

PARTIES, JURISDICTION AND VENUE

1. Phill Kline 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, K.S.A. 50-623 *et seq.*, and the Kansas No-Call Act, ch. 179, § 1-2 (2002 Session Laws).
3. Defendant RCC is a foreign corporation organized under the laws of the State of Minnesota. The principal office of the corporation is located at 621 Boll Weevil Circle, Suite 2, Enterprise, Alabama, 36330.
4. Defendants stipulate and admit that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties.
5. Defendants stipulate and admit that venue is proper in this Court.
6. Defendants are suppliers within the definition of K.S.A. 50-624(j) (K.S.A. 2001 Supp.) and engaged in consumer transactions in Kansas within the definition of K.S.A. 50-624(c) (K.S.A. 2001 Supp.).
7. For the purposes of this Consent Judgment, Defendants are telephone solicitors, as defined by the Kansas No-Call Act, ch. 179, § 1(a)(3) (2002 Session Laws).
8. Defendants, previously Cellular One licensees, currently do business under the trademark name of Unicel.

ALLEGATIONS

9. The Attorney General alleges that Defendants engaged in deceptive and unconscionable acts and practices in violation of the KCPA, specifically, but not limited to,

K.S.A. 50-626, 50-627, and the Kansas No-Call Act, ch.179 § 2(a)(6)(b and e)(2002 Session Laws) which acts and practices include, but are not limited to:

- a. Failing to allow termination of service, without penalty, when the consumer is unable to receive a material benefit from the goods or services, when material misrepresentations have been made to the consumer regarding the property or services during a solicitation, or when Defendants unilaterally change the material terms of the service agreement;
- b. Employing terms and conditions that allow Defendants to unilaterally change the material terms of the service agreement, without providing consumers with a reasonable opportunity to cancel without penalty;
- c. Excluding, modifying, and/or limiting the implied warranties of merchantability and fitness for a particular purpose;
- d. Continuing to bill consumers for canceled options on their plans or for monthly charges after the service agreement has terminated;
- e. Willfully concealing or omitting information regarding future plan changes that were to become effective shortly after consumers signed up for service, and that materially changed the terms of their service agreement;
- f. Advertising for property or services that were not available or that Defendants had no intention of providing, thus enticing consumers to inquire and enter into service agreements for services other than those advertised;
- g. Misrepresenting the coverage areas or reception in such areas;
- h. Adding and billing for services not requested by the consumer, and;
- i. Violating the Kansas No-Call Act, ch. 179, § 1-2 (2002 Session Laws):

- i. That on or about the dates of November 1, 2002, through November 5, 2002, Defendant made or caused to be made seven (7) unsolicited consumer telephone calls for the purpose of soliciting a sale of property or services, an extension of credit for the sale of property or services or for obtaining information that will or may be used for the direct solicitation of a sale of property or services.
- ii. At the time of the unsolicited consumer telephone calls, each of the consumer telephone numbers were registered on the Kansas No-Call list published on October 1, 2002.
- iii. Prior to making the unsolicited consumer telephone calls Defendant failed to consult the Kansas No-Call list.

10. Defendants, by entering into this Consent Judgment, make no admission of liability as to any practice set forth in paragraph nine (9), or any other part of this Consent Judgment, and specifically deny that they are liable. Defendants have concluded that it is in their best interests to enter into this Consent Judgment to eliminate the expense, inconvenience, burden and uncertainties of litigation, and to avoid any further controversies related to the allegations made herein. This Consent Judgment shall not be construed nor be deemed to be a concession or admission by or on the part of Defendants of any liability or wrongdoing or evidence of the truth of any allegation made against Defendants in any court or legal proceeding.

11. Defendants voluntarily agree to this Consent Judgment without trial or adjudication of any issue of fact or law.

INJUNCTIVE RELIEF

12. Defendants agree to refrain from, and to be permanently enjoined from, engaging in those acts and practices set forth in paragraph nine (9) 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.

13. 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 of this Consent Judgment.

14. 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 Defendants within ten (10) days of signing the Consent Judgment.

15. Defendants agree to resolve any consumer complaints received by the Attorney General's Office, after the date of this Consent Judgment, regarding Defendants' actions, which occurred prior to the date of this Consent Judgment, to the satisfaction of the Attorney General within thirty (30) days of the date such complaint is forwarded to Defendants for resolution.

INVESTIGATIVE FEES AND CIVIL PENALTIES

16. Defendants agree to pay to the "Office of the Attorney General" of the State of Kansas \$30,000.00 for investigation fees and expenses and civil penalties. Payment shall be made by a cashier's check and shall be delivered to the Attorney General of the State of Kansas at the time of signing the Consent Judgment.

OTHER PROVISIONS

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

18. 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.

19. 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.

20. 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.

21. 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.

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 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 in the amount of \$30,000.00.

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.

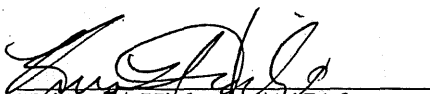
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DISTRICT COURT JUDGE

Approved by:

PLAINTIFF



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Attorney General



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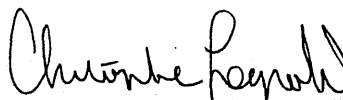


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Approved by:

DEFENDANTS



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