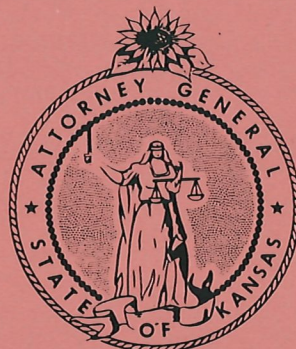


CONSUMER PROTECTION IN KANSAS

1991



**Annual Report of the Consumer Protection Division
OFFICE OF ATTORNEY GENERAL
ROBERT T. STEPHAN
State of Kansas**

Submitted pursuant to K.S.A. 50-628.



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

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February 6, 1992

TO: The Honorable Joan Finney, Governor
and Members of the Kansas Legislature

I commend to your reading the following report of my Consumer Protection Division. In 1991, my Consumer Protection Division received over 5,000 formal written complaints resulting in consumer savings of nearly \$800,000. As a result of efforts to educate consumers, more consumers have been made aware of our services. We continue to travel throughout Kansas and give consumer protection speeches to schools, civic groups and community organizations. Through my Consumer Protection Advisory Council, comprised of five citizens from each Kansas congressional district, I am advised of consumers' concerns from each area of the state.

I am proud of the assistance that my Consumer Protection Division provides to Kansas consumers. We participate in consumer protection efforts on not only a state level, but also on a national level through active cooperation with the National Association of Attorneys General. Such cooperation is particularly beneficial in combating deceptive practices by out-of-state businesses, i.e. 900 number promotions that violate the Kansas Consumer Protection Act.

It is a top priority of this office to protect Kansas consumers from deceptive or unconscionable business practices through strong enforcement of the Kansas Consumer Protection Act. Enforcement of consumer laws and consumer education efforts have been combined to protect Kansas consumers from unlawful business practices.

If my staff or I may be of service to you or your constituents, or if we can answer any questions you may have regarding consumer protection in Kansas, please feel free to contact me.

Very truly yours,

A handwritten signature in cursive script that reads "Robert T. Stephan".

ROBERT T. STEPHAN
Attorney General

INTRODUCTION

Through 1991, Attorney Robert T. Stephan's Consumer Protection Division received a substantial number of inquiries and complaints from consumers. More than 5,000 formal complaints and 3,000 written inquiries were made to the division. Such strong communication with consumers is directly attributable to this office's commitment to enforce consumer laws and provide consumer education to Kansans. As a result of lawsuits, settlements and mediation, consumers were saved nearly \$800,000.

Through actions taken under the Kansas Consumer Protection Act, the Attorney General stopped deceptive and unconscionable practices by telemarketers, check cashing businesses, gasoline retailers, and many others. Many consumers are assisted in obtaining refunds or product delivery from out-of-state mail order businesses.

Attorney General Stephan continues to request those who violate the Kansas Consumer Protection Act to make donations to charities in Kansas. Food banks, shelters, the poor, children and cancer victims have benefited from this effort.

Consumer awareness and education continue to play an important role of the Consumer Protection Division. By speaking to students, civic groups and community organizations, consumers are provided valuable suggestions and alerted to fraudulent business practices.

A weekly newspaper column, "Consumer Corner", is sent to more than 200 newspapers throughout Kansas and provides useful reviews of problems experienced by other consumers. Also, the public can see past scams, rip-offs, etc. and speak with the Attorney General and his staff at the Kansas State Fair.

CATEGORIES OF NEW COMPLAINTS

Complaints filed	5,058
Complaints closed	5,067
Written inquiries	3,028
Total annual savings	\$799,370

	Complaints Received	Percent of Total
Miscellaneous	46	0.91%
Advertising	173	3.42%
Appliances	52	1.03%
Automobiles	827	16.35%
Boats, Boating Equipment, Repairs, etc.	9	0.18%
Book, Record and Tape Clubs	58	1.15%
Business Opportunity Services	45	0.89%
Cable Television	40	0.79%
Clothing	23	0.45%
Cemeteries	25	0.49%
Collectibles/Antiques	21	0.42%
Collection Practices	144	2.85%
Computers	35	0.69%
Contests	227	4.49%
Credit Reporting Agencies	34	0.67%
Credit Code	116	2.29%
Dance Clubs	0	0.00%
Discount Buying Clubs	20	0.40%

