This three-part business case is designed for use in courses addressing

- Business Ethics  
- Brand Integrity  
- Governmental Regulations  
- Organizational Behavior  
- Business Law  
- Crisis Management  
- New Product Development  
- Succession Management

The narrative of the case provides material for discussing ethically responsible corporate policy and practice. This is particularly important at a time when MBA programs are seeking ways to incorporate ethics in their teachings and students are actively requesting the exploration of ethics in the classroom.

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A teaching note accompanies the case and is available for faculty use only. It can be requested via email from Professor Linda Ginzel. Please email information on faculty status and phone number or online link for verification purposes.

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Links

ASTM  |  JPMA  |  Kids In Danger  |  Kolcraft  |  Playskool  |  CPSC

Last Updated: October 11, 2004
Abstract: The Playskool Travel-Lite Crib

The Playskool Travel-Lite, a portable crib manufactured by Kolcraft Enterprises and licensed by Hasbro’s Playskool division, came to market in December 1989, stopped shipping in April 1992, and was recalled in February 1993. The crib’s recall was initiated after three children were killed, in separate incidents, when one of its top rails collapsed and strangled them. Approximately 11,600 of the cribs were manufactured, and by June 1996, when the U.S. Consumer Product Safety Commission (CPSC) closed its case, only 2,736 Travel-Lites could be accounted for. To date, six children have been killed in Playskool Travel-Lite cribs.

This case discusses the design, development, marketing, sale, and recall of the Travel-Lite.

Part A discusses how the Travel-Lite came to market, details the deaths of three infants in the product, and brings Sanfred Koltun, CEO of Kolcraft, to a point where he must decide how the company will conduct a recall, as ordered by the CPSC.

Part B details the recall process as it occurred, including negotiations between Kolcraft and the CPSC, and Kolcraft’s actions in conducting its recall. It also discusses three additional infant deaths that occurred after the recall.

Part C considers the numerous issues surrounding the succession of the company to Sanfred Koltun’s son Thomas and details Travel-Lite deaths that occurred during and after the recall. The case ends with Thomas Koltun facing a major lawsuit, public relations challenges, maneuverings by Hasbro to separate itself from the product’s liabilities, and the possibility that Travel-Lites are still in use by the public.

This case study is designed for use in business ethics and organizational behavior courses, as well as in courses treating new product development, brand integrity, governmental regulation, crisis management, succession management, and business law. The narrative of the case provides material for discussing ethically responsible corporate policy and practice. Analysis of the decision-making processes at Kolcraft and Hasbro that ultimately resulted in the tragic deaths provides an opportunity to discuss the many facets of corporate responsibility.
Sanfred Koltun sat in his office in the Chicago headquarters of his company, Kolcraft Enterprises, reading a letter. Addressed to Bernard Greenberg, president of Kolcraft, the February 1, 1993, letter had been passed around to the company’s handful of top executives. He would get their perspectives on the situation. But Koltun knew that, as owner and CEO, he would be the one to determine the company’s actions. It had been this way since his father started the company in 1942.

The three-and-a-half page letter was from Marc J. Schoem, director of the division of corrective actions for the United States Consumer Product Safety Commission (CPSC). Schoem’s office, his letter explained, was responsible for making a preliminary determination about “whether a defect is present in a product and, if so, whether that defect rises to the level of a substantial risk of injury to children.”

“The CPSC has received reports of two infant fatalities resulting from the collapse of ‘Playskool’ brand portable cribs manufactured and distributed by Kolcraft,” Schoem wrote. “In both cases it appears the infant was entrapped when the crib collapsed while the infant was in the crib.” Schoem then requested a “full report.” Kolcraft would have to provide, among other materials, “copies of all test reports, analyses, and evaluations, including premarket tests and reports of tests and any analyses related to the locking mechanism and/or potential for collapse of product.” The CPSC also requested copies of all engineering drawings, any consumer or dealer complaints, lawsuits, assembly instructions in all their forms, and two samples of the Travel-Lite crib. Finally, Schoem noted, Kolcraft had a “continuing obligation to supplement or correct its ‘full report’” as new information about the product or incidents related to it became known.1

Schoem closed his letter with the request that Kolcraft respond within ten working days.

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History of Kolcraft

Kolcraft Enterprises was started in Chicago in 1942 as a manufacturer of baby pads, a foam product commonly used in high chairs, playpens, and bassinets. In 1950 Kolcraft began manufacturing mattresses for use in baby cribs. Sanfred Koltun, the founder’s son, graduated with a bachelor’s degree from the University of Chicago in 1954 and an MBA from the same school in 1955. He then joined the company, which at that time employed about 30 people.2

By the early 1980s, Kolcraft diversified into the manufacture of various juvenile seats, including car seats and booster seats. Koltun opened a 25,000-square-foot facility in North Carolina making what are generically known as playpens, a metal and masonite folding device typically measuring 36” by 36” with mesh sides. Children would nap and play in these common household products. Kolcraft eventually expanded to include operations in Pennsylvania, Georgia, and California.3 By the late 1980s, the company had hundreds of employees, with headquarters in Chicago and a separate manufacturing and engineering facility in Bedford Park, Illinois.4 Though dwarfed by major corporations like Mattel’s Fisher-Price and Hasbro’s Playskool, Kolcraft eventually grew to become the seventh largest juvenile products manufacturer in the nation, with revenues around $30 million.5

Kolcraft maintained a small executive suite with Sanfred Koltun as CEO. Kolcraft’s flow of information was informal, with meetings taking place frequently in a centrally located conference room at the headquarters.6 Although the managers of various divisions controlled the day-to-day operations of their projects, Sanfred Koltun had the final word in all important decisions of the company.

In 1979, Kolcraft hired Edward Johnson, a graduate of a technical high school where he received training in draft work. Johnson had worked as a design draftsman for a lighting company, served four years in the Air Force, and worked for seven years at J.E. Industrial Molding as a designer in custom blow molding, a process that made plastic products with a cushion of air inside. He designed Kolcraft’s first car seat, which was sold in the Sears retailing chain, and by 1987 he had been named engineering head of Kolcraft. Johnson worked mainly on car seats and other seat products like high chairs until his first design of a portable crib, in 1989.7

In 1987, Kolcraft hired Bernard Greenberg as a vice president. A graduate of New York University, Greenberg had worked at Macy’s for six years as a buyer, then spent a number of years with various manufacturers of juvenile products, eventually serving as president of Century, a juvenile product manufacturer which was a division of Gerber baby products. Greenberg became president of Kolcraft around 1990.

