

FILED

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION  
NO. 13 CVS 7209

WAKE COUNTY

2013 OCT 23 AM 10:14

WAKE CO., C.S.C.

STATE OF NORTH CAROLINA ex rel: )  
ROY COOPER, Attorney General, )

Plaintiff, )

vs. )

EAST COAST TRAVEL, INC., ERIN E. )  
BUCKLEY, BETH E. COCHRAN, )  
MILLENNIUM TRAVEL AND PROMOTIONS, )  
INC., KAREN E. ARMAND, TONY J. ARMAND )  
HENRY J. ARMAND, ADRIAN D. MILLER, )  
A-2-Z VACATIONS, LLC, SMART TRAVEL & )  
INCENTIVES, INC., and JULIE A. JOHNSON )

Defendants. )

CONSENT JUDGMENT AS TO  
MILLENNIUM TRAVEL AND  
PROMOTIONS, INC., KAREN E.  
ARMAND, TONY J. ARMAND,  
AND HENRY J. ARMAND

This cause coming on to be heard and being heard before the undersigned Superior Court Judge in Wake County for entry of a Consent Judgment at the joint request of plaintiff State of North Carolina, by and through Attorney General Roy Cooper, and defendants Karen E. Armand, Tony J. Armand, and Henry J. Armand (collectively, the "Armand Defendants"), and Millennium Travel and Promotions, Inc., the Court, with the consent of plaintiff and defendants makes the following:

FINDINGS OF FACT

1. Plaintiff is the State of North Carolina, acting on the relation of Roy Cooper, Attorney General, pursuant to authority granted in Chapters 75 and 114 of the General Statutes of North Carolina.

2. Defendant Millennium Travel and Promotions, Inc. ("Millennium") is a Florida

corporation that provided travel certificates as premiums to consumers who attended sales presentations for defendant A-2-Z Vacations, LLC (“A-2-Z”).

3. Defendant Karen E. Armand, a resident of Florida, is a manager of defendant Millennium. Defendant Karen E. Armand, along with defendants Tony J. Armand and Henry J. Armand, managed and controlled the operations of defendant Millennium in connection with the offering of travel certificates as premiums to consumers who attended sales presentations in North Carolina for defendant A-2-Z.

4. Defendant Tony J. Armand, a resident of Florida, is a manager of defendant Millennium, has an ownership interest in defendant A-2-Z, and was responsible for fulfillment of the discounted trips offered through a membership in defendant A-2-Z. Defendant Tony J. Armand, along with defendants Karen E. Armand and Henry J. Armand, managed and controlled the operations of defendant Millennium in connection with the offering of travel certificates as premiums to consumers who attended sales presentations in North Carolina for defendant A-2-Z Vacations, LLC. Defendant Tony J. Armand, along with defendant Adrian D. Miller, managed and controlled the operations of defendant A-2-Z in connection with the sale of vacation club memberships to consumers in North Carolina and the fulfillment of trips secured through the membership.

5. Defendant Henry J. Armand, a resident of Florida, is a manager of defendant Millennium. Defendant Henry J. Armand, along with defendants Karen E. Armand and Tony J. Armand, managed and controlled the operations of defendant Millennium in connection with the offering of travel certificates as premiums to consumers who attended sales presentations in North Carolina for defendant A-2-Z.

6. Plaintiff alleges the following:

(a) Beginning in June 2012, consumers in North Carolina received mailings informing them that they had “been selected to receive\* an 8 Day/7 Night Cruise for 2 with an outside cabin, leaving from any major port in the U.S.” The mailing further promised, “You have been selected to receive\* 2 round trip airfares leaving from or going to any major airport in the continental U.S.,”

(b) The asterisks in the text of the mailer referred the consumers to the back of a flap in the mailer where it provided in print much smaller than the offer:

You will be given a certificate valid for two aboard Carnival® Cruise Lines for eight days. (Airfare not included with cruise) Accommodations are an outside cabin. Certain travel dates apply. Travel over major holidays is not permitted. This offer is being used in conjunction with a vacation program. Some restrictions apply. Recipient is responsible for any government taxes, custom fees, and agency fees associated with the cruise and/or bonus airfare. Approx. retail value is \$1200. There is no obligation to purchase or join anything.

