

Derek L. Schmidt, #17781
Wm. Scott Hesse, #12013
Assistant Attorneys General
Office of the Attorney General
Kansas Judicial Center
Topeka, Kansas 66612-1597
(785) 296-3751

FILED

IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS
Division 10

STATE OF KANSAS, *ex rel.*,)
CARLA J. STOVALL, Attorney General,)
)
Plaintiff,)
v.)
)
LESLIE EDWIN SNELL, et. al.)
)
Defendants.)

Case No. 99-C-10402

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

JOURNAL ENTRY OF DEFAULT JUDGMENT

NOW, on this 22nd day of May, 1999, comes before the Court the Application for Judgment by Default of the Plaintiff, State of Kansas, *ex rel.* Carla J. Stovall, Attorney General. Plaintiff appears by and through counsel, Derek L. Schmidt, Assistant Attorney General. Defendants appear _____. There are no other appearances.

Upon review of the file and the statements of counsel, and being fully apprised of the particulars in this matter, the Court finds and concludes as follows:

CLERK OF DISTRICT COURT
JOHNSON COUNTY, KS
1999 NOV 24 AM 10:37

SCAN DATE 2006/11/21 15:08

1. On August 11, 1999, the Plaintiff filed a Petition alleging that Defendants committed numerous deceptive and unconscionable acts in violation of the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*; numerous acts in violation of K.S.A. (1998 Supp.) 74-3201 *et seq.*, relating to the Kansas Board of Regents; numerous acts in violation of the Charitable Organizations and Solicitations Act, K.S.A. 17-1759 *et seq.*; numerous acts in violation of the common law of Kansas prohibiting the unauthorized practice of law; and numerous acts in violation of the Kansas General Corporation Code, K.S.A. 17-6001 *et seq.*
2. Each Defendant was personally served with a copy of the summons and a copy of the Petition on September 2, 1999.
3. This Court has subject matter jurisdiction over this case under the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*; under K.S.A. (1998 Supp.) 74-3201 *et seq.*, relating to the Kansas Board of Regents; under the Charitable Organizations and Solicitations Act, K.S.A. 17-1759 *et seq.*; under the law related to unauthorized practice of law pursuant to Quo Warranto, K.S.A. 60-1201 *et seq.*, and *State ex rel. Stephan v. Williams*, 246 Kan. 681, 793 P.2d 234 (1990); and under the Kansas General Corporation Code, K.S.A. 17-6001 *et seq.*
4. Each Defendant is subject to *in personam* jurisdiction in this Court.
5. This Court is a proper venue for this action.
6. More than thirty (30) days have elapsed since each Defendant was served with a copy of the summons and a copy of the Petition.
7. No Defendant has filed an answer as required by K.S.A. 60-212(a).
8. Each Defendant is in default, pursuant to K.S.A. 60-308(a)(3).

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9. More than twenty (20) days after each Defendant was served with a copy of the summons and Petition, each Defendant was notified, pursuant to K.S.A. 60-254(c) and Supreme Court Rule 118(d), that in the event of default, monetary judgment would be taken against each Defendant in the amount of \$1,509,200.00 in civil penalties and an additional \$7,500.00 in investigation fees. Defendants were further notified that in the event of default, judgment would be taken against each Defendant for an additional sum, to be subsequently determined, for payment of restitution to damaged consumers.
10. Judgment by default should be entered in favor of Plaintiff for all relief to which Plaintiff is by law entitled.
11. Plaintiff is entitled to declaratory and injunctive relief.
12. Plaintiff is further entitled to monetary judgment in the amount of \$1,509,200.00 for civil penalties, and such amount is fair and reasonable.
13. Plaintiff is further entitled to an additional monetary judgment in the amount of \$7,500.00 in investigation fees, and such amount is fair and reasonable.
14. Plaintiff is further entitled to an additional monetary judgment in an amount sufficient to compensate consumers who were damaged by Defendants' acts and practices in violation of the Kansas Consumer Protection Act and of the Charitable Organizations and Solicitations Act.
15. There is no just reason for delay in entry of judgment by default on all claims except as to the amount of consumer damages.

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16. In light of Defendants' failure to provide information necessary to calculate the amount of consumer damages, it is fair and reasonable to permit Plaintiff sixty (60) days after entry of this Journal Entry during which to calculate consumer damages.
17. Plaintiff's Application for Judgment by Default has merit and should be granted and sustained.