Development of the Playskool Travel-Lite

In the mid-1980s, the U.S. juvenile product market saw a substantial influx of imported goods, primarily from Asia, including a new product—portable play yards, or portable cribs as they came to be known. Rectangular in shape, the traveling cribs often folded into a carrying bag. Sanfred Koltun believed that Kolcraft could manufacture a similar, better product.

In the first half of 1989, Edward Johnson drew up some preliminary sketches for a portable, collapsible crib. Johnson’s design featured two hollow plastic sides that would serve as the exterior shell of the crib when it was folded for transport. The other two sides would be made of mesh supported by two collapsible top rails with a hinge in the middle. The solid floor would also fold at the center.

That spring, Sanfred Koltun gave the go-ahead to create a mock-up of the portable crib. “His comment from the very beginning was like it was the best thing he’d ever seen,” Johnson remembered later. “It was unique

7. Johnson, pp. 3-9, 29.
because there was nothing out there with a carrying case. Nothing that was that structurally sound. Nothing that
looked as nice as that.”
Johnson’s painted wood model of the crib was well-received by Kolcraft’s marketing
department, and the company decided to try to get the portable crib ready for the annual Juvenile Products
Manufacturers Association (JPMA) trade show, scheduled for mid-September in Dallas.

Initial prototype models of the crib were heavier than Johnson had hoped—close to 19 pounds, as opposed
to the 10 or 11 pounds he had originally planned. Nevertheless, the company’s optimism for the product continued.
According to Johnson, the engineering department generated an “unbelievably thick” file on the Travel-Lite while
trying to make the product achieve the portability that had been a major selling point of its competitors.

A Travel-Lite prototype was made and sat in the break room across from Johnson’s office in Bedford Park.
Soon Johnson found himself demonstrating the crib to other Kolcraft employees. “We constantly were taking this
thing down and putting it back up, kicking it around, because it was a unique product and everybody was … excited
about it,” Johnson remembered. “Whenever someone walked into the room, they’d come in to me and say, ‘what is
this?’ and I’d have to go through and explain it. And every time they asked, I’d tear it down and put it back up again.
This thing [was] going up and down all the time.”

A prototype model of the portable crib received a generally favorable reception from retail buyers at Sears,
K-Mart, JC Penney, Wal-Mart, Montgomery Ward, Service Merchandise, and Target. Several buyers noted that they
would like to see the crib be a little lighter. Some also noted that they had difficulty turning the crib’s locking
mechanism, which consisted of round plastic knobs or dials located at the end of each top rail. “Some of the buyers
told us they just could not turn the lock,” said Greenberg, who visited the engineering offices once a week to check
on the project’s progress. “And [Johnson] kept on working on it.”

The final design featured a nub on the outside portion of the dial that would slide into an indent on the
inside portion. Once the crib was standing up, users would turn the knobs to the “lock” position (eventually
designated by decals), and then hear a small “click” (Exhibit 1). “When we put it back to the buyers, they liked it a
lot,” Greenberg said. “They thought it was a very good idea.”

The crib would be ready for the trade show in Dallas.

Licensing the Travel-Lite

Sanfred Koltun believed that affiliating with a recognized brand name would be beneficial for Kolcraft. “I
thought in terms of customers,” he said. “I wanted to get [our product] on the floor of juvenile departments in retail
stores.” In 1989, as Bernard Greenberg would later put it, Sanfred Koltun “went after the Playskool name,” and by
that summer Koltun had negotiated a licensing deal with Hasbro. Kolton hired Ernst Kaufmann, a 32-year veteran of Sears, to handle the merchandising of the new line, which Kolcraft would license under the Playskool brand name.

Playskool, well known in the juvenile products market for its reputation as a maker of high quality toys,
was a property of the Hasbro company. Founded in the 1920s by Polish immigrant Henry Hassenfeld and publicly
traded since 1968, Hasbro was in the 1980s one of the fastest growing companies in the nation, with successful
brands such as Raggedy Ann and G.I. Joe, and revenues surpassing $2 billion. In 1983, Hasbro had hired John
Gildea to be its director of licensing. Gildea had been employed by the owners of Hanna Barbera, where he had
negotiated licensing contracts for such properties as the Flintstones, Scooby Doo, and Huckleberry Hound. Prior to
1983, licensing had not been a separate department at Hasbro, and top management at the company had directed the
new department to find high-quality manufacturing partners who would uphold Playskool’s reputation in the

8. Johnson, pp. 31-32.
11. Greenberg, p. 82.
13. S. Koltun, pp. 73-75.
The Playskool Travel-Lite Crib (A)

marketplace. Through the mid-1980s, Gildea hired account executives to handle such properties as G.I. Joe, My Little Pony, and Mr. Potato Head.

By the end of the decade, Hasbro had begun licensing the Playskool name—a brand associated, as Gildea put it, with “quality, fun products.” In an interview with Children’s Business, Gildea outlined the emerging benefits of the company’s licensing business:

The non-toy products are Playskool line extensions that we don’t happen to make. Our strategy is twofold. We gain incremental exposure of the Playskool name, [creating] brand awareness at a very early age that will pay dividends down the line. Secondly, and not insignificantly, it brings income. Licensing allows us to concentrate on our core business and also take advantage of the corporate name in appropriate products.

Both benefits looked relatively easy to achieve, and may have seemed necessary, as one of Hasbro’s main competitors, Fisher-Price, had already begun making products outside its traditional lines.

In the original agreement, Kolcraft would manufacture and distribute mattresses, playpens, and car seats with Hasbro’s Playskool name attached. The agreement stipulated, among other provisions, that:

[T]he licensee shall, prior to the date of the first distribution of the licensed articles, submit to the licensor a test plan which lists all the applicable acts and standards and contains a certification by the licensee that no other acts or standards apply to the licensed articles. … Test plan shall describe in detail the procedures used to test the licensed articles, and licensee shall submit certificates in writing that the licensed articles conform to the applicable acts and standards. Upon request by the licensor, licensee shall provide licensor with specific test data or laboratory reports.

