

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
Attorney for Plaintiffs

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By: Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution  
[REDACTED] [REDACTED]

SUPERIOR COURT OF NEW JERSEY  
CHANCERY DIVISION, ESSEX COUNTY  
DOCKET NO. ESX-C-161-13

JOHN J. HOFFMAN, Acting Attorney General of the State of New Jersey, and ERIC T. KANEFSKY, Director of the New Jersey Division of Consumer Affairs,  
  
Plaintiffs,  
  
v.  
  
CROWN TRAVEL SERVICE INC. d/b/a CLUB ABC TOURS; ABC DESTINATIONS LLC; ROBERT S. PARIS; THOMAS H. PARIS; JANE AND JOHN DOES 1-20, individually and as owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives and/or independent contractors of CROWN TRAVEL SERVICE INC. d/b/a CLUB ABC TOURS and/or ABC DESTINATIONS LLC; and XYZ CORPORATIONS 1-20,  
  
Defendants.

Civil Action

**FIRST AMENDED COMPLAINT**

Plaintiffs John J. Hoffman, Acting Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Eric T. Kanefsky, Director of the New Jersey Division of Consumer Affairs (“Director”), with offices

located at 124 Halsey Street, Seventh Floor, Newark, New Jersey, by way of First Amended Complaint state:

**PRELIMINARY STATEMENT**

1. At all relevant times, Crown Travel Service, Inc. d/b/a Club ABC Tours (“Crown Travel Service” or “Club ABC Tours”), Robert S. Paris (“R. Paris”) and Thomas H. Paris (“T. Paris”) operated a members-only travel club that advertised and sold all inclusive travel packages including airfare, hotel accommodations, airport to hotel transfers, destination excursions, and/or cruises (“Travel Packages”) to consumers in the State of New Jersey (“New Jersey” or “State”) and elsewhere. Consumers typically paid thousands of dollars for these Travel Packages.

2. At all relevant times, R. Paris and T. Paris operated ABC Destinations LLC (“ABC Destinations”), which developed and/or offered Travel Packages to groups, such as Chambers of Commerce, educational institutions and churches in the State and elsewhere. Consumers typically paid thousands of dollars for these Travel Packages.

3. At least up to September 24, 2012, Crown Travel Service, ABC Destinations, R. Paris and T. Paris (collectively, “Defendants”) continued to accept consumer payments for Travel Packages that were to occur as late as October 2013. These consumers will receive nothing in return, as Defendants closed Club ABC Tours and ABC Destinations on October 1, 2012 having failed to apply consumer payments toward their intended Travel Packages. Although from the public perspective Defendants’ cessation of operations was abrupt, Club ABC Tours was insolvent at least as of December 31, 2008 and, since that time, was failing to timely pay vendors for the Travel Packages, a situation which only worsened. Further, ABC Destinations appeared to be insolvent at least as of June 30, 2012.

4. Nevertheless, Defendants continued to solicit consumers and accept payment for Travel Packages and, in so doing, even offered discounts for payment by check and complete payment at the time of booking. During this time, R. Paris and T. Paris continued to draw significant annual salaries as the Co-Presidents of Crown Travel Service and significant distributions as the Members of ABC Destinations, in addition to the use of luxury motor vehicles Crown Travel Service purchased for R. Paris.

5. With the closure of Club ABC Tours and ABC Destinations, the New Jersey Division of Consumer Affairs (“Division”) has received complaints from 241 consumers, most of whom paid in full for Travel Packages they will not receive, in the aggregate amount of \$932,689.38. Among the consumers who submitted complaints are those individuals who departed for Italy on October 2, 2012, only to discover after their arrival, that Club ABC Tours ceased operations and prior to doing so, failed to pay for their accommodations.

6. Defendants continued to solicit and accept payments from consumers in late September 2012, even though the closure of Crown Travel Service and ABC Destinations was imminent, resulting in their inability to provide the paid-for Travel Packages to many of the affected consumers.

7. 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”).

#### **PARTIES AND JURISDICTION**

8. 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 Director is charged with the responsibility of administering the CFA and

the CFA Regulations on behalf of the Attorney General.

9. By this action, the Attorney General and 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 Essex County, pursuant to R. 4:3-2(b), because it is a county in which the Defendants have conducted business.

10. On November 28, 1978, Crown Travel Service was established as a Domestic For Profit Corporation in New Jersey. As of August 18, 1994, Crown Travel Service maintained a principal business address of 200 Broadacres Drive, Second Floor, Bloomfield, New Jersey 07003 ("200 Broadacres Drive Bloomfield"). As of August 14, 2009, Crown Travel Service maintained a principal business address of 300 Broadacres Drive, Suite 400, Bloomfield, New Jersey 07003 ("300 Broadacres Drive Bloomfield").

11. As of August 18, 1994, Club ABC Tours was registered as an alternate name for Crown Travel Service.

12. The registered agent in the State for Crown Travel Service is R. Paris, who maintains a mailing address of 223 B. Milbank Avenue, Greenwich, Connecticut 08830-6618.

13. On May 19, 2004, The Preferred Traveler, LLC, a Delaware limited liability company, was qualified to do business in the State. On September 18, 2006, the company's name was changed to ABC Destinations.

14. As of August 18, 1994, ABC Destinations maintained a principal business address of 200 Broadacres Drive Bloomfield. As of August 14, 2009, ABC Destinations maintained a principal business address of 300 Broadacres Drive Bloomfield.

