

99-014

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FILED BY CLERK
KS. DISTRICT COURT
3RD DISTRICT

FEB 19 11 04 AM '99

TOPEKA, KANSAS

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 7

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

Plaintiff,

vs.

PAT POPP, d/b/a UNITED CREDIT RESOURCES,

Defendant.

Case No. 99C235

Petition Pursuant to K.S.A. Chapter 60

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 19 day of FEB, 1999, 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. Defendant Pat Popp, d/b/a United Credit Resources, after having the advice and counsel of Jerome S. Lamet, appears pro se.

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 Pat Popp is a resident of the state of Texas and the owner and operator of United Credit Resources. The principal office of the business is located at 18484 Preston Road, Suite #102-169, Dallas, Texas 75252.

4. Defendant is a supplier within the definition of K.S.A. §50-624(i) and operating as a credit services organization, as defined by K.S.A. §50-1101(a). Defendant 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 Shawnee County.

7. Defendant operates as a Credit Services Organization, as defined by K.S.A. §50-1101 *et seq.*, due to the fact that a substantial part of Defendant's services involve assisting consumers in improving their credit records and/or in obtaining extensions of credit for such consumers.

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

- a. Defendant operates as a credit services organization, as defined in K.S.A. §50-1102, due to the fact that a substantial part of defendant's services involve assisting consumers in improving their credit records and/or in obtaining extensions of credit for such consumers. Defendant has 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. This is also in violation of K.S.A. §50-626(b), in that a violation of the Credit Services Organization Act is deceptive and a

- violation of the Kansas Consumer Protection Act, pursuant to K.S.A. §50-1111.
- b. Defendant 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). This is also in violation of K.S.A. §50-626(b), in that a violation of the Credit Services Organization Act is deceptive and a violation of the Kansas Consumer Protection Act, pursuant to K.S.A. §50-1111.
 - c. Defendant operates as a credit services organization; however, Defendant has failed to provide consumers/buyers with a disclosure statement containing all required information, in violation of K.S.A. §50-1106. This is also in violation of K.S.A. §50-626(b), in that a violation of the Credit Services Organization Act is deceptive and a violation of the Kansas Consumer Protection Act, pursuant to K.S.A. §50-1111.
 - d. Defendant provided consumers/buyers with an application/contract for defendant's services. A true and correct copy of such application/contract is attached hereto and marked as Exhibit A. Defendant's contract did not include a notice of cancellation to said consumers/buyers, in violation of K.S.A. §50-1107. This is also in violation of K.S.A. §50-626(b), in that a violation of the Credit Services Organization Act is deceptive and a violation of the Kansas Consumer Protection Act, pursuant to K.S.A. §50-1111.

9. Defendant voluntarily admits liability and 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 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.

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 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 disclose the provisions of this Consent Judgment to her employees, agents and representatives within five days 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 refund in full all consumers who request a refund from Defendant within 10 days of the date such request is forwarded to Defendant.

16. 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 or this Consent Judgment.

17. Defendant agrees to pay \$ 1,500 in investigation fees and expenses to the "Office of the Attorney General" of the State of Kansas. In addition, Defendant agrees to pay \$ 1,500 in civil penalties to the "State of Kansas." Payment for investigative fees and expenses and civil penalties shall commence on or before March 1, 1999, in the form of cashiers' checks. Payment of \$250.00 per month shall commence on or before March 1, 1999, with subsequent \$250.00

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

18. Parties agree that Defendant's timely payments, as set out in paragraph seventeen (17), totaling \$3,000.00 and paid by or before March 1, 2000, in accordance with the payment schedule set out in paragraph seventeen (17), and compliance with this Consent Judgment shall constitute payment-in-full and satisfaction of this judgment.

19. Defendant agrees that failure to make timely payments, as set out in paragraphs seventeen (17) of this Consent Judgment, totaling \$3,000.00 will result in the entire outstanding balance becoming due within five (5) days of the first payment missed.

20. Defendant agrees to pay all expenses and reasonable attorney's fees in connection with the collection of any amounts in this judgment, provided Defendant does not pay the amounts as agreed herein within the time frame stated.

21. 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.

22. 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.

23. 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.

24. Compliance with this Consent Judgment 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.

25. 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 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 \$ 3,000.

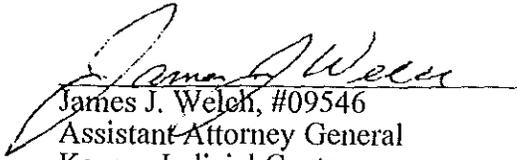
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. §50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

15/ Hon Eric Rosen
DISTRICT COURT JUDGE

Approved by:

Carla J. Stovall
Carla J. Stovall, #11433
Attorney General



James J. Welch, #09546
Assistant Attorney General
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Pat Popp, d/b/a United Credit Resources
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Defendant