Kaufmann helped with the final terms of the licensing agreement, and came up with one amendment: adding the new portable crib to the deal. “When you develop your company into new products, the competition is way ahead of you,” said Greenberg. “If you develop a product that is similar to the competition, especially in price, you need something to put on it to give more flavor to it, so to speak.”

Going to the Show

Kolcraft’s display at the JPMA trade show in Dallas featured a separate area for its Playskool products, staffed by Kaufmann. The Travel-Lite received a warm reception, and a press release by the JPMA, dated September 15, 1989, named the Travel-Lite one of the top new products at the trade show:

At a press conference today, the Juvenile Products Manufacturers Association (JPMA) announced the winners of the “Ten Most Innovative Products Contest.”

A panel of independent judges … were instructed to judge on: creativity, originality, function, convenience, safety, innovative design, fashion, style, and overall appearance and use of the product.

Later, the crib even got some national press attention in the “What’s New in Design” section of the December 4, 1989, edition of Adweek magazine (Exhibit 2).

17. Details of this expansion also included in Children’s Business, February 1991.
18. Gildea, pp. 54-55.
20. Greenberg, p. 27.
Final Preparations

On September 28, 1989, Hasbro’s David Schwartz, who handled the Kolcraft account for the company, wrote a letter to Ernst Kaufmann, reminding him of Kolcraft’s obligations under the licensing agreement. “Pursuant to the terms of the contract between Hasbro and Kolcraft Enterprises, please be aware that Kolcraft must adhere to the terms set forth in Paragraph 7 (quality of merchandise), stating that: ‘The licensee warrants that the licensed articles will be designed, produced, sold, and distributed in accordance with all applicable U.S. laws.’”21 Schwartz then specifically asked for documents he had not yet received: “I would also request test plans and results for the Playskool travel crib … when they have been obtained.”22 While Hasbro had its own quality assurance department, it did not perform tests on the Travel-Lite.23

On December 1, 1989, Kaufmann answered Schwartz with a letter, noting various government and industry testing standards that had been applied to the other juvenile products about to come to market under the Playskool name. For the portable crib, he noted only that the product would come with a one-year limited warranty. “My intention was to show that we had a quality product,” Kaufmann said later. “[One] that we were willing to put a warranty behind.”24

In subsequent conversations with Kaufmann, Schwartz again requested test plans for the Travel-Lite.25 Kaufmann answered with a December 21, 1989, letter,26 which in its entirety read as follows:

Dear Mr. Schwartz:

Please be advised that there are no government or industry test standards applicable to the Playskool portable crib.

We have therefore taken all reasonable measures to assure that this portable crib is an acceptable consumer product.

Very truly yours,

[signed] Ernst Kaufmann

Schwartz filed the letter.

Going to Market

Kolcraft began producing and shipping the Travel-Lite in January 1990. Both the crib and its packaging featured prominent placement of the Playskool name, and it was available in retail chains such as Toys ’R’ Us, K-Mart, JC Penney, and Wal-Mart. An instruction sheet for setting up the crib was affixed to the floor of the crib, underneath the mattress—“a standard production step,” Johnson noted. “It’s in the specifications for [conventional] play yards. … All the other play yards have them.”27

Sanfred Koltun was by now a proud grandfather. On family visits, his grandson would spend time in a Travel-Lite. “I was very happy with it,” Koltun said.28

In June 1991, Edward Johnson received a patent for the Travel-Lite design. His petition noted that “the present invention relates to collapsible or foldable structures; and more particularly, to a collapsible structure

24. Kaufmann, p. 76.
26. From appendix to #98L7063, tab 17.
27. Johnson, p. 94.
suitable for use as a portable play yard.” Other play yards, the patent application contended, were difficult to fold, whereas Johnson’s design for the Travel-Lite was “easy to fold and transport.”

Sanfred Koltun would later attribute the poor sales of the Travel-Lite to the fact that the crib was more expensive than similar imported items, causing discount retailers like K-Mart and Wal-Mart to shy away from the product. The design team felt that the product had simply become too heavy. “As far as the buyers go, [the] unit was too heavy,” Johnson said. “I don’t think it was the consumer. The buyers kept asking for more and more—more padding, things like that. And eventually, enough buyers said, ‘no.’”

Kolcraft ended up selling only about 11,600 of the cribs, models 77101 and 77103, and shipments stopped in April 1992.

The First Deaths

On July 3, 1991, an 11-month-old boy in California died of strangulation while in a Travel-Lite crib. The child’s neck was caught in the “V” created when the crib’s top rails collapsed. The CPSC investigated the incident, and produced a report by the end of the year.

That spring, the report was mailed to Hasbro, which forwarded it to Kolcraft. In June 1992, Kolcraft responded with a letter to the CPSC, which stated in part:

The CPSC report on the July 3, 1991 incident involving a small child notes that the travel crib is subject to the voluntary standards of the juvenile products manufacturing industry. We note that there is no such standard applicable to travel cribs. The ASTM standard for play yards, ASTM F 406 does not apply to this product, which is a wholly different structural entity. Nor does the CPSC standard for non-full-size cribs, 16 CFR Part 1509, apply to travel cribs of this design.

The letter also noted that nothing in the report “suggests at this point that the Travel-Lite portable crib is defective in any way or presents a substantial hazard.”

On November 30, 1992, a nine-month-old girl in Arkansas died when her Travel-Lite collapsed, strangling her in the “V.” A ten-month-old girl in California was killed in the same manner in another Travel-Lite on January 5, 1993.

The CPSC had only heard about two of the deaths when Marc J. Schoem wrote his February 1, 1993, letter to Kolcraft, requesting a full report on the Travel-Lite. Sanfred Koltun was shocked at the news. “I was appalled when I heard about the deaths,” he said. “I just couldn’t believe people were so careless.”
Exhibit 1 The Playskool Travel-Lite crib with view of two side knobs
The Playskool Travel-Lite Crib (A)

Exhibit 2

The Playskool Travel-Lite crib in *Adweek* magazine

December 4, 1989

*ADWEEK’S MARKETING WEEK*

Page 53

In the always-hot market for portable everything, Kolcraft Enterprises Inc. of Chicago is tickling the offspring of mobile cellular-phone users and other travelers with a portable crib. The No. 5 juvenile-products manufacturer, under a licensing agreement with Playskool, has designed a 19-pound all-in-one unit that folds up into its own carrying case.