15. The registered agent in the State for ABC Destinations is R. Paris.

16. At all relevant times, R. Paris has been a Co-President of Crown Travel Service and the Managing Member of ABC Destinations.

17. At all relevant times, T. Paris has been a Co-President of Crown Travel Service and a Member of ABC Destinations.

18. At all relevant times, T. Paris has maintained a mailing address of 400 West End Avenue, New York, New York 10024.

19. At all relevant times, R. Paris and T. Paris were the sole shareholders in Crown Travel Service, with each maintaining a fifty percent (50%) ownership interest.

20. At all relevant times, R. Paris and T. Paris each had a fifty percent (50%) ownership interest in ABC Destinations.

21. 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 Crown Travel Service and/or ABC Destinations who have been involved in the conduct that gives rise to this First Amended Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the First Amended Complaint to include them.

22. 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 First Amended Complaint, but are heretofore unknown to Plaintiffs. As these defendants are identified, Plaintiffs shall amend the First Amended Complaint to include them.

**GENERAL ALLEGATIONS COMMON TO ALL COUNTS**

23. At all relevant times, Defendants have advertised, offered for sale and sold through Club ABC Tours a variety of Travel Packages to international destinations (marketed as, e.g. "Super

Tuscany,” “Unbelievable Italy,” “Mysteries of Morocco,” “Untouched Secrets of Costa Rica,” “China and the Yangtze River,” and “Crystal Symphony 20 Day Mediterranean Cruise”) that ranged in price from approximately \$1,099 to \$10,980. Such Travel Packages were advertised to include airfare, hotel accommodations, transportation services, dining and sightseeing tours and, at times, cruises.

24. Commencing in 2011, Defendants advertised, offered for sale and sold through Club ABC Tours “Land Only” Travel Packages which did not include airfare. Consumers who purchased these Travel Packages would purchase their own airfare.

25. The Travel Packages advertised, offered for sale and sold through Club ABC Tours were only available to consumers who purchased a membership with Club ABC Tours (“Membership”).

26. The Travel Packages advertised, offered for sale and sold through ABC Destinations LLC”), were marketed to groups (e.g. educational, church, alumni groups).

27. In or about August 2012, ABC Destinations organized the “Blue Danube Adventure” for St. Cecelia Church in Iselin, New Jersey. In connection therewith, ABC Destinations prepared a brochure, which outlined the features of the tour, as well as the itinerary.

28. In late August and early September 2012, church parishioners and others paid the \$500 per person deposit for the “Blue Danube Adventure” to ABC Destinations. This trip was scheduled to occur on April 14 through 22, 2013, but did not, due to the closure of the business.

29. At least as of April 1999, Crown Travel Service maintained a website located at [www.clubabc.com](http://www.clubabc.com) (“Club ABC Tours Website”).

30. At all relevant times, ABC Destinations maintained a website located at [www.abcddestinations.com](http://www.abcddestinations.com).

31. At all relevant times, R. Paris was in charge of the financial aspects of Crown Travel Service and ABC Destinations.

32. At all relevant times, T. Paris was in charge of the marketing and operations aspects of Crown Travel Service and ABC Destinations.

**A. Club ABC Tours Membership  
Benefits, Terms And Conditions:**

33. At all relevant times, Defendants offered the following Club ABC Tours Memberships: (a) a one-year membership at a cost of \$39; (b) a two-year membership at a cost of \$59; (c) a three-year membership at a cost of \$79; and (d) a five-year membership at a cost of \$129.

34. At least as of July 2012, Defendants offered a \$10 discount on the price of a two-year and three-year Membership, and a \$30 discount on the price of a five-year Membership.

35. Upon information and belief, Club ABC Tours had approximately 40,000 Members in October 2008, which decreased to approximately 27,000 in October 2012.

36. Upon information and belief, Defendants offered discounts on Memberships in 2009, 2010 and 2011 in an attempt to reverse the steady decrease in the number of Members.

37. Approximately thirty (30) days prior to the expiration of a Membership, Defendants sent to consumers who had purchased Memberships ("Members") an auto-renewal reminder via mail or email. The letter bore the letterhead of Club ABC Tours as well as the signature of R. Paris and T. Paris, as Co-Presidents.

38. If a Member did not contact Defendants at least ten (10) days prior to the expiration to affirmatively opt-out of Membership, the Member's credit card was charged and the Membership was renewed for the same term.

39. Upon purchase of a Membership, Members would receive a Membership Letter through the mail, along with a Membership card reflecting the Membership start date.

40. Defendants' Membership Letter, which bore the signatures of R. Paris and T. Paris as Co-Presidents, represented that the Membership allowed access to numerous benefits, including but not limited to: (a) Expertise, namely "a team of knowledgeable travel and destination experts" and "creating and delivering unparalleled travel experiences, service and value"; (b) Savings, including "discount programs," "a 'no fee' airline reservations service," and "a best rate car rental guarantee"; (c) Travel Protection, namely "[t]he only 'Cancel-For-Any Reason' travel protection program"; and (d) Customized & Group Travel.

41. At varying times, Defendants promoted a "Free Membership Offer!" through the Travel Brochure. Such promotion explained that Members who referred new Members to Crown Travel Service could earn a free one-year membership extension and be eligible for a \$100 travel voucher if that new Member purchased a Travel Package within the year.

