

98-015

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**IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS**  
**Division 17**

STATE OF KANSAS, ex rel. )  
CARLA J. STOVALL, Attorney General )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
COUNTRY-FED MEAT COMPANY, INC. )  
 )  
Defendant, )  
 )

Case No. 93 C 06554

Petition Pursuant to K.S.A. Chapter 60

**JOURNAL ENTRY**

NOW on this 29<sup>th</sup> day of May, 1998, Plaintiff's Petition for Approval of Journal Entry comes before the Court pursuant to K.S.A. §50-632(b) and §50-636(b). Plaintiff, the State of Kansas, *ex rel.* Carla J. Stovall, Attorney General, appears by and through James J. Welch, Assistant Attorney General. Defendant Country-Fed Meat Company, Inc. appears by and through Michael E. Francis.

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.*

CLERK OF DISTRICT COURT  
JAMES J. WELCH  
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3. Defendant Country Fed Meat Company, Inc. is a foreign corporation organized under the laws of the state of Georgia. The principal office of the corporation is located at 633 Roberts Drive, Unit B, Riverdale, Georgia 30274. Defendant applied with the Kansas Secretary of State for authority to do business in Kansas in February, 1992, by filling a Foreign Corporation Application.

4. Pursuant to its foreign Corporation Application, Defendant Country Fed Meat Company, Inc. may be served with process by serving its registered office at The Corporation Company, Inc., 515 South Kansas Avenue, Topeka, Kansas 66603.

5. Defendant is a supplier within the definition of K.S.A. §50-624(i) and a seller, within the definition of K.S.A. §50-901(g). Defendant has engaged in consumer transactions in Kansas within the definition of K.S.A. §50-624(c) and (h), both with consumers, as defined by §50-624(b) and with buyers, as defined by §50-901(a).

6. Defendant admits the Court has personal and subject matter jurisdiction over the parties and venue is proper in Johnson County. Defendant entered into and the Attorney General accepted a Consent Judgment in this case on June 17, 1993.

7. Defendant agreed, in this Consent Judgment, to discontinue specific acts and practices declared to be violations of the Kansas Consumer Protection Act.

8. The Attorney General alleges and Defendant admits that one of Defendant's employees, who is no longer in the employment of the defendant, and certain independent contractors who contracted with the defendant, committed the acts below:

- a. Between June 17, 1993 and June, 1997, Defendant solicited and sold meat products to consumers in consumer transactions which constituted door-to-door sales. Defendant failed to furnish consumers with a fully completed receipt which contained, in immediate proximity to the space reserved for the consumers' signatures, a notice of consumers' rights to cancel, in violation of §50-640(b)(1).

- b. Defendant failed to furnish consumers with a completed "Notice of Cancellation" form in duplicate, attached to consumers' receipts which was easily detachable and which contained the consumers' right to cancellation form in 10-point boldface type, in violation of K.S.A. §50-640(b)(2).
- c. Defendant failed, to furnish copies of "notice of cancellation" to consumers, to complete both copies by entering the dates of the transactions and the dates, not earlier than the third business days following the dates of the transactions, by which consumers may have given notices of cancellation, in violation of K.S.A. §50-640(b)(3).
- d. Defendant failed to inform consumers orally of such consumers' rights to cancel, at the time such consumers signed the contracts and purchased meat from Defendant, in violation of K.S.A. §50-640(b)(5).
- e. Defendant provided some consumers with brochures which listed meat, chicken, and seafood products available and included prices per pound; however, consumers were charged substantially higher prices per pound for the meat which they purchased. Thus, Defendant solicited meat, making use of these brochures which contained advertising which was not truthful and accurate, but was misleading and deceiving in respect to price per pound, in violation of K.S.A. §50-902.
- f. Defendant solicited and sold to consumers meat products by the box or by the case, but did not disclose to such consumers the price per pound of such meat products. This is in violation of K.S.A. §50-903(b)(4), in that Defendant represented to consumers prices of products to be offered for sale in units larger than one pound in terms other than price per single pound.

