

10/20/71

STATE OF MAINE

SUPERIOR COURT
Civil Action
Docket No. _____

KENNEBEC, SS.

STATE OF MAINE, ex rel.)	
JAMES S. ERWIN, Attorney)	
General)	Complaint for Injunction
)	and
Plaintiff)	Restoration of Monies
)	(Unfair Trade Practices)
vs.)	
)	
INTERSTATE PUBLISHERS SERVICE, INC.)	
)	
Defendant)	

Now comes the State of Maine, as Plaintiff, by James S. Erwin, Attorney General of the State of Maine, pursuant to Title 5, M.R.S.A., §206-212, as amended, commonly known as the Unfair Trade Practices Act, and notice as required by Section 209 of said Title having been sent ten days prior to the commencement of this action, and in support of this Complaint alleges:

1. That the defendant, Interstate Publishers Service, Inc., is a foreign corporation created under the laws of the State of Missouri, with its principal place of business located at 12th and Walnut Street, Kansas City, Missouri.
2. That an investigation of the files and records of the Department of State, Corporation Division, failed to produce as of September 30, 1971, any evidence that the Certificate of Organization of Interstate Publishers Service, Inc., was ever filed in the Office of the Secretary of State in compliance with Corporation laws within the State of Maine or as a foreign corporation qualified to transact business within the State of Maine. A copy of the Certification efforts is attached to the Complaint.
3. That Defendant, Interstate Publishers Service, Inc., is primarily in the business of selling magazines and magazine subscriptions through door-to-door solicitations.

4. In the furtherance of Defendants' business, its officers, agents, servants, representatives, salesmen and assigns, and all persons in active concert or participation with them, would canvass a particular locale and solicit, by door-to-door methods, with the intent of obtaining magazine subscriptions for various magazine companies, by collecting a substantial portion of the total subscription price at the time of sale and present the purchaser with a coupon to be mailed to the Defendant with the balance of payment.

5. The Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them have acted in concert to obtain cash, contracts, agreements and subscriptions from residents of the State of Maine beginning at an exact time unknown to the Plaintiff, but at least since April 1971.

6. In the furtherance of Defendants' business, the Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them have represented that:

(a) The Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, were local college students who were selling magazine subscriptions in an attempt to obtain a certain amount of credit points so that they may receive a scholarship to further their college education.

(b) The Defendant, its officers, agents, servants, representatives, salesmen, assigns, and all persons in active concert or participation with them, were offering magazine

subscriptions at a lower price than the actual magazine publisher was offering.

(c) The Defendant , its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, were local residents working their way through college.

(d) The Defendant , its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, obtained a prospective customers' name and address through the recommendation of a nearby neighbor.

(e) Certain magazines offered for sale by the Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, were approved and recommended by various local religious groups or medical groups.

(f) The Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, could obtain any magazine subscription that a prospective customer desired.

7. The representations and statements setforth in Count 6, but not limited to Count 6, were untrue when they were made and had the capacity to deceive prospective customers, and said representations were violations of 5 M.R.S.A., Section 207.

8. The Defendant , its officers, agents, servants, representatives, salesmen, assigns, and all persons in active concert or participation with them, invoke various means of high pressure sales techniques which included, but are not

limited to, sympathy appeals, feigning, or calling attention to illness, handicaps, physical threats, all of which are in violation of 5 M.R.S.A. §207.

9. The Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, are using subscription contract forms which do not contain notice of the purchaser's right of avoidance of said contract, within three full business days of the signing of said contract, all of which is in violation of 32 M.R.S.A. §4661-4668.

10. The Defendants' its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, failure to give such notice as setforth in Count 9, is a material omission, and said material omission is in violation of 5 M.R.S.A. §207.

WHEREFORE, the Plaintiff prays that this Court:

1. Preliminarily and permanently enjoin the Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, from making and continuing to make misrepresentations in the conduct of the sale of their business.

2. Preliminarily and permanently enjoin the Defendant, its officers, agents, servants, representatives, salesmen, assigns, and all persons in active concert or participation with them, from failing to disclose material facts in the conduct of their business.

3. Preliminarily and permanently enjoin the Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, from the use of contracts which do not contain

notice of the consumer's right of avoidance in accordance with 32 M.R.S.A. §4661-4668.

4. Preliminarily and permanently enjoin the Defendant, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, from invoking high pressure sales techniques in obtaining signatures on contracts, agreements or subscriptions.

5. Order the Defendant to produce a complete list of all contracts, agreements, or subscriptions entered into in the State of Maine.

6. Render null and void all contracts, agreements, and subscriptions entered into by the Defendant in violation of the laws of this State.

7. Order the Defendant to make prompt restitution to all consumers who entered into contracts with the Defendant in the State of Maine.