**B. Defendants' Marketing  
And Sale of Travel Packages:**

42. Approximately six (6) times per year, Defendants mailed a brochure of up to forty (40) pages to the Club ABC Tour Members that included advertisements, descriptions and pricing for upcoming Travel Packages ("Travel Brochure").

43. At all relevant times, the Marketing Department and Product Directors within Crown Travel Service, under the direction of T. Paris, were responsible for developing the Travel Brochures and Travel Packages.

44. Upon information and belief, R. Paris and T. Paris determined the profit margins for Travel Packages which, in 2011, averaged seventeen percent (17%). Due to the declining sales of Travel Packages, the goal for 2012 was to have a profit margin of twenty percent (20%).

45. The Travel Brochure for September/October 2012 that Defendants forwarded to their Members began with "A note to our members" that bore the signature of R. Paris and T. Paris



("9/10-2012 Travel Brochure"). The 9/10-2012 Travel Brochure included Travel Packages for tours that were to occur as late as September and October 2013.

46. At all relevant times, Members could purchase a Travel Package via telephone, fax or mail.

47. Upon information and belief, Defendants required a deposit of thirty percent (30%) of the Travel Package at the time of booking. The balance of seventy percent (70%) was due ninety (90) days prior to departure.

48. Upon information and belief, Defendants required complete payment if a Member was booking a Travel Package less than ninety (90) days prior to departure.

49. If a Member made a payment by check, such was deposited into the primary checking account for Crown Travel Service from which the company paid its routine operating expenses. Defendants did not maintain a separate account for a Member's travel payments.

50. At all relevant times, Defendants did not hold in escrow a Member's deposit to apply the funds to that Member's Travel Package. Rather, Defendants applied that deposit to Crown Travel Service's outstanding expenses (i.e. Travel Packages for Members who already travelled, rent and salaries).

51. If a Member paid by credit card, within three (3) to four (4) business days thereafter, the funds were transferred into Crown Travel Service's primary checking account.

52. Upon booking, Defendants forwarded to Members an invoice, general information and itinerary.

53. At all relevant times, Defendants were to provide Members with airline tickets thirty (30) days prior to departure.

54. At all relevant times, Defendants' payments for the airfare purchased as part of a Travel Package were to be made through Airline Reporting Corporation ("ARC").

55. Once Defendants approved the airfare purchases reflected in an online report provided by ARC, they were required to submit payment.

56. ARC would obtain payment by debiting funds from a separate bank account that Defendants were required to maintain.

57. By mid-September 2012, Defendants were unable to fund the ARC account.

**C. Check Payment And Other Discounts  
Offered By Defendants For Travel Packages:**

58. At all relevant times, Defendants sold Travel Packages which included tours, for example, through Europe, Asia, the Middle East, Africa and Central and South America.

59. At varying times, Defendants, through the Travel Brochures and otherwise, offered Members "5% off the complete tour price (including tax and insurance) if payments are made by check" rather than credit card.

60. Through the 9/10-2012 Travel Brochure, Defendants provided that "Members can enjoy an additional 5% discount off of the final payment of the tour price (including tax and insurance), if final payments are made by check."

61. When Members called to book a Travel Package, at times Defendants' representatives encouraged them to pay by check in order to receive the five percent (5%) discount.

62. At varying times, Defendants sold Travel Packages which included cruises or travel within the United States or Canada.

63. Through the Travel Brochures, Defendants offered a "2% check payment discount" to Members who were making final payments for cruise bookings or travel within the United States (except Hawaii) and Canada.

64. Through the Travel Brochures, Defendants also offered special airfare pricing if a Member booked and paid for a designated flight ninety (90) days or more prior to departure.

65. Upon information and belief, Defendants offered "Book & Pay Discounts" for Travel Packages at least as of October 2008.

66. The Travel Brochure for January/February 2012 offered a "Book & Pay Discount" of up to \$600 per couple on several designated tours (e.g. "Super Tuscany") if the Member booked and paid in full by February 15, 2012.

67. The 9/10-2012 Travel Brochure provided that for various Travel Packages, if Members booked and paid by October 15, 2012, they would receive an instant credit of \$500 per couple, and if the Member booked any April or May 2013 departure, he/she would receive an additional savings of \$250 per couple.

68. At varying times, Defendants' representatives advised Members that if they paid in full at the time of booking, they would receive a discount (e.g. "1 Day Sale - \$150 Per Person (\$300 Per Couple))."

69. At least in May and September 2012, Defendants offered a 1Day Sale of \$150 per person.

70. Defendants offered the "Book & Pay Discount" as well as the 1 Day Sale in order to address Crown Travel Service's cash flow problems.

71. T. Paris and the Crown Travel Service Product Directors determined which Travel Packages would be part of such promotions.

72. Many Members took advantage of such discounts when booking and paying for their Travel Packages with the Defendants.

73. As recent as September 23, 2012, Defendants accepted check payments from Members for Travel Packages that were not to occur until after Defendants ceased operations on October 1, 2012.

74. Of the 241 Members and other consumers who have submitted complaints to the Division and sustained monetary losses (e.g. \$932,689.38), 184 made full or partial payments to Defendants by check, cash or cash equivalent, in the aggregate amount of \$693,070.94.