This promotion is not sponsored by or affiliated with Carnival® Cruise Lines or any other third party business referenced in this promotion but they are major suppliers;”

(c) The solicitations used such language as “congratulations” and “you have been selected to receive,” leading consumers to believe that they had “won” the cruise and the airline tickets. However, consumers had not entered a contest and had not been “specially selected” because defendants were not operating a contest. Instead, all consumers, whom defendant East Coast Travel deemed financially qualified to purchase and who sat through the sales presentation, received a packet with information on how to redeem their trips;

(d) Consumers who attended the sales presentations given by other defendants were subjected to high-pressure sales presentations containing numerous misrepresentations about the services provided by the travel club membership they were offered;

(e) Defendant Millennium was one of the travel providers identified in the vacation certificate that a portion of the consumers received after sitting through the sales presentation;

(f) Consumers complained that what they believed to be “free” trips offered through defendant Millennium’s certificate given as the premium for attending the sales presentations were neither free nor easy to redeem;

(g) Both the cruise and the airline tickets offered through defendant Millennium’s certificate required the consumer to send a “refundable” deposit, but the “Terms of Participation” did not explain how to receive a refund except to say that the consumer had only thirty days from the receipt of the certificate to cancel the contract without penalty or obligation. However, the consumer would not know for thirty days if they could book the cruise or the airline tickets because they had to send in the forms requesting the trips at least sixty days ahead for the airline tickets and ninety days ahead for the cruise;

(h) Defendant Millennium’s trips contained so many blackout dates that consumers were left with few choices of dates to travel. The voucher for the cruise eliminated all major holidays and seven days before and after the holidays and then stated in a separate provision, “This is a promotional offer based on low season rates, travel requested during the months of January through August, if available, will require an additional surcharge;”

(i) The requirements for requesting a trip were onerous. For instance, when ordering the airline tickets, the consumers had to give three different dates with at least forty-five days between the choices. Then the consumer had to select two different destinations and three preferred travel dates with a minimum four-night stay. Even with all of those requirements, the travel certificate provides in the “fine print” that defendant Millennium “reserves the right to

change the Terms of Participation without notice;”

(j) To redeem the voucher for the cruise, consumers had to give two different travel dates with forty-five days between the dates and ninety days prior to the first date.

However, consumers would not receive verification of the cruise until fourteen days before the cruise was scheduled to leave. Consumers were also required to pay additional funds to redeem what they understood to be a “gift” or a “free” trip;

(k) The Armand defendants’ and defendant Millennium’s actions in connection with the practices set out above were in or affecting commerce in North Carolina.

7. The Armand defendants and defendants Millennium deny the allegations of wrongdoing plaintiff asserts in Paragraph 6 and as stated within plaintiff’s Complaint and make no admission of liability whatsoever but wish to resolve this matter without further litigation and, therefore, do not object to the entry of this Consent Judgment.

8. Defendant Tony Armand provided certain financial information to plaintiff and warrants that financial information is true and accurate and fully and fairly reflects the information as requested.

#### CONCLUSIONS OF LAW

1. The court has jurisdiction over the parties and the subject matter.
2. Entry of this Judgment is just and proper.
3. The complaint states a cause of action against the Armand defendants and defendant Millennium pursuant to N.C.G.S. § 75-1.1 in connection with their sale and fulfillment of travel certificates represented as free gifts at sales presentations for travel club memberships, and the Court finds good and sufficient cause to adopt the agreement of the parties and these findings of fact and conclusions of law as its determination of their respective rights and

obligations and for the entry of this Consent Judgment.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. The Armand defendants and defendant Millennium are enjoined for a period of ten years from the entry of this Consent Judgment from: (a) engaging in any travel related business in North Carolina, including but not limited to selling or offering for sale, directly or indirectly, travel certificates, travel vouchers, or other promotional travel opportunities; (b) offering to or making any travel arrangements, including reservations for airline tickets, hotels or condos, and cruises, for residents of North Carolina; (c) marketing or selling, directly or indirectly, memberships in any type of vacation club; (d) sending mailings into North Carolina soliciting consumers to attend sales presentations on travel-related goods and services; (e) making outbound telephone calls to or receiving inbound telephone calls from consumers in North Carolina relating to the marketing and sale of travel-related goods and services; and (f) having an ownership interest in or being a member, officer, or employee of any company that offers or sells travel club memberships or other travel related services, including travel certificates, to residents of North Carolina or to be awarded to North Carolina residents. At the end of the ten years, the defendants must give notice to the Consumer Protection Division of the Attorney General's Office if they wish to engage in any travel related business in North Carolina.

2. The Armand defendants and defendant Millennium shall pay \$10,000 to the North Carolina Department of Justice. These funds shall be used by the North Carolina Attorney General's office for consumer protection purposes, including but not limited to, defraying the costs of the investigation leading to this settlement and consumer education, at the discretion of the Attorney General. Prior to the entry of this Consent Judgment, the Armand defendants and defendant Millennium shall pay the North Carolina Department \$5,000. The remaining \$5,000

shall be held in the trust account of McConnell and Sneed, LLC and shall be paid to the North Carolina Department of Justice within ten days of the termination of this matter as to all remaining defendants.

