

CONSUMER PROTECTION 1985



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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To: The Honorable John Carlin
and the Kansas Legislature

With pride, I again submit to you the annual report of my
Consumer Protection Division.

I appreciate the support consumer protection in Kansas
has received in the past from the Governor and the
Legislature, and ask for your continued assistance in
protecting the rights of Kansas consumers.

If my staff or I can 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,


Robert T. Stephan
Attorney General

RTS:naw

INTRODUCTION

Have you been informed you won a prize in some "giveaway" from some company you never heard of which also may allude to a contest you never entered? If you haven't, then you are in one of the very few households in Kansas which has been missed by a variety of hucksters. In addition to your "prize" they may also offer you the opportunity to purchase various and sundry advertising material such as key chains, ball-point pens, etc. They may also be peddling camping grounds memberships - in which event it is necessary for you to visit their facilities and listen to a sales pitch in order to claim your "prizes."

The "prizes" are something else again. The shipping charges often exceed the value of the "prize."

Attorney General Stephan's consumer division has received literally thousands of complaints and inquiries about these gimmicks. The huge majority of the companies operate from other states and change their company names more often than some people change their socks. As a result, it is almost impossible to obtain restitution for hoodwinked consumers. In a few instances, the home states of these companies have been able to sue them and in even fewer instances there have been monetary benefits for the consumers.

The bottom line on scams of this nature is that "you don't get something for nothing" and "if it sounds too good to be true...it probably is." This is the message we have been carrying to consumers in hundreds of appearances before groups of students, civic organizations, church schools, senior citizens and sundry others. We continue to publish "The Consumer Corner," an advice column which is sent to approximately 170 Kansas publications.

We also serve as a clearinghouse for those complaints over which we either have no jurisdiction or over which some other agency has more specific authority, e.g. insurance. We supply films and pamphlets at no charge to groups which request them. We coordinate our activities with Kansas county and district attorneys, other states attorneys general, federal agencies and private agencies such as the Better Business Bureau.

All in all, the Kansas consumer has an abundance of protection. Yet, there are some cases where we cannot proceed. We cannot take action in matters that do not involve a consumer transaction, nor can we become involved if the business activity does not amount to deceptive or unconscionable acts or practices. We cannot help businesses collect past due accounts or assist in matters involving wills and estates or in divorce matters. On numerous occasions we have been asked to intercede in such cases but have declined.

We feel quite good about our accomplishments yet continue to strive to do even better. The addition of a computer in our office will greatly assist our efforts. We will also continue to rely on you to lend your aid to the cause.

DISPOSITION OF CLOSED COMPLAINTS

	Complaints Closed	Percent of Total
Inquiry or Information Only	292	7.68
Referred to Private Attorney	85	2.24
Referred to County/District Attorney	38	1.00
Referred to Other Attorney General	147	3.87
Referred to Other Kansas Agency	25	.66
Referred to Small Claims Court	104	2.74
Referred to Federal Agency (FTC, Post Office, etc.)	77	2.03
Money Refunded/Contract Cancelled--amount	924	24.30
Merchandise Delivered	290	7.63
Repaired/Replaced	152	4.00
Mediation Only--No Savings	318	8.36
No Reply From Complainant	412	10.84
Unable to Locate Respondent	42	1.10
Practice Discontinued	45	1.18
Respondent Out of Business	74	1.95
No Basis	79	2.08
No Jurisdiction	192	5.05
Insufficient Evidence	74	1.95
Withdrawn	75	1.97

	Complaints Closed	Percent of Total
Unable to Satisfy Complainant--Further Action Not Warranted	42	1.10
Voluntary Compliance Agreement	8	.21
Other	126	3.31
Lawsuit Complaint Files	181	4.76
a. Insufficient evidence	(6)	(.16)
b. Merchandise delivered	(0)	(0)
c. Money refunded/contract concluded--amount	(151)	(3.97)
d. No jurisdiction	(0)	(0)
e. Practice discontinued	(7)	(.18)
f. Repaired/replaced	(0)	(0)
g. Respondent enjoined	(11)	(.29)
h. Unable to locate respondent	(2)	(.05)
i. Other	<u>(4)</u>	<u>(.11)</u>
TOTAL CASES CLOSED	3,802	100%