**D. Defendants' Advertisement of Trip Mate Travel Protection:**

75. At all relevant times, Defendants offered, at an additional cost, travel insurance through Trip Mate, Inc. ("Trip Mate").

76. At all relevant times and in accordance with a Travel Organization Agreement, Trip Mate authorized Crown Travel Service to make available to its Members travel insurance policies that were underwritten by United States Fire Insurance Company and administered by Trip Mate ("Travel Insurance").

77. At all relevant times, Members might elect to purchase the Travel Insurance, to purchase travel insurance from another source, or to simply not purchase travel insurance at all.

78. Upon information and belief, Defendants encouraged Members who purchased Travel Packages to purchase the Travel Insurance.

79. The cost of the Travel Insurance varied, depending on the cost, duration and destination of the Travel Package purchased by the Member. At least as of May 1, 2011, the Travel Insurance premiums ranged from \$29.25 to \$1,049.50 per person for Land and Air/Land Packages, and \$36.75 to \$1,999.50 for cruises.

80. At all relevant times, Defendants also offered Travel Insurance to consumers who were part of groups that purchased Travel Packages from ABC Destinations.

81. Upon information and belief, Defendants' markup for the Travel Insurance offered to Members of Club ABC Tours and consumers who booked with ABC Destinations was between thirty percent (33%) and thirty-five percent (35%).

82. At all relevant times, Defendants added the price of the Travel Insurance to the price of the Travel Package.

83. At all relevant times, payment for Travel Insurance was due upon booking.

84. At all relevant times, the Travel Insurance was to be effective upon payment.

85. The Travel Organization Agreement between Trip Mate and Crown Travel Service required that "[a]ny premiums received by [Crown Travel Service] shall be held in a fiduciary capacity for Trip Mate or Insurer until delivery to Trip Mate or Insurer."

86. At varying times, Defendants failed to provide Members or consumers with any proof of their purchase of Travel Insurance.

87. Defendants promoted the Travel Insurance as a "Cancel-For-Any-Reason" travel protection program.

88. The "Terms and Conditions" portion of the 9/10-2012 Travel Brochure includes the following:

TRAVEL PROTECTION PLAN: It is strongly recommended that you take advantage of our Travel Protection Plan in the event that you need to cancel or interrupt your trip or cruise, require emergency assistance, experience a travel delay or lose your baggage. The plan also includes a 'Cancel For Any Reason' Waiver for all bookings, including cruises, if purchased within the first 14 days of booking. . . .

89. To the contrary, the Travel Insurance policy provided that "**This Cancel For Any Reason Benefit does not cover: . . . 2) the failure of Club ABC Tours to provide the bargained-for Travel Arrangements due to cessation of operations for any reason.**"

**E. The Precarious Financial Condition Of Crown Travel Service And ABC Destinations:**

90. In approximately October 2008, Crown Travel Service and ABC Destinations underwent a restructuring, which included: (a) the elimination of approximately one-third (1/3) of their employee positions, including the Vice President of Finance of Crown Travel Service; and (b) salary reductions of up to twenty percent (20%), which remained in effect through 2009.

91. In early 2011, another restructuring of Crown Travel Service occurred, which resulted in the elimination of approximately ten (10) employee positions.

92. Such restructuring was necessitated by Crown Travel Service's poor financial condition.

93. The Uniform Fraudulent Transfer Act, specifically N.J.S.A. 25:2-23 defines "Insolvency" as follows:

- (a) A debtor is insolvent if the sum of the debtor's debts is greater than all of the debtor's assets, at a fair valuation.
- (b) A debtor who is generally not paying his debts as they become due is presumed to be insolvent.

**Defendants' Failure To Make Timely Payments To Vendors:**

94. A standard accounts payable billing cycle of thirty (30) days requires a business to pay its vendors within thirty (30) days from the vendor's provision of merchandise or services.

95. From at least October 2008 through September 2012, Defendants failed to remit payments to the vast majority of hotels and tour guides within thirty (30) days.

96. During that period, R. Paris and T. Paris used their established relationships with hotels to remit payments from 120 days to 180 days after the Member's departure.

97. During that period, R. Paris and T. Paris determined the manner in which Crown Travel Service's available funds would be allocated to make payments to hotels.

98. During that period, R. Paris and T. Paris approved payment schedules for hotels.

99. At all relevant times, Defendants were required to submit a reconciliation report to TripMate by the 10<sup>th</sup> of the following month for all Travel Insurance sold during the prior month and then, to remit payment thirty (30) days later.

100. Upon information and belief, Defendants continually failed to remit payment to TripMate by that thirty (30) day period and attempted to devise a payment schedule with TripMate.

101. As of September 27, 2012, Crown Travel Service had outstanding payables (e.g. hotels, cruises, tours, Travel Insurance, airfare) in the amount of \$1,965,955.76, which were comprised of the following: \$450,203.36 (0-30 days); \$394,257.69 (31-60 days); \$413,835.65 (61-90 days); \$264,645.44 (91-120 days); \$217,350.59 (121-150 days); \$137,872.14 (151-180 days); and \$87,790.89 (> 180 days).

102. Those outstanding payables included \$48,851 which was owed to Trip Mate in excess of 180 days.

103. As of September 27, 2012, ABC Destinations had outstanding payables (e.g. hotels, tours) in the amount of \$152,055, \$71,598.57 of which was outstanding for 151-181 days.