	Complaints Received	Percent of Total
Door-to-Door Sales	56	1.11%
Education	23	0.45%
Encyclopedias	3	0.06%
Employment Services	24	0.47%
Energy Savings Devices	5	0.10%
Failure to Furnish Merchandise (Other Than Mail Order)	44	0.87%
Farm Implements/Equipment	31	0.61%
Fire, Heat & Smoke Alarms	5	0.10%
Floor Coverings	26	0.51%
Food Products	13	0.26%
Fund Raising (Charities, etc)	8	0.16%
Funeral Homes	3	0.06%
Furniture	64	1.27%
Gasoline Prices	4	0.08%
Gasoline Content	1	0.02%
Government Agencies	0	0.00%
Health Services (Doctors, Dentists, Hospitals, etc.)	107	2.12%
Health Spas and Weight Salons	36	0.71%
Hearing Aids	9	0.18%
Heating and Air Conditioning	37	0.73%
Home Improvements	196	3.88%
Home Construction	29	0.57%
Hypnosis (Smoking, Weight Loss, etc)	1	0.02%

	Complaints Received	Percent of Total
Invoice and Billing Schemes (Noncredit Code)	18	0.36%
Interest Rates and Lending Companies (Other Than Credit Code)	4	0.08%
Jewelry	17	0.34%
Kitchenware	0	0.00%
Land Sales (Subdivided Out of State)	1	0.02%
Land Sales (Subdivided Kansas)	135	2.67%
Landlord/Tenant	1	0.02%
Loan Finders	133	2.63%
Lotteries	0	0.00%
Magazines	244	4.82%
Mail Order Companies	1,158	22.89%
Mobile Home and Campers (Sales/Service)	12	0.24%
Mobile Home Parks	1	0.02%
Mortgages	36	0.71%
Mortgage Escrow Problems	22	0.43%
Motorcycles and Bicycles	7	0.14%
Moving and Storage	10	0.20%
Multi-level and Pyramid Distributorship Companies	23	0.45%
Musical Instruments, Lessons, etc.	3	0.06%
Negative Selection	37	0.73%
Nurseries, Gardening Equipment, etc.	7	0.14%

	Complaints Received	Percent of Total
Nursing Homes	2	0.04%
Office Equipment and Supplies	12	0.24%
Pest Control	8	0.16%
Pets/Animals	22	0.43%
Product Safety	1	0.02%
Photo Equipment and Services	8	0.16%
Photo Studios and Companies	40	0.79%
Rebates	16	0.32%
Real Estate (Houses)	18	0.36%
Real Estate (Other Than Houses)	4	0.08%
Satellite Dishes	8	0.16%
Securities and Investments		0.00%
(Other Than Stocks and Bonds)	9	0.18%
Services (General)	117	2.31%
Services (Professional)	16	0.32%
Sewing Machines	2	0.04%
Sporting Goods	2	0.04%
Steel Buildings	4	0.08%
Stereos and Record Players	4	0.08%
Stocks & Bonds	1	0.02%
Television and Radios	46	0.91%
Timeshare Sales	12	0.24%
Toys	2	0.04%

	Complaints Received	Percent of Total
Trade & Correspondence Schools	20	0.40%
Travel Agencies	57	1.13%
Travel and Transportation	37	0.73%
Utilities	11	0.22%
Vending Machines	11	0.22%
Warranty Problems	34	0.67%
Water Softeners, Conditioners, Purifiers, etc.	13	0.26%
Work-at-Home Schemes	<u>32</u>	<u>0.63%</u>
Total	5,058	100.00%

DISPOSITION OF CLOSED COMPLAINTS

	Complaints Closed	Percent of Total
Inquiry or Information Only	59	1.16%
Referred to Private Attorney	156	3.08%
Referred to County/District Attorney	21	0.41%
Referred to Other Attorney General	354	6.99%
Referred to Other Kansas Agency	89	1.76%
Referred to Small Claims Court	237	4.68%
Referred to Federal Agency (FTC, Post Office, etc.)	128	2.53%
Money Refunded/Contract Cancelled	1,763	34.79%
Merchandise Delivered	250	4.93%
Repaired/Replaced	106	2.09%
Mediation Only -- No Savings	411	8.11%
No Reply From Complainant	323	6.37%
Unable to Locate Respondent	93	1.84%
Practice Discontinued	45	0.89%
Respondent Out of Business	121	2.39%
No Basis	134	2.64%
No Jurisdiction	448	8.84%
Insufficient Evidence	109	2.15%
Withdraw	93	1.84%

	Complaints Closed	Percent of Total
<hr/>		
Unable to Satisfy Complainant -- Further		
Action Not Warranted	42	0.83 %
Voluntary Compliance Agreement	1	
Other	42	0.83 %
Lawsuit Complaint Files		
Insufficient Evidence	0	0.00 %
Merchandise Delivered	2	
Money Refunded/Contract Concluded	7	0.14 %
No Jurisdiction	0	0.00 %
Practice Discontinued	22	0.43 %
Repaired/Replaced	0	0.00 %
Respondent Enjoined	6	0.12 %
Respondent Not Found	0	0.00 %
Other	<u>5</u>	<u>0.10%</u>
Total Cases Closed	5,067	100.00 %

SUMMARY OF 1991 LAWSUITS
AND ASSURANCES OF VOLUNTARY COMPLIANCE

STATE, ex rel., v. WAL-MART d/b/a HYPERMART U.S.A.