IT IS THEREFORE BY THE COURT ORDERED, ADJUDGED AND DECREED that the Plaintiff's Application for Judgment by Default is granted and sustained.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is hereby entered in favor of Plaintiffs and against Defendants, as set forth in this Journal Entry of Default Judgment.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the acts and practices alleged in paragraphs forty-eight (48) through fifty-six (56) of Plaintiff's Petition, including all subparagraphs thereof, are hereby declared to be deceptive and/or unconscionable and in violation of the Kansas Consumer Protection Act. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Leslie Edwin Snell and each other Defendant, together with each Defendant's officers, directors, shareholders, incorporators, *alter egos*, employees, agents, servants, successors and assigns, are hereby permanently enjoined from engaging in the acts and practices alleged in paragraphs forty-eight (48) through fifty-six (56) of Plaintiff's Petition, including all subparagraphs thereof. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Leslie Edwin Snell and each other Defendant, together with each Defendant's *alter egos*, employees, agents, servants, and assigns, are hereby permanently enjoined from the solicitation and/or sale of educational services and/or merchandise to consumers in the State of Kansas, and/or from any location within the State of Kansas.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Leslie Edwin Snell and each other Defendant, together with each Defendant's officers, directors, shareholders, *alter egos*, incorporators, employees, agents, servants, successors and assigns, are hereby permanently enjoined from conferring or awarding any degree, whether academic or honorary, without approval of the Kansas Board of Regents.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Leslie Edwin Snell and each other Defendant, together with each Defendant's officers, directors, shareholders, incorporators, *alter egos*, employees, agents, servants, successors and assigns, are hereby permanently enjoined from offering or conducting any course or program leading to the award or conferral of an academic degree unless such Defendant first lawfully registers such course or program with the Kansas Board of Regents.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the corporate charter of Defendant Education Management Associates, LLC, is hereby permanently revoked.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the corporate charter of Defendant Association of 21st Century Scholars is hereby permanently revoked.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the corporate charter of Defendant Regency University is hereby permanently revoked.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the corporate charter of Defendant Snell Corporation is hereby permanently revoked.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the corporate charter of Defendant Association of the Morning Star is hereby permanently revoked.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the corporate charter of Defendant Cedar Creek Publishers, LLC, is hereby permanently revoked.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the acts and practices alleged in paragraphs sixty-eight (68) through seventy-six (76) of Plaintiff's Petition, including all subparagraphs thereof, are hereby declared to be deceptive and/or unconscionable and in violation of the Charitable Organizations and Solicitations Act. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Leslie Edwin Snell and Defendant Association of 21st Century Scholars, and each such Defendant's officers, directors, shareholders, incorporators, *alter egos*, employees, agents, servants, successors and assigns, are hereby permanently enjoined from the acts and practices alleged in paragraphs sixty-eight (68) through seventy-six (76) of Plaintiff's Petition, including all subparagraphs thereof. Each such paragraph, including all subparagraphs thereof, is hereby incorporated by reference as if set forth fully in this Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Leslie Edwin Snell is hereby permanently enjoined from the practice of law unless and until he is lawfully admitted to practice before the Supreme Court of the State of Kansas.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Monticello University (of South Dakota), Defendant Thomas Jefferson Institute, Defendant University

Associates, Defendant Monticello University (of Hawaii), Defendant Thomas Jefferson University (of Hawaii), and Defendant Big Bear Syndicate, LLC, together with each such Defendant's officers, directors, shareholders, agents, and representatives are hereby permanently enjoined from transacting any business in and/or from any location within the State of Kansas.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is hereby entered in favor of Plaintiff and against each Defendant, jointly and severally, for civil penalties in the amount of \$1,509,200.00.

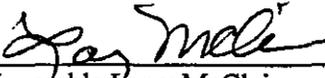
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment in addition to the amount set forth, *supra*, is hereby entered in favor of Plaintiff and against each Defendant, jointly and severally, for investigation fees and expenses in the additional amount of \$7,500.00.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment in addition to the amounts set forth, *supra*, is hereby entered in favor of Plaintiff and against each Defendant, jointly and severally, for the compensation of consumers who have sustained damage, pursuant to K.S.A. 50-632(c)(2) and K.S.A. 50-632(c)(8) and pursuant to K.S.A. 17-1768(c)(2) and K.S.A. 17-1768(c)(3), and that the amount of said additional judgment for consumer damages shall be the sum of all damages sustained by consumers who have filed complaints against one or more Defendants with the Consumer Protection Division of the Office of the Attorney General of the State of Kansas or who so file on or before the sixtieth (60th) day after this Journal Entry is filed with the Clerk of the District Court, exclusive of the date of filing.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Plaintiff, after the expiration of the sixtieth (60th) day but not later than the ninetieth (90th) day after filing of this Journal Entry, exclusive of the date of filing, shall file with the Clerk of the District Court a Notice of Amount of Consumer Damages setting forth the amount of consumer damages as calculated

pursuant to the previous paragraph and that said notice shall be deemed to be incorporated by reference as if set forth fully in this Order.

IT IS SO ORDERED.



Honorable Larry McClain
District Court Judge

Prepared by:



Derek L. Schmidt, #17781
Assistant Attorney General
Kansas Judicial Center
301 S.W. 10th Avenue
Topeka, Kansas 66612-1597
(785) 296-3751

Attorney for Plaintiff