

IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS

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

STATE OF KANSAS, *ex rel.* )  
DEREK SCHMIDT, Attorney General, )  
 )  
Plaintiff, )  
 )  
v. )  
COLLECT PROS – PAYMENTS MADE EASY )  
 )  
Defendant. )

2017 MAR -7 P 1:17

Case No. 2017-CV-148  
Div. 6

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

**JOURNAL ENTRY OF CONSENT JUDGMENT**

NOW on this 7th day of MARCH, 2017, the parties' 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 Sarah M. Dietz, Assistant Attorney General.

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

**PARTIES, JURISDICTION AND VENUE**

1. Derek Schmidt is the duly elected, qualifying and acting Attorney General for 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 ("KCPA"), K.S.A. § 50-623 *et seq.*
3. Defendant Collect Pros is a Nevada limited liability company with a principal place of business 12924 Pierce Street #101, Pacoima, CA 91331.

4. All references to the Defendant herein include acts performed individually, in concert, or by or through employees, directors, officers, owners, managers, agents, assigns, and all other persons or entities acting in concert with them or on their behalf, including their predecessors, subsidiaries, affiliates and successors.

5. Jurisdiction and venue are appropriate in District Court of Shawnee County, Kansas, pursuant to K.S.A. § 50-638(a) and (b), respectively.

### ALLEGATIONS

6. Plaintiff alleges that the Defendant has acted as a “supplier” within the definitions of K.S.A. 50-624(j) and has and does engage in consumer transactions in Kansas within the definitions of K.S.A. 50-624(c).

7. Plaintiff alleges that the Defendant has acted as a “debt collector” as defined by the federal Fair Debt Collection Practices Act (“FDCPA”), 15 U.S.C. § 1692a(6).

8. Plaintiff alleges that the Defendant is engaged in the collection of debt related to a consumer financial product or service and, therefore, is a “covered person” as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), 12 U.S.C. § 5481(6)(A), 15(A)(x).

9. “Debt” means any obligation or alleged obligation of a consumer to pay money arising from magazine subscription requested by consumers living in Kansas that Defendant purchased from Levy 9 Consulting, LLC on or about April 7, 2015 and/or Publishers Service Center of Central Georgia, Inc. on or about April 15, 2015.

10. The Dodd-Frank Act prohibits covered persons from engaging in “any unfair, deceptive, or abusive act or practice,” 12 U.S.C. § 5536(a)(1)(B).

11. Congress declared that any violation of the FDCPA is deemed to be an unfair or

deceptive act or practice in violation of the Federal Trade Commission Act, 15 U.S.C. § 16921(a).

12. The Attorney General alleges that, were this matter to be litigated, the following could be proven:

That in June and July 2015, Defendant distributed custom mailers to Kansas consumers in an attempt to collect a debt which contained numerous deceptive acts as defined under K.S.A. 50-626 and in violation of the FDCPA. Additionally, Defendant failed to obtain a proper license to operate as a debt collector pursuant to K.S.A. 16a-6-201 through K.S.A. 16a-6-203.

13. The parties voluntarily agree to this Consent Judgment without trial or adjudication of any issue of fact or law as a compromise settlement of all issues raised herein. It is further understood that compliance with this judgment is not an admission of guilt by Respondent.

#### **INJUNCTIVE RELIEF**

14. Defendant agrees to pay a total of \$1,000 to the Office of the Attorney General pursuant to K.S.A. 50-632, to partially compensate for reasonable expenses and investigation fees. 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:

Sarah Dietz, Assistant Attorney General  
Office of the Kansas Attorney General  
120 SW 10th Ave., 2nd Floor  
Topeka, Kansas 66612

15. Defendant agrees to refrain from engaging in those acts and practices alleged to be deceptive as described in paragraph twelve (12) of this Consent Judgment. Defendant agrees that engaging in those acts described in paragraph twelve (12), such acts or similar acts after the date of this Consent Judgment shall constitute a breach of this Judgment.

16. Defendant agrees to discharge, cancel, release, forgive and adjust to zero balance all alleged debt for the Kansas consumers.

17. 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.

18. If Defendant becomes aware, by any means, that a Kansas consumer made payment to Defendant on alleged debt, Defendant shall promptly and fully refund the consumer and notify our Office of any such refunds made.

#### **OTHER PROVISIONS**

19. Defendant shall fully cooperate with the Office of the Kansas Attorney General in the resolution of any future written complaints regarding Defendant that the Division received by the Office of the Attorney General. This shall include, but is not limited to, Defendant promptly resolving any valid complaints brought to Defendant's attention by the Office of the Attorney General after the signing of the Judgment.

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 this Consent Judgment preclude the Plaintiff from taking appropriate legal action to enforce any other statutes under this jurisdiction or from any other Federal or State agency to enforce any other federal, state, or local law under its jurisdiction.

22. Defendant agrees 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 any Kansas operations within ten (10) days of signing this Consent Judgment.

23. The parties understand this Consent Judgment shall not be construed as approval of or sanction by the Attorney General of the business practices of Defendant nor shall Defendant represent the decree as such 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 of Defendant. 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 any statutes under his jurisdiction.

24. Defendant consents to personal and subject matter jurisdiction in the District Court of Shawnee County, Kansas, for the purpose of enforcing this Assurance. Defendant further stipulates and waives any objection to a venue in Shawnee County, Kansas, for any action to enforce this Assurance. The Attorney General may take appropriate legal action against Defendant for violation of this Consent Judgment. The provisions of this Judgment shall be applicable to Defendant and every employee of Defendant transacting business in the State of Kansas.

25. Each of the parties to this Consent Judgment has had the opportunity to consult with and receive the advice of legal counsel regarding matters relative to this Consent Judgment, including the respective rights and obligations of the parties under this Judgment. The undersigned represent that they have read the foregoing Consent Judgment and know the contents thereof and that they sign the same as their own free act, and that no reliance is made on any statement or

representation of the Attorney General or anyone acting on his behalf except for those contained herein. 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 on behalf of Collect Pros – Payments Made Easy.

26. The parties agree that all communications regarding Defendant, this Consent Judgment, and any other legal matters shall be mailed to:


Robin Kim  
Law Offices of Robin Kim  
3940 Laurel Canyon Blvd  
Suite 517  
Studio City, CA 91604

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that the stipulation and Judgment of the parties contained herein are adopted and approved as findings of fact and conclusions of law of the Court and any monies owed hereunder by the Defendant immediately becomes a judgment upon filing.

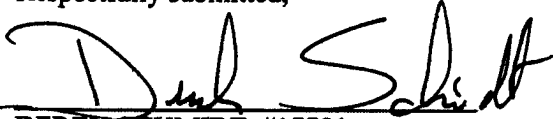
**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against the Defendant in favor of Plaintiff in the amount of \$1,000.00.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that pursuant to the Kansas Consumer Protection Act, 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.

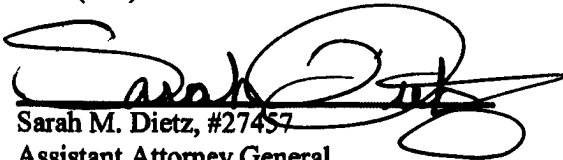
**IT IS SO ORDERED.**

  
District Court Judge

Respectfully submitted,



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Approved by:



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BENNETT, BODINE & WATERS, P.A.



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ATTORNEY FOR DEFENDANT