Defendants operate a gas station convenience center in the parking lot of the Hypermart superstore in Topeka. After spot inspections by the Board of Agriculture inspectors, it was determined that Hypermart was advertising the octane of its regular leaded gasoline at a level higher than the octane actually contained in the fuel. The octane stickers placed by Hypermart on the gasoline pumps indicated that the regular gasoline had an octane level of 89. Tests conducted on separate occasions indicated that the octane level of the regular leaded fuel being sold was in fact 88. Bills of lading which were delivered to Hypermart with the fuel clearly indicated the octane level to be 88.

A lawsuit was filed in Shawnee County District Court in October, 1990 alleging that the defendants knew or should have known that the octane level in the fuel they received accompanied by the bills of lading was in fact not 89 as posted on the pumps.

Discovery is currently ongoing in the case and the State filed a Motion for Summary Judgment in December.

STATE, ex rel., MATNEY, et al.

This action was filed in November, 1980, and sought a variety of remedies, including actual damages and injunctive relief under the Kansas Consumer Protection Act. It was alleged the defendants, who were both the owners of six separate cemetery corporations, had failed to deliver burial markers upon need by the consumer. The Petition alleged the cemeteries were abandoned under state law, and permanent maintenance trust funds had not been maintained as required by law.

Following extensive discovery, a settlement agreement was reached as to a portion of the lawsuit in February, 1982. The permanent maintenance funds were restored in the form of trust accounts in a bank (for a total of \$206,000), and the owners agreed to sell their interests by January 1, 1983. Such a sale was made to an established Kansas City firm which already owned and operated other cemeteries, and which agreed, as part of the sale, to provide those markers which had been purchased previously on a pre-need basis.

Two other defendants were added to the lawsuit in 1982, Norman Anderson and Commemorative Services Corporation (CSC). These two defendants originally established these cemeteries. The allegations against these defendants were that they had not put money into trust for the pre-need sale of burial merchandise, back in the '50's and '60's as required by statute. Several other cemeteries were included, also owned by the defendants, Anderson and CSC, for a total of nine cemeteries.

The Court determined that the defendants were liable under the statutes the state alleged they had violated, including the Consumer Protection Act. Summary Judgment on the issue of liability was granted in June of 1987.

After the trial, the court awarded the State of Kansas \$173,332 in actual damages for failing to place the money in trust as required. It awarded \$10,000 in investigation fees and expenses and \$31,175 in civil penalties. Defendant appealed to the Court of Appeals.

The Court of Appeals upheld the actual damages awarded under K.S.A. 16-301. However, it overturned the court's decision with regard to civil penalties and investigation fees, as it found that the consumer protection act did not apply to pre-1974 contracts.

STATE, ex rel., v. WILLIAM BRENNAN d/b/a KEEN EAR

Defendant, William Brennan, is a California individual doing business in the state of Kansas. The defendant sells hearing aids through mail order. In his agreement with consumers, he told them they would be able to receive a refund should the hearing aid not work or they were not satisfied with the product. He has failed to return their money. In January of 1990, a subpoena was issued to Mr. Brennan to furnish evidence. To this date he has failed to comply with that subpoena, thus impeding the investigation of our office. In accordance with K.S.A. 50-631(e), a petition for preliminary injunction was filed with Shawnee County District Court on October 29, 1990.

Until the defendant complies with the subpoena issued by this office, he is enjoined from advertising or selling in the State of Kansas. The injunction was entered on March 2, 1991.

STATE, ex rel., v. DEAN STRICKLER AND KEVIN GRANIER
d/b/a ADVANCED RESOURCES

This lawsuit was filed on November 19, 1990 in Shawnee County. The defendants are California individuals who sent postcards to Kansas consumers informing them they were guaranteed to receive one of five awards with no purchase necessary. Upon calling the number listed on the solicitation, the consumer is led to believe he or she must purchase a water filtration unit to be eligible to receive the award.

