

OFFICE OF THE ATTORNEY GENERAL

CONSUMER PROTECTION DIVISION

STATE OF KANSAS

1974

ANNUAL REPORT

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1974
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IN ACCORDANCE WITH K.S.A. SUPP. 50-628
January 1, 1975

LLER
y General

LANCE W. BURR
Assistant Attorney General
Chief, Consumer Protection
KANSAS STATE LIBRARY
3RD FLOOR, STATE HOUSE
6612



INTRODUCTION

This report will list certain detailed information concerning statistics, enforcement procedures and policies carried out by the Consumer Protection Division. While statistics are important, they are certainly not the only measuring device in computing the effectiveness of government operations.

It has been the philosophy of the Consumer Protection Division for the past six and one-half (6 1/2) years that the purpose of consumer protection legislation is to not only assist the consumer when he or she is unfairly taken advantage of, but also to strengthen the free enterprise system so as to enable the consuming public to obtain the best buy in the free and open market place. In conjunction with this philosophy, we have always maintained that strong and effective laws prohibiting deceptive business practices will benefit the honest businessmen and women more than any other governmental activity. A dishonest merchant can temporarily gain the competitive advantage in the market place by making promises that he or she cannot keep and representations about products or services which are not true. These practices will harm the honest supplier and if remain unchecked can eventually bring about the demise of the free enterprise system. Restraint of trade activities and price fixing are also responsible for consumer woes and the financial disasters of small businesses. In short, the new anti-fraud legislation passed by the Legislature in 1973 is in fact much more than a Consumer Protection Act -- it is an act designed to

protect consumers and the honest businessmen and women of this state. In addition the philosophy of this office has been to be concerned with the victims of market place inequities as our primary objective. We feel it is most important to demonstrate to the public that something can and will be done to restore to them that thing of value which was taken by deception and fraud. The public must know that there is something to be gained by complaining to government officials, something other than the consolation that "I have done my public duty". Therefore, while we have not always been successful, we have endeavored to aid the victim, whether the amount lost is \$3.95 or \$10,000.00. A loss of \$50.00 to a low-income person can be as significant as a loss of \$1,000.00 to an upper-income person. It is hoped, however, that with the passage of the new Kansas Consumer Protection Act, and with the addition of a very strong private remedy section, that the private attorneys will take a more active part in prosecuting deceptive and unconscionable sales practices. For example, if a person can demonstrate that he or she was deceived or defrauded in a consumer transaction, even though the amount involved is small, that person may still be awarded attorneys' fees and civil penalties up to not more than \$2,000.00 for each violation. Of course if the consumer brings an action he or she knew to be groundless or frivolous and the prevailing party is the supplier, attorneys' fees and costs can be assessed against the consumer. What is good for the goose is good for the gander. In any event, as the private bar begins to play a more significant role in prosecuting deceptive or un-

conscionable sales practices, governmental officials will be able to spend more time with the more sophisticated white-collar crime operations.

Another reason that this office has concerned itself primarily with the victim is because other agencies or procedures have not been effective in assisting victims. Of course with the passage of the new Small Claims Court Procedure Act, some of the load has been taken off of government officials but there is still a significant number of people who have no other effective remedy other than to request our assistance. Therefore I would sum up our reasons for being primarily concerned with the victim as follows:

1. Removing the profit incentive serves as a major deterrent to deceptive and unconscionable sales practices. White-collar criminals will weigh the consequences of their acts more frequently than other types of criminals. If it becomes apparent to the perpetrators that it is extremely difficult to retain the profits of their deception, they will be more inclined to change their behavior.

2. As mentioned above, it is important to gain the reputation of assisting complainants who bring their problems to our attention. People will refrain from filing complaints if they feel it will do no good. This is not only true in other areas of crime, i.e., street crime including burglary, robbery, rape and other types of crime against property and persons, but it is also true concerning white-collar crime. The Federal Trade

Commission recognized this, and has been requesting that they receive specific legislation to allow them to assist victims. For years the Federal Trade Commission was unable to sue for restitution or damages on behalf of consumers who complained to that federal agency. Many high-ranking officials in the Federal Trade Commission felt that this undermined the effectiveness of their agency. We are not hampered with such a deficiency and if we were, it is doubtful that there would be much interest among Kansans to inform us of deceptive business practices.

3. Frequently, a problem which appears appropriate for mediation, or the Small Claims Court, turns out to involve deceptive business practices which are a threat to the public welfare and to the honest business community, and therefore it is appropriate for government agencies to take action.

4. Finally, it seems only common sense to be directed into action as a result of somebody being victimized or as a result of the possibility of somebody being victimized rather than to force protection on consumers when it is not desired. Nevertheless, a valid argument can be made that working with smaller claims or making use of mediation is a waste of valuable attorney time and should be left to other organizations. However, it should be remembered that without the power to compel restitution in those cases demanding it, any such organization will soon fall in disfavor with the public. That is so because citizens in this country and this state have come to demand and expect results. Results mean getting your money back.

THE PURPOSE OF THE CONSUMER PROTECTION ACT

As mentioned above, the purpose of the Consumer Protection Act is twofold: (1) to protect the consumer, and (2) to protect the honest businessman and woman. President Kennedy enunciated certain rights which citizens of this country can expect as consumers. And all of us, regardless of our business interests, are consumers. Others have added to the list or have modified it but essentially it boils down to the following rights which the new Consumer Protection Act insures:

1. First and foremost the consumer has the right to be able to believe what is told to him or her about a product or service being offered for sale.
2. The consumer has the right to expect that a product or service being offered for sale is safe and that his or her health and welfare are taken into account before the product is offered for sale.
3. Under existing statutes, the consumer has the right to have his or her complaint heard, considered and acted upon by government officials.
4. The consumer has the right to receive accurate information about products so that he or she can make an intelligent choice among products and services being offered for sale.

