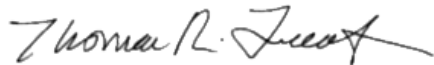


DISTRICT COURT, LARIMER (FT COLLINS) COUNTY, COLORADO	
Court Address: 201 Laporte Avenue, Suite 100, Fort Collins, CO, 80521	
Plaintiff(s) STATE OF CO EX REL CYNTHIA H COFFMAN AG v. Defendant(s) KAREN P KEALY et al.	DATE FILED: September 22, 2017 11:28 AM CASE NUMBER: 2016CV31094 <p style="text-align: center;">△ COURT USE ONLY △</p> Case Number: 2016CV31094 Division: 5C Courtroom:
CONSENT JUDGMENT	

The motion/proposed order attached hereto: APPROVED.

Issue Date: 9/22/2017



THOMAS R FRENCH
District Court Judge

DISTRICT COURT, LARIMER COUNTY 201 LaPorte Avenue, Suite 100 Fort Collins, Colorado 80521	^ COURT USE ONLY ^ Case No.: 2016CV31094 Courtroom: 5C
STATE OF COLORADO <i>ex rel.</i> CYNTHIA H. COFFMAN, ATTORNEY GENERAL FOR THE STATE OF COLORADO, Plaintiff, v. KAREN P. KEALY, an individual; SUMMIT LEGAL CONSULTANTS, PLLC, a foreign entity; and SUMMIT LAW GROUP, PLLC, d/b/a SUMMIT LEGAL CONSULTANTS, a foreign entity, Defendants.	
CONSENT JUDGMENT	

This matter is before the Court on the Stipulation for Entry of a Consent Judgment and Entry of Judgment under C.R.C.P. 58(a) by Plaintiff the State of Colorado, *ex rel.* Cynthia H. Coffman, Attorney General for the State of Colorado and Defendants Summit Legal Consultants, PLLC, Summit Law Group, PLLC, d/b/a Summit Legal Consultants, and Karen P. Kealy (hereafter the “Parties”).

The Court has reviewed the Stipulation, the Complaint, and is otherwise advised in the grounds therefore. As all Parties have approved and agreed to entry of this Consent Judgment by their authorized signatures, the Parties present to the Court this Consent Judgment for approval.

The Court, after being fully advised in this matter, FINDS, CONCLUDES, AND ORDERS:

That it has jurisdiction over the Parties and subject matter of this suit under the grounds alleged in the Complaint;

That venue in Larimer County is proper; and

That the Parties shall be subject to the following provisions:

I. GENERAL PROVISIONS

1.1 Scope of Consent Judgment. The provisions of this Consent Judgment are entered pursuant to the Colorado Consumer Protection Act, §§ 6-1-101–115, C.R.S. (2017) (“CCPA”). This Consent Judgment shall apply to Plaintiff the State of Colorado, *ex rel.* Cynthia H. Coffman, Attorney General for the State of Colorado (“Attorney General”) and Defendants Summit Legal Consultants, PLLC, Summit Law Group, PLLC, d/b/a Summit Legal Consultants (collectively “Summit”), and Karen P. Kealy, individually, (collectively the “Defendants”).

1.2 Preservation of Law Enforcement Action. Nothing herein precludes the Attorney General: (a) from enforcing the provisions of this Consent Judgment; or (b) from pursuing actions based on any acts or practices in which Defendants engage in after the date of this Consent Judgment. Unless expressly provided otherwise, nothing herein shall be interpreted to prevent the Attorney General from taking enforcement action to address conduct occurring after this Consent Judgment if the conduct could have been, but was not, prohibited in this Consent Judgment. The fact that such conduct was not expressly prohibited by the terms of this Consent Judgment shall not be a defense to any such enforcement action.

1.3 Compliance with and Application of State Law. Nothing herein relieves Defendants of their duty to comply with applicable laws of the state of Colorado nor constitutes authorization by the Attorney General for the Defendants to engage in acts and practices prohibited by such laws. The laws of the state of Colorado shall govern this Consent Judgment.

1.4 Non-Approval of Conduct. Nothing herein constitutes approval by the Attorney General of the Defendants’ past, present, or future business practices. The Defendants shall not make any representation to the contrary.

1.5 No Third-Party Beneficiaries Intended. This Consent Judgment is not intended to confer upon any person any rights or remedies, including rights as a third-party beneficiary. This Consent Judgment is not intended to create a private right of action on the part of any person or entity, whether to enforce this Consent Judgment or otherwise, other than the Parties hereto.