104. At all relevant times, Defendants maintained merchant accounts with American Express and PayPal.

105. Upon information and belief, in the spring of 2011, American Express required Crown Travel Service to provide a security deposit of \$190,000 and ABC Destinations a security deposit of \$60,000, arising from a review of the company financials.

106. Upon information and belief, in 2010, PayPal required Crown Travel Service to provide a security deposit of \$350,000, in addition to a reserve of ten percent (10%) of the day's sales, due to its worsening financial condition.

107. Upon information and belief, at all relevant times, Crown Travel Service maintained approximately nine (9) American Express business accounts. In August 2012 and after a review of the company's financials, American Express decreased the credit card limits to an aggregate amount of \$50,000.

**Defendants' Failure To Make Lease Payments:**

108. As part of the October 2008 restructuring, Defendants relocated from 200 Broadacres Drive Bloomfield to 300 Broadacres Drive Bloomfield, the latter of which was approximately one-half ( $\frac{1}{2}$ ) the size of the former location.

109. At least as of January 15, 2008, BP/Prism Central Park Owner, LLC ("Prism") was the landlord of both 200 Broadacres Drive Bloomfield and 300 Broadacres Drive Bloomfield.

110. At the time of Defendants' relocation to 300 Broadacres Drive Bloomfield, they were in arrears in the payment of rent for 200 Broadacres Drive Bloomfield, in the amount of \$197,021.16.

111. At least as of the end of August 2011, Defendants were in arrears in their rent payments to Prism for 300 Broadacres Drive Bloomfield, in the amount of \$2,680.44. Such amount steadily increased over the ensuing months such that, as of the end of November 2012, Defendants' outstanding rent payments totaled \$243,771.73.

**Crown Travel Service Financial Statements:**

112. The unaudited Financial Statement for Crown Travel Service as of December 31, 2008, reflected the following: (a) Current Assets - \$2,625,980 and Current Liabilities - \$8,469,463;



and (b) Total Assets - \$3,781,331 and Total Liabilities - \$8,784,346.

113. The audited Financial Statement for Crown Travel Service for the years ended December 31, 2011 and 2010 prepared by its Certified Public Accountants ("2011/2010 Financial Statement") reflected the following information: (a) Current Assets (2010) – \$2,475,919 and Current Liabilities (2010) - \$8,204,166; (b) Total Assets (2010) - \$2,853,095 and Total Liabilities (2010) – \$8,617,910; (c) Current Assets (2011) – \$2,215,427 and Current Liabilities (2011) - \$8,409,312; and (d) Total Assets (2011) – \$2,534,126 and Total Liabilities (2011) - \$8,888,439.

114. The 2011/2010 Financial Statement also reflected that in November 2010, Crown Travel Service entered into a financing agreement for the purchase of a motor vehicle which, upon information and belief, was a Porsche. The Porsche was purchased for R. Paris.

115. The 2011/2010 Financial Statement also reflected that in January 2011, the Porsche was traded-in and a new vehicle was purchased which, upon information and belief, was an Audi. Again, the Audi was purchased for R. Paris. The 2011/2010 Financial Statement reflected that Crown Travel Service was to make monthly payments of \$690, including interest of 2.95% per year, for the Audi.

116. The 2011/2010 Financial Statement further reflected that Crown Travel Service provided management and other administrative support to an entity under common ownership, which was ABC Destinations. Such included provision of office space.

117. The notes to the 2011/2010 Financial Statement included the following:

As shown in the accompanying financial statements, the Company [Crown Travel Service] incurred a net loss of \$387,245 during the year ended December 31, 2011 and as of that date the Company's current liabilities exceeded its current assets by \$6,193,885 and its total liabilities exceeded its total assets by \$6,354,313. These factors create an uncertainty as to the Company's ability to continue as a going concern.

During 2011, the shareholders made loans to the Company in excess of \$1 million

dollars so that the Company could meet its current obligations, and are currently exploring options to obtain financing through the restructure of equity and new shareholders.

[Emphasis added.]

118. The 2011/2010 Financial Statement references a loan of \$1,050,000 made in 2011. Upon information and belief, T. Paris obtained a personal bank loan of \$1,050,000 in order to extend that loan to Crown Travel Service.

119. The 2011/2010 Financial Statement also references interest paid by Crown Travel Service of \$110,254 which, upon information and belief, represented interest accrued on loans made by R. Paris and/or T. Paris.

120. The Financial Statement of Crown Travel Service for the six (6) months ended June 30, 2012, prepared by its Certified Public Accountants ("June 2012 CTS Financial Statement") reflected the following information: (a) Current Assets – \$3,640,534 and Current Liabilities - \$10,306,099; and (b) Total Assets - \$3,933,545 and Total Liabilities - \$10,758,798.

121. The June 2012 CTS Financial Statement reported as follows:

As shown in the accompanying financial statements, Crown Travel Service, Inc. (the Company) incurred a net loss during the six months ended June 30, 2012 and as of that date, the Company's current liabilities exceeded its current assets and its total liabilities exceeded its total assets. These factors create an uncertainty as to the Company's ability to continue as a going concern.

[Emphasis added.]

122. Further, a Cash Flow Analysis for Crown Travel Service reflected a projected cash balance of \$195,465 and accounts payable of \$2,652,673, as of September 30, 2012.