g. Defendant solicited and sold meat products to consumers at prices which Defendant represented were special, discounted prices for that day; however, Defendant is unable to substantiate that Defendant sells or has sold the same products for the higher prices. This is in violation of K.S.A. §50-626(b)(7), in that it is the making of false or misleading representations, knowingly or with reason to know, of fact concerning the existence of and amounts of price reductions, or the price in comparison to prices of competitors at a past or future time. This is also in violation of K.S.A. §50-626(b)(2), in that it is the willful use of exaggeration, falsehood, innuendo, and ambiguity as to a material fact.

9. Defendant voluntarily admits liability for the actions of an employee who no longer works for the company and independent contractors who sold in Kansas and agrees to this Journal Entry.

10. 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 Journal Entry, and Defendant agrees that engaging in such acts or similar acts, after the date of this Journal Entry, shall constitute a violation of this Order.

11. 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 Journal Entry shall constitute a violation of this Order.

12. The provisions of this Journal Entry will be applicable to Defendant, and every employee, agent or representative of Defendant.

13. Defendant agrees to make available and to disclose the provisions of this Journal Entry to its employees, agents and representatives within ten days of signing the Journal Entry.

14. Defendant agrees to resolve any future complaints filed with the Office of the Attorney General regarding Defendant after the date of this journal entry 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 Journal Entry.

16. Defendant agrees to pay \$25,000.00 in investigation fees and expenses and \$25,000.00 in civil penalties to the "State of Kansas." Defendant agrees to pay said investigative fees, expenses and penalties according to the following schedule: Defendant shall pay an initial payment of \$5,000.00 on May 22, 1998. Defendant shall make payments of \$5,000.00 on June 1, 1998, \$5,000.00 on July 1, 1998 and \$5,000.00 on August 1, 1998. On September 1, 1998 and October 1, 1998, Defendant shall make payments of \$15,000.00 until the entire amount payable is satisfied.

17. Defendant agrees that failure to make timely payments, as set out above will result in the entire outstanding balance becoming due within five (5) days of the first payment missed. Defendant agrees that, in the event of a missed payment, failure to remit the entire outstanding balance within five (5) days shall constitute a violation of this order.

18. Defendant admits that all fines, penalties, payments to investigative fees imposed and agreed to herein are a result of willful and/or malicious injury to another entity or the property of another. Defendant also admits the acts leading to these injuries were committed by an employee who no longer works for the company and independent contractors.

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

20. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Journal Entry 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.

21. If any portion, provision, or part of this Journal Entry 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 of enforceability of the remaining provisions, portions or parts.

22. Compliance with this Journal Entry 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.

23. The parties understand that this Journal Entry 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 Journal Entry 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 \$50,000.00.

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) and §50-636(d), the


Court hereby approves the terms of the Journal Entry and adopts the same as the order of the Court.

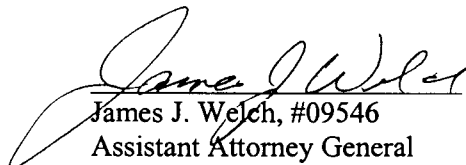
IT IS SO ORDERED.

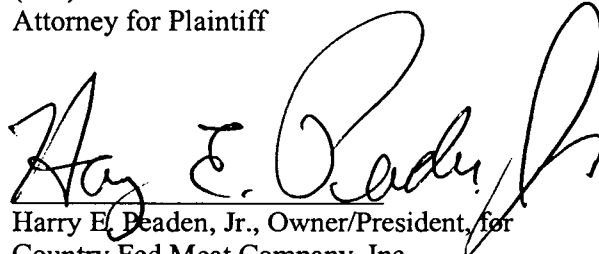
**WILLIAM O ISENHOUR JR**


Honorable William O. Isenhour  
District Judge  
Seventeenth Judicial District  
Seventeenth Division

Approved by:

  
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