The state alleged the defendant intentionally failed to disclose that purchase of the water purifier was required and that the defendant charged an unconscionable price for the water purifier.

It was discovered that the defendants had incorporated under the name American Inland Resources. They agreed to a consent judgment paying restitution of \$2,215 to consumers, \$1,000 civil penalty and \$785 investigative fees.

STATE, ex rel., v. HOME SWEET HOME INTERIORS, LTD.

This company represented it was a dealer of Universal furniture and took a deposit for such furniture but never delivered it. A lawsuit was filed on December 14, 1990 in Johnson County. The defendant failed to answer and default judgment was obtained. The defendant then agreed to settle the case by paying \$500 in investigative fees and \$450 in restitution to consumers.

STATE, ex rel., v. THE 900 CONNECTION, INC.

Consumers received computer generated phone calls and heard a recorded message stating they have won a free Hawaiian vacation. Consumers pay \$19.95 to call the defendant's 900 number and are informed the vacation includes free airfare and a required fortnight stay. When the consumer receives the vacation materials, he or she learns the vacation requires a fourteen night stay and the price of the hotel is more than double what a consumer would pay through a local travel agency. A lawsuit was filed on November 30, 1990. Thereafter, a consent judgment was entered into with the company in which they agreed to pay a civil penalty of \$2,500 and investigative fees of \$5,000.

STATE, ex rel., v. STEVE HAYNIE d/b/a SUNSPRINGS RESORT, INC.
and AMERICAN INTERNATIONAL MARKETING, INC. and SUN SPRINGS
RESORT, INC. d/b/a SUN SPRINGS RESORT, AMERICAN INTERNATIONAL
MARKETING, INC. d/b/a SUNSPRINGS RESORT, INC.
and SUN SPRINGS RESORT

The Attorney General filed suit against Steve Haynie and American International Marketing, Inc. alleging 45 violations of the Kansas Consumer Protection Act. The violations stem from the defendants' sale and operation of Sun Springs Resort outside of Morrill, Kansas. The petition alleges violations ranging from deceptive advertising to failure to provide the amenities and benefits as promised. Since filing, we have received additional complaints which currently number close to 200. The case is set for a jury trial on April 13, 1992.

STATE, ex rel., v. GRANIER ENTERPRISES, INC.
d/b/a GOLD AND SILVER JEWELERS

On January 4, 1991, in Shawnee County, a consent judgment was filed with Granier Enterprises, Inc. Jewelry was advertised by the defendant and offered at a special advertised price more often than it was offered at the regular price, consequently making the special advertised price not a special price, but a regularly offered price. The defendant also disparaged competitors by stating the competitor's price per gram of gold was a certain price without actual knowledge of the price charged by the competitor and in fact stated a higher price than that actually charged by the competitor. This consent judgment required the defendant to stop all violative acts of the Kansas Consumer Protection Act and pay \$5,000 in investigative fees.

STATE, ex rel., v. UNI-TEL CORPORATION d/b/a
GREATER KANSAS CITY BUSINESS TO BUSINESS TELEPHONE DIRECTORY,
MARTIN J. SUNDQUIST d/b/a GREATER KANSAS CITY BUSINESS
TO BUSINESS TELEPHONE DIRECTORY

In this case the defendant, Uni-tel, sent consumers a solicitation to advertise in his yellow pages. The solicitation also contained a cut-out advertisement which had been placed in the actual Southwestern Bell Yellow Pages. This led the consumer to believe it was the Southwestern Bell Yellow Pages when in fact it was not. The defendant entered into a consent judgment and paid a \$400 civil penalty as well as \$400 in investigative fees and expenses. Also, defendant was enjoined from the practices alleged to be deceptive and ordered to pay \$6,488 in restitution to consumers.

STATE, ex rel., v. SWEEPSTAKES INTERNATIONAL, INC.

This lawsuit was filed in Shawnee County on December 26, 1990 seeking restitution to the consumers, \$28,000 in civil penalties and \$10,000 investigative fees. The defendant sent postcard solicitations to Kansas consumers informing them they had won one of three prizes, a Mercedes automobile, a boat, or a vacation for two. Consumers must pay \$9.95 to call the 900 number listed on the postcard to claim their prize. All the consumers received the vacation for two that requires them to provide their own transportation through defendant's designee and pay a registration deposit.

In lieu of trial, defendant stipulated to liability with the understanding that damages would be tried at a later date.

STATE, ex rel., v. BEL ENTERPRISES d/b/a THE PROFESSIONALS
d/b/a AMERICAN CLEARING HOUSE DIGEST

The defendant, a Texas corporation, mailed postcards to consumers promising various prizes. When consumers called the defendant, they heard a sales presentation for a water purifier and were led to believe its purchase was necessary to claim one of the prizes.