123. At least as of December 31, 2008 through June 30, 2012, the total liabilities materially exceeded the total assets of Crown Travel Service.

**ABC Destinations Financial Statements:**

124. Upon information and belief, in 2006 R. Paris and T. Paris each contributed \$500,000 to establish ABC Destinations.

125. The Compilation Report for ABC Destinations for the years ended December 31, 2011 and 2010 prepared by its Certified Public Accountants (“2011/2010 Compilation Report”) reflected the following information: (a) Notes and Interest Payable to Members (2010) – \$1,250,000 and (b) Notes and Interest Payable to Members (2011) - \$1,277,055.

126. The 2011/2010 Compilation Report reflects the following: (a) Distributions to Members (2010) – \$149,256; and (b) Distributions to Members (2011) - \$355,400. R. Paris and T. Paris were the members of ABC Destinations.

127. The Financial Statement of ABC Destinations for the six (6) months ended June 30, 2012, prepared by its Certified Public Accountants (“June 2012 ABC Financial Statement”) reflected the following information: (a) Current Assets – \$665,589 and Current Liabilities - \$1,994,043; and (b) Total Assets - \$699,200 and Total Liabilities - \$3,295,258.

128. The June 2012 ABC Financial Statement reported as follows:

As shown in the accompanying financial statements, ABC Destinations, LLC (the Company) incurred a net loss during the six months ended June 30, 2012 and as of that date, the Company’s current liabilities exceeded its current assets and its total liabilities exceeded its total assets. These factors create an uncertainty as to the Company’s ability to continue as a going concern.

[Emphasis added.]

**F. R. Paris And T. Paris’ Continued Operation Of Crown Travel Service And ABC Destinations:**

129. As of October 2008, R. Paris and T. Paris each received an annual salary of \$250,000 as Co-Presidents of Crown Travel Service.

130. Upon information and belief, R. Paris and T. Paris took a twenty percent (20%), then a ten percent (10%) reduction in salary as part of the restructuring that began in October 2008.

131. Upon information and belief, at least as of the beginning of 2011, R. Paris had an annual salary of \$275,000, while T. Paris had an annual salary of \$225,000.

132. In 2010, R. Paris and T. Paris received distributions of \$149,256 from ABC Destinations.

133. In 2011, R. Paris and T. Paris received distributions of \$355,400 from ABC Destinations.

134. In late 2011 and early 2012, Crown Travel Service purchased motor vehicles for R. Paris, first a Porsche, then an Audi.

135. At least in 2011, it appeared that any profit realized by Crown Travel Service and ABC Destinations was offset by compensation provided to R. Paris and T. Paris.

136. Upon information and belief, in late 2009, R. Paris and T. Paris were engaged in discussions with Baher Ghabbour to combine the businesses of Crown Travel Service and ABC Destinations with those of Sakkar Group International and STI Travel USA. Such negotiations broke down at the beginning of 2010.

137. The merger negotiations recommenced at the end of 2011.

138. In connection with such negotiations, the Crown Travel Service Comptroller prepared a weekly cash flow analysis, which was presented to R. Paris and T. Paris for review. Based upon such analysis, R. Paris and T. Paris were aware that if the merger did not occur by the middle of September 2012, the cash flow of Crown Travel Service and ABC Destinations would become negative and the companies would be unable to continue operations.

139. Upon information and belief, Crown Travel Service and ABC Destinations required an investment of \$1.4 million to continue in operation through the end of 2012.

140. At least as of August 27, 2012, the weekly cash flow analysis indicated that Defendants required a bridge loan of \$500,000 during the week of September 17, 2012 in order for Crown Travel Service and ABC Destinations to meet their obligations with ARC. Based upon Defendants' inadequate cash flow, the amount of the requisite bridge loan was later increased to \$750,000.

141. During the negotiation period, Baher Ghabbour and his accountants reviewed financial information concerning Crown Travel Service and ABC Destinations and performed other due diligence.

142. Although Defendants unilaterally drafted a Memorandum of Understanding, such was never agreed upon or executed by Baher Ghabbour. Further, the merger negotiations had not progressed to the point of the drafting of any loan or other closing documents.

143. Despite its dire financial circumstances, from December 31, 2008 at least through September 24, 2012, Crown Travel Service – at the direction of R. Paris and T. Paris – continued in operation.

144. From December 31, 2008 at least through September 24, 2012, R. Paris and T. Paris knew that Crown Travel Service was insolvent and incapable of meeting its current obligations.

145. Despite this knowledge, R. Paris and T. Paris continued to operate Crown Travel Service, among other things, by soliciting and accepting Members, advertising and offering for sale Travel Packages, and accepting payments from Members for Travel Packages, many of which were to occur in 2013.

146. R. Paris and T. Paris also continued to accept a Member's payments and to apply those payments not to that Member's Travel Package, but rather to a previously booked and/or taken Travel Package, or other operating expenses.

147. At least as of June 30, 2012, R. Paris and T. Paris knew that ABC Destinations was insolvent and incapable of meeting its current obligations. Despite this knowledge, R. Paris and T. Paris continued to operate ABC Destinations, among other things, by advertising and offering for sale and accepting payment for Travel Packages that were to occur in 2013, including the "Blue Danube Adventure" for St. Cecelia Church.

