

93-3031

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TOPEKA, KANSAS

SEP 25 3 25 PM '98

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IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 2

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

Plaintiff,

vs.

RESOURCE CONSOLIDATION CORP;
and SUSAN R. BROWNLEE;

Defendants.

Case No. 93CW1267

Petition Pursuant to K.S.A. Chapter 60

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 25 day of Sept., 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 James J. Welch, Assistant Attorney General. Defendants Resource Consolidation Corp, Susan R. Brownlee, Steve Breitling, appear by and through Debra A. Vermillion.

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 Resource Consolidation Corp is a corporation organized under the laws of the State of Kansas. The principal office of the corporation is located at 16029 West 84th Terrace, Lenexa, Kansas 66219. Defendant Resource Consolidation Corp applied with the Kansas Secretary of State for authority to do business in Kansas in June, 1997 by filing Articles of Incorporation. The corporation can be served with process by serving its registered agent, Susan Brownlee, 16029 West 84th Terrace, Lenexa, Kansas 66219.

4. Defendant Susan R. Brownlee is an individual doing business in Johnson County, Kansas. She can be served with process at her last known address, 16029 West 84th Terrace, Lenexa, Kansas 66219, or wherever in Kansas she may be found.

5. Defendant Steve Breitling is an individual doing business in Johnson County, Kansas. He can be served with process at his last known address, 16029 West 84th Terrace, Lenexa, Kansas 66219, or wherever in Kansas he may be found.

6. The officer and director of Resource Consolidation Corp is Susan R. Brownlee, who serves as President, Vice-President, Secretary, and Treasurer.

7. Defendants are suppliers within the definition of K.S.A. §50-624(i) and have engaged in consumer transactions in Kansas within the definition of K.S.A. §50-624(c) and (h).

8. Defendants operate as a credit services organization, within the definition of K.S.A. §50-1102 and have solicited and sold extensions of credit, as defined by K.S.A. §50-1101(c) to buyers, as defined by K.S.A. §50-1101(a).

9. Defendants admit the Court has personal and subject matter jurisdiction over the parties.

10. Defendants stipulate and waive any objection to venue in Shawnee County.

11. The Attorney General alleges (and Defendants do not admit) that Defendants engaged in the following acts and practices which are deceptive and/or unconscionable and violate the Kansas Consumer Protection Act:

- a. As a credit services organization, as defined in K.S.A. §50-1102, Defendants charged consumers for services before completing performance agreed upon without filing a surety bond in the amount of \$25,000.00 with the Kansas Consumer Credit Commissioner, in violation of K.S.A. §50-1103 and K.S.A. §50-1104.
- b. Defendants made and used false and misleading representations in the offer and sale of services of a credit services organization, including the "pre-approval" and "approval" of buyers for Defendants' services, guaranteeing an extension of credit regardless of the consumers' previous credit problems and/or histories. The representation did not clearly disclose the eligibility requirements for obtaining extensions of credit, in violation of K.S.A. §50-1103(c)(1) and (2).
- c. Defendants advertised and caused to be advertised the services of a credit services organization without filing a registration statement with the consumer credit commissioner, in violation of K.S.A. §50-1103(f).

12. Defendants, by entering into this Consent Judgment, shall not be deemed to admit the violations of the Kansas Consumer Protection Act alleged herein

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

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

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

16. Defendants agree to resolve any future complaints filed with the Office of the Attorney General regarding Defendants 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 Defendants for resolution.

17. Defendants agree 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.

18. Defendants agree to pay \$ 1,500 in investigation fees and expenses to the "Office of the Attorney General" of the State of Kansas. In addition, Defendants agree to pay \$ 1,500 in civil penalties to the "State of Kansas." Payment shall be made by certified checks and shall be delivered to the Attorney General of the State of Kansas at the time of Defendants' signing of this Consent Judgment.

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

20. 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.

21. Compliance with this Consent Judgment does not relieve Defendants 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; however, the parties agree that this Consent Judgment resolves all issues known to parties under the Kansas Consumer Protection Act relating to the acts and practices alleged to be

deceptive or unconscionable in paragraph eleven (11), including sub-paragraphs, of this Consent Judgment up through the date of the execution of this Consent Judgment. Pursuant to the terms of this Consent Judgment, the Kansas Attorney General agrees that she and her office will not pursue any claims, demands or civil causes of action under the Kansas Consumer Protection Act against Defendant for the acts and practices alleged to be deceptive and/or unconscionable in paragraph eleven (11) of this Consent Judgment up through the date of the execution of this Consent Judgment, excepting only any action which may be required to enforce the provisions of this Consent Judgment.

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 Defendants nor shall Defendants 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 Defendants immediately become a judgment upon filing.

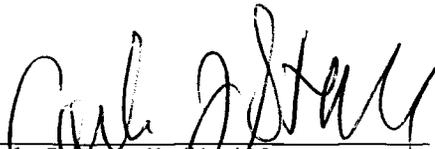
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendants in favor Plaintiff in the amount of \$ 3,000.00.

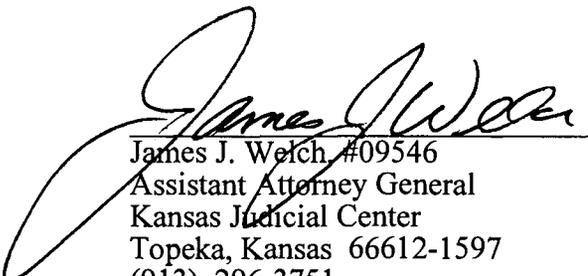
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. §50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

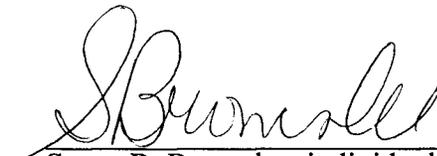
IT IS SO ORDERED.

(S) Hon JAN LEUEN BERGER
DISTRICT COURT JUDGE

Approved by:


Carla J. Stovall, #11433
Attorney General


James J. Welch, #09546
Assistant Attorney General
Kansas Judicial Center
Topeka, Kansas 66612-1597
(913) 296-3751
Attorney for Plaintiff


Susan R. Brownlee, individually and
as President/Vice-President/Secretary/Treasurer, for
Resource Consolidation Corp
16029 West 84th Terrace
Lenexa, Kansas 66219
Defendant


Debra A. Vermillion
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