I am sure that this short list of consumer rights can be expounded upon but essentially those are the rights that are

protected by the new Kansas Consumer Protection Act and some of its sections. This new Act replaced the old Buyers' Protection Act which became effective July 1, 1968. With the exception of insurance transactions and certain security transactions, the new Act covers all transactions concerning the offering for sale or the sale of services or goods in the State of Kansas. Actually the term "goods" is defined to include property wherever situated, within or without the State of Kansas. In addition a consumer may not waive or agree to forego any rights or benefits which accrue to him under the Act. Deceptive consumer sales practices are defined in the Act and a laundry list of specific violations is set forth. This is a change from the old law and serves as a guide to both business and consumers by more specifically defining what is or is not prohibited activity. The basic provision outlining deceptive consumer sales practices states that "no person shall engage in any false, misleading, deceptive or unconscionable trade practice in the sale, lease, rental or loan or in the offering for sale, lease, rental or loan of any goods or services".

One significant addition to the new Consumer Protection Act is the section dealing with unconscionable consumer sales practices. While it has always been a prohibited practice to engage in an unconscionable act, i.e. taking unfair advantage of someone, in connection with certain business transactions, the new Consumer Protection Act spells out in great detail what constitutes an unconscionable act. Six (6) specific criteria are set forth and the court may consider all or one of them in determining whether an act or practice is unconscionable.

The powers, duties and remedies of the Attorney General have remained somewhat the same although the Attorney General may now recover actual damages and reasonable expenses and investigation fees if the Attorney General is successful in prosecuting a consumer fraud case. Part of the remedy section states that the Attorney General may sue for and obtain a judgment revoking a license or certificate authorizing a person to engage in business or may enjoin any person from engaging in business in the State if the court finds that such persons or organizations have violated the Act.

The private remedy section is the real change in the new Act. Under the Private Remedy section, a person, if they are successful in prosecuting a consumer fraud case, may recoup attorneys' fees, costs and a civil penalty of not more than \$2,000.00 for each violation of the Act. In addition there is a limited class action section and a private attorney may obtain an injunction against an illegal act or practice.

Another significant section in the new Act is the Disclaimer of Warranties section. While in many cases existing law is not changed or modified, across the board "as/is sales" are eliminated with one exception and essentially, a person who sells goods must stand behind them for a reasonable period of time. The goods must be merchantable and fit for the particular purpose for which they were sold. Attempts to limit these rights accruing to consumers are prohibited although a supplier may limit certain implied warranties with respect to a defective condition in the goods if

it is established that the consumer had knowledge of the defect which became the basis of the bargain between the parties.

And finally, a Home Solicitation Sales section was included which allows a consumer three (3) days to cancel a contract if the contract was negotiated in the consumer's home. This section does not apply to sales which are negotiated or entered into at the merchant's place of business and does not apply to certain other sales even though part of the transaction may take place in the home. Of course the above is a very sketchy summation of what many consider to be one of the most comprehensive Consumer Protection Acts in the United States. It is recommended that the Act be read in its entirety for a complete understanding of the above mentioned sections.

EDUCATION

Although no specific budget has been set aside for consumer education, we consider such preventative medicine to be very important in the fight against white-collar crime. Not only should consumers be warned of the specific illegal practices that may be perpetrated upon them, but the Kansas businessmen and women deserve the right to know what new laws and regulations are being passed which might govern their activities. In 1974 we gave nearly one hundred and eighty (180) speeches to both consumer groups and business groups. We also had arrangements with many TV and radio stations to do weekly spots describing how both businessmen and women and consumers can protect themselves from illegal activities on the part of certain unscrupulous suppliers. In addition we checked the four major newspapers in Kansas on a daily basis to review advertisements in an effort to prevent the perpetration of deceptive practices. We issued public service announcements telling consumers where they can file their complaints and what agencies can assist them most effectively. Following the passage of the Small Claims Court Procedure Act, we have encouraged individuals to argue their own cases in the Small Claims Court, if the amount in controversy does not exceed \$300.00. Of course if it is apparent that the conflict is brought about by a pattern of behavior that is fraudulent or deceptive in nature, then our office becomes involved.

PROCEDURE

As previously indicated, the primary efforts of this office are victim-oriented. In view of this priority, we have established a complaint processing procedure that has three (3) simple steps: (1) filing of complaints, (2) processing of complaints, and (3) disposition of complaints.

People generally contact our office by either telephone or by writing us a letter in which they state their general grievance. In addition people will make personal visits to the office. Our basic procedure is to require that the complainant clearly state in a letter or in a verified complaint form, the basic elements of his or her complaint. Of course we do not need legal language and a simple statement concerning the problem will suffice. It is not necessary that each individual complaint be verified but if it appears that the matter will result in a controversy or litigation, often we will require that the complainant have the complaint verified and we will also request additional information. In cases of emergency where the perpetrator of the offense may be leaving the area soon or when the activity may be criminal in nature, we will move more rapidly and will dispense with any of the normal complaint processing procedures. However, assuming that it is not an emergency, once the complaint is received, it is given a log number and transferred to the appropriate attorney or investigator who handles that particular type of complaint. If another state agency or local agency has jurisdiction of the problem and has the proper machinery to handle the complaint, we will refer the complaint to that agency at this step in the procedure.