The State of Kansas alleged that the defendant: 1) intentionally failed to disclose that purchase of the water purifier was required; 2) obtained the consumer's credit card number under misleading representations; and 3) charged an unconscionable price for the water purifier.

The defendant entered into a consent judgment, paying \$1,000 in civil penalties, \$3,000 in investigative fees and expenses and \$2,000 in charitable donations. While defendant agreed to pay resitution to consumers, it failed to do so and subsequently filed bankruptcy.

STATE, ex rel., v. JERRY JOHNSON CONSTRUCTION

The defendant advertised that he repairs leaky basements. He solicited consumers through a door-to-door sale, but did not give consumers the required three-day cancellation notice. Numerous complaints involved defendant's failure to honor his ten-year guarantee.

Settlement negotiations were conducted and resulted in \$11,050 restitution to consumers, \$2,000 investigative fees, and \$1,000 civil penalties in January, 1991. Thereafter, several complaints were filed which alleged the same problems addressed in the consent judgment.

A motion was filed alleging defendant was in violation of the consent judgment. Defendant agreed to pay an additional \$5,065 in restitution to consumers, \$2,000 in civil penalties, \$2,000 in investigative fees and a \$1,000 charitable donation to a charity designated by the Attorney General.

STATE, ex rel., v. THOUSAND ADVENTURES OF KANSAS, INC.

The defendant engaged in deceptive acts and practices while selling memberships to Spring Lakes Resort near Halstead, Kansas. In a consent judgment the defendant agreed to resolve all valid consumer complaints to the satisfaction of the Attorney General. Additionally, the defendant paid \$5,000 in investigative fees; \$7,500 in civil penalties; \$2,000 to Battered Women's Task Force of Topeka; \$2,000 to Rescue Mission of Topeka; \$1,000 to the Salvation Army of Topeka; \$2,000 to Victory in the Valley of Wichita; and \$1,500 to Rebecca Vincent Center of Kansas City.

Because of defendant's failure to resolve complaints as agreed, the State asked the court to find the resort in breach of the consent judgment. At a show cause hearing on November 8, 1991, the defendant was ordered to make additional refunds totaling approximately \$135,000 to 35 consumers or face contempt penalties of \$100,000. The Attorney General is seeking restitution from the defendant for 28 remaining consumers.

STATE, ex rel., v. RECREATIONAL ADVENTURES OF KANSAS, LTD.

The defendant entered a consent judgment with the Office of Attorney General in March, 1990. This defendant mailed solicitations to consumers informing them they had won prizes and gifts. When the consumers attempted to claim their prize, however, the defendant refused to provide it or offer the merchandise for sale. Additionally, the defendant misrepresented certain membership resale rights and three day cancellation period rights.

The defendant agreed to provide prizes to consumers, cancel some of the consumer contracts and refund money to certain consumers. The defendant also agreed to pay \$3,000 in investigative fees, \$4,000 in civil penalties and \$3,000 in charitable donations. Thirteen consumer complaint files remain open in this case. The Attorney General is currently seeking restitution from the defendant for these remaining consumers.

STATE, ex rel., v. VITA INDUSTRIES, INC.

A 28 count petition was filed October 16, 1991, alleging that numerous advertisement materials were deceptive or unconscionable. The advertisements solicited the sale of health products to reverse the effects of aging and to limit or cure diseases, such as cancer and arteriosclerosis. Discovery is proceeding, and trial is expected to begin in the fall of this year.

STATE, ex rel., v. S & S TRAILER SALES, INC.

The defendant is alleged to have sold a used pickup and trailer that were not merchantable or fit for the particular purpose intended, and that knowledge of defects was not disclosed. The dealer attempted to exclude or limit the warranty of merchantability and fitness for a particular purpose. Discovery is proceeding, and a pretrial conference is scheduled for March 17, 1992.

STATE, ex rel., v. KRISTI HAMILTON

Defendant advertised that she could assist consumers in obtaining an interest-free loan by mail from a "local church." The "church" was in Washington, D. C. Defendant, a Tennessee resident, agreed to enter into a consent judgment. By not registering under the Credit Services Organization Act before offering her service, defendant had committed a deceptive act under the Kansas Consumer Protection Act. She agreed to stop such deceptive solicitations and pay a \$500 civil penalty.

STATE, ex rel., v. ARTHUR R. SHUTTS, JR.