1.6 Retention of Jurisdiction. This Court shall retain jurisdiction over this matter for the purposes of (a) enabling the Attorney General to apply, at any time, for enforcement of any provision of this Consent Judgment and for sanctions or other remedies for any violation of this Consent Judgment, including contempt and enforcement of the judgment; (b) enabling any party to this Consent Judgment to apply, upon giving 30 days written notice to all other Parties, for such further orders and directions as might be necessary or appropriate either for the construction or enforcement of this Consent Judgment or for the modification or termination of one or more Injunctive Provisions in Part III; and (c) enabling the Attorney General to collect or enforce any judgment rendered pursuant to the Consent Judgment.

1.7 Contempt. The Parties understand and agree that a finding of any violation of any term or provision of the Injunctive Provisions in Part III shall give rise to all contempt remedies available to the Court, should the Court chose to apply any such remedies given the nature of the violation, in addition to the other specific remedies provided in this Consent Judgment.

1.8 Counterparts. This Consent Judgment may be signed in one or more counterparts, each of which shall be deemed an original, but which together shall constitute the Consent Judgment. Electronic copies of this Consent Judgment and the signatures hereto may be used with the same force and effect as an original.

1.9 Integration. This Consent Judgment constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements and understanding relating to the subject matter hereof.

1.10 Severability. If any provision(s) of this Consent Judgment is held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.11 Waiver. The failure of any Party to exercise any rights under this Consent Judgment shall not be deemed a waiver of any right or any future rights.

1.12 Successors in Interest. The terms and provisions of this Consent Judgment may be enforced by the current Attorney General and by any of his or her duly authorized agents or representatives, as well as by any of his or her successors in interest, and by any of his or her successors in interest's agents or representatives. Similarly, the terms and provisions of the Consent Judgment apply to, bind, and may be enforced against any successor to the current Attorney General.

1.13 Amendment. This Consent Judgment may be amended solely by written agreement signed by the Attorney General and by the Defendants, and with approval of the Court.

1.14 Notice. All notices to the Attorney General shall be delivered to:

Colorado Department of Law
Attn: Jennifer H. Hunt
First Assistant Attorney General
Ralph L. Carr Colorado Judicial Center
1300 Broadway, 7th Floor
Denver, Colorado 80203

All notices to the Defendants shall be delivered to:

Paul L. Vorndran
Jones & Keller, P.C., Suite 3150
1999 Broadway
Denver, Colorado 80202

Defendants are required to provide written notice of any address change or other change for notices within 21 days.

II. ADMISSIONS AND STIPULATIONS

2.1 Defendants admit that in providing foreclosure relief services they violated the following provisions of the Colorado Consumer Protection Act:

- a. Defendants knowingly made false representation as to the characteristics, uses, and benefits of services, C.R.S. § 6-1-105(1)(e);
- b. Defendants advertised services with intent not to sell them as advertised, C.R.S. § 6-1-105(1)(i); and
- c. Defendants failed to disclose material information concerning services which information was known at the time of an advertisement or sale if such failure to disclose such information was intended to induce the consumer to enter a transaction, C.R.S. § 6-1-105(1)(u).

2.2 Defendants stipulate to a permanent injunction prohibiting any participation or involvement in any services related to any foreclosure relief, mortgage relief, or debt relief, except as provided in Section 3.2.

2.3 Karen Kealy stipulates that if she or any of the Defendants made or makes any material omission or misrepresentation to the Attorney General as part of the information provided to the Attorney General during any past or future financial inquiry or request of Defendants' financial condition, the Attorney General may execute and enforce the \$4,000,000 judgment against Summit and the \$1,250,000 judgment against Karen Kealy, individually.

2.4 In the event of a bankruptcy filing by any Defendant or its individual officers, members, or owners, the contents of this Consent Judgment shall be deemed to be admitted as true for the purpose of establishing the amount of the Attorney General's claim and the nondischargeability of such claim.

