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K.S. DISTRICT COURT  
THIRD JUDICIAL DIST.  
TOPEKA, KS.

2005 JUL 11 P 2:02

Bryan J. Brown, #17634  
Deputy Attorney General  
Office of the Attorney General  
Consumer Protection Division  
120 SW 10th Ave., 2nd Floor  
Topeka, Kansas 66612-1597  
(785) 296-3751

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS  
Division 12

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

Plaintiff,

v.

HealthCare Advantage, LLC,

Defendant

Case No. 04C916

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 11<sup>th</sup> day of July, 2005, Plaintiff's Journal Entry of Consent Judgment comes before the Court pursuant to K.S.A. 50-632(b). Plaintiff, the State of Kansas, *ex rel.* Phill Kline, Attorney General, appears by and through Bryan J. Brown, Deputy Attorney General. Defendant appears by and through counsel Timothy J. Sear.

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

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.*

3. Defendant HealthCare Advantage, LLC (hereinafter "Defendant HCA") is a corporation organized under the laws of the state of Florida. The principal office of the corporation is located at 861 SW 78 Avenue, Suite 200, Plantation, Florida 33324.

4. Defendant HCA is a supplier who markets, promotes, advertises or otherwise distributes a discount card that purports to offer discounts or access to discounts in health-related purchases from health care providers in Kansas, as defined by K.S.A. 50-1,100(a) and K.S.A. 50-1,101(a) (2004 Supp.).

5. The Court has personal and subject matter jurisdiction over the parties for the sole purpose of entering into this Consent Judgment and any subsequent enforcement thereof.

6. Defendant HCA stipulates and waives any objection to venue in Shawnee County for the sole purpose of entering into this Consent Judgment and any subsequent enforcement thereof.

7. The Plaintiff alleges Defendant HCA engaged in the following unlawful and unconscionable acts and practices in violation of the Kansas Consumer Protection Act, specifically K.S.A. 50-1,101 (2004 Supp.), K.S.A. 50-1,102 (2004 Supp.) and K.S.A. 50-627(b)(3):

- a. Defendant HCA sold discount cards in Kansas which failed to state in bold and prominent type on the face of such cards that the discount provided is not insurance, in violation of K.S.A. 50-1,101(b)(1) (2004 Supp.).
- b. Upon commencing business in Kansas, Defendant HCA failed to maintain a surety bond in the amount of \$50,000.00 issued

by a surety company authorized to do business in Kansas, or establish a surety account in the amount of \$50,000.00 at a federally insured bank, savings and loan association or federal bank located in Kansas, in violation of K.S.A. 50-1,101(b)(6) (2004 Supp.).

- c. Upon commencing business in Kansas, Defendant HCA failed to designate a resident agent who is a resident of Kansas for service of process and is registered with the Kansas Secretary of State's office, in violation of K.S.A. 50-1,103 (2004 Supp.).
- d. Defendant HCA sold discount cards to Kansas consumers who were unable to receive a material benefit from the transaction because no health care providers in the consumers' service area accepted the card, an unconscionable act or practice in violation of K.S.A. 50-627(b)(3) (2004 Supp.).

8. Defendant HCA voluntarily agrees to this Consent Judgment without trial or adjudication of any issue of fact or law.

9. Defendant HCA agrees to refrain from and to be permanently enjoined from engaging in those acts and practices alleged to be unlawful and unconscionable in Paragraph Seven (7) of this Consent Judgment. Defendant HCA agrees that engaging in such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Order and civil penalties will be imposed for each subsequent violation.

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

11. Defendant HCA agrees to make available and/or disclose the provisions of this Consent Judgment to its employees, agents and representatives within five days of signing the Consent Judgment.

12. Defendant HCA 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 of this Consent Judgment.

13. Defendant HCA agrees to pay \$51,000.00 in civil penalties and investigative fees to the "Office of the Attorney General" of the State of Kansas. Payment shall be made by cashier's check, payable to the Office of the Attorney General, and shall be delivered to the Attorney General of the State of Kansas at the time of Defendant's signing this Consent Judgment.

14. 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.

15. 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.

16. Compliance with this Consent Judgment does not relieve Defendant HCA 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.

17. 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 Defendant HCA nor shall Defendant HCA 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 Defendant HCA immediately become a judgment upon filing.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendant HCA in favor of Plaintiff in the amount of \$51,000.00.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant HCA pay all costs associated with this action.

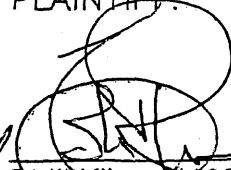
**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

**IT IS SO ORDERED.**

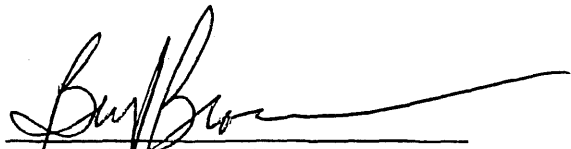


HON. DAVID E. BRUNS  
DIVISION 12  
THIRD JUDICIAL DISTRICT

Prepared and approved by:  
PLAINTIFF:

  
#11109

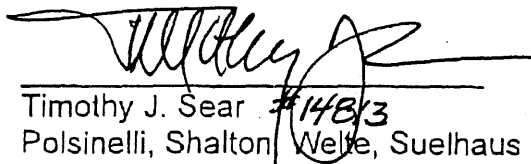
Phill Kline, #13249  
Attorney General



Bryan J. Brown, #17634  
Deputy Attorney General  
120 SW 10<sup>th</sup> Ave., 2<sup>nd</sup> Floor  
Topeka, Kansas 66612-1597

Attorneys for Plaintiff

DEFENDANT:



Timothy J. Sear #14813  
Polsinelli, Shalton, Welte, Suelhaus  
6201 College Boulevard  
Suite 500  
Overland Park, Kansas 666211-2423