148. At least through September 24, 2012, R. Paris and T. Paris continued to collect payments for Travel Packages to occur post-October 1, 2012, and to explicitly and implicitly represent to Members and other consumers that such merchandise would be provided, when, in actuality, there was little or no likelihood that Crown Travel Service and ABC Destinations would be able to continue in business.

**G. Defendants' Cessation Of Business Operations:**

149. On September 25, 2012, Crown Travel Service defaulted on its obligations to ARC.

150. Upon information and belief, Crown Travel Service owed \$725,756.80 to ARC as of September 30, 2012.

151. On October 1, 2012, R. Paris and T. Paris met with Club ABC Tours employees at 300 Broadacres Drive Bloomfield and advised them that the company was ceasing operations.

152. Defendants ceased operations without any advance notice to their Members, including some Members who were en route to overseas destinations as part of the Travel Packages they booked through Club ABC Tours.

153. On or about October 1, 2012, the Club ABC Tours Website included the following message:

After almost 45 years of business, it is with deep regret that we must announce that our company has ceased operations.

If you booked a tour and travel insurance, you may contact your insurer to determine claim eligibility. If you paid by credit card, you may contact your credit card company to determine refund eligibility.

On [sic] the event that you have booked a cruise, we suggest that you contact your cruise line directly and inquire as to the status of your trip.

154. On October 1, 2012, Defendants forwarded the following message, under ABC Destinations letterhead, to consumers who booked Travel Packages with ABC Destinations:

To whom it May Concern

ABC Destinations discontinued its business operations as of October 1, 2012.

Sincerely

Robert S. Paris  
Ex. Co President  
ABC Destinations, LLC

155. On or about October 4 and 5, 2012, Defendants forwarded emails to Members whose tours were to commence in the following days (e.g. "China's Golden Cities" scheduled to depart on October 10, 2012), advising that Club ABC Tours had suspended all operations and that the tour was cancelled.

156. On or about October 4, 2012, Defendants left voicemail messages for Members whose tours were to commence in the following days (e.g. "Cooking Noble Tuscany" scheduled to depart on October 6, 2012), advising that their tours were cancelled.

157. To date, neither Crown Travel Service nor ABC Destinations has reimbursed Members or consumers for any of the cancelled Travel Packages that were pre-paid totally or partially by check.

158. To date, neither Crown Travel Service nor ABC Destinations has filed for bankruptcy protection.

**H. Members Who Were Stranded Abroad  
When Club ABC Tours Ceased Operations:**

159. On September 29, 2012, approximately twenty-six (26) persons (Members or their companions), departed from JFK Airport in New York to Rome as part of the "Super Tuscany" tour sold by Defendants. The tour included seven (7) nights at the Grand Hotel Vittoria in Rome.

160. On October 4, 2012, the General Manager of the Grand Hotel Vittoria provided the Members with a letter which included the following:

Dearest Guest,

First of all we would like to thank you for booking your holiday at our hotel. We regret and we feel obliged to inform you that CLUB ABC TOURS has suddenly failed to respect our payment terms with no previous notice.

Nonetheless, we have been trying to contact them without any success for a week now; no one answers the phone over there and no chance to access the website.

Considering the gravity of the situation, and with support of the Italian law, we are now forced to ask you to pay directly in full the services we are currently offering (hotel accommodation and escorted tours) otherwise we must interrupt the tour starting from this evening included excursions, assistance, and the departure's transfer to the Airport.

161. Thus, Members were required to pay 755 Euro's – or \$984.07 – for the hotel accommodations, even though they had already remitted payment to Defendants for such accommodations.



162. On October 2, 2012, approximately twenty-six (26) persons (Members or their companions), departed from JFK Airport in New York to Rome as part of the “Unbelievable Italy” tour sold by Defendants. The tour included three (3) nights in Rome, three (3) nights in Florence and two (2) nights in Venice.

163. The Members were not advised that Club ABC Tours ceased operations until the evening of October 5, 2012, when their tour director provided them with a letter, under Club ABC Tours letterhead, which stated:

Dear Club ABC Member,

We regret to inform you that Club ABC Tours has gone out of business and has declared bankrupt [sic].

We are therefore sorry to inform you that the services of the tour you are taking are not confirmed, our service end [sic] today Friday Oct 5<sup>th</sup>.

If you wish to continue your journey you can continue with direct travel arrangements.

Your flight ticket is still valid as described in your travel document.

Sincerely

Club Abc Tours

164. Thereafter, Members who were part of the “Unbelievable Italy” tour were advised that Defendants had not paid for their hotel accommodations in Rome and had made no hotel reservations in Florence and Venice, even though months prior the Members remitted payment for such accommodations to Defendants.

165. Thus, Members who were part of the “Unbelievable Italy” tour were required to pay for the hotel in Rome and were left to decide whether to incur additional costs for the hotels in Florence and Venice. At least some Members opted to book an immediate flight home, for which they incurred additional costs.

**I. Member and Other Consumer Monetary Losses Resulting From The Closure Of Crown Travel Service And ABC Destinations:**

166. Upon learning of the closure of Club ABC Tours, Members attempted, without success, to contact Defendants by phone or in person, among other things, to ascertain the status of the Travel Packages for which they made prior payment.

167. Members who contacted airlines for tours that were to occur after the closure of Club ABC Tours were informed that because no payment was made, the reservations were cancelled.

168. Members who contacted hotels for tours that were to occur after the closure of Club ABC Tours were informed that because no payment was made, the Member would be responsible for payment of the hotel.