2.5 The Attorney General agrees and acknowledges that entry of this Consent Judgment and compliance with the payment terms and conditions pursuant to Part IV constitute a complete settlement and release of all claims under the CCPA on behalf of the State of Colorado against Defendants and any of their agents, principals, officers, directors, managers, employees, heirs, administrators, executors, successors, subsidiaries, and assigns, which were asserted or could have been asserted by the Attorney General under the CCPA in the Complaint, and relate to or are based upon the acts or practices which are the subject of the Complaint. The Attorney General agrees that it shall not proceed with or institute any civil actions against Defendants and any of their agents, principals, officers, directors, managers, employees, heirs, administrators, executors, successors, subsidiaries, and assigns in addition to this action, arising from or related to any of the allegations in or the subject matter of the Complaint. Notwithstanding the foregoing, the Attorney General may initiate an action or proceeding to enforce the terms of this Consent Judgment or take action based on future conduct as contemplated in Section 1.2.

III. INJUNCTIVE PROVISIONS

3.1 Summit, including any successor or related entity, and Karen Kealy, in any capacity, are permanently enjoined from performing, participating in, monitoring, or overseeing any mortgage assistance relief services as defined by 12 CFR § 1015.2 or any debt relief or consolidation services, except as provided in Section 3.2.

3.2 This injunction does not prohibit Karen Kealy from providing mortgage assistance relief services to any clients with whom she personally has an attorney-client relationship.

IV. MONETARY PROVISIONS

4.1 Karen Kealy confesses to entry of a final judgment against her individually in favor of the State of Colorado for \$1,250,000. Kealy stipulates and agrees that such final judgment shall constitute a debt for a fine, penalty or forfeiture payable to and for the benefit of the State of Colorado pursuant to the CCPA, C.R.S. § 6-1-112(1).

4.2 Summit Legal Consultants, PLLC and Summit Law Group, PLLC, jointly and severally, confess to entry of a final judgment against them in favor of the State of Colorado for \$4,000,000. Summit Legal Consultants, PLLC and Summit Law Group, PLLC stipulate and agree that such final judgment shall constitute a debt for a fine, penalty or forfeiture payable to and for the benefit of the State of Colorado pursuant to the CCPA, C.R.S. § 6-1-112(1).

4.3 The Attorney General agrees to suspend enforcement of the final judgments in Sections 4.1 and 4.2 as long as Defendants comply with following terms and conditions:

- a. No violations of any Injunctive Provisions in Part III for 72 months;
- b. Karen Kealy pays the State of Colorado a monthly amount as provided for in Section 4.4 on the last business day of each month for 72 months or until \$150,000.00 is paid to the State of Colorado, whichever comes first.

4.4 Karen Kealy shall pay to the State of Colorado, in accordance with Section 4.7, a minimum of \$500 per month. No later than 21 days after of the end of each calendar year quarter, Kealy must provide written notice of her quarterly earnings to the Attorney General, and provide any and all financial records, documents, and other information requested by the Attorney General regarding Kealy's current financial condition and the financial condition of any business or entity in which she is a member, owner, officer, or has any indirect or direct interest. This information includes any documentation or evidence of expenses, income, wages, earnings, gifts, bonuses, commissions, or salary. Earnings are defined by C.R.S. §§ 13-54.5-101(2)(a) and (b). If Kealy's earnings for a quarter exceed an average of \$4,000 per month, Kealy's monthly payments for the following quarter shall be calculated at \$500 plus fifteen (15) percent of the average monthly earnings exceeding \$4,000.

4.5 The payments provided for in Sections 4.3 and 4.4, shall be held, along with any interest thereon, in trust by the Attorney General to be used for reimbursement of the Attorney General's actual costs and attorneys' fees, the payment of restitution, if any, and for future consumer fraud or antitrust enforcement actions, or to support consumer education and public welfare.

4.6 Any amounts received by the Attorney General pursuant to collection of the judgments set forth in Sections 4.1 and 4.2 shall be deemed civil penalties under the CCPA, C.R.S. § 6-1-112(1).

4.7 All payments by Defendants under Sections 4.3 and 4.4 shall be made payable to the “Colorado Department of Law” with a reference to “State of Colorado v. Kealy Settlement,” and shall be delivered to the address in Section 1.14.

4.8 In the event Kealy fails to make any payment under Sections 4.3 and 4.4, the Attorney General shall provide Kealy written notice of default and provide her 30 days to cure the default without penalty. If Kealy fails to cure the default within 30 days, a 10 percent late fee will be added to that payment, and Kealy will be given an additional 30 days to pay. If Kealy does not cure the default within this additional 30-day period, the Attorney General may seek the remedy set forth in Section 4.10. Any failure by the Attorney General to take action following a default hereunder shall not constitute a waiver by the Attorney General of her rights and/or remedies.