The second step in the procedure is processing the complaint. Immediately upon receiving the complaint and in the majority of all cases, we send the complaint along with a short form letter to the supplier or business establishment against whom the complaint has been filed. The form letter advises the supplier that the complaint has been received by us and that we are processing it under the provisions of the Kansas Consumer Protection Act. We do not accuse the supplier of engaging in any illegal or unauthorized activity. We indicate that we would like to hear the other side of the story and we request that the supplier make a response within ten (10) days. If we receive no contact from the supplier or the complainant within fifteen (15) days, a second letter is sent to the supplier advising the officer in charge of the previous letter and indicating that we desire a response. In addition we inform the supplier that this office is empowered with the authority to issue subpoenas and that this process will be utilized if we do not hear from them. At all times, we try to direct this correspondence to an individual in the business who is most likely to have the primary responsibility for the alleged complaint. If an answer is not received after twenty-five (25) days, or after the second letter has been sent, the matter is reviewed by an attorney to determine if further investigation is warranted. If so, a subpoena is directed to the company requesting certain information and in many cases requiring a personal visit to the office by the officers in charge. If the subpoena is ignored or compliance is denied, appropriate formal action is sought by our office pursuant to the provisions of the

Kansas Consumer Protection Act. In the Act, District Courts are empowered to grant injunctive relief or other relief to compel compliance with the subpoena. In other words, if the subpoena is not complied with, the District Court may grant injunctive relief in the form of enjoining the supplier from advertising, selling or attempting to sell goods or services in this state. The court may also vacate the corporate charter of a corporation or revoke any other license permitting the supplier to engage in business in this state or grant other relief as may be required until the person obeys the subpoena.

The third step in the complaint handling process is the disposition of the complaint once our office has received adequate information from both the consumer and the supplier. As mentioned above our primary objective is to obtain restitution for individuals that are harmed by deceptive or unconscionable sales practices. In conjunction with that we attempt to determine if other Kansas residents are possible victims of the same practice and if so we will bring formal action to remedy the situation. If upon review of all the facts we determine that an action is not warranted by our office, there are twelve (12) classifications in which the complaint may fall. They are:

- (1) Inquiry or information only;
- (2) Referred to private attorney;
- (3) Potential violator out of business and unable to locate the violator;
- (4) Merchandise repaired, replaced or delivered;

- (5) Referred to county or district attorney;
- (6) Referred to other agency;
- (7) Referred to Small Claims Court;
- (8) No jurisdiction;
- (9) Unable to locate violator;
- (10) Complaint is without basis or foundation;
- (11) Unable to satisfy complainant and further action is not warranted; and
- (12) Voluntary consent judgment.

If we find that the complaint does have merit, and if we find there are additional persons who have been victimized by the practices of the violator, then an injunction suit will be brought. However, prior to bringing such a suit, and depending on the factual situation involved, we will generally offer to the violator the opportunity to enter into a consent judgment assuming that all persons will receive just compensation. However, in many cases we will not accept a consent judgment because we desire to permanently enjoin the supplier from engaging in business in the State of Kansas. This is done only in extreme cases and the State of Kansas is one of the leaders in the United States in obtaining this type of relief. The theory is that a violator can steal through a corporation or business entity just as well as a violator can steal with a gun. Often there is a fine line between being robbed at gunpoint or penpoint.

Assuming that litigation is not initiated, the supplier and the consumer will be advised of the disposition by this

office of any complaints brought to our attention. Of course both parties will have the right to object to such a disposition and to request this office to take further action. All files which are opened and closed by this office carry with them a closing code indicating the proper disposition of the complaint. It should be emphasized that formal investigation and court action by this office is often prompted by activity other than a consumer's complaint. Quite often deceptive and fraudulent sales practices come to the attention of this office through our surveillance of "want ads" and other business activity. Staff members are under direction to daily scan the classified ads of the four (4) major newspapers in the State of Kansas and to respond to certain advertisements which look suspicious. Quite often formal actions arise from these investigatory procedures. Other state agencies and the Better Business Bureau often assist in alerting us to possible consumer sales violations and of course the local units of government, sheriff and police departments bring numerous violations to our attention. In a great many instances, our office works with local units of government to prosecute consumer cases. If a district attorney's office, county attorney's office, or city attorney's office requests that they be given the authority to process complaints within their jurisdictions, we will comply if we are confident they have the machinery to handle the problems. This has happened in many instances, one of the most notable being in Sedgwick County where the district attorney's office has maintained a viable consumer protection division since 1969. Other judicial districts are now setting

up divisions and certain municipalities are now passing ordinances which are similar to the new Consumer Protection Act. (Attached are the annual reports of the various divisions of local government that are active in handling consumer cases.)

The filing of the complaints is an important aspect of the office. Complaints which are received are filed according to categories, e.g., automobile, home furnishings, trade schools, health spas, and there is a continual review to determine which category needs additional attention. For example, in 1969 and 1970, approximately twelve (12) trade schools were sued in a twelve (12) month period of time. In the early 1970's, multi-level pyramid selling groups were engaging in deceptive practices and emphasis was placed in that area. After the complaint is filed according to the type of category, each complaint is cross-indexed so that when new complaints are received against a particular company, the entire file containing all complaints against that supplier is compiled and submitted to the attorney or investigator handling the case. Thus, if a pattern of complaints begins to crop up regarding a particular supplier, appropriate action can be taken.

The above mentioned procedure is generally followed by this office but in emergency situations other procedures can be followed. Obviously some cases will need immediate attention and in certain instances priorities must be set. However, this division has never operated under the philosophy that we are a strike force division. While priorities must be set, we feel

that it is necessary to answer each complaint and review all complaints that reach our office. As additional agencies and organizations spring up to handle the complaints and perfect their mediation procedures, then this office can concentrate even more on certain industry practices that are not in the public interest.

STATISTICS FOR JANUARY 1, 1974 THROUGH NOVEMBER 30, 1974

CASES RECEIVED-----	3,777
CASES CLOSED-----	3,688
MONEY RETURNED TO KANSAS CONSUMERS--	\$241,342.73
Inquiries (in person, by mail or by telephone)-----	1,100
Formal press releases-----	21
Investigations-----	956
Speeches-----	174
Closing code	
1. Money Saved-----	892
2. Inquiry or information only-----	1,474
3. Referred to private attorney-----	56
4. Potential violator out of business-----	120
5. Merchandise repaired, replaced or delivered-----	211
6. Referred to county attorney-----	399
7. Referred to other agency-----	201
8. Referred to small claims court-----	116
9. No jurisdiction-----	39
10. Unable to locate violator-----	46
11. No basis-----	84
12. Unable to satisfy complaint. Further action not warranted-----	48
13. Voluntary assurance of discontinuance-----	2

STATISTICS FOR PAST YEARS

1969

In 1969 we received 1,100 complaints and returned \$87,000.00 to Kansas consumers.