3. Defendants shall pay to the North Carolina Attorney General's Office sufficient funds to refund deposits to any consumers who have already filed a request for a refund with the Consumer Protection Division of the North Carolina Attorney General's Office or who request a refund of their deposits after receipt of a letter from the Consumer Protection Division informing them of their option to request a refund. Prior to the entry of this Consent Judgment, defendants shall provide the Consumer Protection Division with a list of all North Carolina consumers who paid a deposit on a trip to defendant Millennium and who have not yet taken that trip or received a refund of their deposit.

4. This Consent Judgment shall not affect the rights of any private party to pursue any remedy or remedies allowed pursuant to the laws of the State of North Carolina.

5. This Consent Judgment Agreement shall not bind any other offices, boards, commissions, or agencies of the State of North Carolina.

6. If any part of the financial information defendant Tony Armand provided to plaintiff is false, unfair, deceptive, misleading, or inaccurate in any material respect, plaintiff, in its sole discretion and after giving defendant Tony Armand a copy of any motion fifteen days prior to filing the motion, may:

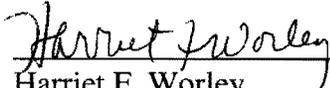
- (a) move the Court to impose sanctions;
  - (b) move the court to rescind this Consent Judgment and proceed on its original complaint;
- and
- (c) seek any other remedy or relief afforded by law or equity.

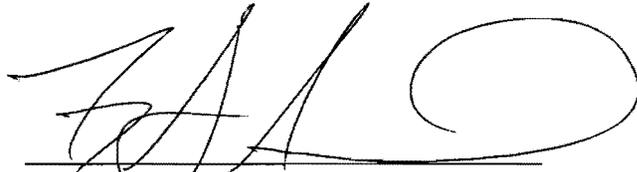
This the 18 day of Oct., 2013.

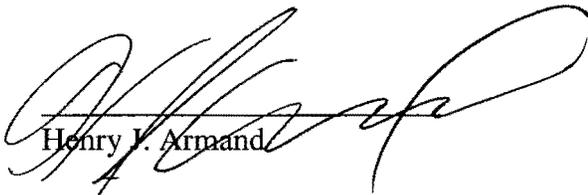
  
Superior Court Judge

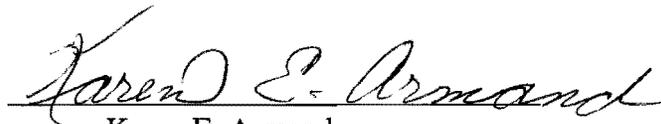
WE CONSENT:

STATE OF NORTH CAROLINA  
ex rel. ROY COOPER,  
Attorney General

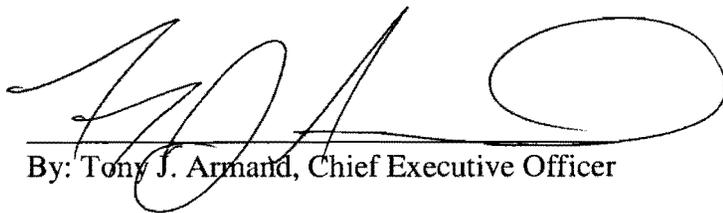
  
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Harriet F. Worley  
Special Deputy Attorney General

  
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Tony J. Armand

  
\_\_\_\_\_  
Henry J. Armand

  
\_\_\_\_\_  
Karen E. Armand

Millennium Travel and Promotions, Inc.

  
\_\_\_\_\_  
By: Tony J. Armand, Chief Executive Officer

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing CONSENT JUDGMENT by first class mail, first class postage prepaid, addressed as follows:

Byron Saintsing, Esq.  
4601 Six Forks Road  
Suite 400  
Raleigh, NC 27609

Counsel for Julie A. Johnson and Smart Travel and Incentives, Inc.

Colleen Byers, Esq.  
P.O. Box 21029  
Winston-Salem, NC 27120

Counsel for East Coast Travel, Inc., Erin E. Buckley, and Beth E. Cochran

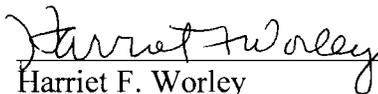
Andrew Fitzgerald, Esq.  
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Winston-Salem, NC 27101

Counsel for Adrian D. Miller and A-2-Z Vacations, LLC.

Brian Annino, Esq.  
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990 Hammond Drive  
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Atlanta, GA 30328

Counsel for Karen E. Armand, Henry J. Armand, Tony J. Armand, and Millennium Travel and Incentives, Inc.

This the 23<sup>rd</sup> day of October, 2013

  
\_\_\_\_\_  
Harriet F. Worley  
Special Deputy Attorney General  
Consumer Protection Division