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FILED BY CLERK
AS DISTRICT COURT
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TOPEKA KANSAS

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 5

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

Plaintiff,

vs.

SOUTHEASTERN LEASING & EQUIPMENT
CORPORATION,

Defendant.

Case No. 97 CU 611

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 6 day of May, 1997, 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 Terry A. Iles, Assistant Attorney General. Defendant, Southeastern Leasing & Equipment Corporation, appears pro se, but with the advise of counsel.

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

- I. 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, Southeastern Leasing & Equipment Corporation, is a corporation organized under the laws of the State of Florida. The principal office of the corporation is located at 8641 Baypine Road, Suite 7, Jacksonville, Florida 32256.

4. 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).

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

6. Defendant stipulates and waives any objections to venue in Shawnee County.

7. Defendant is in the business of leasing security systems and providing services to consumers.

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

- a. Defendant committed unconscionable acts and practices through its agreements in violation of the Kansas Consumer Protection Act, K.S.A. 50-627(a) and (b), in that Defendant excluded, modified or otherwise attempted to limit the implied warranties of merchantability and fitness for a particular purpose or any remedy provided by law for a breach of those warranties [K.S.A. 50-627(b)(7)].
- b. Defendant committed unfair and deceptive acts and practices by failing to provide each and every consumer with a three day right to cancel in

violation of the Kansas Consumer Protection Act, K.S.A. 50-640(a) and (b), in that:

- i. Defendant failed to provide each consumer with a fully completed contract and in immediate proximity of the space reserved for the signature and in boldface type of a minimum size of 10 points, a statement in substantially the following form: "YOU THE BUYER, MAY CANCEL THIS TRANSACTION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE OF THIS TRANSACTION. SEE THE ATTACHED NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT" [K.S.A. 50-640(b)(1)];
- ii. Defendant failed to furnish each consumer with a completed form in duplicate, captioned "NOTICE OF CANCELLATION," that is attached to the contract or receipt and easily detachable [K.S.A. 50-640(b)(2)];
- iii. In its sales presentation away from its place of business, Defendant failed to inform each consumer orally of their three-day right to cancel [K.S.A. 50-640(b)(5)]; and
- iv. Defendant refused to honor a valid notice of cancellation by a consumer [K.S.A. 50-640(b)(7)].

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

10. By entering into this Consent Judgment, Defendant shall not be deemed to admit the Attorney General's allegations. This Consent Judgment is entered into by Defendant to avoid the time, expense and uncertainty of litigation.

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 eight (8) 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. The provisions of this Consent Judgment will be applicable to Defendant, and every employee, agent or representative of Defendant.

13. Defendant agrees to make available and/or disclose the provisions of this Consent Judgment to its employees, agents and representatives within five days (5) of signing the Consent Judgment.

14. 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.

15. 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.

16. Defendant agrees to pay the total sum of \$3,376.34 as restitution to the consumers listed on Exhibit A in their respective amounts pursuant to K.S.A. 50-632(a)(3). Payment shall be made by certified checks and shall be delivered to the Attorney General of the State of Kansas at the time of signing this Consent Judgment. Furthermore, Defendant agrees to correct any negative information reported on any of the consumer's credit reports in connection with their purchase of the Defendant's goods and/or services, remove any security systems and repair any and all damages.

17. Defendant agrees to pay \$500.00 in investigation fees and expenses to the "Office of the Attorney General" of the State of Kansas. In addition, Defendant agrees to pay a \$500.00

charitable donation to a charity chosen by the Attorney General. Payment shall be made by certified checks and shall be delivered to the Attorney General of the State of Kansas at the time of signing this Consent Judgment.

18. 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.

19. 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 and/or for the enforcement of compliance herewith.

20. If any portion, provisions, 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.

21. Compliance with this Consent Judgment does not relieve Defendant of any obligations 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.

22. 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 of Defendant.

IT IS FURTHER 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.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendant in favor of Plaintiff in the amount of \$4,376.34.

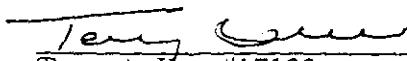
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

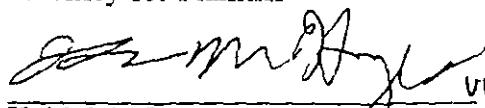
1/s/ James M. MacNish
DISTRICT COURT JUDGE

Approved by:


CARLA J. STOVALL, #11433
Attorney General


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Attorney for Plaintiff


VP/Sec/Treasurer
Keith M. Hayes
Vice President/Secretary/Treasurer
Southeastern Leasing & Equipment Corporation
8641 Baypine Road, Suite 7
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Defendant