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Filed June 6, 2011

SUPERIOR COURT OF NEW JERSEY CHANCERY DIVISION,
BURLINGTON COUNTY
DOCKET NO. \_ \_ \_ 062 - | |

PAULAT. DOW, Attorney General of the State of New Jersey, and THOMAS R. CALCAGNI, Acting Director of the New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

TRAVEL DEALS LIMITED LIABILITY COMPANY, VIP EXECUTIVES, LLC, DARYL T. TURNER, individually and d/b/a RESERVATIONS, ROBYN B. BERNSTEIN, JANE and JOHN DOES 1-10, individually and as owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of TRAVEL DEALS LIMITED LIABILITY COMPANY, VIP EXECUTIVES, LLC, DARYL T. TURNER, individually and d/b/a RESERVATIONS, and ROBYN B. BERNSTEIN, and XYZ CORPORATIONS 1-10,

Defendants.

Civil Action

VERIFIED COMPLAINT

NO.024 P.3/26

Plaintiffs Paula T. Dow, Attorney General of the State of New Jersey ("Attorney General"), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Thomas R. Calcagni, Acting Director of the New Jersey Division of Consumer Affairs ("Acting Director"), with offices located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of Verified Complaint state:

#### PRELIMINARY STATEMENT

- Since at least September 2010, Travel Deals Limited Liability Company ("Travel 1. Deals"), VIP Executives, LLC ("VIP Executives"), Daryl T. Turner ("Turner"), individually and doing business as Reservations, and Robyn B. Bernstein ("Bernstein") (collectively, "Defendants"), have advertised, offered for sale and sold vacation travel membership packages ("Vacation Package") to consumers in the State of New Jersey ("State" or "New Jersey") and elsewhere. Defendants enticed consumers into making such purchases through the following: (a) direct mailings that falsely advised consumers that they were entitled to receive complimentary cruises and airfares when these cruises and airfares, in the few instances where the consumers received them were not free; and (b) misrepresentations, during sales presentations, as to their ability to secure for consumers large discounts on airfares, cruises and accommodations at luxury, five-star hotels and condominiums. Consumers spent thousands of dollars up front for Vacation Packages, which, as they subsequently found, were essentially worthless.
- As detailed below, through their advertisement, offering for sale and sale of Vacation 2. Packages, Defendants, among other things: (1) conditioned consumer's receipt of the complimentary cruise and airfare upon attendance at a sales presentation for Vacation Packages as well as payment of taxes and fees; (2) failed to provide the accommodations requested or, in the alternative, failed

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to provide accommodations of the type and price represented to consumers during the presentations; and (3) provided consumers with a three (3) day cancellation period that was essentially useless, because consumer memberships were not activated until at least five (5) days after purchase.

3. Defendants' conduct constitutes multiple violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), as well as the Regulations Governing General Advertising, N.J.A.C., 13:45A-9.1 et seq. ("Advertising Regulations"). The Attorney General and Acting Director submit this Verified Complaint in connection with an Order to Show Cause, among other things, to halt Defendants' deceptive business practices and, as such, to prevent any additional consumers from being harmed as well as to preserve Defendants' records and assets, among other things, to provide for consumer restitution.

#### PARTIES AND JURISDICTION

- 4. The Attorney General is charged with the responsibility of enforcing the CFA, N.J.S.A. 56:8-1 et seq., and all regulations promulgated thereunder, N.J.A.C. 13:45A-1.1 et seq. ("CFA Regulations"). The Acting Director is charged with the responsibility of administering the CFA and the CFA Regulations on behalf of the Attorney General.
- 5. By this action, the Attorney General and Acting Director (collectively, "Plaintiffs") seek injunctive relief and other relief for violations of the CFA and the CFA Regulations. Plaintiffs bring this action pursuant to their authority under the CFA, specifically N.J.S.A. 56:8-8, 56:8-11, 56:8-13 and 56:8-19. Venue is proper in Burlington County, pursuant to R. 4:3-2(b), because it is a county in which the Defendants have conducted business.
- Defendant Travel Deals was registered as a Foreign Limited Liability Company in
   New Jersey on August 26, 2010. At all relevant times, Travel Deals has maintained business and

mailing addresses of: (a) 510 Centre Boulevard, Marlton, New Jersey 08053; and (b) 110 Centre Boulevard, Marlton, New Jersey 08053.

