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FILED BY CLERK
KS DISTRICT COURT
3RD JUDICIAL DIST.

JUL 16 9 05 AM '96

GENERAL JURISDICTION
TOPEKA KANSAS

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 4

STATE OF KANSAS, *ex rel.*
CARLA J. STOVALL, Attorney General

Plaintiff,

vs.

Rymer Foods, Inc.

Defendant.

Case No. 96 CU 788

Petition Pursuant to K.S.A. Chapter 60

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 16th day of July, 1996, Plaintiff's Petition for Approval of Consent Judgment comes before the Court pursuant to K.S.A. 50-632(b). Plaintiff, the State of Kansas, *ex rel.* Carla J. Stovall, Attorney General, appears by and through James J. Welch, Assistant Attorney General. Defendant Rymer Foods, Inc. appears pro se.

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

1. Carla J. Stovall 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 Rymer Foods, Inc. is a foreign corporation organized under the laws of the state of Illinois. The principal office of the corporation is located at 4600 South Packers Avenue, Suite #400, Chicago, Illinois 60609.

4. Pursuant to its Foreign Corporation Application. Defendant Rymer Foods, Inc. may be served with process by serving its registered office at 4600 South Packers Avenue, Suite #400, Chicago, Illinois 60609.

5. Defendant is a supplier within the definition of K.S.A. 50-624(i) and has engaged in consumer transactions in Kansas within the definition of K.S.A. 50-624(c) and (h).

6. Defendant admits the Court has personal and subject matter jurisdiction over the parties.

7. Venue is proper in Shawnee County because an act or practice declared to be a violation of the Kansas Consumer Protection Act occurred in such county and because Defendant has no principal place of business in the State of Kansas.

8. Defendant is a distributor of pre-packaged meat and food products which caused meat products to be shipped into the State of Kansas for resale..

9. The Attorney General alleges and Defendant admits Defendant engaged in the following acts and practices which are deceptive and/or unconscionable and violate the Kansas Consumer Protection Act:

- a. Between January 25, 1996 and April 10, 1996, Defendant willfully caused to be shipped and offered for sale a total of approximately 300 boxes of meat which were labeled with a net-weight of 22 pounds; however, Defendants' product actually consisted of boxes of significantly less than 22 pounds of meat per box. This is in violation of K.S.A. §50-626(b)(2), in that it is the willful use in oral and written representation of exaggeration and falsehood as to a material fact.

- b. Between March 21, 1996 and April 10, 1996, Defendant willfully caused to be shipped and offered for sale boxes of meat which were labeled as "choice"; however, the actual contents of boxes of meat labeled as "Choice" contained 15-25% meat product which was not of USDA-Choice grade. Defendant's representation of grade of meat as "choice is a violation of K.S.A. §50-903(c)(3), in that Defendant did not disclose that such grade is not a United States Department of Agriculture grade, but Defendant's own grade system.
- c. Between March 21, 1996 and April 10, 1996, Defendant willfully caused to be shipped and offered for sale boxes of meat which were labeled as "choice"; however, the actual contents of boxes of meat labeled as "Choice" contained 15-25% meat product which was not of USDA-Choice grade. Defendant's representation of grade of meat as "choice" is in violation of K.S.A. §50-626(b)(1)(D), in that it was the representation made knowingly and with reason to know that the meat product was of a particular grade when they were of another which differed materially from the representation.

10. Defendant voluntarily admits liability and agrees to this Consent Judgment.

11. Defendant agrees to refrain from and to be permanently enjoined from engaging in those acts and practices alleged to be deceptive or unconscionable in paragraph nine (9) of this Consent Judgment, and Defendant agrees that engaging in such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Order.

12. Defendant agrees to refrain from and to be permanently enjoined from engaging in any and all deceptive and/or unconscionable acts and practices in violation of the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*, as it now exists or as amended in the future and

Defendant agrees that engaging in such acts or practices after the date of this consent judgment shall constitute a violation of this Order.

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

14. Defendant 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.

15. Defendant agrees to resolve any future complaints filed with the Office of the Attorney General regarding Defendant after the date of this Consent Judgment to the satisfaction of the Attorney General within 30 days of the date such complaint is forwarded to Defendant for resolution.

16. Defendant 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.

17. Defendant agrees to pay \$20,000.00 in investigation fees and expenses, a \$5,000.00 charitable donation to Kansas CASA Association, and \$5,000.00 in civil penalties to the "State of Kansas." Payment shall commence July 20, 1996, with subsequent payments thereafter due on or before the twentieth (20th) day of each month, until the entire amount payable is satisfied. The first eight \$2,500.00 payments shall be made payable to the "Office of the Attorney General of the State of Kansas" for investigative fees and expenses, the ninth and tenth \$2,500.00 payments shall be made payable to "Kansas CASA Association" for the charitable contribution, and the eleventh and twelfth \$2,500.00 payments shall be made payable to the "State of Kansas."

18. Defendant admits that all fines, penalties, payments to charities and investigative fees imposed and agreed to herein are a result of willful and/or malicious injury to another entity or the property of another.

19. Defendant agrees to pay all expenses and reasonable attorney's fees in connection with the collection of any amounts in this judgment, provided Defendant does not pay the amounts as agreed herein within the time frame stated.

20. Defendant agrees to maintain all business records for a period of five years and to allow the Attorney General to inspect all of Defendant's business records in the future.

21. 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.

22. 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.

23. Compliance with this Consent Judgment does not relieve Defendant 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.

24. 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 Defendant nor shall Defendant 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 by Defendant immediately become a judgment upon filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendant in favor Plaintiff in the amount of \$30,000.00.

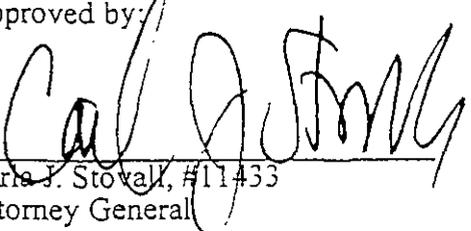
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

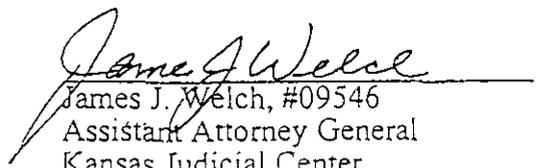


DISTRICT COURT JUDGE

Approved by:



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Attorney General



James J. Welch, #09546
Assistant Attorney General
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Attorney for Plaintiff



Edward M. Hebert, Senior Vice President,
Chief Financial Officer, and Treasurer for
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4600 South Packers Avenue, Suite #400
Chicago, IL 60609
Defendant