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CLERK OF THE SHAWNEE COUNTY DISTRICT COURT  
CASE NUMBER: 2016-CV-000415



**Court:** Shawnee County District Court  
**Case Number:** 2016-CV-000415  
**Case Title:** State of Kansas ex rel Derek Schmidt Atty General vs. Mark Schneidewind, et al.  
**Type:** Journal Entry of Consent Judgment

SO ORDERED.

A handwritten signature in cursive script that appears to read "Teresa L. Watson".

/s/ Honorable Teresa L Watson, District Court Judge

Jonathan E. Trotter, #27650  
Assistant Attorney General  
Office of the Kansas Attorney General  
120 S.W. 10<sup>th</sup> Avenue, 2nd Floor  
Topeka, Kansas 66612-1597  
Tel: (785) 296-3751  
Fax: (785) 291-3699  
[jon.trotter@ag.ks.gov](mailto:jon.trotter@ag.ks.gov)

**IN THE DISTRICT COURT OF SHAWNEE COUNTY, KANSAS  
DIVISION 3**

<b>STATE OF KANSAS, <i>ex rel.</i></b>	)
<b>DEREK SCHMIDT, Attorney General,</b>	)
	)
<b>Plaintiff,</b>	)
<b>v.</b>	)
	)
	<b>CASE NO. 2016-CV-000415</b>
<b>MARK SCHNEIDEWIND, <i>et al.</i></b>	)
	)
	)
<b>Defendants.</b>	)
	)

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

**JOURNAL ENTRY OF CONSENT JUDGMENT**

**NOW** on this date, 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 Jonathan E. Trotter, Assistant Attorney General. Defendants appear by and through counsel Michael S. Heptig.

**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.*, and the Kansas Roofing Registration Act ("KRRA"), K.S.A. 2017 Supp. 50-6,121, *et seq.*

3. Defendant Mark Schneidewind ("Defendant Schneidewind") is an individual with a residential address at 980 Court Road W, Lot S 1143, Freemont, Nebraska 68025.

4. Defendant Susan Cuthill ("Defendant Cuthill") is an individual with a residential address at 980 Court Road W, Lot S 1143, Freemont, Nebraska 68025.

5. Defendant Dollhouse, Inc. ("Defendant Dollhouse") is a Kansas Foreign Limited Liability Company organized under the laws of the state of Nebraska, with a principle place of business at 3506 N. 156<sup>th</sup> Street, Omaha, Nebraska 68116.

6. Defendant Dollhouse, Inc. is managed and controlled by Defendant Schneidewind and Defendant Cuthill.

7. At all times relevant hereto, Defendants did business as "MWR, Inc.".

8. All references to the Defendants 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.

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

10. This Court has personal and subject matter jurisdiction over this controversy by the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*, specifically K.S.A. 50-638(a).

## **ALLEGATIONS**

11. Defendants have acted as a "supplier" in Kansas, as that term is defined by K.S.A.

50-624(l).

12. Defendants have acted as a “roofing contractor” in Kansas, as that term is defined by K.S.A. 50-6,122(a)(1).

13. Defendants have engaged in “consumer transactions” in Kansas, as that term is defined by K.S.A. 50-624(c).

14. Defendants have engaged in consumer transactions with “consumers,” as that term is defined in K.S.A. 50-624(b), and “protected consumers,” as that term is defined by K.S.A. 50-676(a).

15. Defendants have made or caused to be made “door-to-door sales,” as that term is defined by K.S.A. 50-640(c)(1).

16. At all times relevant hereto, the Defendants engaged in acts and practices in violation of the Kansas Roofing Registration Act, K.S.A. 50-6,121 *et seq.*, which acts and practices include, but are not limited to:

- a. Defendants engaged in the business of or operated in the capacity as a roofing contractor in the state of Kansas without having a valid registration certificate, in violation of K.S.A. 50-6,123(a).

17. At all times relevant hereto, Defendants have engaged in acts and practices in violation of the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*, which acts and practices include, but are not limited to:

- a. Defendants willfully made, or caused to be made, representations that the Defendants had a sponsorship, status, affiliation or connection that the Defendants did not have, specifically, that the Defendants, doing business as “MWR, Inc.” were a registered corporation, in violation of K.S.A. 50-626(b)(1)(B).
- b. Defendants entered in to a consumer transaction from which the consumer was unable to receive a material benefit of the subject of the transaction, in violation of K.S.A. 50-627.

- c. Defendants failed, in the course of making or causing to be made door-to-door solicitations and sales of roofing services, to furnish consumers with receipts providing notice to the consumers of their right to cancel the transaction at any time until the third business day following the transaction, in violation of K.S.A. 50-640(b)(1).
- d. Defendants failed, in the course of making or causing to be made door-to-door solicitations and sales of roofing services, to furnish consumers with duplicate notice of the consumer's right to cancel the transaction at any time until the third business day following the transaction, in violation of K.S.A. 50-640(b)(2).

