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FILED BY CLERA
KS. DISTRICT COURT
3RD JUDGE

APR 21 4 03 PM '99

TOPEKA, KANSAS

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS
Division 3

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

Plaintiff,

vs.

MICKEY J. PARKER,

Defendant.

Case No. 99C545

Petition Pursuant to K.S.A. Chapter 60

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this 21st day of April, 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 Mickey J. Parker appears by and through Kurt S. Brack.

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 Mickey J. Parker is an individual and a resident of Kansas. Defendant's last known address is 10914 West 72nd Street, Shawnee, KS 66203.

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 Shawnee County.

7. Defendant has advertised, solicited, and promoted the selling of "Meganets," computer software and software codes.

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

- a. Defendant's promotion of "Meganets" includes the representation that consumers may earn "tens of thousands of dollars paid directly to (them) in cash," although Defendant has neither earned such amounts, nor is Defendant aware of any person who has earned that amount. This is 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.
- b. Defendant's representations that consumers will receive a "tens of thousand of dollars" by entering into consumer transactions with Defendant is in violation of K.S.A. §50-626(b)(1)(F), in that it is the representation that services have a use, benefit or characteristic without a reasonable basis for making such representation.
- c. Consumers are induced into joining the Meganets program with the promise that the consumer will receive a future bonus for finding additional persons who are willing to join the program. This promise of

future financial benefit is the linchpin of the Meganets program. Defendant has engaged in multiple deceptive acts by making representations knowingly or with reason to know that the consumer will receive a rebate, discount or other benefit as an inducement for entering into a consumer transaction in return for giving the supplier the names of prospective consumers or otherwise helping the supplier to enter into other consumer transactions, where receipt of the benefit is contingent on an event occurring after the consumer enters into the transaction. The promotion and implementation of such a referral sales scheme constitutes multiple deceptive acts in violation of the Kansas Consumer Protection Act, K.S.A. §50-626(a) as defined in K.S.A. 50-626(b)(1)(E).

- d. In the above-mentioned solicitations, Defendant represented his status (and the importance of his status in promoting the Meganets program) as a “CPA,” although Defendant had not registered with the Kansas Board of Accountancy at the time of making such solicitations. This is in violation of K.S.A. §50-626(b)(1)(B), in that it is the representation that supplier has a sponsorship, approval, status, affiliation and connection that the supplier did not have.

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

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/or disclose the provisions of this Consent Judgment to its 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 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.

16. Defendant agrees to pay \$750 in investigation fees and expenses to the "Office of the Attorney General" of the State of Kansas. In addition, Defendant agrees to pay \$750 in civil penalties to the "State of Kansas". Payment shall be made by certified checks and shall commence on or before March 1, 1999 with a payment of \$100.00 to the "Office of the Attorney General," with subsequent \$100.00 payments thereafter due on or before the first (1st) day of each month, until the entire amount payable is satisfied.

17. Parties agree that payment of investigation fees and expenses and civil penalties, as set out in paragraph sixteen (16) of this Consent Judgment shall not be subject to interest as long as all payments are timely made. Defendant agrees that failure to make timely payments of investigative fees and expenses and civil penalties, as set out in paragraph sixteen(16) of this

Consent Judgment, will result in the amount of the entire unpaid balance becoming due within five (5) days of the first payment missed and subject to interest, as provided in K.S.A. §16-204.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. 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 \$ 1,500.

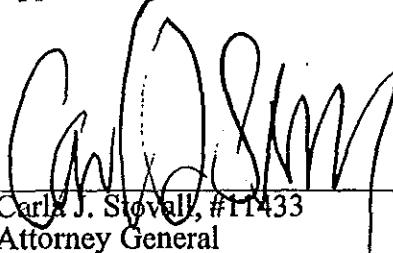
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. §50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

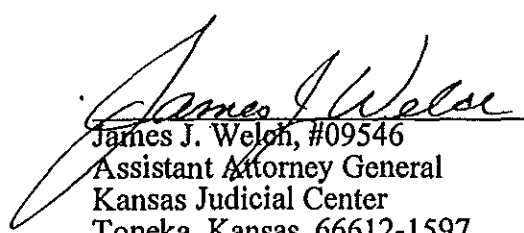
/s/ Hon. Maeta J. Duckert

DISTRICT COURT JUDGE

Approved by:



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Attorney General



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