- 7. At least as of March 16, 2011, Travel Deals was conducting business out of the Holiday Inn in Enfield, Connecticut and/or Kennedy Business Park, 425-431 Hayden Station Road, Windsor Connecticut.
- 8. The registered agent in the State for Travel Deals is Bernstein, who maintains a mailing address of 411 Kennebec Road, Cherry Hill, New Jersey and/or 6 North Country Lakes Drive, Marlton, New Jersey 08053.
- Defendant VIP Executives is a limited liability company established in Nevada on
   September 20, 2006. VIP Executives is not incorporated in the State.
- 10. At all relevant times, Turner has been the owner, operator, principal, executive and/or manager of Travel Deals and has otherwise controlled its operations. At all relevant times, Turner has been the owner, operator, principal, executive and/or manager of VIP Executives and has otherwise controlled its operations. At all relevant times, Turner has maintained a mailing address of 411 Kennebec Road, Cherry Hill, New Jersey and/or 6 North Country Lakes Drive, Marlton, New Jersey 08053.
- At least as of September 15, 2010, Turner has been conducting business as
   Reservations out of 1979 Marcus Avenue, Lake Success, New York 11042.
- 12. Turner's ownership and/or operation of Travel Deals, VIP Executives and Reservations is in violation of the Final Consent Judgment ("Consent Judgment"), to which he was a signatory, entered by the Honorable Deanne M. Wilson on February 1, 2011, to resolve the action titled <u>Dow</u>, et al. v. Turner, et al., Docket No. MRS-C-74-09 ("Prior Action").

- 13. At all relevant times, Bernstein has been the wife of Turner as well as the owner, operator, principal, member and/or representative of Travel Deals. At all relevant times, Bernstein has been the owner, operator, principal and/or managing member of VIP Executives. At all relevant times, Bernstein has maintained a mailing address of 411 Kennebec Road, Cherry Hill, New Jersey and/or 6 North Country Lakes Drive, Marlton, New Jersey 08053.
- 14. Upon information and belief, John and Jane Does 1 through 10 are fictitious individuals meant to represent the owners, officers, directors, shareholders, founders, managers, agents, servants, employees, and/or representatives of Travel Deals, VIP Executives, Turner and/or Bernstein who have been involved in the conduct that gives rise to this Verified Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Verified Complaint to include them.
- 15. Upon information and belief, XYZ Corporations 1 through 10 are fictitious corporations meant to represent any additional corporations who have been involved in the conduct that gives rise to this Verified Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the Verified Complaint to include them.
- 16. Travel Deals, VIP Executives, Turner and Bernstein are collectively referred to as "Defendants."

## GENERAL ALLEGATIONS COMMON TO ALL COUNTS

- 17. At all relevant times, Defendants have advertised, offered for sale and sold merchandise to consumers in this State and elsewhere, specifically Vacation Packages.
- 18. As of August 5, 2010, Travel Deals has maintained a website located at www.traveldealssite.com ("Travel Deals Website").

19. Among other things, the Travel Deals Website states: (a) "Welcome to your very own Concierge Travel Service, where our most Important client is You!!"; (b) "30 Years Fulfilling Travel" (c) "Delivering Amazing Value to Over 250,000 People"; (d) "With over 29 years in the business, we're the nation's largest Concierge Travel Service. . ."; and (e) "Choose from over 100,000 Hotels ... at the GUARANTEED Lowest Prices!"

#### A. Initial Solicitation:

- 20. At least as of September 2010, Defendants forwarded a post card to consumers, by U.S. Mail. The post card indicated that the consumer was "selected to receive a Complimentary 8 Day / 7 Night Cruise for 2 with an outside cabin, leaving from any major port in the U.S. including New York City." The post card also indicated that "Call within 48 hours, you will also receive as a bonus 2 Roundtrip Airfares Leaving from or Going to Any Major Airport in the Continental U.S.!!"
- 21. The post card referenced "Travel Deals" and indicated that the consumers had to call "Toll Free 1-877-491-0469" in order to claim the complimentary cruise and airfare.
- When consumers called the toll-free telephone number, they spoke with individuals who identified themselves as being associated with Travel Deals. The representatives indicated that it was necessary for the consumers to attend a presentation for Vacation Packages in order to obtain the complimentary cruise and airfare.
- 23. During these conversations, consumers scheduled appointments to attend a presentation to be conducted at the Travel Deals' business location at 110 Centre Boulevard, Marlton, New Jersey 08053.