The crib’s nylon walls unfold, and the frame locks in place to hold an infant up to 24 months old. In the closed position, the crib case measures 29-by-5½-inches—the size of a large type-writer. Transparent walls made out of mosquito netting let guardians keep an eye on the baby, and vice versa. The $89 travel crib is expected to hit the market in March.

The Trav’l Light is one of three products that Kolcraft licensed from Playskool this year. The company is also making a Playskool car seat and stationary-crib mattress that will ship to major retailers during the winter.

Designer Nolan Miller—whose fashions graced the primetime soap queens on *Dynasty*—has created a signature gown for The Black Velvet Lady. The spokeswoman for the No. 3 brand of Canadian whiskey will wear the plush dress in ads and promotions.

For years Heublein Inc. used professional models as the Black Velvet Lady. But three years ago it launched annual beauty contests to boost brand awareness with younger women. This year’s regional contests had more than 5,000 participants. And in these markets, sales jumped 10% during the promotion.

It looks like an unassuming hassock fan, but the No-Rad Radon Removal System is a patented combination of air ventilator, filter and ion generator. It’s the latest product designed in recent years to quell consumer fears about cancer-causing radon.

Backed by findings by Harvard University researchers, Ion Systems Inc. says its $350 gadget can reduce radon decay particles in a room by as much as 90%. Homeowners spend thousands of dollars on reconstruction to seal, pressurize and ventilate their houses against radon.

No-Rad is positioned as a serious but inexpensive option. Its 360-degree air vents are supposed to improve effectiveness, and the neutral gray case is designed to fit into almost any home. It weighs 19 pounds.
The Playskool Travel-Lite Crib (A)

Exhibit 3  The Playskool Travel-Lite crib in collapsed position

If the side rails collapse, a child’s neck can get caught in the fold, strangling the child.
The Playskool Travel-Lite Crib (B)

Starting the Recall

The Travel-Lite had been off store shelves for almost a year when Kolcraft received the February 1, 1993, letter from the U.S. Consumer Product Safety Commission (CPSC). And although the crib carried a limited one-year warranty, the product had not included a mail-in warranty registration card for consumers. By February 1993, the earliest users of the crib would have long outgrown it, and in many cases the original purchasers would have discarded, stored, sold, or given away their cribs.

Sanfred Koltun met with Bernard Greenberg and John Staas, an attorney and Kolcraft’s vice president of operations, to discuss the situation. Kolcraft retained a law firm in Washington, D.C., and on February 12 drafted a response to the CPSC. In it they proposed notification procedures, including contacting retailers with a letter and a poster informing them of a potential problem with the Travel-Lite, and providing a toll free number for consumers to call. A copy of the poster Kolcraft designed for display in retail locations was passed to Hasbro, and on February 18, staff at Hasbro approved the poster. On February 19, a Friday, Kolcraft sent retailers a letter and an accompanying 8-1/2” x 11” poster, which included a drawing of the Travel-Lite.

Also on February 19, Kolcraft’s lawyers in Washington received notice that the compliance staff at the CPSC had made a preliminary determination that the Playskool Travel-Lite crib presented “a substantial risk of injury to children as defined by section 15 (a) of the Federal Hazardous Substances Act (FHSA), 15 U.S.C. § 2064 (a). Specifically, there have been three reports to the Commission of infant fatalities resulting from the product folding up during use.” On February 22, 1993, the CPSC received from Kolcraft a copy of the letter and poster the company had mailed to retailers the previous Friday. On February 24, 1993, William J. Moore, Jr., an attorney in the office of compliance and enforcement of the CPSC, wrote a letter to Kolcraft’s attorneys in Washington, D.C. His letter stated, in part:

1. Deposition of Malcolm Denniss, 8/27/1999, p. 64.
2. Linda Ginzel, as independent administrator of the estate of Daniel Keysar, deceased, and on behalf of Boaz Keysar, Ely Keysar, and Linda Ginzel, next of kin, plaintiff, v. Kolcraft Enterprises, Inc., a Delaware Corporation, and Hasbro, Inc., a Rhode Island Corporation, defendants, #98L7063, Circuit Court of Cook County, County Department, Law Division. From appendix, tab 7.

Written by David Zivan, Senior Editor, Chicago magazine. Funded by the James S. Kemper Ethics in Business Grant to the Graduate School of Business at the University of Chicago, under the direction of Professor Linda Ginzel.

This document, which can be downloaded from http://www.chicagocdr.org, is in the public domain and may be reproduced without permission. The University of Chicago and the James S. Kemper Foundation would, however, be grateful to know of any and all uses of this case. A teaching note, for faculty use only, is available by request.

Please write: Professor Linda Ginzel, Graduate School of Business, The University of Chicago, 5807 South Woodlawn Avenue, Chicago, IL 60637, USA. Or by email: linda.ginzel@chicagoGSB.edu.
We take serious exception with your proposal to print the pediatrician poster in black and white. The poster will be competing with many other pieces of information. … The staff was very troubled to learn that the retailer letter and accompanying poster you provided to us on Monday, February 22, 1993, had already been sent to the retailers the previous Friday. The staff had been asking to review the proposed retailer notice for several days. Your February 12 letter promised to provide these documents to us by February 16. We stood willing and able to give quick guidance for producing effective notice documents. …

The 8-1/2 x 11 inch, black and white, thin stock “poster” sent to retailers had many serious shortcomings, in our view. It did not even have the Playskool name on the crib.

Moore added that his staff “wishes to work with Kolcraft to make this an effective … recall and to prevent further tragedy.”

