

2. A copy of the summons and a copy of the Petition were duly and lawfully personally served upon Defendants Gold Crown Advertising, Inc., and Veronica Kmiec on May 16, 2005, and a copy of same were personally served on Defendant Felix Petersen on May 24, 2005.

3. Defendants Gold Crown Advertising, Veronica Kmiec, and Felix Petersen did not file an answer within twenty (20) days after being served with process, as required by K.S.A. 60-212(a).

4. More than thirty (30) days have elapsed since Defendants Gold Crown Advertising, Veronica Kmiec, and Felix Petersen were served with a copy of the summons and a copy of the petition, but they have not filed a proper Answer.

5. Notice of the Motion for Judgment by Default was served upon Defendants Gold Crown Advertising, Inc., Veronica Kmiec, and Felix Petersen pursuant to K.S.A. 60-255(a) and K.S.A. 60-205(a).

6. Defendants are neither minors nor incapacitated persons.

7. Pursuant to K.S.A. 60-308(a)(3), Defendants Gold Crown Advertising, Inc., and Felix Petersen are in default. Plaintiff State of Kansas is entitled to entry of judgment by default against Defendants Gold Crown Advertising and Felix Petersen, and for all remedies to which Plaintiff is entitled, as prayed for in the demand for judgment, pursuant to K.S.A. 60-255(a) and 60-254(c).

**IT IS THEREFORE BY THE COURT ORDERED, ADJUDGED,
AND DECREED:**

- A. That Defendants Gold Crown Advertising, Inc. and Felix Petersen are found to be in default pursuant to K.S.A. 60-255(a) and K.S.A. 60-254(c).
- B. That Defendants Gold Crown Advertising and Felix Petersen and are found to have violated the Kansas Consumer Protection Act as follows:
1. Defendants made willful use of exaggeration, falsehood, innuendo or ambiguity as to a material fact as to each timeshare owners (consumer) listed in Exhibit "A" attached hereto; specifically, that the Defendants represented they were prepared to and would provide "guaranteed renters", who were ready to rent Consumer's timeshare property. However, no timeshare owner listed in Exhibit A has successfully rented his or her timeshare property to a "guaranteed renter" provided by the Defendants, all in violation of K.S.A. 50-626(b)(2);
 2. Defendants offered services without intent to supply reasonable, expectable public demand; specifically, that Defendants represented to, and each timeshare owner listed in Exhibit A believed, that the Defendants would provide "guaranteed renters" who would rent his or her timeshare property, when in fact not a single "guaranteed renter" actually did rent any property, all in violation of K.S.A. 50-626(b)(6);

3. Defendants failed to provide a material benefit to consumers; specifically that they would locate and provide "guaranteed renters" to timeshare owners who would in turn be able to rent the property to said "guaranteed renters" for \$1295 per week, when in fact each of the "guaranteed renters" provided to the Consumers listed in Exhibit A did not follow through with renting the property, all in violation of K.S.A. 50-627(b)(3).

- C. That Defendants Gold Crown Advertising, its officers, directors, shareholders, employees, agents and representatives, and Felix Petersen are permanently enjoined from these and other violative practices, pursuant to K.S.A. 50-632(a)(2);
- D. That Defendants Gold Crown Advertising, Inc., and Felix Petersen are ordered to pay, jointly and severally, to the Office of the Attorney General investigative fees and civil penalties as provided in K.S.A. 50-636 and K.S.A. 50-632, assignable in the following fashion:
1. \$100,000 for violations of K.S.A. 50-626(b)(2);
 2. \$100,000 for violations of K.S.A. 50-626(b)(6);
 3. \$100,000 for violations of K.S.A. 50-626(b)(3);
 4. \$2,500 investigative fees pursuant to K.S.A. 50-632(a)(4).
- E. That Defendants Gold Crown Advertising, and Felix Petersen are hereby ordered to pay restitution jointly and severally to consumers in the amounts listed in Exhibit A pursuant to K.S.A. 50-632(a)(3);

- F. That Plaintiff is granted until the first working day of August, 2006, to determine whether or not there are additional aggrieved consumers and the amount(s) of their loss(es), and if so, to submit to the Court a supplemental Order of Restitution;
- G. That Plaintiff is granted until the first working day of August, 2006, to determine whether any of the aggrieved consumers are elderly or disabled pursuant to K.S.A. 50-676 and 50-677, and if so, that Defendants Gold Crown Advertising, and Felix Petersen are ordered pay jointly and severally an additional \$10,000 in civil penalties for each;
- H. That Defendants Gold Crown Advertising and Felix Petersen are ordered to pay jointly and severally all court costs.
- I. That the Court declines at this time to grant Plaintiff's Motion for Default Judgment as to Defendant Veronica Kmiec, but sets a telephonic status conference for Monday, September 26, at 9:00 a.m., by which time Kmiec is to have filed an Answer or retained counsel or said Motion for Default will be granted.
- J. That Notice of this Order shall be served upon Defendants Gold Crown Advertising, Inc., Felix Petersen, and Veronica Kmiec by mailing same to their last known addresses.

IT IS SO ORDERED.



Hon. A. J. Wachter
DISTRICT COURT JUDGE

Certificate of Clerk of the District Court for Crawford County. The above instrument is a correct copy which is on file or on record in this court.

Done this 29 day of August, 2005
Clerk Camela Hox by _____ Deputy

Prepared by:

A handwritten signature in cursive script, reading "Ruth A. Ritthaler", is written over a horizontal line.

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