

# **CONSUMER PROTECTION IN KANSAS**

**1989**



**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 12, 1990

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**TO: The Honorable Mike Hayden, Governor  
and Members of the Kansas Legislature**

I commend to your reading the following report of my Consumer Protection Division. In 1989, my Consumer Protection Division received more than 5,000 formal written complaints and more than 2,700 written inquiries from consumers. As our education efforts continue, more Kansas consumers are becoming aware of the services we provide. We continue to travel across the state giving consumer protection speeches to community groups and other organizations. Through my Consumer Protection Advisory Council, made up of five citizens from each of the states' five congressional districts, I am able to reach consumers in all corners of Kansas.

I am very proud of the assistance my Consumer Protection Division provides to Kansas consumers. We play a major role in consumer protection on both a statewide and national level and continue to actively cooperate with the National Association of Attorneys General in major efforts on issues of interest to consumers nationwide.

My top priority is to protect Kansas consumers from unfair and deceptive business practices through strong enforcement of the Kansas Consumer Protection Act. By combining strong enforcement and active public education, we are able to wage a successful battle against those who would unlawfully take money from Kansas consumers.

With a strong determination to assist Kansas' senior citizens, I have introduced legislation which would increase the civil penalty that could be assessed by a court against a violator of the Kansas Consumer Protection Act who deceives senior citizens or the handicapped. As more and more scams target our senior citizens, we must do all we can to insure their protection.

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, appearing to read "Robert T. Stephan".

ROBERT T. STEPHAN  
Attorney General

## INTRODUCTION

In 1989, Attorney General Robert T. Stephan's Consumer Protection Division continued to receive a large number of written consumer complaints. This significant increase over the past two years is a direct result of increased enforcement and education by the Attorney General's Consumer Protection Division. As in the previous year, the Consumer Protection Division received more than 5,000 formal complaints. Through its mediation efforts as well as settlements and actions filed to enforce violations of the Kansas Consumer Protection Act, the division saved consumers more than \$833,000.

Lawsuits were filed to protect Kansas consumers from deceptive solicitations in such areas as vacation resort solicitations, unconscionably priced water purifiers, phoney contests and deceptive airline advertising.

Important victories were achieved by the Attorney General in federal courts where the state's jurisdiction to file actions protecting Kansas consumers from false advertising and solicitations were challenged on the grounds that only federal law applied. Federal district courts in Kansas held that the Attorney General had the power to use the Kansas Consumer Protection Act to file state actions against a postcard solicitor in Georgia accused of deceptive practices and against an airline accused of false advertising.

Attorney General Stephan continues his program of requesting those who violate the Kansas Consumer Protection Act to make donations to Kansas charities which provide food and shelter for the needy. Charitable organizations such as food banks and shelters for the state's poor, battered women and children have benefited from this effort. Several other state attorneys' general offices, after hearing of this program, have expressed interest in implementing similar programs.

In addition to enforcement and settlement activities, the Attorney General's Consumer Protection Division continues its aggressive campaign to educate consumers throughout Kansas by speaking to schools, civic groups and community organizations.

To further heighten consumer awareness, a weekly newspaper column entitled "Consumer Corner" is sent to more than 200 newspapers throughout Kansas. A radio version of "Consumer Corner" is also offered for use by Kansas radio stations. Thousands of Kansas consumers are able to view samples of consumer rip-offs and scams as well as speak with Attorney General Stephan, attorneys and special agents of the Consumer Protection Division while visiting the Attorney General's Consumer Protection booth each year at the Kansas State Fair in Hutchinson.

The Attorney General's Consumer Protection Advisory Council, made up of five persons from each of the state's five congressional districts, continues an active role in advising the Attorney General and the Consumer Protection Division as to those issues which affect the public. Members of the Council assist consumers in their home towns with consumer protection problems as well as assist the Consumer Protection Division by speaking to community groups. The Consumer Council has played an active role in recommending consumer protection legislation to the Attorney General which may be introduced in the Kansas legislature so that it may benefit all Kansas consumers.

