

FILED BY CLERK
KS. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, MO. 66606

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GENERAL
JURISDICTION
TOPEKA, KS

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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 6

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

Plaintiff,

vs.

SHOWS INTERNATIONAL, INC.,

Defendant.

Case No. 98 CV 861

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 24th day of June, 1998, 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 counsel Terry A. Iles, Assistant Attorney General. Defendant Shows International, Inc., appears by and through counsel Thomas V. Murray of Barber, Emerson, Springer, Zinn & Murray, LC.

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 Shows International, Inc., is foreign corporation organized under the laws of the State of Oregon, and is not authorized to conduct business within the State of Kansas. Defendant may be served with process by the Attorney General by serving the Kansas Secretary of State's Office, State of Kansas, Capitol Building, Second Floor, 300 SW 10th Avenue, Topeka, Kansas 66612-1594, and Defendant's Oregon counsel, Steven M. Wilker, Tonkon Torp, LLP, 1600 Pioneer Tower, 888 SW Fifth Avenue, Portland, OR 97204, by registered mail.

4. Defendant was 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 Defendant was engaged in the business of the disposition of superseded models and end of life computer merchandise.

8. The Attorney General alleges Defendant engaged in the following acts and practices at the Kansas Expo Centre on May 7 through 9, 1997, and that such acts and practices are deceptive and unconscionable and violate the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*:

a. Defendant violated the Kansas Consumer Protection Act, K.S.A. 50-626(a) and (b), in that:

i. Defendant willfully used exaggeration, falsehood, innuendo or ambiguity as to a material fact, in violation of K.S.A. 50-626(b)(2), in that Defendant represented for sale a Pentium 75 for \$649.99, which it did not have.

ii. Defendant offered property without the intent to sell it, in violation of K.S.A. 50-626(b)(5), in that Defendant offered a Pentium 75, which it did not have.

iii. Defendant offered property without the intent to supply reasonable, expectable public demand, in violation of K.S.A. 50-626(b)(6), in that:

- (1) Defendant only had two units of the Packard Bell 486 multimedia computer available;
- (2) Defendant only had four units of the Hewlett Packard Pentium 90 computer available; and
- (3) Defendant only had two units of the Tamarack Color Flatbed Scanner available.

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

- i. Defendant failed to furnish each consumer with a fully completed contract with a notice of cancellation statement in immediate proximity to the space reserved for the signature, in violation of K.S.A. 50-640(b)(1);
- ii. Defendant failed to furnish each consumer with a completed form in duplicate, captioned "NOTICE OF CANCELLATION," in violation of K.S.A. 50-640(b)(2); and
- iii. Defendant failed to inform each consumer orally of such consumer's right to cancel, in violation of K.S.A. 50-640(b)(5).

9. Defendant does not admit it violated the Kansas Consumer Protection Act, but agrees to this Consent Judgment without trial or adjudication of any issue of fact or law.

10. Defendant agrees to refrain from and to be permanently enjoined from engaging in those acts and practices in violation of K.S.A. 50-626(a) and (b) and K.S.A. 50-640(a) and (b) of the kind alleged to be deceptive and 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.

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

12. Defendant agrees to make available and/or disclose the provisions of this Consent Judgment to its employees, agents and representatives within ten days (10) of signing the Consent Judgment.

13. Defendant agrees to resolve any future complaints filed with the Office of the Attorney General, 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. However, such complaint resolution shall not be construed to relieve Defendants of any enforcement action by the Attorney General of this Consent Judgment.

14. 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.

15. Defendant agrees to pay \$6,250.00 in investigation fees and expenses and \$6,250.00 in civil penalties to the "Office of the Attorney General" of the State of Kansas. Payment shall be made by cashier's check and shall be delivered to the Attorney General of the State of Kansas at the time of signing this Consent Judgment.

16. Defendant agrees to maintain all business records concerning activities subject to the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*, for a period of five (5) years and to allow the Attorney General to inspect all of Defendant's business records concerning such activities with respect to any future complaints filed with the Office of the Attorney General.

17. 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 or for the enforcement of compliance herewith.

18. 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 portions, provisions, or parts.

19. 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. However, upon payment of all amounts set forth in paragraph 15 of this Consent Judgment, the Attorney General agrees to release Defendant from, and will not pursue, any claims, demands or civil causes of action under the Kansas Consumer Protection Act with respect to acts and practices described herein and occurring on or before the date of the execution of this Consent Judgment.

20. 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 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.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendant in favor of Plaintiff in the amount of \$12,500.00.

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.


JERRY BULLOCK
JUDGE OF THE DISTRICT COURT

Approved by

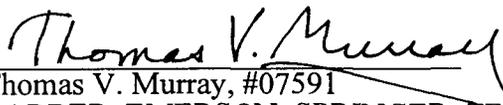

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Defendant


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