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KS. DISTRICT COURT  
THIRD JUDICIAL DIST

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GENERAL JURISDICTION  
TOPEKA, KANSAS

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS  
Division 4

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

Plaintiff,

vs.

FIRST CREDIT ALLIANCE, INC.,

Defendant.

Case No. 00C 460

Petition Pursuant to K.S.A. Chapter 60

**JOURNAL ENTRY OF CONSENT JUDGMENT**

NOW on this 25<sup>TH</sup> day of APRIL, <sup>2000</sup>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 First Credit Alliance, Inc., having the competent advice and counsel of Jeffrey Whitehead, appears not, having first entered into this Journal Entry of Consent Judgment.

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 First Credit Alliance, Inc. is a corporation organized under the laws of the State of Nevada. The principal office of the corporation is located at 1350 East Flamingo Road #482, Las Vegas, Nevada 89119. Defendant First Credit Alliance, Inc. has not applied with the Kansas Secretary of State for authority to do business in Kansas. The corporation can be served with process by serving its registered agent, Jeffrey J. Whitehad, at its registered office, 701 north Green Valley Parkway, Suite #220, Henderson, Nevada 89014.

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 operates as a credit services organization, within the definition of K.S.A. §50-1102.

6. Defendant admits the Court has personal and subject matter jurisdiction over the parties.

7. Defendant stipulates and waives any objection to venue in Shawnee County.

8. 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. As a credit services organization, as defined in K.S.A. §50-1102, Defendant 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. Defendant 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).
  - c. Defendant failed to provide buyers with a statement in writing containing: (1) a complete and detailed description of services to be performed and the total cost of the services; (2) a statement explaining the buyers' rights to proceed against the bond or surety account; (3) the name and address of the surety company that issued the bond; (4) a complete and accurate statement of the buyers' rights to review files maintained by the consumer reporting agency; and (5) a complete and accurate statement of the availability of nonprofit credit counseling services, in violation of K.S.A. §50-1106(a).
  - e. Defendant failed to provide to buyers a contract which included statement of buyers' rights to cancel the transaction, and the terms and conditions of payment, including the total of all payments to be made by the buyer, in violation of K.S.A. §50-1107(a).
  - f. Defendant failed to provide to buyers a contract which included two easily detachable copies of a notice of cancellation, in violation of K.S.A. §50-1107(b).
9. Defendant agrees to this Consent Judgment without trial or adjudication of any

issue of fact or law.

10. Defendant agree 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 to 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 \$ 1,250 in investigation fees and expenses to the "Office of the Attorney General" of the State of Kansas. In addition, Defendant agrees to pay \$ 1,250 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 Defendant's signing of this Consent Judgment.

17. 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.

18. Defendant agrees to maintain all business records relative to Kansas consumers for a period of five years and to allow the Attorney General to inspect all of Defendant's business records in the future.

19. 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.

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 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.

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 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.

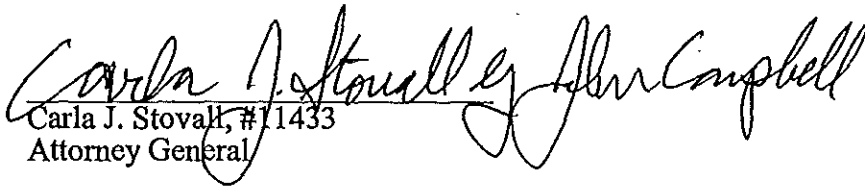
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that judgment is entered against Defendants in favor Plaintiff in the amount of \$ 2,500.00.

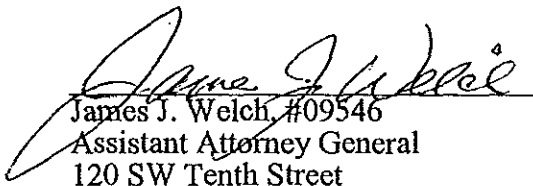
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. §50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the order of the Court.

IT IS SO ORDERED.

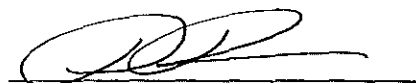
/s/ Hon. Eric Rosen  
DISTRICT COURT JUDGE

Approved by:

  
Carla J. Stovall, #11433  
Attorney General

  
James J. Welch, #09546  
Assistant Attorney General  
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Attorney for Plaintiff

  
Phil Pestrichello, President, for  
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Avon, CT 06001

Defendant