CATEGORIES OF NEW COMPLAINTS

Complaints filed	5,175
Complaints closed	5,959
Written inquiries	2,734
Total annual savings	\$833,190

	Complaints Received	Percent of Total
Miscellaneous	92	1.78%
Advertising	119	2.30%
Ad Brokers	42	0.81%
Appliances	101	1.95%
Automobiles	820	15.85%
Boats, Boating Equipment, Repairs, etc.	12	0.23%
Book, Record and Tape Clubs	25	0.48%
Business Opportunity Services	73	1.41%
Cable Television	24	0.46%
Clothing	15	0.29%
Cemeteries	40	0.77%
Collectibles/Antiques	12	0.23%
Collection Practices	81	1.57%
Computers	35	0.68%
Contests	119	2.30%
Credit Reporting Agencies	2	0.04%
Credit Code	145	2.80%
Discount Buying Clubs	56	1.08%

	Complaints Received	Percent of Total
Door-to-Door Sales	60	1.16%
Education	60	1.16%
Encyclopedias	8	0.15%
Employment Services	9	0.17%
Energy Savings Devices	7	0.14%
Failure to Furnish Merchandise		0.00%
(Other Than Mail Order)	19	0.37%
Farm Implements/Equipment	32	0.62%
Fire, Heat & Smoke Alarms	1	0.02%
Floor Coverings	25	0.48%
Food Products	1	0.02%
Fund Raising (Charities, etc)	63	1.22%
Franchise Sales	8	0.15%
Funeral Homes	3	0.06%
Furniture	58	1.12%
Gasoline Prices	1	0.02%
Gasoline Content	6	0.12%
Government Agencies	10	0.19%
Health Services (Doctors, Dentists, Hospitals, etc.)	71	1.37%
Health Spas and Weight Salons	31	0.60%
Hearing Aids	14	0.27%
Heating and Air Conditioning	26	0.50%
Home Improvements	181	3.50%
Home Construction	36	0.70%

	Complaints Received	Percent of Total
Invoice and Billing Schemes (Noncredit Code)	3	0.06%
Interest Rates and Lending Companies		
(Other Than Credit Code)	2	0.04%
Jewelry	26	0.50%
Kitchenware	1	0.02%
Land Sales (Subdivided Out of State)	12	0.23%
Land Sales (Subdivided Kansas)	190	3.67%
Land Resale Companies	1	0.02%
Landlord/Tenant	11	0.21%
Loan Finders	14	0.27%
Lotteries	22	0.43%
Magazines	240	4.64%
Mail Order Companies	1,335	25.80%
Mobile Home and Campers (Sales/Service)	37	0.71%
Mobile Home Parks	1	0.02%
Mortgages	7	0.14%
Motorcycles and Bicycles	5	0.10%
Moving and Storage	13	0.25%
Multi-level and Pyramid Distributorship Companies	4	0.08%
Musical Instruments, Lessons, etc.	5	0.10%
Nurseries, Gardening Equipment, etc.	4	0.08%
Nursing Homes	3	0.06%
Office Equipment and Supplies	4	0.08%
Pest Control	19	0.37%



	Complaints Received	Percent of Total
Pets/Animals	20	0.39%
Product Safety	1	0.02%
Photo Equipment and Services	41	0.79%
Photo Studios and Companies	41	0.79%
Rebates	16	0.31%
Real Estate (Houses)	14	0.27%
Real Estate (Other Than Houses)	46	0.89%
Satellite Dishes	10	0.19%
Securities and Investments		
(Other Than Stocks and Bonds)	13	0.25%
Services (General)	131	2.53%
Services (Professional)	4	0.08%
Sewing Machines	11	0.21%
Sporting Goods	7	0.14%
Steel Buildings	3	0.06%
Stereos and Record Players	13	0.25%
Stocks and Bonds	1	0.02%
Sundries	1	0.02%
Television and Radios	45	0.87%
Timeshare Sales	29	0.56%
Toys	4	0.08%
Travel Agencies	67	1.29%
Travel and Transportation	58	1.12%
Utilities	15	0.29%

	Complaints Received	Percent of Total
Vending Machines	9	0.17%
Warranty Problems	26	0.50%
Water Softeners, Conditioners, Purifiers, etc.	26	0.50%
Work-at-Home Schemes	<u>21</u>	<u>0.41%</u>
Total	5,175	100.00%

DISPOSITION OF CLOSED COMPLAINTS

	Complaints Closed	Percent of Total
Inquiry or Information Only	172	2.89 %
Referred to Private Attorney	408	6.85 %
Referred to County/District Attorney	113	1.90 %
Referred to Other Attorney General	410	6.88 %
Referred to Other Kansas Agency	25	0.42 %
Referred to Small Claims Court	326	5.47 %
Referred to Federal Agency (FTC, Post Office, etc.)	108	1.81 %
Money Refunded/Contract Cancelled	1,922	32.25 %
Merchandise Delivered	352	5.91 %
Repaired/Replaced	197	3.31 %
Mediation Only — No Savings	532	8.93 %
No Reply From Complainant	371	6.23 %
Unable to Locate Respondent	133	2.23 %
Practice Discontinued	21	0.35 %
Respondent Out of Business	103	1.73 %
No Basis	84	1.41 %
No Jurisdiction	246	4.13 %
Insufficient Evidence	62	1.04 %
Withdraw	117	1.96 %