1970

Cases received-----	975
Cases closed-----	897
Cases pending-----	78

In 1970, 657 complaints were closed

Money returned to Kansas consumers-----	\$90,278.55
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1971

Cases received-----	2,298
Cases closed-----	1,344
Cases pending-----	954

In 1971, 1,584 complaints were closed

Money returned to Kansas consumers-----	\$134,590.28
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1972

Cases Received-----	3,815
Cases Closed-----	2,772
Cases Pending-----	2,092
Money returned to Kansas consumers-----	\$163,933.11

Disposition of cases closed:

1. Money saved-----	524
2. Inquiry or information only-----	1,461
3. Referred to private attorney-----	37
4. Potential violator out of business-----	33
5. Merchandise repaired, replaced or delivered-----	204
6. Referred to county attorney-----	53
7. Referred to other agency-----	218
8. No jurisdiction-----	50
9. Unable to locate violator-----	11
10. No basis-----	52
11. Unable to satisfy, further action not warranted-----	105
12. Voluntary assurance of discontinuance-----	<u>24</u>
Total cases closed in 1972	2,772

1973

Cases Received-----	4,129
Cases Closed-----	3,934
Cases Pending-----	2,287
Money returned to Kansas consumers-----	\$283,620.19

Disposition of cases closed:

1. Money saved-----	606
2. Inquiry or information only-----	2,221
3. Referred to private attorney-----	107
4. Potential violator out of business-----	90
5. Merchandise repaired, replaced or delivered-----	233
6. Referred to county attorney-----	109
7. Referred to other agency-----	224
8. Referred to small claims court-----	63
9. No jurisdiction-----	37
10. Unable to locate violator-----	44
11. No basis-----	130
12. Unable to satisfy, further action not warranted-----	65
13. Voluntary assurance of discontinuance -----	5

LAWSUITS

1. State of Kansas, ex rel, Vern Miller, Attorney General, v. First National Holding Corporation, Inc., and Mo-Kan Enterprises, Inc.

Filed in Shawnee County District Court, Division V, Case No. 123,950
Filed 1/7/74

Judgment by default upon application to the court (8/9/74)

2. State of Kansas, ex rel, Vern Miller, Attorney General, v. Sewing Distributors, Inc., John Patrick Rooney and Beverly Ann Rooney, as individuals.

Filed in Shawnee County District Court.
Filed 1/17/74

This office was informed that Sewing Distributors, Inc. had filed bankruptcy in the United States District Court of Arizona. Such bankruptcy action stayed any further action by this office. An intervener action was filed by this office in the United States District Court of Arizona for permission to continue with our action within the State of Kansas based upon the premise that our action was for fraudulent and deceptive practices and any judgment rendered would be dischargeable in the bankruptcy action. On September 17, 1974, Judge Vincent P. Maggiorf of the United States District Court for the District of Arizona entered an order dismissing the restraining order and injunction against this office and giving approval to our further civil proceedings against Sewing Distributors, Inc. The defendants are being allowed appropriate time to file an Answer in light of the order of the bankruptcy court.

3. State of Kansas, ex rel, Vern Miller, Attorney General, v. Monroe Industries, Inc., a corporation, Jack D. Phillips, as an individual and as an officer of said corporation, Clarence Dunn, as an individual and as an officer of said corporation and John Does I through V.

Filed in Shawnee County District Court, Division V, Case No. 123633
Filed 1/22/74

Default judgment obtained.

4. State of Kansas, ex rel, Vern Miller, Attorney General, v. North American Distributing Corporation, Curtis McClelland, as an individual and Knute Peterson, as an individual.

Filed in Shawnee County District Court, Case No. 124193
Filed 2/6/74

Mr. Knute Peterson has been served but Mr. Curtis McClelland cannot be found. Most recently the Federal Bureau of Investigation advised us of his possible whereabouts and service is being attempted upon him at that location. North American Distributing Corporation is no longer in operation.

5. State of Kansas, ex rel, Vern Miller, Attorney General, v. Aii Marketing Corporation, Harold W. Clark, as an individual, W. L. Spillers, as an individual.

Filed in Shawnee County District Court, Case No. 124558
Filed 3/15/74

This office has been notified that on 12/20/74, Mr. Clark was served by attaching the summons to his home. If an Answer has not been filed by Mr. Clark and Mr. Spillers within 20 days, a default judgment will be sought.

6. State of Kansas, ex rel, Vern Miller, Attorney General, v. Livestock Buyers, Inc., an Iowa corporation, and Curtis M. Howell, Jr., as incorporator and only director.

Filed in Shawnee County District Court, Case No. 124970
Filed 5/14/74

Pending - petition amended

7. State of Kansas, ex rel, Vern Miller, Attorney General, v. Richardson Homes Corporation.

Filed in Shawnee County District Court, Division I, Case No. 124909
Filed 6/13/74

The defendants have filed an Answer and have also informed this office that Richardson Homes Corporation has filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. Such action stays any further state proceedings on this matter until a final disposition of the bankruptcy action.

8. State of Kansas, ex rel, Vern Miller, and John Elmborg, Marshall County Attorney, plaintiffs, v. Dallas R. Wysocki, Galen G. Wysocki, Larry A. Rolph, d/b/a Overland Cartographers, d/b/a Brand Iron Company.

Filed in Marshall County District Court, Case No. 12697
Filed 7/74

A temporary injunction hearing was held on 8/29/74 at which time the court ordered defendants to cease and desist from all solicitations within the State of Kansas and to make certain reports to the court regarding the final completion and distribution of atlases already sold. Defendants were further ordered to make an accounting of all monies collected and also of all pictures and other memorabilia collected from Kansas residents. Subsequent to the Journal Entry, the defendants have completed the county atlas for Nemaha County, Kansas. Defendants have not as of yet completed the atlases in Rooks, Graham and Marshall counties. Numerous pictures and other historical articles have been returned to residents in Rooks, Graham and Marshall counties.

