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IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS

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

Plaintiff,

v.

**Parade of Toys, Inc., Wonderful World of Toys, Inc.
Bandero Cigar Company, Somerset Investment,
Corporation, Alhambra Investment Corporation,
Marketing The Americas, Inc., Robert Bouckhout,
Dennis Vaughan, Megan Wall, Tony Machera,
Edward Bergman, Scott McMillan a/k/a Scott Miller,
Pat Sadowski, Larry Sanderson a/k/a Larry Sanders,
Dave Clark, Kevin Allen a/k/a Kevin Alen,
Patsy Lou Bouckhout**

Defendants.

**Case No. 97 C 5099
Court 6
Chapter 60**

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 28 day of August, 1998, Plaintiff's oral Motion 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 Michelle V. Hostetler, Assistant Attorney General. Defendant Pat Sadowski appears through counsel, Mark C. Owens.

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.

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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. At all times material to this action Defendant Pat Sadowski acted as agent for Parade of Toys (POT).

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 objection to venue in Johnson County, Kansas.

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

- a. making misrepresentations;
- b. willfully making misrepresentations of material facts; and
- c. willfully failing to state or willfully concealing, suppressing or omitting material facts.

8. Defendant, Pat Sadowski, agrees to this Consent Judgment without trial or adjudication of any issue of fact or law and denies each and every one of the Attorney General's allegations set forth herein. This Consent Judgment shall not be deemed to admit any violation of the Kansas Consumer Protection Act.

9. Defendant, Pat Sadowski, agrees to refrain from and be permanently enjoined from engaging in those acts and practices alleged to be deceptive or unconscionable in paragraph seven (7) of this Consent Judgment in the State of Kansas, and Defendant, Pat Sadowski, agrees that engaging in such acts or similar acts, after the date of this Consent Judgment, shall constitute a violation of this Order.

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10. Defendant, Pat Sadowski, specifically agrees to refrain from and to be permanently enjoined from participating in any manner in the sale or solicitation for sale of any business opportunity that is either sold in or originates in the State of Kansas without the prior approval from the office of the Attorney General. Business opportunity shall be defined as follows:

“the sale or lease of any products, equipment, supplies or services that are sold to the purchaser upon payment to the seller or the seller’s affiliate or designee of an initial required consideration exceeding \$300 and will be used by or on behalf of the purchaser to begin a business and in which the seller represents that:

(1) The purchaser will earn or is likely to earn a profit in excess of the initial consideration paid by the purchaser; and

(2)(A) The seller will provide locations or assist the purchaser in finding locations for the use or operation of the products, equipment, supplies or services on premises neither owned nor leased by the purchaser or seller; (B) the seller will provide a sales, production or marketing program; or (C) the seller will buy back or is likely to buy back any products, supplies or equipment purchased or any product made, produced, fabricated, grown or bred by the purchaser using in whole or in part the product, supplies, equipment or services that were initially sold or leased or offered for sale or lease to the purchaser by the seller.”

11. Defendant, Pat Sadowski, 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 or this Consent Judgment.

12. Defendant, Pat Sadowski, agrees to be permanently enjoined from entering into any business relationship with Robert Bouckhout and all other Defendants in this matter within the State of Kansas.

13. Defendant, Pat Sadowski, agrees and stipulates to specific performance for restitution to consumers in the sum of \$1,000.00 pursuant to K.S.A. 50-632(b). Payment of \$50.00 is to be made on August 28, 1998, with the filing of this Journal Entry of Consent Judgment. Payment of \$50.00 per month shall commence on or before November 1, 1998, with

subsequent \$50.00 payments thereafter due on or before the first (1st) day of each month, until the entire amount payable is satisfied. 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.

14. Defendant, Pat Sadowski, agrees to inform the office of the Attorney General of all employment within the State of Kansas for a period of three years and to allow the Attorney General to inquire as to the business nature of all entities by which Defendant is employed.

15. 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.

16. 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.

17. Compliance with this Consent Judgment does not relieve Defendant, Pat Sadowski, 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 for any acts perpetrated by the Defendant subsequent to the signing of this Consent Judgment.

18. 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, Pat Sadowski, 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.

19. The Attorney General asserts and the Defendant agrees that at all times material to this action Ms. Sadowski was acting as an agent for POT. This Consent Judgment with Pat Sadowski shall in no way release the principals/Defendants in this matter who at all times were responsible for the acts of Ms. Sadowski under the theory of *respondeat superior*, nor does the Consent Judgment in any way release the principals or any Defendant of liability for their own wrongful acts.

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 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