#### B. Vacation Package Presentations:

- When consumers arrived at the Travel Deals offices, they were asked to present a driver's license and/or credit card for identification. At varying times, consumers were also required to complete a survey that inquired, among other things, as to marital status, employment and income.
- 25. At varying times, there were approximately six (6) to twenty-four (24) consumers in attendance at the presentations.
- Deals was a "member based travel network" with 250,000 active members as of 2010.
- During the presentations, Defendants' representatives characterized Travel Deals as a company that sells Vacation Packages to club members at cost and, as such, was similar to BJ's, Costco and/or Sam's Club.
- 28. During the presentations, Defendants' representatives indicated that Travel Deals could offer savings on vacations at a variety of destinations (i.e. Hawaii, Caribbean and Europe) and with luxury accommodations.
- 29. During the presentations, Defendants' representatives showed a PowerPoint presentation and/or provided brochures that demonstrated, among other things, the accommodations available through the Vacation Packages.
- 30. At varying times, Defendants' representatives indicated that Travel Deals would provide: (a) 20% discount on hotels; (b) a flight to India and accommodations at a 5-star hotel for \$5,000; (c) vacations (i.e. resort, cruise) priced at 75% less than those offered through any other source; (d) access to luxury resorts at almost 80% off regular prices; (e) cruises at a price of \$699 with no blackout dates; (f) two (2) bedroom condominiums for one (1) week, anywhere in the world

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- After the presentation, consumers were taken into an office for a private meeting 31. with a sales representative and/or manager, at which time there was a discussion of the different types of Vacation Packages.
- At varying times, Defendants' representatives offered consumers different levels of 32. Vacation Packages, such as the VIP Membership, Gold Membership, Platinum Membership and Anytime Offer Membership.
- At varying times, Defendants' representatives quoted prices ranging from \$2,500 to 33. \$8,995 for the different levels of Vacation Packages.
  - 34. During some of these meetings, the Vacation Package price was negotiated.
- At least on one (1) instance, Turner met with consumers and provided them with 35. payment and financing options for the Vacation Packages.
- Consumers purchased Gold Membership Vacation Packages at prices ranging from 36. \$3,194 to \$5,194.
- At varying times, Defendants' representatives told consumers that they would be 37. charged an annual fee of \$299 for the Vacation Package.
- Consumers who agreed to purchase a Vacation Package were required to execute 38. documents, which included: (a) Reservation Services License Agreement Travel Deals Vacation Network ("Agreement"); (b) Membership Application; and (c) Authorization for Automatic Payment for 1st Year of Service.

39. The Agreement included the following cancellation provision:

YOU MAY CANCEL THIS AGREEMENT, WITH PENALTY OR OBLIGATION AT ANY TIME PRIOR TO MIDNIGHT OF THE THIRD (3<sup>RD</sup>) BUSINESS DAY FROM YOUR EXECUTION OF THIS AGREEMENT. TO CANCEL THIS AGREEMENT, YOU MUST NOTIFY LICENSOR [TRAVEL DEALS] IN WRITING OF YOUR INTENT TO CANCEL. YOUR NOTICE OF CANCELLATION SHALL BE EFFECTIVE UPON THE DATE OF REGISTERED MAIL AND FAXED TO 856-334-5691 AND 714-361-3582. NOTICE MUST BE SENT TO ESCROW HOLDER VIA CERTIFIED MAIL TO FIRST AMERICAN TITLE COMPANY 2300 MAITLAND CENTER PARKWAY, SUITE 201, MAITLAND, FL 32751.

In the event this Agreement is canceled and the transaction rescinded in accordance with the terms herein, a refund, less the applicable fee(s) shall be distributed to Licensee [consumer] within fifteen (15) business days from the date the notice of intention to cancel is received by Licensor, or upon Escrow Holder's verification of good funds, whichever is later. Licensee will receive a refund less a Restocking Fee of 2.8% and \$199 Registration Fee.

