

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS

Division 7

FILED BY CLERK
KS. DISTRICT COURT
THIRD JUDICIAL DIST.
TOPEKA, KS

2015 DEC 30 A 10:14

STATE OF KANSAS, *ex rel.*,)
DEREK SCHMIDT, Attorney General,)

Plaintiff,)

v.)

Case No. 2015-CV-001130

AMERICAN HANDICAPPED &)
DISADVANTAGED WORKERS, INC.,)
and ADLI NAJIB DASUQI, an)
individual,)

Defendants.)

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

JOURNAL ENTRY OF CONSENT JUDGMENT

NOW on this ~~7th~~ day of ~~Dec~~, 2015, Plaintiff's Journal Entry of Consent Judgment comes before the Court pursuant to K.S.A. 50-632(b). The Plaintiff, State of Kansas, *ex rel.* Derek Schmidt, Attorney General, appears by and through Lynette R. Bakker, Assistant Attorney General. Defendants appear by and through Mark W. Stafford.

WHEREUPON the parties advise the Court that they have stipulated and agreed to the following:

**STIPULATED FINDINGS OF FACT
AND CONCLUSIONS OF LAW**

1. Derek Schmidt is the Attorney General of the State of Kansas.
2. The Attorney General's authority to enter this Consent Judgment is derived from the statutory and common law of the State of Kansas, specifically the Kansas Consumer Protection Act, ("KCPA") K.S.A. 50-623 *et seq.*

3. Defendant American Handicapped & Disadvantaged Workers, Inc. (“AHDW”) is a for-profit, telemarketing company selling various household goods, including light bulbs, trash bags, and cleaning products. AHDW has offices in Arizona, California, and Michigan, with its principle place of business at 12601 N. Cave Creek Road, #113, Phoenix, Arizona, 85022.

4. Defendant Adli Najib Dasuqi is an individual, acting as President/CEO, sole shareholder, and sole officer of AHDW. In this position, Mr. Dasuqi possesses the exclusive authority to control AHDW’s acts and practices. Mr. Dasuqi lives at 36 Millstone Drive, Waterford, Michigan 48328.

5. Neither Defendant is registered with the Secretary of State to do business in the State of Kansas.

6. All references to Defendant or Defendants herein include acts individually, in concert with, or by or through employees, agents, representatives, affiliates, assignees and successors of American Handicapped & Disadvantaged Workers and/or Adli Najib Dasuqi.

7. Defendants stipulate and admit that the Court has subject matter jurisdiction over this case and *in personam* jurisdiction over the parties, under the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*

8. Defendants stipulate and admit that venue is proper in the 3rd Judicial District of Kansas (Shawnee County) under K.S.A. 50-638(b).

9. At all times relevant hereto, and in the ordinary course of business, Defendants have acted as “suppliers” as defined by K.S.A. 50-624(l).

10. At all times relevant hereto, and in the ordinary course of business, Defendants have engaged in “consumer transactions” in Kansas, as defined by K.S.A. 50-624(c).

11. Defendants, individually or in concert, solicited Kansas consumers, via telephone, to purchase various household goods, including light bulbs, trash bags, kitchen scissors, and cleaning products.

12. Some of Defendants' transactions with Kansas consumers involved "elder persons" as defined by K.S.A. 50-676(a).

13. Defendants knowingly used exaggeration, falsehood, innuendo, and ambiguity, to misrepresent the character and benefits of AHDW's business, leading some Kansas consumers to believe that AHDW was a charity and/or had a charitable purpose, in violation of K.S.A. 50-626.

14. Defendants failed to correctly identify themselves to consumers when conducting telephone solicitations by using either a shortened, incomplete form or an acronym of Defendant American Handicapped and Disadvantaged Workers' name, in violation of K.S.A. 50-626 and 50-627.

15. Defendants did not present Kansas consumers with, or request return of, a written and signed confirmation, disclosing in full the terms of the transaction, as required by K.S.A. 50-672.

16. Defendants charged Kansas consumers' credit cards, for the purchase of household goods, without receiving signed confirmations from Kansas consumers, as required by K.S.A. 50-672

17. Defendants attempted to collect a fee from consumers after failing to obtain a signed confirmation as required by K.S.A. 50-672.

18. Defendants charged consumers prices for household goods which grossly exceeded the price at which similar household goods were readily obtainable in similar transactions by similar consumers, in violation of K.S.A. 50-627(b)(2).

19. Each Defendant acknowledges that this Consent Judgment constitutes a stipulation to the allegations set forth herein and that nothing about this Consent Judgment shall operate as a bar to any private action that any consumer may bring or has brought against the Defendants.

20. Compliance with this Consent Judgment does not relieve the Defendants of any obligation imposed by applicable federal, state, or local law, nor shall this Consent Judgment preclude the Attorney General from taking appropriate legal action to enforce any other statutes under his jurisdiction.

21. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the Attorney General of any representations, acts, or business practices of the Defendants, nor shall the Defendants 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.

22. The Defendants agree that the Attorney General may take appropriate legal action against the Defendants for violation of this Consent Judgment and/or for future violations of the Kansas Consumer Protection Act and any other law which the Attorney General is authorized to pursue and/or enforce.

23. Each Defendant hereby represents and warrants that they have had the opportunity to consult with and receive the advice of legal counsel regarding all matters relative to this Consent Judgment, including the rights and obligations of the Defendants under this Consent Judgment and the consequences of a breach of this Consent Judgment. Each Defendant represents that they have read the foregoing Consent Judgment and knows and understands the contents thereof. Each

Defendant further represents and warrants that they are signing this Consent Judgment as the result of their own free act, and that they have not relied on any statement(s) or representation(s) of the Attorney General or anyone acting on his behalf, except for those contained in this Consent Judgment. By executing this Consent Judgment, each of the undersigned covenants and represents that he or she has the power and authority to execute this Consent Judgment.

