

Mark W. Stafford, #13233  
David C. Wetzler, #14954  
Martin J. Peck, #16273  
Assistant Attorneys General  
Office of the Attorney General  
Kansas Judicial Center  
Topeka, Kansas 66612-1597  
(913) 296-3751  
COUNSEL FOR PLAINTIFF  
CJ1/MARKS/NBC

IN THE DISTRICT COURT OF JOHNSON COUNTY, KANSAS  
Division 10

STATE OF KANSAS, ex rel. )  
ROBERT T. STEPHAN, Attorney General, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
NETWORK BILLING CENTERS, INC., )  
a Kansas Corporation, et al., )  
 )  
Defendants. )

Case No. 93-C-2132

JOURNAL ENTRY OF CONSENT JUDGMENT AND ORDER

NOW on this 24<sup>TH</sup> day of March 1994, the plaintiff's motion for approval of consent judgment comes before the court for consideration. The State of Kansas, ex rel. Robert T. Stephan, Attorney General, appears by and through Mark W. Stafford, Assistant Attorney General. Defendants appear by and through George E. Mallon.

WHEREUPON, the parties advise the court that they have stipulated and agreed as follows:

CLERK OF DISTRICT COURT  
JOHNSON COUNTY, KS.

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1. Robert T. Stephan is the Attorney General of the State of Kansas.
2. Defendants have engaged in consumer transactions within the State of Kansas.
3. Defendants admit the court has personal and subject matter jurisdiction over the parties.
4. Defendants admit that each has committed violations of the Kansas Consumer Protection Act as set forth in the State's Petition and First Amended Petition.
5. The parties agree and stipulate that each consumer has been damaged in the amount of at least \$6000.
6. Defendants agree and are hereby ordered to pay \$20,000 to the Attorney General's Office in investigative fees.
7. Defendants agree and are hereby ordered to pay the cost of any written deposition taken by plaintiff.
8. Defendants agree and are hereby ordered to pay \$6,000 to each injured consumer as listed in Appendix A.
9. Defendants agree and are hereby ordered to be jointly and severally liable for these debts.
10. Obligations stated in paragraphs 6 - 8 shall be paid in the following order: First, \$10,000 in investigative fees to the Attorney General's Office. Second, money ordered to be paid in paragraph 7. Third, money ordered to be paid in paragraph 8. Fourth, the remaining \$10,000 in investigative fees to the Attorney General's Office. Fifth, any civil penalties assessed under paragraph 17.

11. The parties agree that each consumer named in Appendix A may compromise or extinguish any obligation imposed by the judgment for the benefit of that consumer which remains unsatisfied. No consumer shall be deemed to be able to affect any part of this judgment except that which is to directly compensate that consumer's loss.

12. The compromise or extinction referred to in paragraph 11 shall be accomplished by the consumer executing a completed release as set forth in Appendix B. The terms of any agreement shall be in writing, and defendant Thomas L. Bridges agrees to provide a copy of the executed Appendix B and the terms of the written settlement to the Attorney General's Office.

13. Defendants Network Billing Centers, Inc. and Med-Net, Inc. each agree to be and hereby are both permanently enjoined from engaging in consumer transactions in Kansas as a supplier, as those terms are defined in the Kansas Consumer Protection Act.

14. Defendant Tom Bridges agrees to be and hereby is permanently enjoined from engaging in deceptive or unconscionable acts or practices in connection with any consumer transaction as prohibited by the Kansas Consumer Protection Act.

15. Defendants agree to an order directing Blue Valley Bank to pay all moneys attached by plaintiff into the account of the Clerk of the District Court of Johnson County.

16. Plaintiff agrees to and shall not disburse any money to any consumer listed in Appendix A until such consumer executes a copy of the release set forth in Appendix C. Should any consumer

refuse to execute the release in Appendix C, that consumer shall be deemed to be not included in Appendix A and shall be informed any relief must be pursued privately.

17. Plaintiff and defendant agree that civil penalties may be set by the court following an opportunity for a hearing to be held at a future date. This consent judgment does not prohibit the parties from submitting evidence to the court on the question of such penalties at the hearing.

18. Defendants agree to pay all costs of this action.


19. Defendants agree to dismiss all counterclaims with prejudice.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the stipulations and agreements of the parties contained herein are adopted and approved as the findings and orders of the court pursuant to K.S.A. 1993 Supp. 50-632(b).

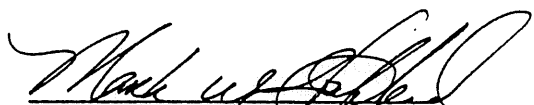
Defendants' counterclaims are dismissed with prejudice.

All costs are assessed to the defendants jointly and severally.

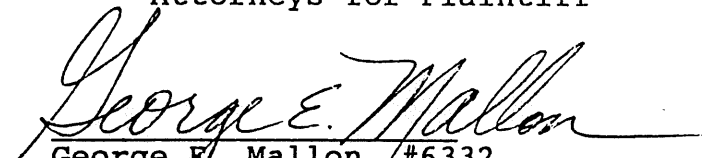
SO ORDERED.

  
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LARRY McCLAIN Ct. 8 for Ct. 10  
DISTRICT COURT JUDGE

Approved by:



Mark W. Stafford, #13233  
David C. Wetzler, #14954  
Martin J. Peck, #16273  
Assistant Attorneys General  
Attorneys for Plaintiff



George E. Mallon, #6332  
Attorney At Law  
Attorney for Defendants