CATEGORIES OF NEW COMPLAINTS

CASES RECEIVED	3,815
CASES CLOSED	3,802
TOTAL ANNUAL SAVINGS	\$672,032.72

	Complaints Received	Percent of Total
Miscellaneous	310	8.12
Aluminum Siding	0	0
Advertising	57	1.49
Appliances	78	2.04
Automobiles	697	18.27
Boats, Boating Equipment, Repairs, etc.	3	.08
Book, Record and Tape Clubs	29	.76
Business Opportunity Services	11	.29
Cable Television	2	.05
Clothing	33	.86
Cemeteries	57	1.49
Collection Practices	137	3.59
Contests	20	.52
Credit Reporting Agencies	2	.05
Credit Code	74	1.94

	Complaints Received	Percent of Total
Discount Buying Clubs	27	.71
Door-to-Door Sales	25	.65
Encyclopedias	9	.23
Energy Savings Devices	40	1.05
Failure to Furnish Merchandise (other than mail order)	115	3.01
Farm Implements/Equipment	43	1.13
Fire, Heat & Smoke Alarms	2	.05
Floor Coverings	16	.42
Food Products	5	.13
Fund Raising (charities, etc.)	11	.29
Franchise Sales	0	0
Funeral Homes	2	.05
Furniture	56	1.47
Gasoline Pricing	3	.08
Gasoline Content	4	.10
Gasohol and Stills	0	0
Government Agencies	2	.05
Health Services (doctors, dentists, hospitals, etc.)	30	.79
Health Spas and Weight Salons	46	1.20
Hearing Aids	14	.37

	Complaints Received	Percent of Total
Heating and Air Conditioning	17	.44
Home Improvements	146	3.83
Home Construction	9	.23
Hypnosis (smoking, weight loss, etc.)	1	.03
Inquiries	24	.63
Insurance	0	0
Invoice and Billings Schemes (noncredit code)	16	.42
Interest Rates and Lending Companies (other than credit code)	1	.03
Jewelry	32	.84
Kitchenware	0	0
Land Sales (subdivided out of state)	13	.34
Land Sales (subdivided Kansas)	33	.86
Land Resale Companies	0	0
Landlord/Tenant	22	.58
Loan Finders	5	.13
Lotteries	0	0
Magazines	146	3.83
Mail Order Companies	622	16.30
Mobile Homes and Campers (sales/service)	32	.84
Mobile Home Parks	0	0

	Complaints Received	Percent of Total
Motoreycles and Bicycles	7	.81
Moving and Storage	24	.63
Multilevel and Pyramid Distributorship Companies	36	.94
Musical Instruments, Lessons, etc.	4	.10
Nurseries, Gardening Equipment, etc.	26	.68
Nursing Homes	0	0
Office Equipment and Supplies	48	1.26
Pest Control	11	.29
Pets/Animals	20	.52
Photo Equipment and Services	19	.50
Photo Studios and Companies	27	.71
Referral Selling	1	.03
Real Estate (houses)	33	.86
Real Estate (other than houses)	9	.23
Securities and Investments (other than stocks and bonds)	75	1.96
Services (general)	13	.34
Services (professional)	11	.29
Sewing Machines	12	.31
Sporting Goods	3	.08

	Complaints Received	Percent of Total
Stereos and Record Players	4	.10
Stocks and Bonds	0	0
Sundries	0	0
Telephone Solicitations	54	1.41
Televisions and Radios	92	2.41
Toys	2	.05
Trade and Correspondence Schools	14	.37
Travel Agencies	49	1.28
Travel and Transportation	28	.73
Utilities	56	1.47
Vending Machines	1	.03
Warranty Problems	32	.84
Water Softeners, Conditioners, Purifiers, etc.	6	.16
Work-at-Home Schemes	<u>19</u>	<u>.50</u>
TOTAL	3,815	100.0%

SUMMARY OF 1985 LAWSUITS**STATE, ex rel., v. EAGLE OIL & GAS**

This suit involves an oil and gas leasing company, which was apparently the largest one in the business. Default judgment was taken for nearly three-quarters of a million dollars, with a garnishment made on annuities deposited in a California insurance company. Before payment was made, a federal court in south Florida enjoined the state from further proceedings, based on the fact that another, more recent lawsuit there involved the Federal Trade Commission and the defendant company. The state contested the exercise of the court's jurisdiction over the state suit, which is in no way connected with the Florida proceeding. The federal court ruled it properly enjoined the State of Kansas from further proceedings, pending the conclusion of the FTC's action. At the end of 1984, the FTC suit was nearing time for trial, following the conclusion of other federal proceedings of a criminal nature (mail fraud, etc.) against some of the same defendants. At the end of 1985 the Florida court has yet to determine the priority of our claim.