8. Order the Defendant to pay any and all court costs arising out of and in connection with this cause of action.

9. Order the Defendant to pay reasonable attorneys' fees and cost to the Plaintiff's herein.

10. Retain jurisdiction over the parties and subject matter involved in this cause of action for the purpose of rendering any addition orders, decrees, judgments or such other equitable relief as the court may see fit or which may be requested by either the Defendant or the Attorney General of the State of Maine.

11. Grant such other relief as is necessary and proper to do justice.

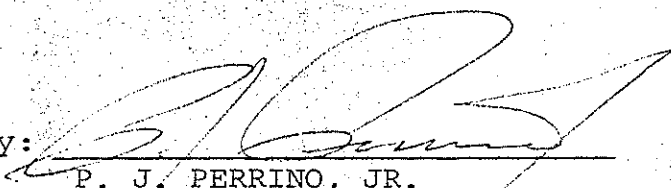
WHEREFORE, The Plaintiff also prays that should this

Court grant a preliminary injunction, that no bond be required because the Plaintiff is a public official of the State of Maine and acting in his official capacity to protect the interest of said State, particularly in regard to the area of the protection of the People of the State of Maine, from Unfair Trade Practices.

Dated at Augusta, Maine, this 20th day of October, 1971.

STATE OF MAINE


By:


P. J. PERRINO, JR.
Assistant Attorney General
State House
Augusta, Maine

VERIFICATION


Now personally appears, P.J. Perrino, Jr., Assistant Attorney General for the State of Maine, attorney for Plaintiff, and swears that the foregoing is true to the best of his information and belief.

Before me,


Justice of the Peace

A true copy:

ATTEST

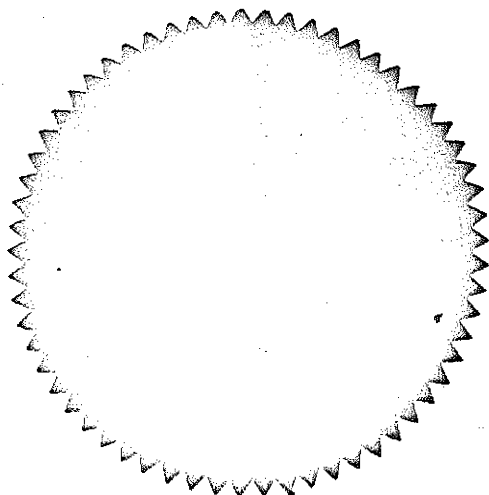

CLERK

State of Maine

Department of State

I, *Joseph T. Edgar, Secretary of State*, certify that according to the provisions of the Constitution and Laws of the State of Maine, the Department of State is the legal custodian of the Great Seal of the State of Maine which is hereunto affixed; and of the records of organization, charter amendments, dissolutions of corporations and annual returns filed by the same.

I FURTHER CERTIFY that a diligent search of the records of this Department fails to produce any evidence that the Certificate of Organization of Inter-State Publishers Service, Inc. was ever filed in this office in compliance with the corporation laws of the State of Maine or as a foreign corporation qualified to transact business in the State of Maine.



In Testimony Whereof. I have caused the Great Seal of the State to be hereunto affixed. GIVEN under my hand at Augusta, this thirtieth day of September in the year of our Lord one thousand nine hundred and seventy-one and in the one hundred and ninety-sixth year of the Independence of the United States of America.

Joseph T. Edgar Secretary of State

4-10-72

STATE OF MAINE

KENNEBEC, SS.

SUPERIOR COURT
Civil Action

Docket No. 778

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

v.]

INTERSTATE PUBLISHERS SERVICE,]
INC., CECIL T. GAY, EDWARD W.]
SCOTT, and THOMAS R. GAY, individ-]
ually and as officers of INTER-]
STATE PUBLISHERS SERVICE, INC.,]
and DONALD F. SCOTT, individually]
and as a director of INTERSTATE]
PUBLISHERS SERVICE, INC.]
Defendants]

AMENDMENT TO
COMPLAINT FOR
INJUNCTION AND
RESTORATION OF
MONIES

The Complaint for Injunction and Restoration of Monies in the above entitled action is amended by the Plaintiff, in accordance with Rule 15--Maine Rules of Civil Procedure, by adding as Defendants Cecil T. Gay, Edward W. Scott, and Thomas R. Gay, individually and as officers of Interstate Publishers Service, Inc., and Donald F. Scott, individually and as a director of Interstate Publishers Service, Inc., and also by adding subsection 1(a) to paragraph 1. on page 1. of the Complaint, which shall be designated as paragraph 1(a), and reads as follows:

1(a). Defendant Cecil T. Gay is an officer and director of Interstate Publishers Service, Inc. Defendants Edward W. Scott and Thomas R. Gay are officers of Interstate Publishers Service, Inc. Defendant Donald F. Scott is a director and principal shareholder of Interstate Publishers Service, Inc. Together they formulate, direct and control the

acts and practices of Interstate Publishers Service, Inc., including acts and practices hereinafter set forth. Their address is the same as that of Interstate Publishers Service, Inc.