Defendant went to an elderly woman's home and the consumer signed a contract for defendant to repair her roof. The consumer paid a deposit to defendant of \$1,400 for the purchase of materials. Defendant never performed repairs nor did he refund the consumer's money. The Attorney General alleged the defendant offered services without the intent to sell them and failed to inform the consumer of her right to cancel the contract within three days after the date of transaction. Also, defendant failed to provide the consumer with a "Notice of Cancellation" form. Defendant did not answer the Petition and the court entered default judgment against defendant for \$6,000 in civil penalties, \$2,000 in investigative fees and \$1,400 in restitution to the consumer.

IN THE MATTER OF RAINBO BAKING COMPANY OF WICHITA

In an investigation by the Attorney General, it was determined that defendant (through its Topeka area sales manager) had been displaying bread for sale, removing it from the store, and then re-bagging the bread under a different label and displaying it for sale. Further, defendant had removed bread from a store, taken it to a storage freezer, and later thawed the bread and displayed it for sale. The Attorney General found such practices to be deceptive under the Kansas Consumer Protection Act.

Defendant entered into an Assurance of Voluntary Compliance and agreed to stop such practices. Also, defendant paid \$5,000 in civil penalties, \$5,000 toward investigative fees and agreed to make \$5,000 of in-kind contributions in 1992 to ten Kansas charities. The contributions are to be in the form of fresh bakery products and contributed at wholesale value.

STATE, ex rel. v. BROWNING FERRIS INDUSTRIES, INC.

Defendant placed collection bins on the lawns of its existing customers. The new collection bins were for participation in the local curbside recycling program. The recycling program, while voluntary, required the consumer to contact the company if they didn't want to participate. The service was clearly unordered, and by requiring the consumer to contact the company if they didn't want to participate, violated the unordered merchandise statute, which was amended in 1991 to include services.

Browning Ferris Industries, Inc. signed an Assurance of Voluntary Compliance in which it agreed to obtain an affirmative request from each consumer for curbside recycling with a bill insert and also agreed to refrain from negative option marketing in the future. In addition, defendant paid a \$2,000 civil penalty and \$2,000 for investigation fees and expenses.

STATE, ex rel., v. GREENBACKS, INC.
d/b/a ADVANCED CHECKING, d/b/a CHECK-TIME

This defendant was one of the numerous businesses known as check cashing business which offered short term loans. The defendant would take a post dated check from the consumer for a typical amount of \$75 or \$125, and give the consumer \$60 or \$100 cash. When the check was cashed, usually on the consumer's payday, the amount of the check over the amount of cash received was the check cashing fee. The State of Kansas alleged that the check cashing fee was

actually a finance charge on a short term loan. This finance charge greatly exceeded that allowed by law. As such, it was an unconscionable price.

The defendant ceased doing business and agreed to a consent judgment wherein they agreed to pay \$5,000 in investigation fees and a \$2,000 civil penalty. \$3,000 in investigation fees was collected.

STATE, ex rel. v. TCI OF KANSAS

This defendant provided an optional movie channel, Encore, to all of its customers in certain markets. Those customers were informed about the new service, and were required to notify TCI if they did not want to purchase the new service. The new service was offered initially at a minimal charge, however, the consumers were not given a choice until after the service had already been provided. The State of Kansas filed suit alleging the defendant had violated the unordered merchandise and service statute, amended by the 1991 legislature. TCI of Kansas, Inc. agreed to market Encore using only a positive option approach in the future, and agreed to pay \$15,000 in investigative fees and expenses and make a \$5,000 charitable donation.

STATE, ex rel. v. C. DAVID IREY
d/b/a D & D SERVICES/CASH NOW

Defendant operated a delayed deposit, check cashing business. The fees charged were considered unconscionable under the Kansas Consumer Protection Act. The defendant agreed to a consent judgment in which he paid \$250 in investigation fees and expenses.

STATE, ex rel. v. AMERICAN GOLD, INC.

This defendant operated a delayed deposit check cashing service in Wichita. Defendant agreed to stop doing business and entered into a consent judgment in which it paid \$1,000 in investigation fees and \$1,000 civil penalty.

STATE, ex rel. v. JOHN BAKER d/b/a G.M.S.

This defendant operated a delayed deposit check cashing service in Wichita. Defendant agreed to stop doing business and entered into a

consent judgment in which it paid \$1,000 in investigation fees and \$1,000 civil penalty.

STATE, ex rel. v. CHARLES R. WOOD OIL CO., INC.

Based on information provided by the Kansas State Board of Agriculture, a consent judgment was entered into with the defendant regarding octane, lead and alcohol labeling violations. The defendant agreed to pay \$10,000 in investigation fees and expenses.