This matter awaits trial on the final and permanent injunction question and restitution to individuals in Rooks, Graham and Marshall counties.

9. State of Kansas, ex rel, Vern Miller, Attorney General, and Keith Sanborn, District Attorney, 18th Judicial District, v. Jesse Edward Sampson as an individual; d/b/a American Home Improvement Company.

Filed in Sedgwick County District Court; Division 5, Case No. C-31102
Filed 7/22/74

Journal Entry dated 9/12/74. Judgment received for restitution; defendant enjoined from doing business.

10. State of Kansas, ex rel, Vern Miller, Attorney General, v. Therapeutic Hypnosis, Inc.

Filed in Shawnee County District Court, Division V, Case No. 125569
Filed 7/26/74

Company complied with order. Dismissed 8/9/74.

11. J. R. Russell, Attorney at Law, plaintiff, v. The Honorable William Cook, Norman Shorter, Tudor Miller and Dorothy Koska, defendants.

Filed in Wyandotte County District Court, Case No. 56400-B
Filed 8/30/74

Mr. Russell brought this action against the three Magistrate Court judges and the Clerk of the Magistrate Court, Dorothy Koska, for a declaratory judgment concerning the Kansas Small Claims Procedure Act. The Consumer Protection Division was assigned to defend the judges. An Answer has been filed and also the State has requested a trial date be set.

12. State of Kansas, ex rel, Vern Miller, Attorney General, and Daniel L. Brewster, Labette County Attorney, v. General Sales Corporation, Inc. True Value Meats, Inc. and William Gettle, as an individual.

Filed in Labette County District Court, Division III, Case No. P-11717
Filed 10/3/74

A consent decree was entered on 12/20/74 in which General Sales Corporation was dismissed as was William Gettle. The Consent Decree prohibits True Value Meats, Inc. from engaging in the retail sale of meat, poultry and dairy products within the State of Kansas. The defendants were further ordered to pay the costs of the action.

13. State of Kansas, ex rel, Vern Miller, Attorney General and Keith Sanborn, Sedgwick County District Attorney, v. London Commodities, Inc., a corporation and individuals Robert Z. Dobson, Larry R. McDaniel, Monty Golden, Ralph Seely, Everett Blevins, George Custer and John Does I through 25.

Filed in Sedgwick County District Court; Division II, Case No. C-31834
Filed 10/16/74

Dismissed without prejudice on 12/20/74. Dismissal was technical procedure and does not alter the case since the action will be immediately refiled by the Sedgwick County Attorney. All further requests should be directed to Bob Horning, District Attorney's Office, Sedgwick County Courthouse, Wichita, Kansas.

14. State of Kansas, ex rel, Vern Miller, Attorney General v.
Edward A. Ross d/b/a E & A Associates

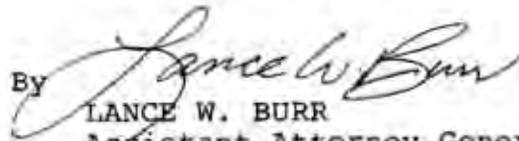
Filed in Shawnee County District Court, Case No. 126447
Filed 11/74

Journal Entry of Judgment filed 11/18/74

Respectfully submitted,

VERN MILLER
Attorney General

By



LANCE W. BURR
Assistant Attorney General
Chief, Consumer Protection Division

STATE OF KANSAS
Tenth Judicial District .

OFFICE OF DISTRICT ATTORNEY

Margaret W. Jordan, District Attorney

Report on Consumer Protection Division
January 1, 1974 - December 20, 1974

Complaints Received.....	411
Complaints Closed.....	339
Complaints Pending.....	72
Lawsuits filed - civil.....	1
- criminal.....	3
Inquiries Received.....	3474
Press Releases (included are copies).....	7
Investigations - Out of office.....	19
- In office.....	22
- Correspondence.....	9
- Telephone.....	4
Money Saved Directly for Johnson County Consumers.....	\$31,835.83
Speeches Given.....	25
Newletters.....	8

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Sixth Floor Tower
P. O. Box 728

Johnson County Courthouse

Olathe, Kansas 66061
913 782-5000 Ext. 333

1691 OPENED 697,448

EDUCATION

SEDGWICK COUNTY, KANSAS

OPEN TO CLOSE AVERAGE TIME IS DAYS — CLOSED — 90% OF ALL COMPLAINTS CLOSED IN DAYS

FOOD	CLOTH	TRANS	BUS & FINAN	ED	HOUSE & REAL	HOME FURNISH	HOME SERV	REC & ENTER	MISC RETAIL	MISC SERV	OTHER	TOTALS
27	40	398	213	48	179	265	205	40	60	115	29	1619
NO. OF CASES PER UNIT												
LOSS REPORTED 419456												
ACTUAL 226191												
ACTUAL/REPORTED												
RECOVERY REQUIRES 145621												
JUDGMENTS 5800												
F + G												
H/REPORT LOSS 1951												
H/ACTUAL LOSS 4314												
FINES 153435												
P + G + K + J												
COMPLAINT INFORMATION 315												
CIVIL 588												
CRA VIOLATE 685												
CRIMINAL 31												
DISPOSITION INFORMATION 341												
UNFOUNDED 385												
REF OUR AGCY 379												
NOT PROVE 36												
SETTLED 435												
V. O. B. 13												
FORMAL AGREE 2												
SUIT FILED 2												
REFUNDAL CAC 6												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	