	Complaints Closed	Percent of Total
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Unable to Satisfy Complainant -- Further		
Action Not Warranted	41	0.69%
Voluntary Compliance Agreement	9	0.15%
Other	114	1.91%
Lawsuit Complaint Files		
Insufficient Evidence	1	0.02%
Money Refunded/Contract Concluded	15	0.25%
Practice Discontinued	26	0.44%
Repaired/Replaced	1	0.02%
Other	<u>50</u>	<u>0.84%</u>
Total Cases Closed	5,959	100.00%

SUMMARY OF 1989 LAWSUITS

STATE, ex rel., v. MID AMERICA DAIRYMEN, INC.  
d/b/a STEFFEN DAIRY

A Consent Judgment for misrepresenting to consumers the amount of milk contained in various milk products by Steffen Dairy was filed in Sedgwick County District Court on July 10, 1989. It was agreed that Defendant would pay \$500 in investigative fees and provide 2,000 gallons or pounds of dairy products to be distributed to two Wichita food shelters.

STATE, ex rel., v. WISCONSIN MICROWARE, INC.  
d/b/a AGPAC

The State of Kansas entered into a Consent Judgment with Wisconsin Microware, Inc. d/b/a AGPAC on November 2, 1989. The company, based in Madison, Wisconsin, sold computer software programs to consumers through the mail. After complying with the company's money back guarantee, the consumers did not receive their refunds. Under the Consent Judgment, consumers received their refunds at the time of filing of the Judgment. The company also agreed to resolve all consumer complaints filed with the Office of the Attorney General in accordance with the Consent Judgment within 90 days of the Defendant's receipt of consumer's request for a refund provided that consumers complied with the company's money back guarantee. Since the filing of the Consent Judgment the company has gone out of business and is contemplating filing bankruptcy. Future refunds appear unlikely.

STATE, ex rel., v. DENNY ARMSTRONG and ED PARKER  
d/b/a WORLDWIDE AUTO BROKERS

This lawsuit was filed in Johnson County, Kansas, in 1987. The suit alleged the Defendants violated the Kansas Consumer Protection

Act by misrepresenting licensing requirements in the promotion and sale of auto broker training programs.

In an August, 1989, jury trial, the Defendants were found to have violated the Kansas Consumer Protection Act, and were then ordered by the Court to pay \$7,500 in restitution to Kansas consumers, \$2,000 to the State of Kansas in civil penalties and \$686.36 in reasonable expenses to the Attorney General's Office.

STATE, ex rel., v. RICK, INC.  
d/b/a RICK'S ANTIQUE AUTO PARTS, INC.

This Consent Judgment was entered into in December, 1987, and filed in Wyandotte County. The Consent Judgment alleges the Defendant, a mail order supplier, failed to deliver parts within a reasonable time; failed to refund the consumers' advance payments when parts were unavailable or undelivered within the time promised; and delivered automobile parts which were not of the quality specified in the advertising. Without admitting liability, the Defendant voluntarily entered into the Consent Judgment. The Defendant agreed to pay a \$2,000 civil penalty to the State of Kansas. The Defendant also agreed to make restitution to consumers who had outstanding complaints with the Attorney General at the time of the Consent Judgment and to follow certain guidelines set out in the Consent Judgment in handling all future consumer orders.

Defendant has moved his business to Mankato, Kansas. We are still getting complaints. Defendant is working with this office to resolve complaints and is cooperative in refunding monies. To date, nearly \$120,000 has been saved for consumers nationwide. Because of the continued volume of complaints, the State asked for and received an additional \$3,000 in investigative fees.

STATE, ex rel., v. INTERNATIONAL WORLD TRAVEL,  
INC. a/k/a TRANSWORLD TRAVEL, INC.,  
WILLIAM H. MAURER and RUSSELL SKOLNICK

Defendants set up shop selling time shares from 1986 until 1988 in the Kansas City area. Their tactics were very hard-sell and high pressure. People purchased time-share weeks from Defendants at prices ranging from \$1,500 to over \$10,000. The first problems arose when the "home-base" location of LaPosada in San Carlos, Mexico discontinued its agreement with International World Travel. International World Travel quickly substituted three other resorts, Puerto Vallarta, Mexico, Scottsdale, Arizona and the Ozarks. Besides concern that the resort with which the consumers were persuaded to join International World Travel was no longer available, and accusations of fraud by the LaPosada resort owner, other problems became apparent. Consumers were having trouble booking vacations, even at their "home-base" resort, and even with months of notice. Also, the promises of wonderful exchange locations all over the world proved to be untrue for many consumers. Poor service and last minute confirmations, if at all, became the standard.

