

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. C V 82-549

STATE OF MAINE,)
)
 Plaintiff)
)
 v.)
)
 YOUNG ENTERPRISES, INC.)
 d/b/a NEIGHBORHOOD)
 READERS' SERVICE,)
)
 Defendant)

CONSENT DECREE

1. The Plaintiff, State of Maine, has filed its Complaint against the Defendant, alleging violations of the Maine Consumer Solicitation Sales Act (32 M.R.S.A. § 4661 et seq.) and the Maine Unfair Trade Practices Act (5 M.R.S.A. § 206 et seq.).

2. The State in its Complaint alleged that the Defendant has:

- a) In its telephone solicitation of potential customers made material misrepresentations as to the financial commitment required of subscribers to their magazine services;
- b) used telephone sales techniques and subscription agreement contracts that are in direct violation of the Maine Consumer Solicitation Sales Act (32 M.R.S.A. § 4661 et seq.) requirements that there be a completely executed copy of the contract agreement and that it be furnished to the

the consumer immediately after the contract is signed.

- c) conducted business in this State without authority and in violation of 13-A M.R.S.A. § 1301.

3. The Plaintiff and Defendant, through their respective attorneys, mutually have approved the terms of this decree and waive the rights to a hearing.

4. The Plaintiff and Defendant understand and agree that this decree is in full settlement of any and all claims against Defendant by the State as may be contemplated by the Complaint in this action and that Defendant consents to this decree without admitting to any violations of law or admitting to any factual allegations in the State's Complaint.

5. THEREFORE, this Court finds that the Complaint states a cause of action and that it has jurisdiction in this matter, and hereby permanently enjoins the Defendant, its agent, employees and assigns, and other persons acting under its control from committing the following acts:

- a) When soliciting customers for its magazine subscription service in the State of Maine, the Defendant is permanently enjoined from making material misrepresentations either as to the cost of the subscription service, or the duration of the subscription service;

- b) when soliciting customers for its magazine subscription service, ^{in the State of Maine} ~~the~~ Defendant is permanently enjoined from violating the provisions of the Consumer Solicitation Sales Act (32 M.R.S.A. § 4661, et seq.);
- c) the Defendant is permanently enjoined from conducting business in this State without authority and in violation of 13-A M.R.S.A. § 1301.

6. It is further ordered that the Defendant shall cancel any and all contracts with any customers filing claims against the Defendant with the Office of the Attorney General, within 45 days of the date of this order, when such claims for cancellation are reasonable and justifiable in light of the terms of this order.

7. It is further ordered that the Defendant supervise and exercise reasonable control over the representations, acts and practices utilized by the Defendant's employees, servants, agents to ensure that no fraudulent or deceptive representations, acts or practices are utilized in violation of this Judgment.

8. It is further ordered that Defendant shall hereby be discharged from any and all obligations to use any sales or promotion script specified by this Court or submitting such script to the Attorney General's Office for approval.


9. The Defendant will pay the cost for the investigation and the cost of this suit in the amount of \$400.

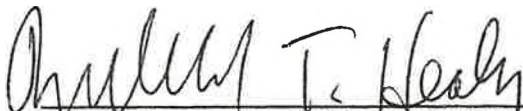
10. This Court retains jurisdiction over the subject matter of this action and its parties for the purpose of applying to this Court at any time for any further orders or directions which may be appropriate. Violations of this Decree may be considered violations of an injunction issued under 5 M.R.S.A. § 209 and subject to the penalties described therein.

Dated at Augusta, Maine, this 17th day of November, 1982.


JUSTICE, SUPERIOR COURT

SEEN AND AGREED TO BY:


JAMES A. MCKENNA, III, ESQ.


ATTORNEY FOR THE DEFENDANT

A TRUE COPY:

ATTEST


P. VALERIE PAGE
CLERK OF COURTS

RECD AND FILED

NOV 17 1982

3. CLERK OF COURTS

STATE OF MAINE

SUPERIOR COURT

Civil Action

KENNEBEC, SS.

Docket No. 1024

STATE OF MAINE, ex rel]
JAMES S. ERWIN, Attorney General]
PLAINTIFF]

vs.]