TOTAL SEDGWICK COUNTY, KANSAS, DISTRICT ATTORNEY'S OFFICE CONSUMER PROTECTION DIVISION

Nov. 1974

CITY OF TOPEKA

DAN E. TURNER, CITY ATTORNEY

DOUGLAS S. WRIGHT, CHIEF, CONSUMER PROTECTION DIVISION

MUNICIPAL BUILDING

215 EAST 7TH STREET
TOPEKA, KANSAS 66603



CONSUMER PROTECTION DIVISION

ANNUAL REPORT
CONSUMER PROTECTION DIVISION
JANUARY 1, 1974 - NOVEMBER 30, 1974

New Complaints Received	463
Complaints Closed Out	442
Complaints Pending	21

Law Suits Filed

1. City of Topeka vs. George Calloway 124089 - for alleged misrepresentations employed by defendant in sales of New Standard Encyclopaedia in violation of Topeka Buyer Protection Ordinance. Suit asks for injunction, damages and costs and is at pretrial stage.
2. City of Topeka vs. Custer Design Headboards, Inc., Evelyn Walker and Richard Prestrong 124520 - for misrepresentations employed by defendant arising out of operation of Dimensional Sleep Shop, 422 East 29th, Topeka in violation of the Topeka Buyer Protection Ordinance. Suit asks for injunction, damages and costs. Judgment obtained for \$1012.77.
3. City of Topeka vs. Cary Sutton d/b/a Bug World 124637 - for misrepresentation and fraud employed by defendant in repair of Volkswagen automobiles in violation of Topeka Consumer Protection Ordinance. Suit asks for injunction, damages, civil penalty, expenses and costs. Judgment obtained for \$1330.30.
4. City of Topeka vs. Lowell and Betty Morris d/b/a A & M Texaco 126308 - for alleged misrepresentation and fraud employed by defendant in repair of automobiles in violation of Topeka Consumer Protection Ordinance. Suit asks for injunction, damages, civil penalty, expenses and costs. Settlement expected in January.
5. City of Topeka vs. Cary Alan Head d/b/a Wildwood Productions 126362 - for alleged misrepresentations and false

Annual Report (cont'd)

statements employed by defendant in promotion of concert for Topeka Big Brother, Big Sister program in violation of Topeka Consumer Protection Ordinance. Suit asks for injunction, damages, civil penalty, expenses and costs. Pleading stage.

Amount of Money Recovered for Consumers	\$21,932.68
Inquiries Received	72
Press Releases	12
Speeches	31
(list attached)	
Investigations	32

Respectfully submitted,

Douglas S. Wright

DOUGLAS S. WRIGHT
Assistant City Attorney
Consumer Protection Division

SPEECHES - 1974

March	28	-	Topekans for Effective Legislation
April	1	-	Jardine Junior High School
April	5	-	Jobs for Progress
April	10	-	Topeka Housing Complaint Center
May	1	-	Jobs for Progress
May	8	-	Belvoir School
May	14	-	Shawnee Heights High School
May	16	-	Topeka High School - 2 speeches
June	25	-	Jobs for Progress
July	11	-	Topeka High School
August	28	-	Let's Talk - Milton Hodges
September	6	-	Roosevelt Junior High School
September	30	-	Breakfast Optimist Club
October	3	-	Topeka State Hospital
October	8	-	Topeka High School
October	17	-	District Attorney Convention
October	21	-	Jobs for Progress
October	22	-	Topeka Association of Legal Secretaries
October	24	-	YWCA - Y-Wives
October	30	-	Highland Park High School
November	14	-	Jobs for Progress
November	16	-	Home Economists at White Lakes
November	18	-	Lawrence High School
November	18	-	Lawrence Junior High School
November	19	-	Washburn Rural High School - 2 classes

SPEECHES -- 1974
Page 2

November 20 - Hayden High School - 2 classes
November 26 - Topeka High School
December 9 - Jobs for Progress



CITY OF KANSAS CITY KANSAS

1974
ANNUAL REPORT

CONSUMER



BUSINESS

DEPARTMENT OF CONSUMER AFFAIRS
CREATED TO PROTECT THE CONSUMER

Patrick G. Hanlon
Commissioner
Finance, Health &
Public Property

Robert L. Watson
Director
Consumer Affairs
Robert H. Stratt
Investigator

AIMS AND OBJECTIVES

In order to effectively meet the rising need for consumer services, the Office of Consumer Affairs must develop activities focusing on consumer education, legislation, investigation and enforcement and agency coordination. Specifically, the following objectives must be met:

I. Consumer Education

Perform research into consumer education needs.

Stimulate the development and use of the consumer affairs course work and curricula in secondary public schools and the Kansas City, Kansas Community Junior College.

Promote community-based awareness and education utilizing existing programs and projects, such as Economic Opportunity Foundation neighborhood centers, Kansas City Consumer Association, Metropolitan Action!

Establish a clearinghouse for information and curricula.

Provide consultation, technical assistance and materials to educational planning groups and perform lecture services on request.

II. Legislation

Establish cooperative linkages with local regional and state committees and task forces to study, make recommendations for and devise consumer legislation.

Perform research into emerging needs for new city ordinances, licensing and regulation requirements, etc.

Formulate legislative recommendations.

III. Investigation and Enforcement

Establish working agreements concerning screening and routing of inquiries and referrals with appropriate agencies and organizations, such as:

Metropolitan Information and Referral Center
Consumer Desk
Legal Aid
Kansas City, Kansas Police Department
Wyandotte County Court and Sheriff's Office
State Attorney General, Division of Consumer Protection
State Department of Agriculture
Federal Trade Commission
Better Business Bureau

Promote community awareness and use of investigative and referral services through radio and newspaper publicity and distribution of pamphlets.

Receive consumer complaints by telephone, mail, and/or in person

Evaluate verified written complaints, signed by complainants to determine appropriate action, investigation or referral.

Initiate investigations, public hearings, court action, or referral to state or federal authorities.

IV. Coordination

Identify agencies and programs in metropolitan areas involved in consumer affairs.

Develop conferences to promote communication and information exchange to reduce overlapping of effort, define how priorities, and promote cooperation.

Establish linkages with existing task forces, committees, and industrial and business organizations to promote interest in and understanding of consumer affairs and development of voluntary internal regulation of consumer fraud.