STATE, ex rel., v. 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 and the corporations themselves, had failed to deliver burial markers upon need by the consumer. Further portions of 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 as a pre-need basis.

Summary judgment has been granted and the amount of damages is to be determined by the court.

STATE, ex rel., v. DANIEL A. BURWELL, D.C.

A petition was filed on January 18, 1980, alleging violations of the Kansas Consumer Protection Act for practicing without a chiropractor's license and other misrepresentations. The lawsuit sought restitution and injunctive relief. On March 24, 1981, plaintiff's motion for partial summary judgment was granted, and defendant was permanently enjoined from doing business in Kansas. Defendant was ordered to make available to plaintiff documents needed to determine the names of Kansas residents who had received services from defendant. The files have never been made available, and our office has not been successful in serving defendant with an order to appear and show cause why contempt should not issue for having failed and refused to obey the orders of the court. Subsequent information from Dr. Burwell's former partners indicates Dr. Burwell is no longer residing in Kansas.

In June 1984 our office was informed that real estate in Wyandotte County belonging to Dr. Burwell was being sold, and the State's money judgment was shown as a lien on the real estate. The proceeds from sale of the real estate are not held in escrow, pending resolution of an interpleader action. The Internal Revenue Service claims it is entitled to all of the escrowed money and is denying the claim of the state of Kansas to a portion of the escrowed money. The interpleader action has been removed from state court to federal court. Interrogatories and civil discovery are being conducted.

STATE, ex rel., v. ATLAS STEEL CORPORATION

This lawsuit, filed in October, 1984, alleges defendant is selling steel building dealerships and has made misrepresentations of material facts to a consumer who purchased the dealership. This lawsuit was settled in April 1985 when the defendant agreed to refund to the consumer the total amount of money paid in as a dealership deposit.

The attorney general's office is currently investigating several companies selling "dealerships" in Kansas. The dealerships are for items such as steel buildings, windmills and wind turbines, satellite dishes, and solar panels. Consumers who file complaints with our office frequently claim the true facts are being misrepresented; that potential profits are exaggerated; that products cannot be delivered when ordered, or that the products when delivered are of shoddy construction. The dealership marketing scheme most often used by such companies requires the consumer to deposit several thousand dollars for the right to become a dealer. Our office is working on a legislative proposal to improve regulations and require disclosures for such business opportunities prior to sale to Kansas consumers.

STATE, ex rel., v. BYRON WRIGHT, d/b/a
AGRICULTURAL STEEL BUILDINGS OF AMERICA

This lawsuit, filed in January 1985 alleges defendant is selling steel building dealerships and has made misrepresentations of material facts to over 100 Kansas consumers who purchased the dealerships. The lawsuit alleges the defendant misrepresented the price competitiveness of steel building products, misrepresented the profit potential, and failed to provide proper dealership support services. Extensive discovery has been conducted, and the case is scheduled for trial in the fall of 1986.

STATE, ex rel., v. DOLL MOTOR COMPANY

This lawsuit involves a used car sale complaint. The consumer has alleged the car dealer sold him a car which had been previously wrecked and rebuilt, without disclosing prior to the sale that the wreck had occurred. The consumer claimed he would not have purchased the car if the dealer had disclosed this important fact to him prior to purchase.

After trial to the court in January, 1985, the court ruled against the attorney general's office, and found the acts of the defendant were not deceptive and unconscionable acts within the meaning of the Kansas Consumer Protection Act.