CONSENT JUDGMENT

YOUNG ENTERPRISES, INC., d/b/a]
NEIGHBORHOOD READERS' SERVICE]
DEFENDANT]

This matter having been presented to this Court by a Complaint for Injunction and Counsel for the Plaintiff, James S. Erwin, appearing by and through his representative, P. J. Perrino, Jr., and the Defendant, Young Enterprises, Inc., d/b/a Neighborhood Readers' Service, appearing by and through its' attorney, Michael T. Healy; and it appearing that the parties in this matter have mutually agreed and approved the terms of the following Permanent Injunction:

FINDINGS

I.

Plaintiff complains of the Defendant Young Enterprises, Inc., d/b/a Neighborhood Readers' Service that it has been guilty of certain misrepresentations and material omissions, in the conduct of its' business in the State of Maine. While it consents to the entry of the Order, Defendant nevertheless denies the allegations of the Complaint Petition, and asserts that they do not countenance practices of the type alleged in said papers.

RECORDED

MAR 1 1972

STEWART S. BROWN, CLERK

II.

This Court has and shall retain jurisdiction of this suit for the purpose of reviewing and enforcing the provisions of this Judgment. Accordingly, it is hereby,

ORDERED AND ADJUDGED that the Defendant, its' officers, agents, servants, employees and all persons in active concert or participation with them be enjoined and restrained, and ordered to cease and desist from conducting their business using any fraudulent or deceptive acts and practices, and from any and all acts in aid or furtherance thereof; and due deliberation having been had, it is,

ORDERED AND ADJUDGED that the above named Defendant be ordered and directed to affirmatively disclose all relevant material facts to potential customers if representations are made as to some material facts, and it is further,

ORDERED AND ADJUDGED that the above named Defendant shall make available to the Attorney General, within ten (10) days of notice of request thereof, by the Attorney General, any and all information and records pertaining to Defendants' operations and sales in the State of Maine that might, in any way, affect the enforcement of this Judgment, and further that such information shall be held in strict confidence by the Attorney General unless directed otherwise by written order of this Court; and it is further,

ORDERED AND ADJUDGED that the above names Defendants, its' officers, agents, servants, employees and all persons in active concert or participation with them be and are herewith permanently enjoined, and ordered to cease and desist from representing:

a] that a prospective consumer's name was computer-selected to receive magazines free of charge,

b] that the only cost for receiving the magazines was a basic monthly service charge, which only included postage and handling,

c] that once a contract was signed that said contract could not be cancelled,

d] that there are no other charges for the cost of the magazines other than those for postage and handling, and it is further,

ORDERED AND ADJUDGED that the Defendant will delete the words "First Payment Due" from the contract currently in use by the Defendant, and insert in its place the words "Next Payment Due", or delete the whole line, and it is further

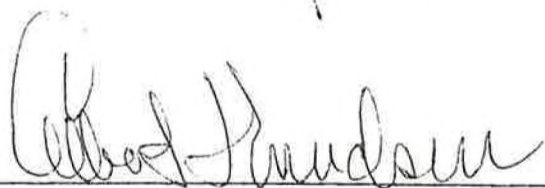
ORDERED AND ADJUDGED that the promotion script to be used by the Defendant, will be the script which is attached to this Judgment, and no other script shall be used within this State without prior approval of the Attorney General's Office, and it is further,

ORDERED AND ADJUDGED that the Defendant shall rescind any and all contracts and make prompt restitution to any customers filing claims against the Defendant with the Office of the Attorney General, within forty-five (45) days of the date of this Order, when in the opinion of the Attorney General, such claims for rescission and/or restitution are reasonable and justifiable in light of the terms of this Order, and it is further,

ORDERED AND ADJUDGED that the Defendant supervise and exercise reasonable control over the representations, acts and practices utilized by the Defendant's employees, servants, agents and all persons in active concert or participation with the Defendant, to insure that no fraudulent or deceptive representations, acts or practices are utilized in violation of this Judgment; and it is further,

ORDERED AND ADJUDGED that the Defendant pay to the Plaintiff the sum of two hundred (\$200) dollars as costs of its suit herein.

Dated at Augusta, Maine this 14th day of March 1972.



Justice, Superior Court