- 40. Consumers who agreed to purchase Vacation Packages were provided with a New Member Contact Form which, among other things, provided a User ID and password for accessing the Travel Deals Website for purposes of booking vacations.
- At varying times, consumers who agreed to purchase Vacation Packages were also provided with other documents, including a "Welcome to Travel Deals!" letter, a "Three Reasons Why I (We) Joined Travel Deals" and a "Travel Deals Family Plan" form.
- 42. The "Welcome to Travel Deals!" letter indicated that consumers "can start booking travel right away, here's how: \*Contact Travel Deals @ 888-261-8649 \* You can also go online @ www.traveldealssite.com."

- 43. In many instances, consumers were not provided with adequate time to review the Agreement and other documents prior to signature.
- 44. During these meetings, Defendants' representatives provided consumers with vouchers for the complimentary cruise and airfare represented in the post card solicitation.

#### C. Defendants' Failure To Provide The Represented Discounts, Accommodations And Complimentary Cruise And Airfare:

- 45. At times, Defendants' representatives told consumers that it would be necessary for them to wait five (5) days after their purchase of the Vacation Package before they could access the Travel Deals Website.
- 46. At times, Defendants' representatives told consumers that the "real pricing" for vacations would not be available to them until at least five (5) days after their purchase of the Vacation Package. Such situation made it virtually impossible for consumers to evaluate the "benefits" of their Vacation Packages during the three (3) day cancellation period.
- 47. After purchasing Vacation Packages, consumers accessed the Travel Deals Website and found that the hotel prices listed were substantially similar to the retail prices quoted at the hotel's own websites.
- After purchasing Vacation Packages, consumers accessed the Travel Deals Website and found that the prices for cruises were identical to or not less expensive than the prices available, for example, though the cruise line's website or a free website (i.e. Priceline).
- 49. After purchasing Vacation Packages, consumers called Travel Deals and were quoted prices for vacations and/or accommodations that were significantly higher than the prices quoted during the presentation (i.e. Alaska cruise for \$1,800 and two (2) bedroom condominium for \$540).

- 50. After purchasing Vacation Packages, consumers called Travel Deals and requested accommodations (i.e. Paris for July 2011, Nantucket for Summer-September 2011, any Northeast location for the skiing season, a two (2) bedroom condominium in Lake George, New York for any week during the Summer of 2011). Defendants' representatives told consumers that the requested accommodations were not available.
- 51. Defendants' representatives repeatedly assured consumers that they would fulfill their requests for accommodations, but failed to do so.
- 52. Consumers experienced difficulty in contacting Travel Deals' Customer Service and/or Reservations Departments (i.e. left voicemail messages, but received no response).
- 53. The cruise voucher indicated that in order to receive the cruise, it was necessary for the consumer to pay a non-refundable security deposit of \$249 per person for port charges and government taxes/fees.
- 54. The airfare voucher indicated that in order to receive the airfare, it was necessary for the consumer to pay a refundable security deposit of \$50 per person for taxes.
- 55. The cruise and airfare vouchers were to be sent to Reservations, 1979 Marcus Avenue, Suite 210, Lake Success, New York 11042.
- 56. Consumers who forwarded to Reservations the completed the cruise and airfare vouchers and money order payments of \$498 and \$100, then received a Reservation Request Form (Cruise) and Reservation Request Form (Airfare) (collectively, "Reservation Request Forms").
- 57. The Reservation Request Forms required consumers to indicate a first choice and second choice of travel dates and to return them to Reservations, 1979 Marcus Avenue, Suite 210, Lake Success, New York 11042.

- 58. Consumers who completed the Reservation Request Forms were not provided with the complimentary cruise and airfare on either the first or second selected dates.
- 59. Defendants failed to respond to consumer inquiries concerning the status of their booking of the complimentary cruise and airfare.