STATE, ex rel., v. FIRST FINANCIAL GUARANTY
CORPORATION and NASIB ED KALLIEL

This lawsuit alleges defendants have violated the Kansas Corporate Farming Act and the Kansas Consumer Protection Act. Defendant First Financial Guaranty Corporation is a Texas corporation doing business in Kansas. Defendant Nasib Ed Kalliel is the president of First Financial Guaranty Corporation. The lawsuit alleges the corporation is the alter ego of defendant Kalliel.

Defendants have entered into agreements with dozens of Kansas farmers regarding corporate operation of farms. Defendants have entered into other agreements with farmers whereby defendants agree to provide legal services for the farmer. Defendants have acted on behalf of several farmers in Chapter 11 bankruptcy proceedings by offering reorganization plans.

Defendants have misrepresented material facts to farmers by way of exaggeration, ambiguity, and omission of material facts. Defendants refused to cooperate with discovery, and the court assessed penalties against the

defendants. The attorney general's office eventually obtained a default judgment against the defendants, and is presently working with the Texas attorney general's office to determine whether there are any assets within the state of Texas from which the attorney general's office can collect money on the judgment.

STATE, ex rel., v. RICHARD LANKFORD

Defendant is a resident of Indiana who sells horses to consumers. A Kansas consumer purchased a horse from defendant and discovered after the purchase that the horse would not perform in a safe manner. It was eventually learned that a previous consumer had purchased the horse and experienced difficulty in controlling the horse.

A lawsuit was filed on October 5, 1984, alleging defendant failed to state material facts with regard to the horse sold to the Kansas consumer. In addition, the lawsuit alleged material misstatements were made to the consumer. The lawsuit is presently in the discovery stage.

STATE, ex rel., v. FINANCIAL RESEARCH AND
DEVELOPMENT, INC., UNIFIED BROKER
CONSULTANTS, INC., INDEPENDENCE BROKER
CONSULTANTS, INC., JACK CHOATE,
ROBERT JONES, AND CHARLES NAUDET

This lawsuit was filed in November, 1982. The petition alleged each defendant participated in a scheme by which consumers who wished to become loan brokers paid \$7,790. The materials received in return proved to be of dubious worth, while the references given later were found to be lined directly with the defendants' businesses.

Following institution of suit, an agreement was reached whereby defendants would cease doing business in this state, and would refund \$7,500 in a period of installments. To date, \$6,000 has been repaid and forwarded to the consumers. The above-mentioned judgment was filed in the Circuit Court of Jackson County, Missouri, and an order for final personal judgment against the defendants was approved by the court. Procedures are presently being initiated to execute upon the remaining unpaid judgment.

STATE, ex rel., v. WALT KEITH, d/b/a
NATIONAL SATELLITE SYSTEMS, INC.

The defendant dealt with several consumers who purchased satellite dish receivers for their own personal use, as well as entering into franchise agreements to sell dishes to others. Defendant's failure to fully perform any of the agreements, even after a period of months and demands that he do so, led to the institution of this action.

A default judgment was granted by the district court on February 17, 1984, and there is presently a bench warrant outstanding for the arrest of defendant Walt Keith. Closed case--unable to make service of warrant.

STATE, ex rel., v. HUDSON OIL CO., INC., et al.

This suit was filed October 20, 1983. Thereafter, Hudson Oil Co., Inc., filed bankruptcy. Further proceedings against the company have been "stayed" by the bankruptcy court. Conferences with the bankruptcy court in regard to the claims against the other defendant have been held on May 29, 1984, November 19, 1984, and March 4, 1985. Negotiations are ongoing.

STATE, ex rel., v. MONTGOMERY AUDIO VISUAL;
CARROLL MONTGOMERY, a/k/a MONTY MONTGOMERY

This lawsuit was filed March 30, 1983, in response to numerous complaints. Defendant runs a mail-order audio-visual company. In each case, complainants have ordered merchandise, paid cash, and never received the items ordered. Defendant originally refused to make any refunds, but during the course of discovery, defendant paid refunds to approximately half of the consumers who had filed complaints with our office. In the spring of 1984 defendant refused to make additional refunds, and in addition, in the fall of 1984, the consumer division received a complaint from another consumer regarding defendant's deceptive activities. The petition was amended, and motions for summary judgment were filed. On September 13, 1985, summary judgment was entered in favor of the State of Kansas against the defendant. The judgment declares the defendant's acts as being deceptive and unconscionable, permanently enjoins defendant from engaging in the sale of audio-visual equipment to consumers within the state of Kansas, and enters money judgments in favor of all the consumers. In addition, the court assessed civil penalties of \$2,000 against the defendant.