A few consumers were told they would receive refunds, but those promises, as well, were unfulfilled. Suit was filed in early 1989. Motions and arguments have been filed and heard, and the case is proceeding in discovery. Settlement is unlikely.

STATE, ex rel., v. VACUUM CARBURETOR  
CORPORATION and FRANK GREENE

The Defendant, a Kansas manufacturer sold carburetors which were marketed at trade shows and magazines. It offered a 100% money back guarantee if not satisfied. Apparently, many people were not satisfied and when the product was returned, refunds were not always issued from the corporate office in San Antonio. Suit was filed in Comanche County and Default Judgment obtained for \$17,052.79 actual damages, \$5,000.00 civil penalty and \$5,000.00 investigative fees. There were numerous prior judgments filed and insufficient assets to cover them, so monetary recovery is unlikely.

STATE, ex rel., v. GIVEAWAY CLEARINGHOUSE, INC.

This lawsuit involved a mail solicitation in which consumers were led to believe that if they sent three dollars, they would receive an award worth several hundred dollars. The "award" turned out to be a credit voucher good toward the purchase of Defendant's merchandise. Defendant signed an Assurance of Voluntary Compliance, reimbursed the complaining consumers \$5 each and paid \$5,000 in investigative fees.

STATE, ex rel., v. DANIEL E. MARTIN

The Defendant in this lawsuit advertised custom car body parts in a trade magazine. A Kansas consumer responded and paid for the body, which was never delivered to him as per the agreement. Defendant promised a refund on numerous occasions, but has never paid it. Trial is set for late January, 1990.

STATE, ex rel., v. WINNERS AWARD CENTER, INC.  
d/b/a AQUARIUS d/b/a MONTGOMERY CASINO  
d/b/a PRIZE AWARDS d/b/a CASH AWARDS  
d/b/a GALAXY d/b/a INDEPENDENT JUDGING  
ORGANIZATION d/b/a PICTURE FUN  
d/b/a PRIZE DISTRIBUTION CENTER and  
d/b/a SELECT-A-WORD

This company solicits people to enter word contests. They tell the consumers they have already won a prize worth \$195 and sell them a five dollar "non-requisite" winners guide. Many consumers were misled by the term "non-requisite." Also, the \$195 "prize" is a credit voucher good toward the purchase of their merchandise, which had an inflated regular price. Defendant signed a Consent Judgment, agreeing to discontinue these deceptive practices and which provided for reimbursement of consumers, as well as pay \$2,000 in investigative fees, \$4,000 civil penalty, and \$2,000 charitable donation.



STATE, ex rel., v. GREENCREST MEMORIAL  
GARDENS, INC., GREENCREST SERVICE CORPORATION,  
BOARD OF COUNTY COMMISSIONERS OF FORD COUNTY,  
J. GREGORY SWANSON and ANY UNKNOWN  
CEMETERY CORPORATIONS

This is the second time we have filed a lawsuit involving this cemetery. This suit was filed in order to have the cemetery declared abandoned pursuant to the cemetery corporation statutes. The complaints stem from lack of care of the cemetery. If the cemetery is declared abandoned, Ford County would become owner of the cemetery and the current owner's interest would be vacated.

No answer has been filed by the Defendant cemetery corporation, but a mortgage given to Defendant's attorney has complicated and delayed the transfer.

STATE, ex rel., v. CURRENT-FLO SIGN COMPANY, INC.  
and GARY SHIVELY

We have received two complaints against this Wichita sign company. The owner promised this office refunds on several occasions, but has never complied with his promises. We were granted Default Judgment, but we have been unable to collect. We are attempting an Aid in Execution to have the Defendant identify any assets it may have. Judgment was for \$754 actual damages, \$1,000 civil penalties and \$1,000 investigative fees.

STATE, ex rel., v. KEVIN C. GILL  
d/b/a PHOTOTRON EXPRESS

Phototron Express is a business opportunity wherein a person buys "Gold Cards" at \$3 - \$5 per card, then distributes them to retail outlets at which proprietors pay around \$10 per card, and who then sell them to consumers for \$20 per card. The Gold Cards were good for film developing and "free" film. Consumers began complaining because of the quality of the developing and not receiving the free

film. When the distributor tried to return the cards, they were charged a 30% restocking fee. This fee was not disclosed. Refunds were obtained on all but one consumer, and Default Judgment was taken for that consumer.