## E. Consumer Attempts To Cancel The Agreement And Obtain A Refund:

- 60. Consumers notified Travel Deals of their intent to cancel the Agreement, within three

  (3) business days of purchasing the Vacation Package and by faxed letter to Travel Deals and First

  American Title Company, in accordance with the terms of the Agreement.
- 61. In response to the notice of cancellation, Defendants' representatives contacted consumers and attempted to convince them to keep their Vacation Packages past the three (3) day cancellation period.
- 62. Consumers who cancelled the Agreement were charged a restocking fee of 2.8% of the price of their Vacation Package.
- 63. In at least one (1) instance, Defendants charged a consumer the annual fee of \$299 after the consumers cancelled the Agreement.
- 64. Consumers who cancelled the Agreement contacted their credit card companies to request a charge back of the amounts paid to Defendants for the Vacation Package and/or annual fee.
  - 65. At least as of May 17, 2011, Travel Deals has a Better Business Bureau rating of "F."

## F. Plaintiffs' Prior Action Against Turner:

66. On May 26, 2009, the Attorney General and Director commenced the Prior Action by Order to Show Cause against Turner and several of his companies and businesses. At that time,

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Turner was similarly engaged in the advertisement, offering for sale and sale of Vacation Packages.

The Verified Complaint in the Prior Action alleged that Turner and the other defendants, among

other things, violated the CFA and the Advertising Regulations.

67. On February 1, 2011, the Prior Action was settled with the filing of the Consent

Judgment. As reflected in the Final Consent Judgment, Turner, among other things, agreed: (a) to

not engage in any unfair or deceptive acts or practices in violation of the CFA and the Advertising

Regulations; (b) to not forward any direct mailings to consumers that represent a consumer is entitled

to a complimentary item and then require the consumer to attend a sales presentation, perform any

other act or make any payment; (c) during sales presentations and otherwise, to not misrepresent the

quality or nature of any travel benefits advertised, offered for sale and/or sold as part of a Vacation

Package; (d) during sales presentations and otherwise, to not represent that discounted

condominiums, hotels and cruises are secured for consumers as part of Vacation Packages, if such

is not the case; and (e) during sales presentations and otherwise, to not misrepresent the price and/or

availability of any travel benefits.

68. As further provided in the Consent Judgment, Turner agreed "that any future

violations of the injunctive provisions of the Consent Judgment, the CFA and/or the Advertising

Regulations shall constitute a second or succeeding violation under N.J.S.A. 56:8-13 and that

[Turner] may be liable for enhanced civil penalties."

#### **COUNT I**

## VIOLATION OF THE CFA BY DEFENDANTS (UNCONSCIONABLE COMMERCIAL PRACTICES AND DECEPTION)

- Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 68 69. above as if more fully set forth herein.
  - The CFA, N.J.S.A. 56:8-2, prohibits: 70.

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise. . .

- Since at least September 2010, Defendants, through their owners, officers, directors, 71. shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors, have advertised, offered for sale and/or sold Vacation Packages to consumers in this State and elsewhere.
- In so doing, Defendants, through their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors, have engaged in the use of unconscionable commercial practices, deception, false promises, misrepresentations and/or the knowing concealment, suppression or omission of material facts.
- Defendants' conduct in violation of the CFA includes, but is not limited to, the 73. following unconscionable commercial practices:
  - Inducing consumers to attend presentations for Vacation Packages by offering a. a complimentary cruise and airfare that are, in fact, not complimentary;
  - Failing to book the complimentary cruise and airfare even after the consumer Ъ. submitted the requisite paperwork and paid the requisite taxes and fees;

- c. During sales presentations, inducing consumers to purchase Vacation Packages by showing them PowerPoint presentations and/or brochures with accommodations and pricing that, in fact, were not available through the Vacation Package;
- d. During sales presentations, providing consumers with the "Welcome to Travel Deals!" letter and otherwise advising consumers that they will have the immediate ability to book vacations through the Travel Deals Website or by telephone, when such is not the case;
- Failing to provide consumers who purchase Vacation Packages with the types
  of accommodations and pricing represented during the sales presentations and
  otherwise;
- f. Offering consumers who purchase Vacation Packages the identical or similar pricing for vacations and accommodations that the consumer could obtain through free sources (i.e. hotel or cruise websites and Expedia);
- g. Providing consumers who purchase Vacation Packages an Agreement that contains a three (3) day right of cancellation, then failing to honor a consumer's request to cancel;
- Charging consumers' credit cards for an annual fee after the consumer cancelled the Agreement;
- Charging consumers who cancel the Agreement a restocking fee of 2.8% of the price of their Vacation Package; and
- j. Failing to respond to consumer complaints, inquiries and/or requests for refunds in a timely manner or at all.
- 74. Defendants' conduct in violation of the CFA includes, but is not limited to, the following acts of deception:
  - a. Forwarding mail flyers to consumers which falsely promised that they were entitled to receive free items (i.e. 8 Day/7 Night cruise and roundtrip airfare for two (2) anywhere in the continental United States), when receipt of such items was actually conditioned upon, among other things, attendance at a presentation for Defendants' Vacation Packages and payment of taxes and fees;