STATE, ex rel., v. MARY E. JAMISON,
d/b/a LITTLE OLDE SHOPPE ANTIQUES

This lawsuit, filed in May, 1984, was tried in Greenwood County District Court in December, 1984. The defendant sold an art glass vase to a consumer, and defendant represented the vase to be a signed original, in mint condition, and of museum quality. The consumer discovered, after purchase, the vase was not a signed original, and it had been previously broken and restored, thereby significantly reducing its value. After trial, the court entered judgment in favor of the state of Kansas, against the defendant. The journal entry of judgment found the defendant violated the Consumer Protection Act by committing deceptive acts and practices, and ordered the defendant to refund to the consumer the total amount paid for the "antique" vase.

STATE, ex rel., v. CHRISTENSEN MONUMENTS

This lawsuit, filed in October, 1984, accuses the defendant of taking orders and down payments for cemetery monuments with the intent to deliver the monuments. The defendant filed for bankruptcy, and the attorney general's office filed an objection to the dischargeability of that debt, alleging the fraudulent conduct of the defendant prohibited discharge of the debt. Defendant consented to entry of an order in the Bankruptcy Court prohibiting discharge, and as a result, the attorney general's office obtained a judgment against defendant for the total amount of fraudulently received down payments. The attorney general's office is presently attempting to collect that money from the defendant.

STATE, ex rel., v. TINA SIMMONS,
d/b/a TIMBER CONNECTIONS, INC.

The lawsuit alleged defendants violated the Kansas Consumer Protection Act by committing deceptive acts and practices regarding the defendant's ability to construct small buildings, and defendant's failure to have proper licensing to construct buildings within the metropolitan Kansas City area. Defendant agreed to a consent judgment, whereby violation of the Consumer Protection Act would cease and desist, and refund to the consumer the total amount of money fraudulently obtained. All restitution money has been received, and the case has been closed.

STATE, ex rel., v. KEN PRICE

This lawsuit, filed in 1984, resulted in entry of a default judgment in 1985. The defendant committed deceptive acts and practices by soliciting money from a consumer outside the state of Kansas, who paid money for the purpose of purchasing specialty auto parts. Defendant kept the consumer's money, but failed to deliver the auto parts. The attorney general's office has successfully collected a portion of the money owed under the judgment. Collection activities continue.

STATE OF IOWA v. JERRY THOMPSON, and
STATE OF IOWA v. PAUL ORTIZ

These are both cooperative legal actions filed by the Kansas attorney general's office on behalf of the state of Iowa attorney general's office. Both legal actions are attempting to collect on consumer judgments entered against these individuals in the state of Iowa. The Iowa attorney general's office previously obtained judgment against the defendants because of defendants' deceptive and unconscionable acts involving odometer rollback. Collection activities continue.

STATE, ex rel., v. STARCOM

The defendant operated a multi-level sales program within the state of Kansas, whereby members of the multi-level sales program could obtain long distance telephone service at a discount, and could also obtain bonus payments from recruitment of additional subscribers. The attorney general's office filed suit alleging misrepresentation of material facts, including misrepresentation of the nature of the discounts to be received, misrepresentation of profit potential, and failure to obtain proper licensing with the Kansas Corporation Commission. Starcom agreed to a consent judgment whereby it would pay certain civil penalties and investigation costs.

STATE, ex rel., v. CHERYL TIDWELL and
COMMUNITY CREDIT COUNSELING SERVICES
OF SOUTH CENTRAL KANSAS, INC.

This lawsuit alleged defendants committed deceptive acts and practices by representing to consumers that a credit counseling service would be offered. Consumers paid money to defendants, pursuant to an agreement whereby defendants agreed to forward portions of the payment to creditors of

the consumers. Defendants failed to forward all of the money to creditors, and misrepresented the nature of the credit counseling and debt payment service. A consent judgment was entered into in 1985, and defendants have been making restitution payments to the consumers. Those restitution payments have been distributed to consumers through the attorney general's office.