18. Pursuant to K.S.A. 50-632(b), this Consent Judgment is not an admission by Defendants of a violation of the Kansas Roofing Registration Act or the Kansas Consumer Protection Act. Notwithstanding, Defendants agree to this Consent Judgment without trial or adjudication of any issue of fact or law and solely for the purpose of settlement.

#### **INJUNCTIVE RELIEF**

19. In order to resolve this matter, Defendants agree to refrain, and be permanently enjoined, from engaging, within the state of Kansas, in those acts and practices set forth in paragraphs 16-18, specifically, those violations of the Kansas Consumer Protection Act, K.S.A. 50-623 *et seq.*, and the Kansas Roofing Registration Act, K.S.A. 50-6,121 *et seq.*, and agrees that engaging in such acts or similar acts after the date of this Consent Judgment shall constitute a violation of this Consent Judgment.

20. In order to resolve this matter, Defendants agree to refrain, and be permanently enjoined, from acting as a roofing contractor in the state of Kansas, and agree that acting as a roofing contractor in the state of Kansas shall constitute a violation of this Consent Judgment.

21. In order to resolve this matter, Defendants agree to refrain, and be permanently enjoined, from engaging in any door-to-door solicitations and sales in the state of Kansas, as that term is defined in K.S.A. 50-624 and amendments thereto, including any door-to-door solicitations

and sales of roofing-related services within the meaning of K.S.A. 2015 Supp. 50-6,122 and amendments thereto.

22. In order to resolve this matter, Defendants agree that engaging in any door-to-door solicitations and sales in the state of Kansas, including door-to-door solicitations of roofing-related services, shall constitute a violation of this Consent Judgment.

23. In order to resolve this matter, Defendants acknowledge and admit that if Defendants participate, directly or indirectly, in any door-to-door solicitations or sales in the state of Kansas in violation of this Consent Judgment, they are committing a crime and may be subject to prosecution pursuant to K.S.A. 21-6423, a Level 9, Person Felony.

24. In order to resolve this matter, Defendants acknowledge and admit that if Defendants cause, direct, employ, enable or assist others in engaging in door-to-door solicitations or sales in the state of Kansas in violation of this Consent Judgment, they are committing a crime and may be subject to prosecution pursuant to K.S.A. 21-6423, a Level 9, Person Felony.

25. In order to resolve this matter, Defendants acknowledge and admit that the criminal liability imposed by K.S.A. 21-6423 does not relieve Defendants of any civil liability for violating the terms of this Consent Judgment or any other judgments and civil sanctions and liability may be imposed in addition to any authorized criminal penalties.

26. In order to resolve this matter, Defendants agree 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.

27. Defendants agree to inform each officer, director, member, manager, employee, agent, independent contractor, and representative having responsibilities with respect to the subject

matter of this Consent Judgment that no door-to-door solicitations or sales, telecommunication sales, including roofing-related services, are to be engaged in, within the state of Kansas, within ten (10) days of signing the Consent Judgment or within fifteen (15) days after any person assumes such position or responsibilities. For purposes of this paragraph, "inform" means providing a written acknowledgment to each officer, director, member, manager, employee, agent, independent contractor, and representative to confirm that he or she has read the acknowledgment and understands that no business is to be engaged in within the state of Kansas.

28. Defendants agree that the terms of this Consent Judgment apply to acts performed individually, in concert, or by or through its officers, directors, members, managers, employees, agents, independent contractors, representatives, affiliates, assignees, and successors having responsibilities with respect to the subject matter of this Consent Judgment.

#### **MONETARY RELIEF**

29. Defendants agree to pay the Office of the Kansas Attorney General \$10,000.00 in civil penalties for violations of the Roofing Registration Act, pursuant to K.S.A. 2017 Supp. 50-6,123 and K.S.A. 50-636.

30. Payment shall be made over the course of twenty (20) months, in the amount of \$500.00 per month, beginning the 1st of September and on or before the 1st of each following month until payment in full has been made.

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:

Jonathan E. Trotter, Assistant Attorney General  
Office of the Kansas Attorney General  
120 SW 10th Ave., 2nd Floor  
Topeka, Kansas 66612

32. Defendants agree to pay \$4,702.89 in consumer restitution, which shall be due in full

on the file stamped date of this Consent Judgment.

### **SUSPENDED MONETARY JUDGMENT**

33. Judgment is hereby entered in favor of Plaintiff and against Defendants in the amount of \$10,000.00 for the payment of civil penalties for violations of the Kansas Roofing Registration Act, pursuant to K.S.A. 50-636. Provided, however, this monetary judgment shall be suspended against Defendants as long as the Court makes no finding(s), as provided in the following section of this Consent Judgment titled “Right to Reopen,” that Defendants have violated any provision of this Consent Judgment.

### **RIGHT TO REOPEN**

34. Plaintiff’s agreement to the Suspended Monetary Judgment contained in this Consent Judgment is expressly premised upon Defendants’ material compliance with the terms of this Consent Judgment.

35. Defendants’ “material compliance” with the terms of this Consent Judgment shall mean material compliance with all of the provisions included in Paragraphs 20-34.

