

STATE OF MAINE  
CUMBERLAND, SS.

SUPERIOR COURT  
Civil Action  
Docket No. 73-71

THE STATE OF MAINE, ]  
    Plaintiff ]  
 ]  
V. ]  
 ]  
GROLIER, INCORPORATED, ]  
and ]  
GROLIER INTERSTATE, INC., ]  
and ]  
AMERICANA CORPORATION, ]  
    Defendants ]

PETITION FOR  
PRELIMINARY AND  
PERMANENT  
INJUNCTION AND  
RESTORATION OF MONIES

The State of Maine, by and through Jon A. Lund,  
Attorney General of the State of Maine, alleges:

JURISDICTION AND VENUE

1] Jon A. Lund, as Attorney General of the State  
of Maine, acting to protect the public as citizens, consumers  
and competitors from deception, fraud and misrepresentation,  
unfair, fraudulent and unlawful business practices, submits this  
action in the public interest in the name of the State of Maine.

2] The Attorney General brings this action pursu-  
ant to and in furtherance of the provisions of Maine Revised  
Statutes Annotated, Title 5, Sections 206-212, as amended (Un-  
fair Trade Practices Act).

3] Defendant Grolier, Incorporated is a Corpora-  
tion organized, existing and doing business under and by virtue  
of the laws of the State of Delaware, with its principal office

and place of business located at 575 Lexington Avenue, New York, New York.

Defendant Grolier Incorporated dominates, controls and profits from the acts and practices of the Defendant Corporations hereinafter designated below.

Defendant Grolier Interstate, Inc. is a Corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 575 Lexington Avenue, New York, New York. It is a wholly owned subsidiary Corporation of Defendant Grolier, Incorporated. It sells and otherwise distributes encyclopedias, yearbooks and other publications, merchandise or services to the general public, through various methods, including door-to-door solicitation. Its volume of business in the State of Maine has been and is substantial.

Defendant Americana Corporation is a Corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 575 Lexington Avenue, New York, New York. It is a wholly owned subsidiary Corporation of Defendant Grolier, Incorporated. It sells and otherwise distributes encyclopedias, yearbooks and other publications, merchandise or services to the general public, through various methods, including door-to-door solicitation. Its volume of business in the State of Maine has been and is substantial.

4] Defendants transact as part of their business, a sales organization which has promoted and supported the sales efforts of the Defendants in the State of Maine. The violations of law hereinafter described have been, and are now

being carried out in part within the County of Cumberland. The Actions of Defendants are in violation of the laws and public policies of the State of Maine and are inimical to the rights and interests of the People of Maine as citizens, consumers and as competitors.

NATURE OF COMMERCE TRANSACTED

5] Defendants represent themselves, inter alia, as the distributors and promoters of various encyclopedia texts including the Encyclopedia Americana, Book of Knowledge and the Book of Popular Science.

6] In furtherance of their professed desire to promote and market these various publications, Defendants have formulated and implemented a sales program of in-home solicitation of Maine citizens.

7] In the course and conduct of their home solicitation sales program, Defendants have consistently utilized a number of false and deceptive acts and practices declared unlawful under the provisions of Title 5, Sections 206-212, as amended, of Maine Revised Statutes.

OFFENSES CHARGED

COUNT I

8] The allegations of paragraphs 1 through 7 are incorporated by reference in Count I as if fully set forth herein.

9] Defendants, in the course and conduct of their business, have utilized certain deceptive telephone solicitations for the purpose of obtaining entry to the homes of a great number of Maine consumers under false pretenses.

10] Defendants, through the use of such telephone solicitations have represented directly or by implication that:

a.) the name of the Maine consumer had been chosen or specially selected, when in truth and in fact the con-

sumer had not been chosen or specially selected;

b.) the Maine Consumer had "won" a "free" teaching machine, when in truth and in fact the consumer had not "won" anything and the teaching machine to be delivered by an American Encyclopedia salesman following the initial telephone solicitation was not "free" to the consumer;

c.) the Maine consumer would be eligible to participate in a larger contest upon acceptance of the "free" teaching machine, while failing to disclose the material fact that participation in the alleged contest would require the Maine consumer to be subjected to an encyclopedia sales presentation of several hours duration in the consumer's home;

d.) the "free" teaching machine would be delivered to the home of the consumer, while failing to disclose the material fact that the principal reason for the delivery of the teaching machine to the home has been that Defendants intend to utilize this deceptive method of entry into the home of the consumer for the express purpose of selling them encyclopedias costing approximately \$400 dollars.

#### COUNT II

11.] The allegations of paragraphs 1 through 10 are incorporated by reference in Court II as if fully set forth herein.

12.] Defendants' sales agents, upon delivery to the home of the consumer of the teaching machine, proceed immediately to promote the sale of encyclopedias.

13.] Defendants' sales agents in the course and conduct of such promotions, have represented directly or by implication that:

( a.) the sales agent had (not come to the consumer's home for the purpose of selling anything, when in truth and in fact their principal reason for being there was for the purpose of selling encyclopedias;

b.) the sales program promoted by Defendants had been approved by the Attorney General for the State of Maine when in truth and in fact Defendant's sales program had never received any type or form of approval from the Office of the Attorney General for the State of Maine;

c.) the prices offered to the Maine consumer were "special" or "reduced prices" or represented "tremendous reductions" in price to the consumer for the encyclopedias, when in truth and in fact the prices offered were the same prices available to any consumer throughout the county for the past several years;

d.) the consumer was required to make their decision to purchase that same evening, when in truth and in fact the same offer was available to any consumer at any time.

WHEREFORE YOUR PLAINTIFF PRAYS:

1. That the Court declare that the aforementioned business practices constitute unfair and deceptive trade practices in violation of Title 5 M.R.S.A., §§206-212, as amended and preliminarily and permanently enjoin the Defendants and any officers, agents, servants or employees as well as any and all other persons in active concepts or participation with them from hereafter:

a.) utilizing any of the deceptive acts or practices set forth in Counts I and II;

b.) utilizing any of the misrepresentations set forth in Counts I and II; or

c.) failing to disclose any of the material facts set forth in Counts I and II.

2. That the Court grant such other and further relief as the Court deems just and equitable to dissipate the effects of the false, misleading, unfair and unlawful acts and practices complained of herein, including restitution to injured consumers and judgment for Plaintiff's investigative expenses (as provided by Title 5 M.R.S.A. §209, as amended).

3. That if this request for an injunctive order be granted, that no bond be required because counsel for the Plaintiff is a public official of the State of Maine, and acting in his official capacity to protect the interests of the State, particularly in regard to the area of the protection of the People of the State of Maine from Unfair and Deceptive Trade Practices.

DATED at Augusta, Maine this 3<sup>rd</sup> day of January, 1973 A.D.

JON A. LUND  
ATTORNEY GENERAL  
STATE OF MAINE

by: John E. Quinn  
John E. Quinn  
Assistant Attorney General  
Consumer Fraud Division

Rodney Myrick  
Deputy Kennebec County

Served - Feb. 2, 1973