STATE, ex rel., v. AETNA ITT CONSUMER FINANCIAL CORPORATION d/b/a ITT FINANCIAL SERVICES

A consumer received a solicitation which promised a guaranteed loan if five listed qualifications were met. The complaining consumer met the listed qualifications, but Respondent made a further requirement of collateral, which was not disclosed in the solicitation. An Assurance of Voluntary Compliance was signed in September. Respondent agreed to require only listed qualifications if any were disclosed. Respondent also agreed to pay \$2,000 investigative fees and make a \$3,000 donation to charity.

STATE, ex rel., v. TED SHUMAKER d/b/a AUGUSTA AUTO SALES

The lawsuit stems from one consumer complaint wherein consumer's car showed 70,000+ miles on the odometer, the contract and the Federal Odometer Statement, but a title history revealed the car had 170,000+ miles on it. This material fact was not disclosed to this consumer. A lawsuit filed in Butler County is set for trial in April.

STATE, ex rel., v. JAMES JOSEPH TROMETER and BOULEVARD AUTO CREDIT

Boulevard Auto Credit cars were sold by Joe Trometer from his home in Lawrence, Kansas. Boulevard Auto Credit is located in Kansas City, Missouri. Neither Boulevard Auto Credit nor Trometer are licensed car dealers in Kansas. Trometer sold the cars to individuals without disclosing the dealership affiliation. We are still attempting to get service on both Defendants. Legislation to

specifically outlaw this practice is being offered by the Attorney General.

STATE, ex rel., v. R.W.A. CHAPMAN CABLE TV SYSTEMS  
COMPANY, INC.

Approximately ten complaints were received against this company from residents in Enterprise, Kansas. Prior to this company entering this market, representatives canvassed the residents soliciting five year commitments to R.W.A. Chapman Cable. The agreements did not contain a three-day cancellation period as required by Kansas law. R.W.A. Chapman Cable TV signed a Consent Judgment agreeing to allow those consumers who had attempted to cancel, the right to break the contract without a cancellation penalty. No penalties or fees were collected.

STATE, ex rel., v. HOWARD J. DANZIG,  
OMNI PROMOTIONS, LTD. d/b/a ASSOCIATED  
MIDWEST TALENT

Defendant solicited for potential models. A consumer responded to the advertisement and was asked to have a portfolio of photos taken. The pictures were taken and paid for, but never delivered. The Defendant moved to the St. Louis area where we had difficulty locating him. The lawsuit has been filed, but Defendant is avoiding service.

STATE, ex rel., v. BROWN MACKIE CORPORATION  
d/b/a THE BROWN MACKIE COLLEGE

Brown Mackie, a proprietary school located in Salina, opened a branch campus in Overland Park in 1984. Nearly all of our complaints against the school stemmed from the Court Reporting program at the branch campus. The complaints included the following misrepresentations: the school's qualifications, its ability to confer degrees, the requirements to be a court reporter, the length of time necessary to

complete the program, and the difficulty of the program. An Assurance of Voluntary Compliance was entered into with the school, which provided that certain disclosures about the school and its record be made including percentage of graduates, average length of time of attendance of graduates, and the school policy for students attending longer than the two years usually required to graduate. The complaints were negotiated individually, with provisions for binding arbitration for those in which an agreement could not be reached. To date, Brown Mackie has agreed to refund over \$10,000 to students, and paid \$5,000 in investigative fees. A few complaints are still being negotiated.

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 and the corporations themselves, 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). The allegations against these Defendants were that they had not put money into trust for the pre-need sale of burial merchandise, as required by statute. Several other cemeteries were included, as having been 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.

On the issue of damages, the Court determined in March, 1989 that the measure of damages would be the contract price paid by consumers in the instances where the funds were not put into trust, as well as civil penalties for violations, each such contract being a violation.

The case was tried to the Court on December 12. No judgment has been rendered at this time, but one is expected by March.

STATE, ex rel., v. TRANS WORLD AIRLINES, INC.

A lawsuit was filed based on Defendant's deceptive advertisements of air fares. Defendant removed the case to federal court. The State opposed the removal and won remand to Shawnee County District Court. The case is pending. TWA also named the State of Kansas as Defendant, along with a number of other states, in a suit filed in Texas. TWA also attempted to transfer the cases to a Multi District Litigation Panel for discovery purposes. The Multi District Litigation Panel ruled against TWA on that motion. The Texas case appeal has been argued to the Fifth Circuit Court of Appeals.