V. Consumer's Council

Create a consumer's council involving a cross representation of Kansas City, Kansas citizens to meet periodically to advise the Consumer Affairs Office, undertake studies and reports, and foster communication.

Thru the sixteenth of December two hundred forty two complaints were formally registered with the Department of Consumer Affairs for investigation, disposition and adjustment.

Automobile, Deposits Returned	4
Automobiles, Purchased New	2
Automobiles, Purchased Used	2
Automobiles, Repaired	35
Automobile Titles	2
Honda Purchases	1
Cleaners	4
Finance Companies	4
Clothing Purchases	2
Furniture Delivery, Local	5
Furniture Purchased New	11
Furniture Purchased Used	1
Furniture Repairs	9
Televisions, New	1
Televisions, Repaired	14
Furniture Damaged in Shipping	1
Health Spas	2
Home Improvements	
Air Conditioning, Installation	1
Air Conditioning, Repair	2
Furnace Repairs	6
Plumbing Installations	2
Plumbing Repairs	3
Miscellaneous Contract Jobs	31
Insurance Companies	1
Mail Orders	5
Pay Check Collection	1
Pets	2
Real Estate Sales	1
Rent Problems	30
Refferals	30
Miscellaneous	24
Withdrew Complaints	1
Computer Dating- Deposit Refund	2

MONEY ACQUIRED FOR CITY THRU PURCHASING OF LICENSES

Creative Exteriors----- \$ 50.00
7401 Leavenworth Road
Kansas City, Kansas 66109

Jim Cauverman, Contractor----- \$ 50.00
Jim's Service
2104 North 67th Street
Kansas City, Kansas

River Road Highland 66 Service----- \$ 20.00
4947 Gibbs Road
Kansas City, Kansas 66106

Ron Dornbrack----- \$ 50.00
7075 Reynolds
Kansas City, Kansas 66111

Sam Brock----- \$ 50.00
254 Tremont Street
Kansas City, Kansas 66101

Willie Vaughn----- \$ 25.00
2518 Haskell
Kansas City, Kansas 66104

Don Robinson----- \$ 50.00
General Contractors
5112 Main Street
Kansas City, Missouri

\$295.00

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
January 11, 1974	Anna Wilhm 5400 Klamm Kansas City, Kansas 287-3448	\$25.00
January 11, 1974	Sam Rush 1060 Freeman Kansas City, Kansas 621-3844	\$11.65
January 24, 1974	Ethelyn Robinson 1228 Ann Avenue Kansas City, Kansas 342-1643	\$35.00
January 28, 1974	Annie G. Evans 2822 Hiawatha Kansas City, Kansas 751-7940	\$35.00
January 30, 1974	Clare Davis 1515 Waverly Kansas City, Kansas	\$15.00
January 31, 1974	Michael Horn 3709 Gibbs Road Kansas City, Kansas 371-3191	\$28.00
		<hr/> \$149.65

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date</u> <u>Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
February 5, 1974	Patricia R. Hall 7506 Cleveland Avenue Kansas City, Kansas 299-2535	\$ 16.49
February 11, 1974	Velma Close 915 Washington Blvd. Kansas City, Kansas 321-2732	\$ 16.15
February 22, 1974	Mrs. Earl M. Kline 12358 Merriam Lane Kansas City, Kansas 721-2828	\$100.00
		Total: \$132.64

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
March 15, 1974	Richard L. Uzzell 2421 North 77th Street Kansas City, Kansas 334-4132	\$ 2.00
March 15, 1974	Lorraine Blankinship 19 South 58th Terrace Kansas City, Kansas 287 9662	\$232.00
March 18, 1974	Mrs. Walter L. Robinson Sr. 2533 State Avenue Kansas City, Kansas 281-0608	\$ 15.00
March 20, 1974	Mrs. John E. Drury 619 South 74th Terrace Kansas City, Kansas 621-1390	\$ 44.72
March 22, 1974	Symeul M. Stewart 1321 Waverly Kansas City, Kansas 66104	\$ 1.40
	Total	<hr/> \$295.12

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
April 4, 1974	Veronica Williams 2057 Darby Kansas City, Kansas 321-4586	\$100.00
April 8, 1974	Mr. Champ C. Hughes 556 Central Kansas City, Kansas 321-7262	\$ 26.00
April 30, 1974	Mrs. Rose Weitzel 549 North 80th Terrace Kansas City, Kansas 788-5050	\$45.70
	Total:	<hr/> \$171.70

MONEY SAVED FOR CONSUMERS IN 1974

<u>May omplaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
May 6, 1974	Charles Bider	\$ 10.00
May 8, 1974	Steven R. Connell Box 54 Basehor, Kansas	\$ 25.00
May 13, 1974	Thelma Farrell 26 South 19th Street Kansas City, Kansas 621-0038	\$ 30.00
May 15, 1974	Anna W. Hill 247 North 35th Street Kansas City, Kansas 281-5971	\$ 12.30
May 17, 1974	Robert L. Berger 5916 Westridge Road Kansas City, Missouri 356-9765	\$ 75.00
May 21, 1974	Loren D. Pendergraft 6235 Parkview Kansas City, Kansas 66104	\$ 38.27
Total:		\$190.57

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
June 17, 1974	Ms. Lois Irene Kane 619 South 10th Street Kansas City, Kansas 621-7046	\$ 13.35
June 27, 1974	Richard L. Hardesty 6040 Kansas Ave. Lot 9 Kansas City, Kansas 287 3788	\$567.24
June 27, 1974	Mr. D. F. Peppe 4122 Thompson Kansas City, Kansas 831-2479 321-1445	\$ 50.00
June 27, 1974	Mr. James A. Norris 2815 North 55th Street Kansas City, Kansas 287-5120	\$226.00
<u>Total:</u>		<u>\$856.59</u>