4.9 In the event Kealy makes any material omission or misrepresentation to the Attorney General as part of the information provided to the Attorney General pursuant to Section 4.4, or fails to provide any information or materials requested by the Attorney General pursuant to Section 4.4, the Attorney General shall provide Kealy with written notice of her failure to comply with Section 4.4. If the Attorney General believes, in the Attorney General’s sole discretion, that Kealy has not cured the omission, misrepresentation, or failure to provide information within 14 days of written notice, the Attorney General may seek the remedy set forth in Section 4.10.

4.10 If Defendants, jointly and severally, fail to comply with the payment provisions in Part IV, including production of personal and business financial records requested by the Attorney General, the Defendants, jointly and severally, stipulate that the Attorney General, without any further action or notification to the Court or Defendants, may immediately enforce and execute upon the final judgments in Sections 4.1 and 4.2, together with any late fees and interest at the statutory rate. Defendants consent and stipulate to this procedure and waive any process, objection, opportunity to be heard, or appeal.

V. REPRESENTATIONS AND WARRANTIES

5.1 Except as expressly provided in this Consent Judgment, nothing in this Consent Judgment shall be construed as relieving the Defendants of their respective obligations to comply with all state and federal laws, regulations, or rules, or granting permission to engage in any acts or practices prohibited by such law, regulation, or rule.

5.2 Defendants acknowledge that they have thoroughly reviewed this Consent Judgment with their counsel, that they understand and agree to its terms, and that they agree that it shall be entered as an Order of this Court.

5.3 Each of the non-Court signatories to this Consent Judgment warrants and represents that he or she has authority to agree to this Consent Judgment on behalf of the specified parties.

VI. VIOLATIONS OF INJUNCTIVE PROVISIONS

6.1 In the event the Attorney General discovers information or has a cause to believe that any Defendant violated the Injunctive Provisions in Part III the Attorney General shall provide the Defendant(s) written notice, as provided in Section 1.14 of the Consent Judgment, of said violation within 21 days, and provide the Defendant(s) 14 days to cure the violation. If the Defendant fails to cure the violation, the Attorney General may petition the Court alleging a violation and seek the remedies provided in Section 6.3. Defendants agree to waive any personal service of any pleading or paper filed with the Court.

6.2 Following notice and hearing on the Attorney General's petition alleging a violation of the Injunctive Provisions in Part III and a finding by the Court that any Defendant violated the Injunctive Provisions, the Court may impose the remedies set forth in Section 6.3.

6.3 Upon a finding by this Court that any of the Defendants violated any of the Injunctive Provisions in Part III, the Attorney General may immediately enforce and execute upon the final judgments in Sections 4.1 and 4.2, together with any late fees and interest at the statutory rate. The Attorney General shall also be entitled to seek an injunction or other appropriate order or relief from the Court to enforce the provisions of this Consent Judgment against such Defendant.

6.4 In any action brought by the Attorney General under this Consent Judgment, Defendants consent to personal and subject matter jurisdiction in the District Court for Larimer County.

6.5 The obligations set forth in this Consent Judgment are continuing.

6.6 In the event proceedings are brought to enforce this Consent Judgment, the prevailing party shall be entitled to recover reasonable attorney fees and costs.

SO ORDERED and SIGNED this ____ day of September, 2017.

BY THE COURT:

Thomas R. French
District Court Judge

Attachment to Order - 2016CV31094

Dated this 12th day of September, 2017.

KAREN P. KEALY, an individual,

/s/ Karen P. Kealy

Karen P. Kealy

SUMMIT LEGAL CONSULTANTS, PLLC,

Dated this 12th day of September, 2017

/s/ Karen P. Kealy

Karen P. Kealy,

as the authorized representative

SUMMIT LAW GROUP, PLLC, d/b/a SUMMIT LEGAL CONSULTANTS,

Dated this 12th day of September, 2017

/s/ Karen P. Kealy

Karen P. Kealy,

as the authorized representative

STATE OF COLORADO *ex rel.* CYNTHIA H.
COFFMAN, ATTORNEY GENERAL

Dated this 12th day of September, 2017

/s/ Erik R. Neusch

Erik R. Neusch

Senior Assistant Attorney General

APPROVED AS TO FORM.

Dated this 12th day of September, 2017

For All Defendants:

/s/ Paul L. Vorndran

Paul L. Vorndran

Attorney for Defendants