- b. During sales presentations, comparing Travel Deals to well known businesses such as BJ's, Costco and Sam's Club in order to induce consumers to purchase Vacation Packages; and
- c. Providing a three (3) day cancellation period which was essentially useless because consumers could not access the Travel Deals Website or otherwise attempt to book a vacation during that period.
- 75. Each unconscionable commercial practice and/or act of deception by Defendants constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

#### COUNT II

#### VIOLATION OF THE CFA BY DEFENDANTS (FALSE PROMISES OR MISREPRESENTATIONS AND KNOWING OMISSIONS OF MATERIAL FACT)

- 76. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 75 above as if more fully set forth herein.
- 77. Defendants' conduct in violation of the CFA includes, but is not limited to, the following false promises and/or misrepresentations:
  - a. Representing in direct mail flyers to consumers that they would receive a complimentary cruise and airfare, when such was not the case;
  - Representing to consumers that Defendants have been in business for over 29 years, when such is not the case;
  - c. Representing to consumers, on the Travel Deals Website, that they had the ability to "Choose from over 100,000 Hotels ... at the GUARANTEED Lowest Prices!", when such was not the case;
  - d. Representing to consumers, in the "Welcome to Travel Deals!" letter and otherwise, that they would have immediate access to the Travel Deals Website and/or toll-free telephone line for purposes of booking a vacation, when such was not the case; and

- e. During the presentations for Vacation Packages, misrepresenting to consumers the quality, pricing and availability of accommodations and vacations.
- 78. Defendants' conduct in violation of the CFA includes, but is not limited to, the following knowing omissions of material fact:
  - a. Failing to disclose to consumers prior to their purchase of a Vacation Package that they would not be able to access the Travel Deals Website to even view available Vacation Packages until the expiration of the three (3) day cancellation period; and
  - b. Failing to disclose to consumers prior to their purchase of a Vacation Package that they would not be able to book any vacations until after the three (3) day cancellation period.
- 79. Each false promise, misrepresentation and/or knowing omission of material fact by Defendants constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.

#### COUNT III

# VIOLATION OF THE CFA BY DEFENDANTS (REQUIRING CONSUMERS TO PERFORM AN ACT AFTER NOTIFICATION THAT THEY WILL RECEIVE A PRIZE)

- 80. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 79 above as if more fully set forth at length herein.
  - 81. The CFA, N.J.S.A. 56:8-2.3, provides as follows:

The notification to any person by any means, as a part of an advertising plan or scheme, that he has won a prize and requiring him to do any act, purchase any other item or submit to a sales promotion effort is an unlawful practice and a violation of the act to which this act is a supplement.

82. Since at least September 2010, Defendants have mailed post cards to consumers indicating that they were entitled to a complimentary cruise and airfare for two (2) persons, and when

consumers call the telephone number listed on the post card, Defendants wrongfully require consumers to perform some act and make some payment.

- Defendants' conduct in violation of the CFA includes, but is not limited to, the 83. following:
  - Mailing post cards to consumers falsely promising that they had been selected a to receive complimentary 8 Day / 7 Night cruise for two (2) with an outside cabin, leaving from any major port in the United States, but then requiring consumers to attend a presentation for Vacation Packages and pay taxes and fees of \$249 per person; and
  - Mailing post cards to consumers falsely promising that they had been selected Ъ. to receive complimentary roundtrip airfare for two (2) leaving from or going to any major airport in the Continental United States, but then requiring consumers to attend the presentation for Vacation Packages and pay taxes of \$50 per person.
- Each instance in which Defendants required consumers to perform some act after 84. notifying them that they won a prize constitutes a separate violation of the CFA, N.J.S.A. 56:8-2.3.