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
July 3, 1974	W. N. Thompson 7067 Reynolds Kansas City, Kansas 299-2296	\$ 5.20
July 10, 1974	Mr. Bert Cox Box 114 McLouth, Kansas A-C-913-796-8330	\$ 42.23
July 16, 1974	Mr. Janathan Williams 3332 Kimball Kansas City, Kansas 342-4989	\$1,353.85
July 26, 1974	Mrs. Michael Anaya 236 North 17th. Street Kansas City, Kansas 3714076	\$ 25.00
		<hr/>
Total:		\$1,426.28

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date</u> <u>Complaint Filed</u>	<u>Name Of Consumer</u>	<u>Amount Saved</u>
August 29, 1974	Stephen Chartrand Box 424 Kansas University Medical School Kansas City, Kansas 371-4076	\$ 50.00

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name Of Consumer</u>	<u>Amount Saved</u>
September, 1974	Carol Easter 2210 Birch Drive Kansas City, Kansas	\$ 45.00
September, 1974	Carlos Blakney 2213 North 12th Street Kansas City, Kansas 321-2390	\$ 25.00
September, 1974	Marise Lawson	\$ 10.00
September 2, 1974	Jose L. Mandano 833 So. Baltimore Kansas City, Kansas	\$ 35.00
September 3, 1974	Rodney Tolefree 637 Winona Kansas City, Kansas 342-4022	\$225.00
September 5, 1974	Sandi Pratt 6023 A Kansas Avenue Circle Kansas City, Kansas 287-3949	\$ 50.00
September 11, 1974	Mrs. Vella W. Kynard 2041 N. 5th St. Kansas City, Kansas 66101 342-7931	\$380.00
September 23, 1974	Dean R. Davis 101 South Pyle Street Kansas City, Kansas 281-5131	\$ 65.00
Total:		\$835.00

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name Of Consumer</u>	<u>Amount Saved</u>
October 8, 1974	Bertha Lochary 4909 Merriam Lane Overland Park, Kansas	\$ 309.10
October 18, 1974	Rodolfo & Cecelia Rodriguez 1707 Ruby Kansas City, Kansas	\$ 450.00
October 18, 1974	Sharon Sjoblom 1884 South Pylo Kansas City, Kansas	\$ 50.00
October 18, 1974	Robert L. Purtee 8335 Tauromee Kansas City, Kansas	\$ 285.00
October 18, 1974	Alex Madrigal	\$ 3.50
October 21, 1974	Vernel Lindsay 935 Haskell Kansas City, Kansas	\$ 175.00
October 22, 1974	Suzan Edgington 1730 South 31st. Kansas City, Kansas	\$ 40.00
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Total:		\$1312.60

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name Of Consumer</u>	<u>Amount Saved</u>
October 25, 1974	Mrs. Charlie M. Wilds 1137 Haskell Kansas City, Kansas	\$ 736.00
November 1, 1974	Louvenia M. Hamm 2436 North 57th Street Kansas City, Kansas	\$ 325.00
November 1, 1974	Reginia Canada 3008 Freeman Kansas City, Kansas	\$ 176.04
November 5, 1974	Jeanne C. Riojas 8429 Isabel Kansas City, Kansas	\$ 59.00
November 11, 1974	Karl T. Graham 5416 East 97th Street Kansas City, Missouri	\$ 50.00
November 12, 1974	Gloria Collins 5651 Norton Kansas City, Missouri	\$ 212.00
November 14, 1974	Millie English 1319 Ann Kansas City, Kansas	\$ 17.02
November 14, 1974	Jerry Lucas 5202 Parkview Kansas City, Kansas	\$ 325.00
November 19, 1974	Jimmy S. Hamilton 927 Waverly Kansas City, Kansas	\$ 51.00
November 7, 1974	Dulcie Marion 1829 South 31st. Street Kansas City, Kansas	\$227.58

MONEY SAVED FOR CONSUMERS IN 1974

<u>Date Complaint Filed</u>	<u>Name of Consumer</u>	<u>Amount Saved</u>
November 15-1974	Rickey L. Giles 1016 5th Avenue Kansas City, Kansas	\$ 15.00
November 15, 1974	Miss Rita Green 235 Cornell Avenue Bonner Springs, Kansas	\$540.00
November 21, 1974	Viola Cash Bruce 1049 Barnett Kansas City, Kansas	\$ 52.50
December 2, 1974	Robert W. Isabell Jr. 253 Williamson Edwardsville, Kansas	\$888.50
December 2, 1974	Joe Collier 2717 Webster Kansas City, Kansas	\$204.50
December 2, 1974	Dewitt Tamage Roland 2944 North 26th Street Kansas City, Kansas	\$ 50.00
December 4, 1974	Richard N. Billings 3104 Mellier Kansas City, Kansas	\$ 4.00
December 12, 1974	Nancy Hercules 6401 East 9th Street Kansas City, Missouri	\$ 56.00
December 13, 1974	David L. Robertson 8006 Armstrong Kansas City, Kansas	\$ 50.00
Total:		\$1,860.50

Talks and participation meetings were made at the following organizations:

1. S. E. R. - Service, Employment, & Redevelopment
1620 South 37th Street
Kansas City, Kansas
2. Manpower Seminar at E. O. F. - Equal Opportunity Foundation
1014 Armstrong
Kansas City, Kansas
3. Federal Trade Commission - Kansas City, Missouri
4. S. E. R. - Service, Employment & Redevelopment
1620 South 37th Street
Kansas City, Kansas
5. F. L. Schlagel High School
2214 North 59th Street
Kansas City, Kansas

Money Acquired for City Through the purchase of Licenses

1972 -----	\$ 332.50
1973 -----	\$ 245.00
1974 -----	\$ 295.00
	<hr/>
	\$ 872.50

Money Saved for Consumers

1972 -----	\$ 5,902.64
1973 -----	\$ 15,567.12
1974 -----	\$ 9,459.29
	<hr/>
	\$30,929.05

Complaints Filed to Date: December 16, 1974-----242

Cases Pending-----55

Cases Closed 187

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Respectfully submitted by



Robert L. Watson, Director
Department of Consumer Affairs
Kansas City, Kansas