

VT SUPERIOR COURT
WASHINGTON UNIT
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**STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT**

IN RE: MILLENNIUM TRAVEL AND)
PROMOTIONS, INC., VACATION TOURS) CIVIL DIVISION
USA, INC., SET SAIL VACATION, LLC D/B/A) Docket No. 638-10-16Wncv
MEMBER TRAVEL SERVICES, TONY)
ARMAND, AND HENRY ARMAND)

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General William H. Sorrell (“the Attorney General”) and Millennium Travel and Promotions, Inc., Vacation Tours USA, Inc., Set Sail Vacation, LLC D/B/A Member Travel Services, Tony Armand, and Henry Armand (collectively “Respondents”) hereby agree to this Assurance of Discontinuance (“Assurance”) pursuant to 9 V.S.A. § 2459.

REGULATORY FRAMEWORK

1. Vermont’s Consumer Protection Act prohibits “unfair or deceptive acts or practices in commerce.” 9 V.S.A. § 2453(a).
2. Vermont’s Discount Membership Programs Act requires that any person who charges or attempts to charge consumers for a discount membership program or for the renewal of a discount membership program provide certain disclosures and periodic notices to those consumers. 9 V.S.A. §§ 2470aa – 2470hh. Any violation of the Discount Membership Program Act constitutes an unfair and deceptive act in trade and commerce in violation of the Consumer Protection Act as a matter of law. 9 V.S.A. §§ 2470hh.
3. The Attorney General’s Consumer Protection Rule 109 provides that it is an unfair and deceptive act and practice under the Consumer Protection Act to represent that a person has been selected or has won a “prize” when, in reality, the prize is a part of a promotional

scheme to make contact with prospective customers, all of whom are receiving the same prize or opportunity. Rule CP 109.02.

4. The violation of a rule or regulation of the Office of the Attorney General is prima facie proof of the commission of an unfair or deceptive act in commerce. 9 V.S.A. § 2453(d).

5. The Vermont Consumer Protection Act authorizes the Attorney General to take actions to restrain unfair and deceptive acts in commerce. 9 V.S.A. §§ 2453, 2458.

6. Violations of the Consumer Protection Act are subject to a civil penalty of up to \$10,000.00 per violation. 9 V.S.A. § 2458(b)(1).

RESPONDENTS

7. Millennium Travel and Promotions, Inc. ("Millennium") is a for-profit corporation incorporated under the laws of Florida, with its principal place of business located at 424 Luna Bella Lane, Suite 115, New Smyrna Beach, Volusia County, Florida 32168. Millennium sells and fulfills certificates for travel services that are used as promotional inducements for sales events.

8. Vacation Tours USA, Inc. ("Vacation Tours") is a for-profit corporation incorporated under the laws of Florida, with its principal place of business located at 424 Luna Bella Lane, Suite 115, New Smyrna Beach, Volusia County, Florida 32168. Vacation Tours engages in marketing activities in the travel industry.

9. Set Sail Vacation, LLC D/B/A Member Travel Services ("Set Sail") is a limited liability corporation incorporated under the laws of Florida, with its principal place of business located at 424 Luna Bella Lane, Suite 115, New Smyrna Beach, Volusia County, Florida 32168. Set Sail offers a discount travel membership program, providing discounted travel opportunities to its members.

10. Tony Armand is a Florida resident. At all times relevant to this matter, Tony Armand was an owner and operator of Millennium, Vacation Tours, and Set Sail.

11. Henry Armand is a Florida resident. At all times relevant to this matter, Henry Armand was an owner and operator of Millennium, Vacation Tours, and Set Sail. Henry Armand is Tony Armand's father.

BACKGROUND

12. Beginning in May 2013, Vacation Tours began distributing letters to Vermont consumers as part of an advertising campaign. The letters were printed on letterhead which listed the names of several major U.S. airlines at the top. The letters stated that the recipients had "qualified for an award of two (2) round-trip airline tickets." They claimed that "previous attempts to reach you have been unsuccessful" and that "these travel vouchers will be awarded to an alternate" if the consumer did not reply promptly. An example of these letters is attached as Exhibit A.

13. The airlines whose names were listed at the top of the letter had no involvement in the offers. The letters failed to note that their "awards" were conditioned on attendance at a sales presentation. The letters' claims that there had been previous attempts to contact the consumer, and that an alternate consumer might receive their award, were false.

14. Vacation Tours ultimately distributed over 94,000 of these letters to Vermont consumers.

15. Millennium was responsible for the fulfillment of the offered award of airline tickets.

16. Only one of the 48 Vermonters who attempted to claim their free airline tickets succeeded in doing so.

17. In attempting to claim their travel awards, Vermonters were required to pay a \$100 refundable deposit to Millennium. However, 17 Vermont consumers did not receive refunds for their deposits after their attempts to claim travel failed. Millennium ultimately paid refunds of those deposits after the Attorney General identified the issue.

18. These mailers and the promised travel awards were used to encourage Vermont consumers to attend sales presentations, at which a third party, Travel Supplier of America ("TSA"), sold discount travel membership programs to Vermont consumers. The Attorney General's investigation determined that these memberships were sold to consumers at prices of up to \$9,000 each. Respondents state that these prices were determined exclusively by TSA and without Respondents' input.

19. Set Sail was responsible for fulfillment and renewal of the discount travel membership programs sold by TSA.

20. Set Sail did not send required quarterly notices to consumers about the costs of the program or their rights to cancel the program. Set Sail did not make required disclosures to consumers about the amount of typical discounts available or other material terms of the transaction prior to charging consumers for the renewals of their memberships.