#### COUNT IV

#### VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS

- Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 84 85. above as if more fully set forth herein.
- The Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., promulgated pursuant to 86. the CFA, among other things, address general advertising practices.
- Specifically, the Advertising Regulations govern general advertising practices and 87. provide, in pertinent part:
  - Without limiting the application of N.J.S.A. 56:8-1 et seq., the following (a) practices shall be unlawful with respect to all advertisements:

9. The making of false or misleading representations of facts concerning the reasons for, existence or amounts of price reductions, the nature of an offering or the quantity of advertised merchandise available for sale.

#### [N.J.A.C. 13:45A-9.2 (a)(9).]

- 88. In their advertisement and offering for sale of Vacation Packages, Defendants violated the Advertising Regulations including, but not limited to, the following:
  - a. Representing on the Travel Deals Website that the company had "over 29 years in the business" when Travel Deals began operation on or about September 2010;
  - b. Representing on the Travel Deals Website that consumers could "Choose from over 100,000 Hotels ... at the GUARANTEED Lowest Prices!"; and
  - c. Representing on the Travel Deals Website that the company is "the nation's largest Concierge Travel Service."
- 89. Each violation of the Advertising Regulations by Defendants constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

#### COUNT Y

#### VIOLATION OF THE CFA AND/OR THE ADVERTISING REGULATIONS BY TURNER AND BERNSTEIN

- 90. Plaintiffs repeat and reallege the allegations contained in Paragraphs 1 through 89 above as if more fully set forth herein.
- 91. At all relevant times, Turner has been the owner, operator, principal, executive and/or manager of Travel Deals, VIP Executives and Reservations and has controlled and directed the activities of those entities.

- 92. At all relevant times, Bernstein has been the owner, operator, principal, managing member and/or representative of Travel Deals and VIP Executives and has controlled and directed the activities of those entities.
- 93. Turner and Bernstein are personally liable for the violations of the CFA and/or the Advertising Regulations committed by Travel Deals and VIP Executives. Turner is personally liable for the violations of the CFA and Advertising Regulations committed by Reservations.

#### **COUNT V**

#### VIOLATION OF THE CONSENT JUDGMENT BY TURNER

- 94. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 93 above as if more fully set forth herein.
- 95. Pursuant to the Consent Judgment, Turner, among other things, agreed: (a) to not engage in any unfair or deceptive acts or practices in violation of the CFA and the Advertising Regulations; (b) to not forward any direct mailings to consumers that represent a consumer is entitled to a complimentary item and then require the consumer to attend a sales presentation, perform any other act or make any payment; and (c) during sales presentations and otherwise, to not misrepresent the quality or nature of any travel benefits advertised, offered for sale and/or sold as part of a Vacation Package, to not represent that discounted condominiums, hotels and cruises are secured for consumers as part of Vacation Packages, if such is not the case, and/or to not misrepresent the price and/or availability of any travel benefits.
- 96. Pursuant to the Consent Judgment, Turner "agree[d] that any future violations of the injunctive provisions of this Consent Judgment, the CFA and/or the Advertising Regulations shall

constitute a second or succeeding violation under N.J.S.A. 56:8-13 and that [Turner] may be liable for enhanced civil penalties."

- As set forth herein, Turner continues to engage in acts and practices in violation of 97. the CFA, the Advertising Regulations and the terms of the Consent Judgment.
- Such conduct constitutes second and subsequent violations of the CFA subject to a 98. penalty of up to \$20,000 per violation pursuant to N.J.S.A. 56:8-13.

#### PRAYER FOR RELIEF

WHEREFORE, based upon the foregoing allegations, Plaintiffs respectfully request that the Court enter judgment against Defendants:

- Finding that the acts, and omissions of Defendants constitute multiple (a) instances of unlawful practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq.;
- Permanently enjoining Defendants and their owners, officers, directors, (b) agents servants, employees, shareholders, founders, managers, representatives, independent contractors and all other persons or entities directly under their control, from engaging in, continuing to engage in, or doing any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., including, but not limited to, the acts and practices alleged in this Verified Complaint;
- Permanently enjoining Defendants and their owners, officers, directors, (c) agents, servants, employees, shareholders, founders, managers, representatives, independent contractors and all other persons or entities directly under their control, from engaging in the activity that is the subject of Plaintiffs' request for temporary and preliminary injunctive relief, as set forth in the accompanying Order to Show Cause with Temporary Restraints Pursuant to Rule 4:52;
- Declaring that any Agreements entered into between Defendants and (d) consumers for Vacation Packages be declared null and void, thus entitling consumers to recovery of any monies paid thereunder;