STATE, ex rel., v. THE WATSON AND HUGHEY COMPANY  
and JERRY C. WATSON AND BYRON CHATWORTH HUGHEY,  
INDIVIDUALLY AS CO-PARTNERS d/b/a THE WATSON & HUGHEY  
COMPANY; ROBERT R. STONE, JR.; CANCER FUND OF AMERICA  
INC.; PACIFIC WEST CANCER FUND, INC.; WALKER CANCER  
RESEARCH INSTITUTE, INC.; CENTER FOR ALTERNATIVE CANCER  
RESEARCH, A PROGRAM OF PROJECT CURE, INC.; and AMERICAN  
HEART DISEASE PREVENTION FOUNDATION, INC.

A lawsuit was filed based on violations of the Charitable Organizations and Solicitations Act. The violations were based on sweepstakes solicitations mailed to Kansas residents. The case is pending discovery.

STATE, ex rel., v. COUNTRY PARKS, INC.  
and MARKET AMERICA, INC., and TRAVELERS FINANCIAL  
GROUPS d/b/a VENTURE OUT

Country Parks, Inc. owned three resorts in Kansas. The consumers went to the resorts to receive free gifts they were promised in mailed solicitations. The gifts were not provided. The resorts did not have the amenities promised to members. A lawsuit was filed. Following negotiations, Country Parks, Inc. was dismissed when the resorts were brought up to the standard promised the members. Default Judgment was granted against Travelers for the following: \$42,454 for actual damages for 61 consumers; \$22,000 civil penalties; and \$10,000 investigative fees. The Judgment will be pursued against the out-of-state Defendant. A settlement was reached with Market America in which the company agreed to pay \$442 in consumer damages.

STATE, ex rel., v. PATRICK HENRY HALE d/b/a HALE'S  
NUMART d/b/a HALE'S INTERIORS

This company took deposits from consumers for furniture but never delivered it. All complaints were resolved and the lawsuit was dismissed.

STATE, ex rel., v. LIFECALL SYSTEMS

A Consent Judgment was entered with this company which sold alarm systems. The sales contract limited the warranty. The company, which was no longer doing business in Kansas, agreed to discontinue use of the form.

STATE, ex rel., v. HARRIS C. WALKER  
d/b/a WALKER ENTERPRISES

A Consent Judgment was filed with this company. Sales representatives had demonstrated one product (Wonder Cleaner) but actually sold another product (or a product which, if mixed at the recommended strength, is not the same as the demonstrated product). The company also claimed approval by the City of Topeka and other agencies when no approval had been given. Walker paid \$500.00 as a charitable donation to The Capper Foundation for Crippled Children. Walker also paid 15 consumers a total of \$469.29 in refunds.

STATE, ex rel., v. ROD LINTON  
d/b/a LINTON'S PURE WATER SYSTEMS

A Consent Judgment was entered with this company. Its door-to-door sales of water purification systems did not include the required three day cancellation notices. The Defendant paid a \$250.00 civil penalty.

STATE, ex rel., v. CREDIT CARD PROTECTION AGENCY, INC.

This lawsuit was filed March 31, 1989, in Shawnee County. The company sent out a \$5.00 check with a solicitation asking for a credit card number. Once the number was provided and the check cashed the consumer was then obligated to a fee for the company's service which was charged against the credit card. The Defendant, without admitting liability, entered into a Consent Judgment which requires change of business practice, paid \$516.80 in restitution to consumers, paid \$1,000.00 in civil penalties and \$1,000.00 in investigative fees.

STATE, ex rel., v. RECREATIONAL ADVENTURES  
OF KANSAS, LTD. (GROUSE CREEK)

This lawsuit was filed April 10, 1989, in Cowley County. This lawsuit involves deceptive advertising and other consumer protection violations in the sale of campground resort memberships. The case is set for trial on March 20, 1990.

STATE, ex rel., v. PASSPORT INTERNATIONAL EXPRESS, INC.  
d/b/a PASSPORT INTERNATIONAL TRAVEL CLUB  
d/b/a PASSPORT TRAVEL CLUB

This lawsuit was filed May 30, 1989, in Shawnee County. Alleged consumer protection violations include deceptive advertising involving travel packages. The lawsuit was settled in May of 1989, with payments totaling \$2,134.50 to three Kansas consumers.