In a conference call on March 1, Kolcraft’s attorneys in Washington tried to reassure the CPSC that Kolcraft and their firm were responding quickly and responsibly. Kolcraft had by then agreed to send a notice to approximately 26,000 pediatricians on a list maintained by the American Academy of Pediatrics. In addition, it would send a revised letter to Sears and to smaller retailers. The JC Penney’s chain would be able to notify its catalog customers directly from its database. Kolcraft’s attorneys expressed concern with the tone of Moore’s letter and asked that it be purged from the case file, a suggestion that the CPSC rejected.

After confidential negotiations between Kolcraft attorneys and the CPSC, the CPSC on March 10 issued a press release announcing the product recall (Exhibit 1). Hasbro was not involved.

Six weeks after its request for a full report, the CPSC was still attempting to acquire testing data on the Travel-Lite and status reports on the progression of the recall. On March 19, 1993, John Staas wrote a memo to Kolcraft’s file, with the subject line, “Testing information requested by CPSC.” It read in part:

Using the ASTM play yard standard as a model Kolcraft measured and maintained the following performance features on the Travel-Lite crib:

1. Caps, sleeves, etc. secured to stay on with 15 lbf force or more.
2. Uniformly spaced components.
4. Side strength and deflection of top rails and supporting methods to withstand 50 lbf static load.
5. Floor strength to withstand 50 cycle 30 ft. load.
6. Holes sized to avoid finger entrapment.
7. Mesh openings to avoid finger and toe entrapment and snaring of buttons.
8. Twelve-gauge vinyl used on the top rails.

Staas mentioned reaching compliance with regulations on sharp points and edges, and flame-retardant standards, and added that:

Kolcraft designers conducted use and abuse tests on these cribs, consisting of repeated cycles of leaning, pushing, sitting on and throwing the crib, and turning it on its sides. Kolcraft also tested the folding mechanism to determine if it could be inadvertently folded or lowered by a child while the crib was in use. Kolcraft used CPSC 16 CFR § 1500.53 (e) (3) as its standard to test the folding mechanisms.

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3. From appendix to #98L7063, tab 7.
4. From telephone notes in appendix to #98L7063, tab 7.
6. From appendix to #98L7063, tab 6.
CPSC use and abuse standard 16 CFR § 1500.53 (e) (3) prescribes a standard of 4 inch-pound torque to measure the susceptibility of a product to the twisting motion of a child 36 to 96 months of age. The Travel-Lite top rails were designed and measured to require four times the force of the CPSC regulation. Kolcraft’s measurements using a torque wrench indicated that 15-20 inch-pounds was approximately the range needed to activate the folding mechanism.

Kolcraft was able to produce no records on the testing of such a twisting motion. Later, Edward Johnson said he could not recall which of the tests his department performed had received written notations, and which had been informal. In addition to simply turning the dials at either end of the crib, as intended, the crib could also fold closed if the collapsible top rails were turned firmly enough (i.e. 15-20 inch-pounds, as noted by Kolcraft) to dislodge the nub holding them in place.

On July 12, 1995, a ten-month-old boy in Indianapolis was strangled in the “V” of his collapsed Travel-Lite. He was the fourth known victim of the crib.

By June 1996, of the 11,600 sold, 2,736 Travel-Lites could be accounted for. Noting that the returns had stopped, and that there had been no recent injury or death reports, the CPSC closed its case. The status of 76 percent of the cribs remained unknown.

**After the Recall**

On May 12, 1998, during naptime at his childcare provider, 16-month-old Danny Keysar was found unconscious in the “V” of a Travel-Lite. He was rushed to the emergency room but could not be revived. He was the fifth reported death in a Travel-Lite (Exhibit 2).

On August 19, 1998, a ten-month-old New Jersey boy was found dead, strangled in the “V” of his Travel-Lite. He was the sixth victim (Exhibit 3).

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NEWS from CPSC

U.S. Consumer Product Safety Commission

Office of Information and Public Affairs

FOR IMMEDIATE RELEASE
March 10, 1993
Release # 93-043

CONTACT:
(301) 504-0580

Playskool Travel-Lite Portable Cribs Recalled By Kolcraft -- Suffocation Risk Cited

PRODUCT: 11,638 Playskool Travel-Lite Portable Cribs, models 77101 and 77103 manufactured by Kolcraft Enterprises, Inc.

PROBLEM: If the side rails of the portable crib fold during use, an infant can become entrapped and suffocate. Three deaths have been reported.

WHAT TO DO: Stop using and call Kolcraft at 1-800-453-7673 for instructions on how to obtain a refund.

WASHINGTON, DC -- Kolcraft Enterprises, Inc., Chicago, IL, is voluntarily recalling 11,638 Playskool Travel-Lite portable cribs, models 77101 and 77103. The cribs were manufactured by Kolcraft under license from Playskool and sold nationally from 1990 to 1992. This recall is being conducted in cooperation with the U.S. Consumer Product Safety Commission (CPSC). The Commission has received three reports of infant deaths due to suffocation in these cribs. In each case an infant allegedly was found entrapped in a folded crib.

The incidents reported to CPSC suggest that if the side rails of the crib fold during use, an infant may become entrapped in the "V" where the side rails fold. While it is still unclear exactly why the crib side rails folded, Kolcraft is recalling all Travel-Lite cribs in an effort to prevent any further risk of injury to infants using these cribs.

The Playskool Travel-Lite portable crib has two nylon mesh sides and two blue solid plastic ends. "Playskool" appears in white letters on a red background on each end. The crib folds in the center for storage and handling.

Consumers who have a Playskool Travel-Lite portable crib should immediately stop using it and call Kolcraft toll-free at 1-800-453-7673 for instructions on how to obtain a refund. The toll-free line is open between 9:00 a.m. and 4:00 p.m. Eastern time.