21. The Attorney General's investigation determined that 35 Vermont consumers spent in excess of \$143,000 related to Respondents' and other entities' efforts to offer discount travel membership programs in Vermont.

22. The Respondent Companies collectively billed a total of approximately \$68,000 related to the sale of travel memberships to Vermont consumers. Vermonters paid approximately \$11,000 of that amount to Respondents, while the remainder was to be paid

by TSA and related entities. Respondents state that a substantial portion of its billings to TSA and related entities were never paid by those entities.

23. Respondents have not distributed advertising to Vermonters, distributed travel certificates to Vermonters, or enrolled new Vermonters in their discount travel membership program since July, 2014. Nor have the other Respondents engaged in such activities in Vermont except as necessary to provide service to existing travel club members.

24. By executing this Assurance, Respondents acknowledge the Attorney General's allegations, and admit the facts set forth in the Background section except those that are described as "The Attorney General's investigation determined..."

25. The Attorney General alleges that the above conduct constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

RESTITUTION

26. Upon execution of this Assurance, Respondents shall pay partial restitution to Vermont consumers of up to a total of \$15,000. If restitution payments to Vermont consumers do not total \$15,000, any remainder will be paid to the State of Vermont to cover the costs of mailing restitution payments.

27. Respondents shall make checks payable to each consumer in the amounts specified on a spreadsheet which has been exchanged between the parties, and will mail those checks to the Office of the Attorney General for distribution within two weeks of the execution of this Assurance. All checks shall be valid for no less than 60 days and shall state the length of validity on the face of the check.

28. No later than 120 days after both Parties execute this Assurance, Respondents shall mail the total of all uncashed and returned checks to James Layman, Assistant Attorney General, Office of the Vermont Attorney General, 109 State Street, Montpelier, VT 05609:

- a. a single check payable to "Vermont State Treasurer," and indicating the company's federal tax identification number, in the total amount of the checks that were not cashed by the intended recipients, to be treated as unclaimed funds;
- b. a list, in electronic Excel format on a compact disc or via electronic mail, of the consumers whose checks were not cashed (which list shall set out the first and last names of the consumers in distinct fields or columns), and for each such consumer, the last known address and dollar amount due; and
- c. the company's corporate address.

PENALTIES

29. Upon execution of this Assurance, Respondents shall pay civil penalties of ten thousand dollars (\$10,000). Respondent shall make payment to the "State of Vermont" and send payment to: James Layman, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

INJUNCTIVE RELIEF

30. Respondents shall comply with all provisions of Vermont and federal law, including the Vermont Consumer Protection Act, 9 V.S.A. chapter 63.

31. Respondents will cease any and all business activities directed at Vermont consumers.

32. If Respondents Tony Armand and/or Hank Armand, either in their individual capacities or through businesses other than those included among these Respondents, wish

to do business in the State of Vermont within three years of executing this Assurance of Discontinuance, they may only do so if they first obtain the express written permission of the Attorney General, which shall not be unreasonably denied.

33. If any Respondents engage in business in the State of Vermont other than as approved pursuant to Paragraph 32, Respondents will be liable for stipulated penalties of \$10,000 per infraction.

OTHER TERMS

34. For a period of three years from the date of the execution of this Assurance of Discontinuance, Tony and Henry Armand will cooperate with the Attorney General's investigation into the conduct of Adrian Miller, Travel Supplier of America, Viva Vacations Inc., Start 2 Finish Travel Management, Inc., Universal Concepts Inc., and any other persons or entities that may have been involved in the sale of discount travel program memberships to Vermonters. Except to the extent that such cooperation would violate legal rights or privileges available to them, Tony and Henry Armand will answer questions from the Attorney General, sign affidavits swearing to true relevant facts, and provide any other assistance requested.

35. Respondents agree that this Assurance of Discontinuance shall be binding on Respondents and their successors and assigns.

36. The Attorney General hereby releases and discharges any and all claims arising under the Consumer Protection Act, 9 V.S.A. chapter 63, that it may have against Respondents for the conduct described in the Background section prior to the date of this Assurance.

37. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction ~~over this Assurance and the parties hereto for the purpose of enabling the Attorney General~~ to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

38. Acceptance of this Assurance by the Attorney General shall not be deemed approval by the Attorney General of any practices or procedures of Respondent not required by this Assurance, and Respondent shall make no representation to the contrary.

SIGNATURE

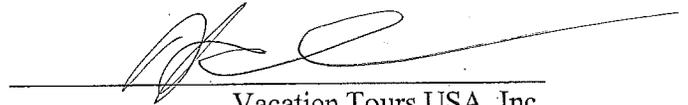
In lieu of instituting an action or proceeding against Respondents, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondents voluntarily agree with and submits to the terms of this Assurance of Discontinuance.

DATED at New Smyrna Beach, FL, this 20 day of September, 2016.



Millennium Travel and Promotions, Inc.

DATED at New Smyrna Beach, FL, this 20 day of September, 2016.



Vacation Tours USA, Inc.

DATED at New Smyrna Beach, FL, this 20 day of September, 2016.



Set Sail Vacation, LLC D/B/A Member Travel Services

DATED at New Smyrna Beach, FL, this 20 day of September, 2016.



Tony Armand

DATED at New Smyrna Beach, FL this 20 day of September, 2016.



Henry Armand

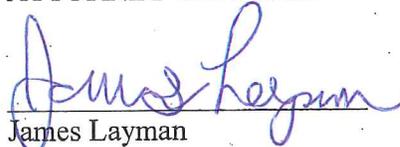
ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 7 day of October, 2016.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:



James Layman
Assistant Attorney General
Office of Attorney General
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