24. Defendants agree to this Consent Judgment without trial or adjudication of any issue of fact or law solely for the purposes of settlement.

25. Defendants agree to make available and/or disclose the provisions of this Consent Judgment to each officer, director and employee of management level that is involved in Kansas operations of the Defendant within ten (10) days of execution of this Consent Judgment.

26. Defendants agree to release all Kansas consumers who so request from their purchase agreements and to promptly issue refunds to Kansas consumers who affirmatively request refunds, if any.

27. Each of the Defendants' representatives, signing this Journal Entry of Consent Judgment, warrants that the representative has been duly authorized by the Defendant for whom the representative appears to be acting to enter and execute this Journal Entry of Consent Judgment on behalf of Defendant.

28. Defendants agree to pay to the Office of the Kansas Attorney General ten thousand dollars (\$10,000.00) in investigative fees and civil penalties for violations of the Kansas Consumer Protection Act, pursuant to K.S.A. 50-632(a)(4), K.S.A. 50-636, and K.S.A. 50-677. This is a single assessment payable by either Defendant and shall not be interpreted as multiple assessments.

29. Defendants agree to pay the aforementioned fees and penalties in twelve (12) installments as follows:

a. Defendants shall pay \$1,200.00 to the Office of the Kansas Attorney General at the time of signing this Consent Judgment. The remaining \$8,800.00 shall be paid in eleven (11) equal installments of \$800.00 due on or before the first day of each month thereafter, beginning on January 1, 2016.

30. Defendants agree that time is of the essence for each of the aforementioned payments, and Defendant shall be responsible for the timely submission of each payment.

31. Payment shall be made in the form of a cashier's check, money order or other certified funds payable to the Office of the Kansas Attorney General, mailed to:

Attn: Lynette R. Bakker, Assistant Attorney General
Office of the Kansas Attorney General
120 SW 10th Ave, 2nd Floor
Topeka, Kansas 66612-1597

THE COURT HEREBY ENTERS JUDGMENT against Defendants, having reviewed the Stipulated Consent Judgment, as follows:

A. Paragraphs one (1) through thirty-one (31) above are hereby adopted as this Court's findings of fact and conclusions of law, pursuant to K.S.A. 60-252.

B. The Defendants' acts and practices set out above in paragraphs thirteen (13) through eighteen (18) are hereby declared to be deceptive and unconscionable acts and practices in violation of the Kansas Consumer Protection Act, pursuant to K.S.A. 50-626 and 50-627.

C. Pursuant to K.S.A. 50-632(c)(6), the Defendants and their officers, directors, employees, shareholders and agents are hereby permanently enjoined from engaging in telemarketing or solicitations directed to residents in the State of Kansas.

D. Judgment is entered against Defendants and in favor of Plaintiff in the amount of \$10,000.00; provided however that, because the Attorney General's acceptance of a payment in the above amount is expressly premised on the accuracy of the financial information provided to the Attorney

General by a representative of Defendants by mail received on or about March 6, 2015, if such financial information contains any material representation that was not substantially accurate when made, and if the Attorney General establishes such inaccuracy by a preponderance of the evidence in an action in Kansas District Court, the Attorney General may, without limiting or foregoing any other remedies that may be available, seek and obtain judgment against Defendants, jointly and severally, for \$180,000.00. Defendants are directed to accommodate reasonable requests from Plaintiff for customer data or other information required by Plaintiff to facilitate the above-referenced customer refunds.

E. Each Defendant is 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. This Consent Judgment applies to all successors and assigns, along with every employee or agent of each Defendant.

F. Each Defendant is permanent enjoined from collecting, attempting to collect, or entering into an agreement with any other individual or entity to collect monies owed from Kansas consumers as a result of telemarketing and solicitation activities of the Defendants.

G. This Consent Judgment is a final judicial order and judgment and operates as a permanent injunction against the Defendants.

H. The Court retains continuing jurisdiction over this Consent Judgment for an indefinite period of time for the purpose of protecting the integrity of this Consent Judgment and to enforce the terms of this Consent Judgment, if necessary.

I. This Consent Judgment can be modified, with consent of the Court, if changed circumstances subvert its intended purpose.

J. This Consent Judgment can be modified if the modification is agreed to by both parties and approved of by the Court.

K. The Court retains continuing jurisdiction over this matter in that the injunctive terms of this Consent Judgment remain in effect until dissolved by the Court.

IT IS SO ORDERED.

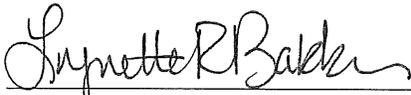
District Court Judge

Prepared and approved by:

PLAINTIFF



Derek Schmidt, #17781
Attorney General of the State of Kansas



Lynette R. Bakker, Bar #22104
Assistant Attorney General
Office of the Attorney General
Consumer Protection Division
120 SW 10th Ave., 2nd Floor
Topeka, Kansas 66612-1597
Tel: 785-296-3751
Attorneys for Plaintiff

DEFENDANTS



American Handicapped & Disadvantaged Workers, Inc.
By: Adil N. Dasuqi, President



Adli Najib Dasuqi



Mark W. Stafford, #13233

SIMPSON, LOGBACK, LYNCH, NORRIS, P.A.

107 S.W. 6th Ave., Ste. 210

Topeka, KS 66603

(785)232-6200

mstafford@slln.com

Attorney for Defendants