Send the link for this page to a friend! The U.S. Consumer Product Safety Commission protects the public from unreasonable risks of injury or death from 15,000 types of consumer products under the agency’s jurisdiction. To report a dangerous product or a product-related injury, call CPSC's hotline at (800) 638-2772 or CPSC's teletypewriter at (800) 638-8270, or visit CPSC's web site at www.cpsc.gov/talk.html. Consumers can obtain this release and recall information at CPSC's web site at www.cpsc.gov.
Exhibit 2  The CPSC press release following the fifth reported death in the Playskool Travel-Lite crib

NEWS from CPSC

U.S. Consumer Product Safety Commission

Office of Information and Public Affairs  Washington, DC 20207

FOR IMMEDIATE RELEASE  CPSC Consumer Hotline: (800) 638-2772
June 18, 1998  CPSC Media Contact: Nychelle Fleming, (301) 504-0580 Ext. 1192
Release # 98-128

CPSC Urges Search for Previously Recalled Portable Cribs and Play Yards

WASHINGTON, D.C. - The U.S. Consumer Product Safety Commission (CPSC) is urging consumers to search for and stop using previously recalled child products, in particular the "Playskool Travel-Lite" portable crib, which was manufactured by Kolcraft from 1990 through 1992 and recalled in 1993. In May of 1998, a Chicago toddler died after a Playskool Travel-Lite portable crib collapsed.

Manufacturers of portable cribs and play yards are joining in the effort to warn consumers and childcare providers to stop using the more than 1.5 million portable cribs and play yards that have been recalled in past years. Top rail hinges must be turned to set up the cribs and play yards. These top rails can collapse, entrapping children and suffocating them. Twelve children have died from suffocation in collapsed play yards and portable cribs manufactured by various firms. Current production play yards have top rails that automatically lock into place when the play yards are fully set up.

"A death caused by a previously recalled product is a tragedy," said CPSC Chairman Ann Brown. "We urge consumers to make an all out effort to search their homes and daycare centers for these portable cribs and play yards and stop using them."

The Playskool Travel-Lite portable cribs have two nylon mesh sides and two blue solid plastic ends. "Playskool" appears in white letters on a red background on each end. The portable crib folds in the center for storage and handling. Stores nationwide sold 11,600 of the products from 1990 through 1992.

Kolcraft has gone to great lengths to renew their recall efforts. Kolcraft is offering a $60 refund to consumers for the return of the Travel-Lite portable cribs. They also are notifying pediatricians and childcare providers about the recall. Consumers should call Kolcraft at (800) 453-7673 for instructions on disposing of the products and receiving the refund.

A number of portable cribs and play yards manufactured by other companies also have been recalled because of the risk of suffocation posed by collapsing top rails. Consumers and childcare providers should check for the following recalled play yards and portable cribs. If these products are found, consumers should call the company.
The Playskool Travel-Lite Crib (B)

Exhibit 2  (continued)

<table>
<thead>
<tr>
<th>Date Recalled</th>
<th>Product and Firm</th>
<th>Numbers/Dates Sold</th>
<th>Remedy</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/21/96</td>
<td>Century &quot;Fold-N-Go Models 10-710 and 10-810&quot; Portable Play Yards</td>
<td>212,000 units sold between 1993 and 1996</td>
<td>Free repair. Call firm 800-541-0264</td>
</tr>
<tr>
<td>11/21/96</td>
<td>Draco &quot;All Our Kids&quot; (models 742 and 762) Portable Cribs/Play Yards</td>
<td>13,000 units sold between 1992 and 1995</td>
<td>Stop use and destroy (Firm out of business)</td>
</tr>
<tr>
<td>1/1/95</td>
<td>Baby Trend &quot;Home and Roam&quot; and &quot;Baby Express,&quot; Portable Cribs/PlayPens, manufactured before 1995</td>
<td>100,000 units sold between 1992 and 1994</td>
<td>Free repair. Call firm. 800-328-7363</td>
</tr>
</tbody>
</table>

CPSC is asking the help of consumers, childcare providers and child welfare associations to help spread the word about the search for these portable cribs and play yards in an effort to avoid another tragic incident.

"CPSC gets recalled products off store shelves, but we can’t go into consumers’ homes and remove the products," said Brown. "That’s why we want to get this message out and have consumers act immediately to prevent another tragedy."

Before using used nursery equipment, even if it has been used for a sibling, consumers should check the recalled product lists, available 24-hours-a-day, through the CPSC hotline at (800) 638-2772 or through the CPSC web site at www.cpsc.gov.
EXHIBIT 3  The CPSC press release following the sixth reported death in the Playskool Travel-Lite crib

NEWS from CPSC

U.S. Consumer Product Safety Commission

Office of Information and Public Affairs Washington, DC 20207

FOR IMMEDIATE RELEASE
August 21, 1998
Release # 98-156

CPSC Consumer Hotline: (800) 638-2772
CPSC Media Contact: Nychelle Fleming, (301) 504-0580 Ext. 1192

In Wake of Another Death, CPSC Again Urges Search for Previously Recalled Portable Cribs and Play Yards

WASHINGTON, D.C. - The U.S. Consumer Product Safety Commission (CPSC) again is urging consumers to immediately search for and stop using previously recalled child products, in particular the "Playskool Travel-Lite" portable crib, which was manufactured by Kolcraft from 1990 through 1992 and recalled in 1993. According to the Asbury Park Press newspaper, a 10-month-old New Jersey infant died on Wednesday after becoming trapped in a collapsed Playskool Travel-Lite portable crib. CPSC issued this same warning in June, following the death of a 17-month-old Chicago toddler in the Playskool Travel-Lite portable crib. A $60 bounty is being offered for the return of each Travel-Lite crib.

Manufacturers of portable cribs and play yards have joined in the effort to warn consumers and childcare providers to stop using the more than 1.5 million portable cribs and play yards that have been recalled in past years. Top rail hinges must be turned to set up the cribs and play yards. These top rails can collapse, entrapping children and suffocating them. Thirteen children have died from suffocation in collapsed play yards and portable cribs manufactured by various firms. Current production play yards have top rails that automatically lock into place when the play yards are fully set up.

CPSC has been actively publicizing these previous recalls. Each recall has been distributed to media outlets nationwide and state and local health organizations. CPSC has included these products in the past two years' national recall roundup campaigns. The Commission has held multiple press conferences and broadcast video news releases by satellite so that local television stations can report these stories by showing the product and demonstrating the collapsing side rails. Chairman Brown has announced these play yards recall on network morning shows, which reach millions of viewers.