STATE, ex rel., v. OLATHE FORD SALES, INC.

STATE, ex rel., v. INDIAN SPRINGS FORD, INC.

STATE, ex rel., v. JAY WOLFE CHEVROLET, INC.

STATE, ex rel., v. FOSS CHEVROLET SUBARU, INC.

STATE, ex rel., v. MICHAEL OSBORNE and CURT BUSTER,
d/b/a KING AUTO SALES

STATE, ex rel., v. E-Z PAY USED CARS, INC.

STATE, ex rel., v. COX MOTOR COMPANY

STATE, ex rel., v. JERRY GRAY, d/b/a
GRAY MOTOR COMPANY

STATE, ex rel., v. LYLE GILLISPIE,
d/b/a GILLISPIE MOTORS

STATE, ex rel., v. DONALD JOHNSON,
d/b/a DON'S AUTO SALES

STATE, ex rel., v. J-J CHEVROLET, INC.

STATE, ex rel., v. WILLIAM M. and LUCILLE CHRISTMORE,
d/b/a CHRISTMORE USED CARS

STATE, ex rel., v. DALE L. WEEKS, d/b/a WEEKS AUTO SALES

STATE, ex rel., v. PAUL J. MATYAK,
d/b/a WESTERN INVESTMENTS

STATE, ex rel., v. SUNNY DAYS MOTOR COMPANY

STATE, ex rel., v. RONALD ROE, d/b/a
CAPITAL CITY MOTORS

STATE, ex rel., v. P & J ENTERPRISES, LTD.

These lawsuits involve car dealers who were improperly using disclaimers of the implied warranty of merchantability and fitness for a particular purpose. Defendants were illegally selling used cars in "as is" condition. Defendants have agreed in consent judgments to pay civil penalties, a certain amount into the investigation fund, actual damages to the consumers, and to cease and desist the improper use of the "as is" disclaimer.

STATE, ex rel., v. SOLAR MAX, INC.

This lawsuit involves door-to-door sales of solar equipment. The seller was illegally using disclaimers of the implied warranty of merchantability and fitness for a particular purpose. Defendant has agreed in a consent judgment to pay penalties, a certain amount to the investigation fund, and to cease and desist the improper use of the "as is" disclaimer.

STATE, ex rel., v. MITCHELL BROTHERS

In August 1985 a lawsuit was filed against Mitchell Brothers in Shawnee County District Court alleging deceptive practices in connection with promotional give-aways of gemstones. The cost of the give-away gemstones to the Kansas consumer was \$94.10. The state of Kansas was unable to obtain service, and the case was dismissed without prejudice.

STATE, ex rel., v. PRINTER'S CLEARINGHOUSE

A consent judgment was entered into with defendant, who agreed to refrain from offering, for free, any boat or floating device without disclosing material aspects of the product, a refund to the consumer, and to pay a penalty of \$250.

STATE, ex rel., v. FEDERAL OIL AND GAS

This was a suit involving an oil and gas leasing company that commenced bankruptcy proceedings in the United States Bankruptcy Court for the Southern District of Florida shortly after our suit was filed. The attorney general assisted those consumers who dealt with defendants and filing proof of claim forms with the Bankruptcy Court, and distribution was made by the trustee to the Kansas consumers.

STATE, ex rel., v. AMERICAN COMMODITY EXCHANGE, INC.

Defendant is a California corporation which solicits Kansas consumers to purchase precious metals which are not to be delivered until two years after the date of purchase of the precious metals. Defendant made telephone and mail solicitations making various representations concerning the program. The lawsuit was filed in Shawnee County on May 18, 1984, and the case was settled in January, 1985, with a refund to Kansas consumers in excess of \$24,000.

STATE, ex rel., v. HEART OF AMERICA
PUBLISHING COMPANY, INC.

Defendant solicited Kansas consumers to purchase advertisement and prospective directories which were to be published for various cities in northeastern Kansas. No directories were ever published and no refunds were made to Kansas consumers.

A lawsuit was filed in Johnson County on January 25, 1984. Defendant was insolvent and we were unable to obtain service. Therefore, the case was closed.

STATE, ex rel., v. LELAND CAPITOL CORPORATION, et al.

