

IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT - CHANCERY DIVISION

PEOPLE OF THE STATE OF ILLINOIS,
ex rel. ROLAND W. BURRIS,
Attorney General of Illinois,

Plaintiff,

vs.

NO. 89 CH 10044

JOHN C. KIM, individually and doing
business as JOHN C. KIM STYLE SCHOOLS
OF CHUNG MOO QUAN; NICHOLAS GALLO,
individually and doing business as
JOHN C. KIM STYLE SCHOOLS OF CHUNG
MOO QUAN; KENNETH KRISCIUNAS,
individually and doing business as
JOHN C. KIM STYLE SCHOOLS OF CHUNG
MOO QUAN; PAUL FURIO, individually
and doing business as JOHN C. KIM
STYLE SCHOOLS OF CHUNG MOO QUAN;
MICHAEL MCKAY, individually and doing
business as JOHN C. KIM STYLE SCHOOLS
OF CHUNG MOO QUAN; SANTE FURIO,
individually and doing business as
JOHN C. KIM STYLE SCHOOLS OF CHUNG
MOO QUAN; and THOMAS MCGEE,
individually an doing business as
JOHN C. KIM STYLE SCHOOLS OF CHUNG
MOO QUAN, ALEX MARQUEZ, individually
and doing business as JOHN C. KIM STYLE
SCHOOLS OF CHUNG MOO QUAN; THOMAS
WHITE, individually and doing business
as JOHN C. KIM STYLE SCHOOLS OF CHUNG
MOO QUAN; THOMAS MARTIN HNAT,
individually, and doing business as
JOHN C. KIM STYLE SCHOOLS OF CHUNG MOO
QUAN,

Defendants.

**FINAL JUDGMENT AND CONSENT DECREE BETWEEN
PLAINTIFF AND CERTAIN NAMED DEFENDANTS**

Plaintiff, PEOPLE OF THE STATE OF ILLINOIS, ex rel. ROLAND W. BURRIS, Attorney General of Illinois and defendant JOHN C. KIM, individually and doing business as JOHN C. KIM STYLE SCHOOLS OF CHUNG MOO QUAN, hereby consent to the entry of this Final Judgment and Consent Decree between Plaintiff and said Defendant as set forth below without trial or adjudication of any issue of fact or law. This Consent Decree is entered into in an effort to bring prompt resolution to this controversy.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED

I.

AUTHORIZATION

The undersigned representative for each party certifies that he is fully authorized by the party he represents to enter into the terms and conditions of this Consent Decree and to legally bind the party he represents to the Consent Decree.

II.

JURISDICTION

This court has jurisdiction of the subject matter of this action and the parties hereto.

III.

SUBJECT MATTER

This cause of action was brought in the public interest pursuant to the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 et seq. (1992), (hereinafter referred to as the "Consumer Fraud Act"), the Uniform Deceptive Trade Practices Act, 815 ILCS 501/1 et seq. (1992), (hereinafter "Uniform Act") and the Physical Fitness Services Act, 815 ILCS 645/1 et seq. (1992), (hereinafter "Physical Fitness Act"). Section 2 of the Consumer Fraud Act provides, in relevant part, as follows:

Unfair methods of competition and unfair or deceptive acts or practices, including but not limited to the use or employment of any deception, fraud, false pretense, false promise, misrepresentation or the concealment, suppression or omission of any material fact, with intent that others rely upon the concealment, suppression or omission of such material fact, or the use or employment of any practice described in Section 2 of the "Uniform Deceptive Trade Practices Act," approved August 5, 1965, in the conduct of any trade or commerce are hereby declared unlawful whether any person has in fact been misled, deceived or damaged thereby.

815 ILCS 505/2 (1992).

IV.

ALLEGATIONS OF THE COMPLAINT

Plaintiff has alleged that defendants operate a number of physical fitness and martial arts schools in Illinois under the name and trade style of JOHN C. KIM STYLE SCHOOLS OF CHUNG MOO QUAN. While operating said schools defendants violated the Consumer Fraud Act, The Uniform Act and the Physical Fitness Act by inducing Illinois consumers, through fraud, coercion and breach

of fiduciary duty, to pay sums of money in excess of \$2,500 per year for physical fitness services, failing to give consumers copies of contracts signed for these services, failing to notify consumers of their three day right to cancel said contracts, and coercing consumers into signing contracts for increasingly expensive courses and giving "gifts" of labor and/or money to the schools and/or the instructors.

V.

DENIAL OF LIABILITY

Defendants specifically deny any and all allegations of misconduct. Defendants have voluntarily entered into this Consent Decree to resolve disputed claims and to bring a prompt resolution to this controversy. The parties acknowledge that entry of this Consent Decree is not an admission of any wrongdoing and/or misconduct of defendants. The defendants, notwithstanding the above denial, do hereby consent to the court's entry of the within order and the rights of the plaintiff to enforce the within order.