STATE, ex rel., v. THE PROCESSING CENTER, INC.  
and VAUGHN MANAGEMENT, INC. d/b/a PURADYNE COMPANY

This lawsuit was filed June 9, 1989, in Shawnee County. The suit alleges deceptive advertising as well as other violations of the Consumer Protection Act as to false claims about water purification systems and "free" give away which is not free.

A Default Judgment was entered on November 20, 1989, for restitution for Kansas consumers totaling \$16,359.25 as well as \$26,000.00 in civil penalties and \$5,000.00 in investigative fees. We are in the process of attempting to collect on the judgment.

STATE, ex rel., v. CHESTER JONES

This lawsuit was filed July 13, 1989, in Crawford County. The lawsuit alleges failure to disclose consumers rights to cancellation



in door-to-door sales and offering property or services without intent to supply them. The case involves the remodeling of consumers' homes. The case was settled with an agreed judgment for \$34,696.23 plus costs against the Defendant in January, 1990.

STATE, ex rel., v. FORD MOTOR COMPANY

This lawsuit involves the Kansas Lemon Law and was filed July 25, 1989, in Shawnee County based upon the July 1, 1989, amendment to the law giving jurisdiction to the Attorney General's Office to bring such actions. One consumer was involved and Defendant paid \$13,325.00 for buy back of a Ford truck in October of 1989.

STATE, ex rel., v. FORD MOTOR COMPANY

This lawsuit involves the Kansas Lemon Law and was filed July 25, 1989, in Shawnee County based upon the July 1, 1989, amendment to the law giving the Attorney General's Office jurisdiction to bring such actions. One consumer was involved and Defendant entered into a trade assist which resulted in the consumer receiving a 1989 pickup truck for a savings of \$14,248.00.

STATE, ex rel., v. FORD MOTOR COMPANY

This lawsuit involves the Kansas Lemon Law and was filed July 25, 1989, in Shawnee County, Kansas, based upon the July 1, 1989, amendment to the law giving the Attorney General's Office jurisdiction to bring such actions. One consumer was involved. The case is currently involved in settlement negotiations.

STATE, ex rel, v. FORD MOTOR COMPANY

This lawsuit involves the Kansas Lemon Law and was filed July 25, 1989, in Shawnee County based upon the July 1, 1989, amendment to the law giving the Attorney General's Office jurisdiction to bring such actions. One consumer is involved. The case is in discovery.

STATE, ex rel., v. CHUCK RULE, MARK RULE and  
PATRICIA RULE d/b/a SAFEWAY BUILDERS

This lawsuit was filed August 22, 1989, in Shawnee County seeking a variety of remedies including actual damages and injunctive relief under the Kansas Consumer Protection Act. The Defendants entered into door-to-door sales contracts without informing consumers of their rights to cancel as well as not completing work or not commencing work on remodeling of homes and building garages. Defendants left the state prior to service of the Petition. We are investigating the whereabouts of Defendants for service of process.

STATE, ex rel., v. YELLOW PAGES OF AMERICA, INC.  
d/b/a BUSINESS YELLOW PAGES

This lawsuit was filed November 14, 1989, in Shawnee County. The suit alleges that the Defendant misrepresents solicitations as billings for service and renewal of service for a business yellow pages, as well as other consumer protection violations. The case is pending.

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

The Defendant was selling steel building dealerships to Kansas consumers. The suit filed in January, 1985, alleges the Defendant

made misrepresentations of material facts to Kansas consumers who purchased the dealerships, including the price competitiveness of steel building products, the profit potential, and failed to provide proper dealership support services as promised.

A Journal Entry of Consent Judgment and Confession of Judgment was entered into in 1989. The Defendant agreed to pay \$93,350 restitution to consumers and \$2,000 in investigative fees. The Judgment is being pursued for collection.

STATE, ex rel., v. CONTE AND COMPANY, INC.

Conte solicited Kansas consumers using a postcard which appeared to offer 17 different prizes. Consumers were required to pay \$17 to find out which prize they had won. All consumers won a "Holiday Vacation for Two" which did not include transportation and lodging. Plaintiff was granted Summary Judgment on November 7, 1989, for the following: \$10,000 civil penalties; \$2,000 investigative fees; and \$5,000 in actual damages for consumers. The Judgment is being pursued for collection.

STATE, ex rel., v. JAMES L. MARSH  
d/b/a KLASSIC PRODUCTS

This lawsuit involved popcorn vending machines and distributorships being sold and never delivered. The case was dismissed for lack of service. At our request the U.S. Attorney's Office sought and received a criminal indictment and complaints were forwarded to them. Mr. Marsh plead guilty to three counts and agreed to make restitution. Currently, he is serving a nine year sentence in prison in Leavenworth.