This lawsuit involved an oil and gas leasing company which failed to disclose numerous material facts regarding the service and properties represented by mail and phone solicitations to Kansas consumers.

The lawsuit was filed on August 30, 1984. Defendant has gone out of business, and we were unable to obtain service. The case was dismissed on May 1, 1985.

STATE, ex rel., v. TOWER OIL AND
GAS CORPORATION, et al.

This is another lawsuit involving an oil and gas leasing company which failed to disclose numerous material facts regarding the services represented by mail and phone solicitations to Kansas consumers.

The lawsuit was filed on February 23, 1984, alleging consumers were not being informed as to material facts surrounding the offered services, i.e., the

parcels being offered for lease were of little or no value. The petition was amended to include two individually named defendants who were directors and principals of the defendant corporation, and service was obtained on the individuals. Motion for default judgment was granted on January 28, 1985. This office has attempted to communicate with the defendants under that judgment, but has been unable to locate them. Due to the unlikelihood of any funds being located to satisfy this judgment, the case has been closed.

STATE, ex rel., v. ANILAS, INC. and
MINI-DONUT CORPORATION

Mini-Donut Corporation is a Kansas corporation that manufactures mobile trailers used to make donuts. Anilas, Inc., is a Kansas corporation who finances the sale and leasing of equipment to Kansas consumers. A lawsuit was filed on November 20, 1984, alleging defendants' failure to make material facts known and misrepresentations to Kansas consumers.

On December 3, 1985, journal entry for default judgment against the Mini-Donut Corporation and dismissal as to the state of Kansas consumers and Anilas, Inc., was entered. The journal entry allowed the return of the mobile trailers to Anilas, a cancellation of the contract, and a judgment against Mini-Donut Corporation for \$125,148.55 by Anilas. The case is closed.

STATE, ex rel., v. ARLEN WALLIS, d/b/a HILLTOP MOTORS

On July 12, 1985, a lawsuit was filed against defendant in Wyandotte County District Court, alleging defendant was illegally selling used cars in "as is" condition. Our lawsuit seeks injunctive relief, actual damages, civil penalties, and costs.

STATE, ex rel., v. ED HOPFENSBERGER

This lawsuit involves the advertising and soliciting for sale or sale of a dog with incorrect AKC papers. A consent judgment was entered into, whereby defendant would supply the correct AKC registration to consumers and pay damages to consumers. Defendant's practice has been discontinued.

STATE, ex rel., v. HAWKS INTERSTATE
OF SOUTH CENTRAL KANSAS, INC.

This lawsuit involved damages resulting from extensive termite activity following termite treatment in 1967 and subsequent retreatment on at least nine other occasions through 1981. The consumers' residence received extensive damage as a result of live termite activity, although consumers entered into a contract and guarantee with the treating company, McCool Exterminators, in 1967 to rid the premises of termites. That contract was subsequently assumed by defendants who were paid yearly renewals by the consumers.

Settlement in the sum of \$6,000 was negotiated immediately prior to trial, scheduled for August 1, 1985, and a journal entry dismissing this action with prejudice was filed.

STATE, ex rel., v. U. S. HOUSEWARES, INC.
a/k/a UNITED STATES HOUSEWARES, J. J. BORGENSEN

This lawsuit was filed against United States Housewares alleging unconscionable and deceptive practices in connection with the sale of an electric skillet and some knives to a young, naive, trusting consumer for \$924. Trial was held in March 1985. The court cancelled the contract for the purchase of the merchandise. Also, the money paid by the consumer was refunded, with interest.

STATE, ex rel., v. JIM TRIONE, d/b/a/ KING, INC.

In October 1985 a lawsuit was filed in Logan County District Court. A consent judgment was entered into with the defendant, Jim Trione. The defendant agreed not to commit deceptive acts in connection with his sale of advertising to consumers. A refund of \$140 was paid to the consumer.

STATE, ex rel., v. VICTORY ADVERTISER, LTD.

In August 1985 a lawsuit was filed in Finney County District Court. It alleged Victory Advertiser, Ltd., made false representations to Kansans in connection with the sale of advertising for the Garden City High School basketball schedule poster. Our lawsuit seeks injunctive relief, contracts cancelled and restitution, civil penalties, expenses, and costs.