DATED at Augusta, Maine this 10th day of April 1972.

JAMES S. ERWIN
ATTORNEY GENERAL

STATE OF MAINE

by: 

P. J. Perrino, Jr.
Assistant Attorney General
Consumer Protection Division

1/1972

STATE OF MAINE
KENNEBEC, SS.

SUPERIOR COURT
Civil Action
Docket No. 778

STATE OF MAINE, ex rel]
JAMES S. ERWIN, Attorney General]
<u>Plaintiff</u>]
v.]
INTERSTATE PUBLISHERS SERVICE,]
INC., CECIL T. GAY, EDWARD W.]
SCOTT, And THOMAS R. GAY, individ-]
ually and as officers of INTER-]
STATE PUBLISHERS SERVICE, INC.,]
and DONALD F. SCOTT, individually]
and as a director of INTERSTATE]
PUBLISHERS SERVICE, INC.]
<u>Defendants</u>]

CONSENT JUDGMENT

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 Defendants Interstate Publishers Service, Inc., Cecil T. Gay, Edward W. Scott, Thomas R. Gay and Donald F. Scott, appearing by and through their Attorney William N. Kenefick; and it appearing that the parties in this matter have mutually agreed and approved of the terms of the following permanent injunction:

1. Plaintiff complaints that the Defendants Interstate Publishers Service, Cecil T. Gay, Edward W. Scott, Thomas R. Gay and Donald F. Scott have been guilty of certain misrepresentations and material omissions in the conduct of their business in the State of Maine. While they consent to the entry of the Order, the Defendants nevertheless deny the allegations that they have been guilty of unfair trade practices.

2. The Defendant Interstate Publishers Service, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Missouri, with its principal place of business located at 12th and Walnut Streets, Kansas City, State of Missouri.

3. The Defendant, Cecil T. Gay is an officer and director of Interstate Publishers Service, Inc., Defendants Edward W. Scott and Thomas R. Gay are officers of Interstate Publishers Service, Inc., Defendant Donald F. Scott is a director and principal shareholder of Interstate Publishers Service, Inc. They formulate, direct and control the acts and practices of Interstate Publishers Service, Inc., and their address is the same as that of the said corporation.

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

ORDERED AND ADJUDGED that the above named Defendants, their 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 representing:

a. that the Defendants, its officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them, or local college students, who are selling magazine subscriptions in an attempt to obtain a certain amount of credit points, so that they may receive a scholarship to further their college education, where such is not the fact;

b. that the Defendants, its officers, agents

servants, representatives, salesmen, assigns and all persons in active concert or participation with them were offering magazine subscriptions at a lower price than the actual magazine publisher was offering, when such is not the fact;

c. that the Defendants, its'officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them were local residents working their way through college, when such is not the fact;

d. that the Defendants, its'officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them obtained a prospective customer's name and address through the recommendations of a nearby neighbor, when such is not the fact;

e. that certain magazines offered for sale by the Defendants, its'officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them were approved and recommended by various local religious groups or medical groups or any other groups, when such is not the fact;

f. that the Defendants, its'officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with them could obtain any magazine subscription that a prospective customer desired, when such is not the fact, and it is further,

ORDERED AND ADJUDGED that the Defendants, its'officers, agents, servants, representatives, salesmen, assigns 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 Defendants be ordered and directed to legally disclose all relevant material facts to potential customers if representations are made to some material facts, and it is further

ORDERED AND ADJUDGED that the above named Defendants shall make available to the Attorney General with ten (10) days of notice of request thereof by the Attorney General, any and all information and records pertaining to Defendants' operations and sales within 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; it is further

ORDERED AND ADJUDGED that the Defendants, 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 using various means of high pressure sales techniques which include, but are not limited to, sympathy appeals, fainting, or calling attention to illness, handicaps or physical threats. It is further

ORDERED AND ADJUDGED that the Defendants, its' officers, agents, servants, representatives, salesmen, agents and all persons in active concert or participation with them shall use contracts or purchase order blanks, which contain a consumer's

right of avoidance, which corresponds fully with 32, M.R.S.A, §§4661-4668, and it is further,

ORDERED AND ADJUDGED that the Defendants shall rescind any and all contracts and make prompt restitution to any customers filing claims against the Defendants, with the Office of the Attorney General within sixty (60) days after the date of this Order, and it is further

ORDERED AND ADJUDGED that the Defendants supervise and exercise reasonable control over the representations, acts and practices utilized by the Defendants, its' officers, agents, servants, representatives, salesmen, assigns and all persons in active concert or participation with the Defendants to insure that no fraudulent or deceptive representations or acts or practices are further utilized in violation of this judgment, and it is further

ORDERED AND ADJUDGED that the Defendants pay to the Plaintiff the sum of five hundred (\$500) dollars, as costs of its' suit herein.

DATED at Augusta, Maine this day of 1972.

Justice, Superior Court