STATE, ex rel., v. GOLDEN SWEEPSTAKES,  
DENNIS ASBURY and WAYNE LEVESQUE

In 1986 a lawsuit was filed in Johnson County District Court, alleging the Defendant committed deceptive and unconscionable acts and practices in connection with its coupon program, utilizing cash register receipts and gift certificates. A Journal Entry of Consent Judgment was entered into in June, 1987. The Defendant was enjoined from soliciting or selling any advertising or public relations campaign or coupon program. The Defendant was also ordered to cancel contracts made with merchants in Salina, Emporia, Manhattan, Lawrence, Ottawa, Wichita, Hutchinson and Dodge City, Kansas. In accordance with the judgment and commitment order issued in the case of the United States of America v. Dennis Asbury, case number 87-20001-002 (D. Kan. May 18, 1987), the Defendant was ordered to pay restitution in the amount of \$15,676.95 to Kansas consumers. Wayne Levesque, a participant with Mr. Asbury, was similarly indicted and sentenced to three years and ordered to pay restitution in the amount of \$7,186.75. Consumers have been notified.

Mr. Levesque has paid approximately \$400 as part of his restitution and is on parole in Illinois. Mr. Asbury has paid \$125 and is still in prison.

STATE, ex rel., v. COMMON TITLE BOND & TRUST

In 1987 a lawsuit was filed in Shawnee County District Court. It alleged that Defendants had committed deceptive and unconscionable acts and practices in connection with the issuance of sight drafts and bills of exchange with Kansas consumers, specifically farmers, in exchange for promissory notes and deeds of trust issued from the consumers to Common Title. In addition, the Defendants mislead consumers into believing that the bills of exchange and sight drafts would be honored by the federal reserve system and they are not. The petition sought injunctive relief, restitution, withdrawal of all deeds of trust filed in various counties, and civil penalties. On August 24, 1987 a Consent Judgment was entered between the State and Bob Saylor in which he agreed to disassociate himself with Common Title Bond & Trust or any similar program in the state of Kansas.

Default Judgment was granted on December 9, 1988, against Common Title Bond & Trust and Roger Elvick. The judgment provided for damages to consumers, civil penalties of \$10,000 and \$10,000 investigative costs. Additionally, Deeds of Trusts filed in Kansas are null and void and Common Title Bond & Trust is enjoined from doing business in Kansas. Judgment was subsequently filed in Morris County in a request for judicial recognition.

STATE, ex rel., v. GLEN BISHOP

This office is still receiving restitution from Mr. Bishop and is locating consumers to provide partial restitution.

STATE, ex rel., v. SHERRI BRIDALS

A Consent Judgment was entered into in which brides were to receive a refund for monies they had paid to purchase dresses and other accessories. Sherri Bridals was forced into bankruptcy in May, 1988. Pursuant to said bankruptcy, the State of Kansas is a creditor on behalf of those consumers who have filed complaints. We are continuing to monitor the bankruptcy proceedings for an eventual payout and await settlement of a state court dispute for payment into the estate and final accounting in the bankruptcy.

STATE, ex rel., v. BERRY FARM SUPPLY

An action was filed in the Shawnee County District Court in October, 1988, alleging violations of the Kansas Consumer Protection Act. Defendants engaged in soliciting primarily farmers and ranchers in rural areas across the United States to purchase memberships/dealerships. The representations were that they could save money by purchasing of merchandise as a dealer over that which was available their local retail market. Additionally, representations were made that the members/dealers would have a certain area in which to work exclusive of others. A Default Judgment was taken in October, 1989,

which provided an injunction against the principal and the now defunct corporation. Also, restitution to consumers was ordered in the amount of \$465,793.47, and civil penalties ordered in the amount of \$408,000.00 and investigative fees of \$10,000.00. Since the company is out of business and there are no assets, recovery is unlikely.

STATE, ex rel., v. ATLANTIC SOUND

This action was filed in Shawnee County District Court on in August, 1988. The Defendant and their agents sold speakers to consumers from the back of vans after making numerous misrepresentations as to the cost, quality, and origination of the speakers. Additionally, consumers were misled as to the reason for the sale of the speakers. A Default Judgment for \$24,000.00 in civil penalties, \$1,030.00 in investigative fees and \$2,110.00 in damages was granted in July, 1989. The Defendant has filed an appeal which is pending. The State has requested a dismissal of the appeal.

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\* Served a portion of 1989. No longer with Consumer Protection.

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