STATE, ex rel., v. KLEPPER OIL, INC.

Upon inspection by Kansas State Board of Agriculture, it was discovered that numerous of defendant's stations in Wichita and other places had failed to label the presence or percentage of alcohol in its gasoline. This office, in conjunction with Sedgwick County District Attorney negotiated a consent judgment with defendant in which they agreed to properly label pumps and paid \$4,000 civil penalty and \$8,000 in investigation fees and expenses.

STATE, ex rel., v. GERALD MCATEE d/b/a WESTSIDE SERVICE

This station was discovered to have sold unleaded fuel as leaded. Defendant agreed in a consent judgment to pay \$250 in investigation fees and \$250 civil penalty, and \$210 for the cost of testing its fuel.

STATE, ex rel. v. AUBURN DISCOUNT FOODS

This defendant was discovered to have mislabeled its octane by one percentage point. It agreed to enter into an Assurance of Voluntary Compliance wherein it paid \$191 to reimburse the cost of testing fees.

STATE, ex rel., v. JACK ROACH HYUNDAI, INC.
d/b/a OLATHE HYUNDAI; JOHN J. ROACH, JR. a/k/a JACK ROACH;
PREMIER CADILLAC, INC.; UNIVERSAL WARRANTY CORP.
and EXTENDED SERVICE PROGRAM, INC.

This car dealership went out of business in February, 1990. In the months preceding its demise, it purchased numerous trade-ins from individuals and subsequently sold those trade-ins, without paying off

lienholders. Titles were not delivered, extended service contracts were not paid to the supplier, and credit life contracts were not paid to the supplier.

General Motors Acceptance Corporation agreed to pay off liens on vehicles financed through them, which was the majority of the complaints. The extended service contract companies agreed to honor contracts for which they had not been paid, in exchange for dismissal from the lawsuit. Some titles were located, and the credit life company agreed to honor contracts for which they had not been paid. The company which bonded Olathe Hyundai paid numerous miscellaneous claims which were not otherwise covered.

Defendant, Jack Roach Hyundai, Inc., agreed to resolve the remaining consumer complaints and paid investigative fees of \$3,483.

STATE, ex rel., v. MIDWEST MARKETING, INC.
d/b/a WEILERT'S FURNITURE

This lawsuit was filed against Midwest Marketing, Inc. based on complaints received which alleged that the defendant had set up sales out of a hotel room in Dodge City, Kansas. In connection with those sales, defendant had failed to provide a three day cancellation on those door-to-door sales, and had failed to deliver the merchandise. The defendant agreed to reimburse all the consumers' money, which amounted to \$2,398.92 in restitution, and \$2,601.08 was paid in investigative fees. The lawsuit was dismissed in December, 1991.

STATE, ex rel., v. COLLECTOR'S GROUP, INC.;
UNITED STATES NUCLEAR RESEARCH CORPORATION
and MEL FEDER

These defendants solicited Kansas consumers for "radon protection." The solicitation led consumers to believe that it was affiliated with the federal government, and that failing to respond to the solicitation could put their health at "high risk."

The defendants signed a consent judgment in which they agreed to refrain from this type of solicitation in Kansas, paid \$500 civil penalty and \$500 in investigative fees and expenses. The consent judgment was filed February 22, 1991.

STATE, ex rel. v. SCHOLFIELD BROS., INC.

This defendant advertised themselves as the "factory authorized outlet for GM factory executive cars." It was discovered that the vehicles advertised were in fact rental vehicles. The defendant entered into a consent judgment in which they agreed to pay \$500 in investigative fees and expenses, and make a charitable donation.

STATE, ex rel., v. SAFETY PLUS, INC.

This defendant's business "dealt with home and commercial fire safety." The complaints received by this office were in regard to the recruiting methods used by the company. The company signed a consent judgment in which they agreed to pay over \$2,000 in consumer restitution, \$2,500 in investigation fees and expenses and \$500 in civil penalties. Also, they agreed to certain guidelines regarding their advertising practices.

STATE, ex rel., v. JERRY EBERHARDT
d/b/a HOUSE OF HARDTOPS

The State of Kansas filed suit alleging the defendant failed to disclose whether a title history was conducted pursuant to K.S.A. 50-653. A journal entry of consent judgment was filed November 5, 1991, in which defendant agreed to pay \$500 in investigative fees and to refrain from future violations of the statute.