- (e) Ordering Defendants to disgorge all funds and property (real and personal) acquired and/or retained as a result of any acts or practices in violation of the CFA, N.J.S.A. 56:8-1 et seq., and the regulations promulgated thereunder, specifically the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., including, but not limited to, the acts and practices alleged in this Verified Complaint;
- (f) Appointing a receiver, pursuant to N.J.S.A. 56:8-8 and N.J.S.A. 56:8-9, at Defendants' expense, to assume control over the assets of Defendants, render a full accounting and thereafter sell and/or convey such assets under the direction of the Court in order to restore any person who has suffered damages, whether named in the Verified Complaint or not, as a result of the unlawful acts of Defendants;
- (g) Directing the assessment of restitution amounts against Defendants, jointly and severally, to restore to any affected person, whether or not named in this Verified Complaint, any money or real or personal property acquired by means of any alleged practice herein to be unlawful and found to be unlawful, as authorized by the CFA, N.J.S.A. 56:8-8;
- (h) Assessing the maximum statutory civil penalties against Defendants, jointly and severally, for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (i) Directing the assessment of costs and fees, including attorneys' fees, against Defendants, jointly and severally, for the use of the State of New Jersey, as authorized by the CFA, N.J.S.A. 56:8-11 and N.J.S.A. 56:8-19; and
- Granting such other relief as the interests of justice may require.

PAULA T. DOW ATTORNEY GENERAL OF NEW JERSEY Attorney for Plaintiffs

By:

Lograine K. Rak

Deputy Attorney General

Chief, Consumer Fraud Prosecution Section

Dated: June 3, 2011

Jun 7 2011 04:07pm

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P.24/26

## RULE 4:5-1 CERTIFICATION

I certify, to the best of my information and belief, that the matter in controversy in this action involving the aforementioned violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq. ("Advertising Regulations"), is not the subject of any other action pending in any other court of this State. I am aware that private contract and other actions have been brought against Daryl T. Turner, but am not aware that such actions involve the violations of the CFA and the Advertising Regulations asserted by the Plaintiffs in this action. I further certify that the matter in controversy in this action is not the subject of a pending arbitration proceeding in this State, nor is any other action or arbitration proceeding contemplated. I also certify that there is no other party who should be joined in this action at this time.

> PAULA T. DOW ATTORNEY GENERAL OF NEW JERSEY Attorney for Plaintiffs

Lorraine K. Rak

Debuty Attorney General

Chief, Consumer/Fraud Prosecution Section

Dated: June 3, 2011

JUN. 7.2011

## RULE 1:38-7(c) CERTIFICATION OF COMPLIANCE

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

PAULA T. DOW ATTORNEY GENERAL OF NEW JERSEY Attorney for Plaintiffs

By:

Lograine K. Rak

Deputy Attorney General

Chief, Consumer Fraud Prosecution Section

Dated: June 3, 2011

JUN. 7.2011

Newark, New Jersey

## DESIGNATION OF TRIAL COUNSEL

Pursuant to R. 4:25-4, Deputy Attorney General Lorraine K. Rak is hereby designated as trial counsel on behalf of Plaintiffs in this action.

PAULA T. DOW ATTORNEY GENERAL OF NEW JERSEY Attorney for Plaintiffs

By:

Lorraine K. Rak

Deputy Attorney General

Chief, Consumer Fraud Prosecution Section

Dated: June 3, 2011

#### VERIFICATION

- L Murat Botas, of full age, hereby certifies as follows:
- I am an Investigator with the New Jersey Division of Consumer Affairs ("Division"),
   Office of Consumer Protection.
- 2. I have read the foregoing Verified Complaint and on my own personal knowledge and review of documents in possession of the Division, I know that the facts set forth herein are true and they are incorporated in this certification by reference, except for those alleged upon information and belief.
- 3. I certify that the above statements made by me are true. I am aware that if any of the foregoing statements made by me are wilfully false, I am subject to punishment.

MURAT BOTAS

Dated: June 3, 2011

JUN. 7.2011