"Once again, we urge consumers to immediately search their homes and daycare centers for these portable cribs and play yards and stop using them," said CPSC Chairman Ann Brown. "We are asking the news media to help us get word of these dangerous products out to consumers so that another tragedy is prevented. The media plays a critical role in reaching consumers. We can't go into everyone's home, but newspapers, and radio and television stations can. I ask every newspaper and every radio and television station to run weekly recall announcements so that consumers can find out if products in their home are being recalled. The news media should be their reliable source for product recall information."

The Playskool Travel-Lite portable cribs have two nylon mesh sides and two blue solid plastic ends.
"Playskool" appears in white letters on a red background on each end. The portable crib folds in the center for storage and handling. Stores nationwide sold 11,600 of the products from 1990 through 1992.

Kolcraft has gone to great lengths to renew their recall efforts. Kolcraft is offering $60 to consumers for the return of each Travel-Lite portable crib. They also sent new recall notices to pediatricians, childcare providers and consumer magazines. Consumers with Playskool Travel-Lite cribs should call Kolcraft at (800) 453-7673 for instructions on receiving the refund and disposing of the products.

The following table lists the portable cribs and play yards, manufactured by various companies, that have been recalled because of similar hazards. Consumers and childcare providers should check for the following recalled play yards and portable cribs. If these products are found, consumers should call the company listed below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Product and Firm</th>
<th>Number/Dates Sold</th>
<th>Remedy</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/25/97</td>
<td>Evenflo &quot;Happy Camper,&quot; &quot;Happy Cabana,&quot; and &quot;Kiddie Camper&quot; Portable Play Yards</td>
<td>1.2 million units sold between 1990 and 1997</td>
<td>Free hinge covers Call firm 800-447-9178</td>
</tr>
<tr>
<td>11/21/96</td>
<td>Century &quot;Fold-N-Go Models 10-710 and 10-810&quot; Portable Play Yards</td>
<td>212,000 units sold between 1993 and 1996</td>
<td>Free repair Call firm 800-541-0264</td>
</tr>
<tr>
<td>11/21/96</td>
<td>Draco &quot;All Our Kids&quot; (models 742 and 762) Portable Cribs/Play Yards</td>
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<td>Stop use and destroy (Firm out of business)</td>
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<tr>
<td>1/1/95</td>
<td>Baby Trend &quot;Home and Roam&quot; and &quot;Baby Express,&quot; Portable Cribs/Play Pens, manufactured before 1995</td>
<td>100,000 units sold between 1992 and 1994</td>
<td>Free repair Call firm 800-328-7363</td>
</tr>
<tr>
<td>2/17/93</td>
<td>Kolcraft &quot;Playskool Travel-Lite&quot; Portable Cribs</td>
<td>11,600 units sold between 1990 and 1992</td>
<td>$60 refund Call firm 800-453-7673</td>
</tr>
</tbody>
</table>

Consumers can also view video clips showing how the top rails of some of these recalled portable cribs and play yards can collapse.

Before using used nursery equipment, even if it has been used for a sibling, consumers should check the recalled product lists. Consumers can get information about recalled products in the following ways:
The Playskool Travel-Lite Crib (B)

Exhibit 3  (continued)

- Call the CPSC hotline, available 24-hours-a-day, at (800) 638-2772.
- Check the CPSC web site at www.cpsc.gov.
- Receive recall notices automatically by FAX, e-mail or regular mail free of charge by calling the CPSC hotline or writing to CPSC, Washington, DC 20207.
- Return product registration or warranty cards so manufacturers can reach you directly if there is a recall.

Send the link for this page to a friend! The U.S. Consumer Product Safety Commission protects the public from unreasonable risks of injury or death from 15,000 types of consumer products under the agency's jurisdiction. To report a dangerous product or a product-related injury, call CPSC's hotline at (800) 638-2772 or CPSC's teletypewriter at (800) 638-8270, or visit CPSC's web site at www.cpsc.gov/talk.html. Consumers can obtain this release and recall information at CPSC's web site at www.cpsc.gov.
The Playskool Travel-Lite Crib (C)

In the early 1990s, Thomas Koltun was being groomed to take over Kolcraft Enterprises, his father’s Chicago-based company. A manufacturer of juvenile products, Kolcraft had been started by Thomas’ grandfather in 1942, and had grown to become the seventh largest company in the industry, with several hundred employees and annual revenues above $30 million.¹ After completing his MBA at the Kellogg School of Management at Northwestern University, Thomas had worked for three years in New York as a product manager with Colgate-Palmolive. He joined Kolcraft in 1990 as director of marketing, and in 1994 was named vice president of marketing.

When Koltun joined the company, his father Sanfred, CEO of Kolcraft, had recently entered into a licensing agreement with Rhode Island-based Hasbro, which would allow Kolcraft the use of Hasbro’s Playskool brand name. Under the agreement, Kolcraft would manufacture and distribute mattresses, playpens, car seats, and a new product, a portable crib, which came to be called the Playskool Travel-Lite.

Kolcraft had initially been optimistic about the crib, introduced in January 1990. The company believed that the well-known Playskool name would bring consumer attention to the product. They also believed that the portability of the crib—it could fit into the trunk of a car—would provide a useful solution in various situations parents could encounter. But the crib did not sell well, and by April 1992, when it stopped shipping, only about 11,600 of the cribs, models 77101 and 77103, had been sold.

In March 1993, the Travel-Lite was recalled by the Consumer Product Safety Commission (CPSC). Three infants had been strangled in the cribs when its top rails collapsed, and the agency determined that the crib posed “a substantial risk of injury to children as defined by section 15 (a) of the Federal Hazardous Substances Act (FHSA), 15 U.S.C. § 2064 (a).”² Kolcraft conducted a recall by sending posters to pediatricians and retailers, and the CPSC issued press releases to the media. The company offered a $60 bounty to consumers who returned the cribs, which had been sold at retail usually for $89.

². Linda Ginzel, as independent administrator of the estate of Daniel Keysar, deceased, and on behalf of Boaz Keysar, Ely Keysar, and Linda Ginzel, next of kin, plaintiff, v. Kolcraft Enterprises, Inc., a Delaware Corporation, and Hasbro, Inc., a Rhode Island Corporation, defendants, #98L7063, Circuit Court of Cook County, County Department, Law Division. From appendix, tab 7.