STATE, ex rel., v. DALE L. RYAN d/b/a SDR FAST MASS

Defendant advertised the sale of boron capsules in the Kansas City area in The Thrifty Nickel. Defendant's ad represented boron as a substitute for anabolic steroids even though there was no reliable, scientific evidence to support the representation. Further, the ad represented boron would produce massive gains in size, strength, and endurance. Additionally, the ad deceptively referred to USDA research by failing to state material facts. The Attorney General brought suit against defendant for such ads and alleged they were deceptive under the Kansas Consumer Protection Act. Also, since the product was sold at an excessively high price, defendant was alleged to have engaged in unconscionable conduct and violated K.S.A. 50-627(b)(2).

Defendant entered into a consent judgment and agreed to refrain from the acts alleged to be deceptive and unconscionable. He paid \$1,000 in investigative fees to the Attorney General. At about the same time of this action, the defendant was charged with arson-related felonies that resulted in deaths in Iowa and subsequently convicted.

STATE, ex rel., v. CHRISTOPHER DEAN FORBES

Defendant sent advertisements to consumers stating he had special collector's item movie posters in his personal collection which he wanted to sell. Approximately eight consumers ordered the posters from the defendant and sent money to him. The consumers never received their posters. At the time the defendant sent the solicitations to the consumer, he failed to notify them he was not in possession of the posters. The defendant owes the eight consumers a total of \$8,665. A lawsuit has been filed against the defendant in Shawnee County, Kansas, and is pending.

STATE, ex rel., v. ANDREW AQUIRRE
d/b/a A & A FIRE & SAFETY

The defendant serviced portable fire extinguishers from 1987 to May, 1991, without certification from the Kansas State Fire Marshal in violation of K.S.A. 31-133A(c) and the Kansas Consumer Protection Act. A lawsuit was filed against the defendant in the District Court of Johnson County, Kansas, on October 21, 1991, and is pending.

STATE, ex rel., v. ALLEN WILSON
d/b/a WILSON AND ASSOCIATES CONSULTANTS

Defendant entered into an agreement to provide legal services to a couple regarding possible acts of race discrimination against their daughter. Although not an attorney, defendant represented to the consumers that they had a strong case and he had obtained other settlements. The consumers paid \$680 to defendant. The consumers were unaware that defendant needed, yet lacked, legal authority to perform legal services that were provided or offered to consumers. Defendant had even represented that he could handle the case and appear in court to represent their daughter. The Attorney General filed a two-count petition in Sedgwick County District Court alleging defendant's practices were unconscionable and deceptive in violation of the Kansas Consumer Protection Act.

On August 29, 1991, the court entered a default judgment against defendant for \$4,000 in civil penalties, \$1,000 investigative fees, and \$680 in restitution to the consumers. Further, defendant was enjoined from offering his services without disclosing to consumers that he cannot lawfully provide legal advice, draft legal documents, or appear in court on their behalf unless licensed by a court of jurisdiction.

Default judgments were granted in the following cases. We are attempting to locate the defendants for collection:

State, ex rel., v. Phil Gummow d/b/a Midwest Mobile Homes

State, ex rel., v. Current-Flo Sign Company, Inc. & Gary Shively

State, ex rel., v. Kevin C. Gill d/b/a Phototron Express

State, ex rel., v. James Josph Trometer and Boulevard Auto Credit

State, ex rel., v. Atlantic Sound

State, ex rel., v. Kansas Solar & Electric

State, ex rel., v. Ken Price d/b/a Mopar Parts

State, ex rel., v. V.I.P. Builders

State, ex rel., v. International World Travel, Inc. a/k/a Transworld Travel, Inc., William H. Maurer and Russell Skolnick

State, ex rel., v. Daniel E. Martin

State, ex rel., v. Carolyn Johnson d/b/a Nature's Best Health Products

State, ex rel., v. Athletes for a Strong America and BBACO, Inc. d/b/a Advantage Marketing d/b/a National Drug Awareness and Detection Agency

State, ex rel., v. Wisconsin Microwave, Inc. d/b/a AGPAC

State, ex rel., v. Chester Jones

State, ex rel., v. Chuck Rule, Mark Rule and Patricia Rule d/b/a Safeway Builders

State, ex rel., v. Byron Wright d/b/a Agricultural Steel Buildings of America and Eagle Steel Structures

State, ex rel., v. Golden Sweepstakes, Dennis Asbury and Wayne Levesque

State, ex rel., v. Glen Bishop

State, ex rel., v. Robert Hogrefe, Eagle Funding Group, Credit Menders, Inc.

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STATE OF KANSAS

ROBERT T. STEPHAN
ATTORNEY GENERAL

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* Served a portion of 1991. No longer with Consumer Protection.

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