VI.

MANDATORY RELIEF

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that if the defendant is involved in the operation of a physical fitness services business in the State of Illinois he shall:

- a) Not charge any amount of money for physical fitness services in any manner which would

- cause the total cost to the consumer to exceed \$2,500.00 per year, or any other sum as provided by law;
- b) Give the consumer a copy of any contract signed by the consumer;
 - c) Notify each consumer of his/her three day right to cancel any contract signed by the consumer;
 - d) Not use or employ any method or action to directly or indirectly induce Illinois consumers by coercion, fraud or breach of fiduciary duty into giving labor, money or any other thing of value to the schools or the instructors, employees, agents or representatives of the said schools;
 - e) Not violate any provision of the Physical Fitness Act, the Consumer Fraud Act or the Uniform Act.

Any license agreement between KIM and Licensees shall contain a provision empowering KIM to unilaterally terminate the License in the event that KIM is advised or learns that the Licensee has not complied with any provision of the Illinois Consumer Fraud and Deceptive Business Practices Act, the Illinois Uniform Deceptive Trade Practices Act, the Illinois Physical Fitness Services Act and the Final Judgment and Consent Decree entered by the court as a final resolution to the cause styled

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The aforementioned shall be binding on JOHN C. KIM as Licensor, individually and/or through whatever business entity he conducts business, and shall be binding on any successor and/or other business entity, in whatever form or name, which would act as Licensor under the said licensing agreement.

VII.

STATE PROJECTS AND COURT ORDERED DISTRIBUTION FUND
FOR CONSUMER ENFORCEMENT AND EDUCATION

Defendant agrees to make payment to the State Project and Court Ordered Distribution Fund for Consumer Enforcement and Education in the amount of Eight Hundred Dollars (\$800.00). Payment shall be in the form of a cashier's check made payable to the "Attorney General of the State of Illinois." The Attorney General shall cause this payment to be deposited in the State Projects and Court Ordered Fund for Consumer Enforcement and Education. Defendant will not be entitled to further accounting regarding the money deposited into said Fund.

It is acknowledged by JOHN C. KIM that this Final Judgment and Consent Decree will be entered simultaneously with similar Final Judgments and Consent Decrees executed by defendants MICHAEL MCKAY, PAUL FURIO, SANTE FURIO, THOMAS MARTIN HNAT and NICHOLAS GALLO. It is further acknowledged that payments to the State Project and Court Ordered Distribution Fund for Consumer Enforcement and Education totals the sum of Four Thousand Dollars

(\$4,000.00) and shall, in the aggregate, be the sum of money constituting the settlement figure agreed to by all parties.

VIII.

CONSTRUCTION OF ORDER

The parties understand that this Consent Decree shall not be construed as an approval or sanction by the State of Illinois or by the Attorney General of Illinois of defendants' business practices. The parties further understand that the allegations of the complaint relate to the operation of the alleged businesses and alleged actions of defendants on and prior to the filing of the complaint in this cause and that other than this proceeding, the Attorney General of Illinois has no ongoing investigation or complaints concerning the operation of any such business or school at the present time.

EFFECTIVE DATE

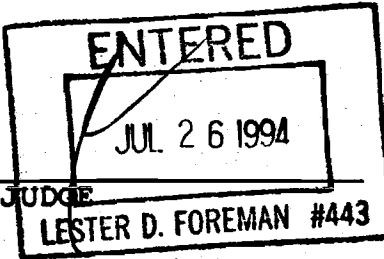
This Consent Decree shall take effect immediately upon its signing by the parties and its entry by the Court.

PEOPLE OF THE STATE OF ILLINOIS
ROLAND W. BURRIS
Attorney General of Illinois
BY: *Charles G. Fergus*
CHARLES G. FERGUS, Chief
Consumer Protection Division

BY: *John C. Kim*
JOHN C. KIM

DATED: 7-25-94

DATED: 7-25-94

ENTERED:  A rectangular stamp with a double border. The top word is "ENTERED" in bold. Below it is a date "JUL 26 1994". At the bottom, it says "JUDGE LESTER D. FOREMAN #443". A handwritten checkmark is visible over the date.

ROLAND W. BURRIS
Illinois Attorney General
CHARLES G. FERGUS, Chief
Consumer Protection Division

R. LAWRENCE WARREN
MATTHEW L. HARVEY
Assistant Attorneys General
Consumer Protection Division
100 West Randolph, 12th Floor
Chicago, Illinois 60601
312/814-3873

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