Written by David Zivan, Senior Editor, Chicago magazine. Funded by the James S. Kemper Ethics in Business Grant to the Graduate School of Business at the University of Chicago, under the direction of Professor Linda Ginzel.

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Please write: Professor Linda Ginzel, Graduate School of Business, The University of Chicago, 5807 South Woodlawn Avenue, Chicago, IL 60637, USA. Or by email: linda.ginzel@chicagoGSB.edu.
Thomas Koltun had assisted with the company’s trade catalog presentation of the Travel-Lite in 1991, but had otherwise not been much involved in its marketing or licensing. He believed that the failure of the Travel-Lite in the marketplace arose from strong competition from other manufacturers’ cribs, which were several pounds lighter. Regardless, by the time the decision came to stop making the Travel-Lite, he was already looking past the product toward the company’s future. “I was involved somewhat,” he put it simply. “The product wasn’t selling, so it was time to move on to another product.”

Further Travel-Lite History

On July 12, 1995, while the recall of the Travel-Lite was still active, a ten-month-old boy in Indianapolis was strangled in the “V” of his collapsed Travel-Lite. He was the fourth known victim of the crib.

By June 1996, of the 11,600 sold, 2,736 Travel-Lites could be accounted for. Noting that the returns had stopped, and that there had been no recent injury or death reports, the CPSC closed its case. The status of 76 percent of the cribs remained unknown.

Kids In Danger—And a Lawsuit

In mid-1995, a Travel-Lite crib found its way into a childcare home in Chicago—the third owner of that particular Travel-Lite. The provider set up, used, and took down the crib each day she was open for business, from the time she received it until May 1998. During naptime on May 12, 1998, 16-month-old Danny Keysar was found unconscious in the “V” of his Travel-Lite. He was rushed to the emergency room but could not be revived. He was the fifth reported death in a Travel-Lite.

Danny Keysar was the son of Linda Ginzel and Boaz Keysar, both professors at the University of Chicago. At first, Danny’s death seemed to his parents to be a freak accident, a cruel tragedy with no explanation. But through news reports and the investigations of friends, Ginzel and Keysar learned that four children had previously been killed in Travel-Lite cribs. They also learned that the crib had been recalled five years earlier.

Ginzel and Keysar felt they had to take action, and created a nonprofit organization, Kids In Danger (KID), whose mission would be to promote the development of safer children’s products, advocate for legislative and regulatory strategy for children’s product safety, and educate the public, especially parents and caregivers, about dangerous children’s products. The organization started a Web site, www.KidsInDanger.org, and their efforts to bring the tragedy into the open resulted in substantial press attention.

On May 14, 1998, Thomas Koltun—now president of Kolcraft—drafted his company’s public response to the death of Danny Keysar, noting that he was “deeply saddened” by the tragedy. Kolcraft, he wrote, had “always been concerned with the safety of children.”

Later that month, Koltun received a phone call from Malcolm Denniss, a Hasbro executive who has been called the company’s “safety czar.” Though the licensing agreement was no longer in effect, Kolcraft and Hasbro still communicated on matters related to the Travel-Lite. Denniss inquired about Kolcraft’s activities in relation to the recent events, and Koltun described the press release he was drafting, with help from a public relations firm. Koltun agreed that he would keep Denniss informed of Kolcraft’s actions.

On June 18, 1998—the same day the CPSC issued a press release headlined, “CPSC Urges Search for Previously Recalled Portable Cribs and Play Yards”—Linda Ginzel and Boaz Keysar filed suit against Kolcraft and Hasbro, seeking damages for their negligence in bringing the Travel-Lite to market. The suit alleged that not only was the product unreasonably dangerous, but that Kolcraft and Hasbro had failed to properly warn the public about its danger. Hasbro was also responsible, Ginzel and Keysar contended, because by receiving licensing fees and

5. T. Koltun, p. 56.
allowing its Playskool brand name to be used prominently on the product, it was, to the public, the “apparent manufacturer” of the product.\(^8\)

News of the lawsuit was featured on the Reuters and UPI newswires, and received national press coverage. The *Chicago Tribune* ran a short feature story, including a photo of the Travel-Lite that had killed Danny Keysar, shown in the collapsed position by Dan Webb, one of the plaintiff’s co-counsels and a former U.S. attorney.\(^9\)

Hasbro filed a motion to have itself removed from the lawsuit, contending that the responsibility was solely Kolcraft’s, and referred calls regarding the Travel-Lite case to Kolcraft.\(^10\)

On August 19, 1998, a ten-month-old New Jersey boy was found dead, strangled in the “V” of his Travel-Lite. He was the sixth victim.

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8. Case materials from #98L7063.
10. Mitch Lipka, ibid.
Acknowledgements

The author wishes to thank a number of individuals who gave generously of their time and expertise during the creation of this case.

Numerous faculty members, Ph.D. candidates, and MBA students from the Graduate School of Business at the University of Chicago attended several brown bag seminars to critique drafts of the case study. Their input was extremely helpful, as was the help of various experts from around the nation. I thank all those listed here and apologize to those whose names do not appear: Robert Adler, Holly Burt, Jonathan Eig, Howard Haas, Josh Klayman, Richard Larrick, Harold J. Leavitt, Carmen Marti, Cade Massey, David Messick, Sharon Peck, Megan Rostan, Caroline Schoenberger, George Wu, and Jeff Zivan.

Mary Abowd provided extensive research and expert fact-checking on the entire case, Patricia LaMalfa served as a tireless editor and proofreader, and Abhijit Bhalla helped to create the final version of the document.

Attorneys Stephen Senderowitz, Bradford Springer, Patrick Stanton, and Bryan Sup of Schwartz, Cooper, Greenberger & Krauss generously provided expert legal advice.

Marla Felcher’s It’s No Accident: How Corporations Sell Dangerous Baby Products is a tour de force of investigative reporting in the area of juvenile product safety, and her work was a valuable resource and an inspiration.

Tom Hellie, executive director of the Kemper Foundation, not only helped put this case in the public domain, but also provided insight and encouragement.

Finally, my heartfelt thanks to Linda Ginzel and Boaz Keysar, who have shown great patience during the case’s composition—and more courage than any of us should ever have to muster.