36. If, upon motion by the Attorney General to the Court, the Court finds that the Defendants have violated a material term of this Consent Judgment, the suspension of the monetary judgment as to the Defendants will be terminated and the entire judgment amount of \$10,000.00 shall become immediately due and payable to Plaintiff, and interest computed at the rate prescribed under Kansas law, shall begin immediately to accrue on the unpaid balance.

37. Defendants agree that pursuant to 11 U.S.C. 523(a)(2)(A) and 523(a)(7), and due to the nature of the conduct underlying this settlement, any unpaid penalties and/or fees shall not be dischargeable in any bankruptcy proceeding commenced after the entry of this Consent Judgment.

38. Proceedings instituted under the foregoing paragraphs are in addition to, and not

in lieu of, any other civil or criminal remedies that may be provided by law, including any other proceedings Plaintiff may initiate to enforce this Consent Judgment.

## **OTHER PROVISIONS**

39. 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.

40. 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.

41. Compliance with this Consent Judgment does not relieve Defendants 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 his jurisdiction or from any other Federal or State agency to enforce any other federal, state, or local law under its jurisdiction.

42. The parties understand that this Consent Judgment shall not be construed as an approval of or sanction by the attorney general of the Defendants' business practices, nor shall the Defendants represent the Consent Judgment as such approval. The parties further understand and agree 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 this Consent Judgment shall not be construed to be an approval of or sanction of any representations, acts, or practices of the Defendants, nor shall any inaction by the Attorney General be considered a waiver by the attorney general of any rights under this Consent Judgment or applicable law.

43. This Consent Judgment represents the entire agreement between Plaintiff and the Defendants, and there are no representations, agreements, arrangements or understandings, oral or written, between the parties relating to the subject matter of this Consent Judgment which are not fully expressed herein or attached hereto.

44. Defendants hereby represent and warrant that Defendants 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 Defendants under this Consent Judgment and the consequences of breach hereunder. Defendants represent that the Defendants have read the Consent Judgment and knows and understands the contents thereof. Defendants further represent and warrant that Defendants are signing this Consent Judgment as the result of his own free act, and that Defendants 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.

45. By signing this Consent Judgment, the representative of the Defendants represent and warrant that such person is duly and legally authorized to execute this Consent Judgment on behalf of these Defendants, thus binding the Defendants to the provisions of this Consent Judgment.

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that the stipulation and agreement 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 Defendants immediately becomes a judgment upon filing.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendants in favor of Plaintiff in the amount of \$4,702.89.

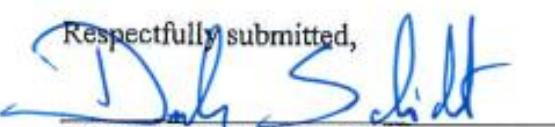
**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendants in favor of Plaintiff in the amount of \$10,000.00.

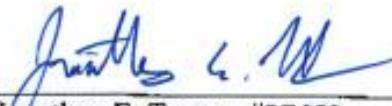
**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendants in favor of Plaintiff, and suspended, in the amount of \$10,000.00.

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

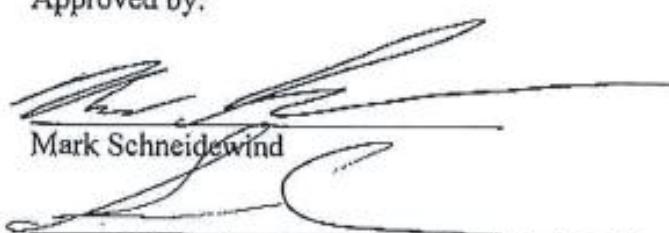
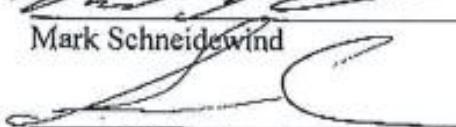
**IT IS SO ORDERED.**

**THIS ORDER IS EFFECTIVE AS OF THE DATE AND TIME SHOWN ON THE ELECTRONIC FILE STAMP.**

Respectfully submitted,  
  
DEREK SCHMIDT, #17781  
KANSAS ATTORNEY GENERAL

  
Jonathan E. Trotter, #27650  
Assistant Attorney General  
Office of the Kansas Attorney General  
120 S.W. 10<sup>th</sup> Avenue, 2nd Floor  
Topeka, Kansas 66612-1597  
Tel: (785) 296-3751  
Fax: (785) 291-3699  
[jon.trotter@ag.ks.gov](mailto:jon.trotter@ag.ks.gov)  
Attorneys for Plaintiff

Approved by:

  
Mark Schneidewind  
  
Susan Cuthill, Owner  
Dollhouse Inc.  
d/b/a MWR, Inc.  
d/b/a Midwest Restorations

  
Michael S. Heptig, #23199  
534 S. Kansas Avenue, Suite 1000  
Topeka, KS 66603-3456  
Tel: 785-357-6311 Ext. 207  
Fax: 785-357-0152  
[mheptig@sloanlawfirm.com](mailto:mheptig@sloanlawfirm.com)  
Attorney for Defendant