169. After Defendants ceased business operations, Members who purchased the Travel Insurance discovered that their payments were not covered because the policy did not cover the failure to provide Travel Packages due to Club ABC Tours' cessation of business operations.

170. Based upon consumer complaints received to date, the Division has identified 241 consumers, the majority of whom are Members, who booked and paid for Travel Packages, including the "Super Tuscany" and "Unbelievable Italy" tours. To date, the monetary losses sustained by these consumers totals \$932,689.38.

171. Upon information and belief, Defendants have provided no refunds to Members or other consumers who used checks, cash or cash equivalents to pay for Travel Packages.

172. As of the date of the letter, Crown Travel Service had not filed for bankruptcy protection and has not done so as of the date of this First Amended Complaint.

**COUNT I**

**VIOLATION OF THE CFA BY DEFENDANTS  
(UNCONSCIONABLE COMMERCIAL PRACTICES)**

173. Plaintiffs repeat and reallege the allegations contained in Paragraphs 1 through 172 above as if more fully set forth herein.

174. The CFA, N.J.S.A. 56:8-2, prohibits:

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....

175. The CFA defines “merchandise” as including “any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale.” N.J.S.A. 56:8-1(c).

176. The Travel Packages advertised, offered for sale and sold by Defendants comprise merchandise within the meaning of the CFA.

177. In the operation of Club ABC Tours and ABC Destinations, Defendants have engaged in the use of unconscionable commercial practices, false promises, misrepresentations and/or the knowing concealment, suppression or omission of material facts.

178. Defendants have engaged in unconscionable commercial practices including, but not limited to, the following:

- a. Accepting payment for Travel Packages and then failing to provide Members with some or all of the merchandise for which they paid (e.g. airfare, hotel accommodations);
- b. Accepting payment from a Member for a Travel Package and then failing to remit those funds to vendors for those accommodations, thereby failing to book or otherwise secure such accommodations;

- c. Inducing Members, through a 5% discount, to use checks to pay for Travel Packages for tours to occur post-closure of Club ABC Tours, thus resulting in monetary losses to the Members who could not obtain refunds from Defendants or account credit from issuers of credit cards;
- d. Inducing Members, through a 2% discount, to use checks to pay for Travel Packages for cruises and travel within the United States (except Hawaii) and Canada to occur post-closure of Club ABC Tours, thus resulting in monetary losses to the Members who could not obtain refunds from Defendants or account credit from issuers of credit cards;
- e. Inducing Members, through an instant credit of \$500 per couple or additional savings of \$250 per couple, to book and pay prior to October 15, 2012 for Travel Packages for tours to occur post-closure of Club ABC Tours;
- f. Inducing Members, through discounts such as "1 Day Sale – \$150 Per Person (\$300 Per Couple)," to pay in full at the time of booking for Travel Packages for tours to occur post-closure of Club ABC Tours;
- g. At least as of July 2012, offering discounts to Members on the price of two-year, three-year and five-year Memberships which would be of no value to Members once Club ABC Tours closed on October 1, 2012;
- h. From December 31, 2008 at least through September 24, 2012, continuing to solicit and accept Members and accept payments for Travel Packages without applying those payments to book or secure accommodations despite the insolvency of Club ABC Tours;
- i. From June 30, 2012, continuing to accept payments for Travel Packages without applying those payments to book or secure accommodations despite the insolvency of ABC Destinations;
- j. Through the 9/10-2012 Travel Brochure, continuing to advertise and sell Travel Packages for tours that would occur as late as September and October 2013, when Club ABC Tours was in the process of closing;
- k. In August 2012, continuing to advertise and sell Travel Packages for group tours that would occur as late as April 2013, when ABC Destinations was in the process of closing;
- l. Failing to remit payment for the hotel accommodations in Rome for the "Super Tuscany" tour, thus requiring Members to pay again for the accommodations;

- m. Failing to remit payment for the hotel accommodations in Rome, Florence and Venice for the “Unbelievable Italy” tour, thus requiring Members to pay again for the accommodations;
- n. Waiting until the Members on the “Unbelievable Italy” tour arrived in Rome before advising them that Club ABC Tours had ceased operations;
- o. Failing to remit to Trip Mate the payment made by a Member or consumer for Travel Insurance;
- p. Failing to provide Members with refunds for the check payments they made for Travel Packages which they would not receive as a result of the closure of Club ABC Tours; and
- q. Failing to respond to consumer complaints, inquiries and/or requests for refunds in a timely manner or at all.

179. Each unconscionable commercial practice by Defendants constitutes a separate violation under the CFA, N.J.S.A. 56:8-2.

## COUNT II

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

180. Plaintiffs repeat and reallege the allegations contained in Paragraphs 1 through 179 above as if more fully set forth herein.

181. In the operation of Club ABC Tours and/or ABC Destinations, Defendants have made false promises and/or misrepresentations including, but not limited to:

- a. Misrepresenting to Members that they would receive Travel Packages for tours that would occur post-October 1, 2012, when such was not the case;
- b. Misrepresenting to consumers who that they would receive Travel Packages for group tours that would occur post-October 1, 2012 (e.g. “Blue Danube Adventure”), when such was not the case;
- c. Promising, then failing, to provide Members and/or consumers with the Travel Packages for which they made payment; and

- d. In the Membership Letter, promoting the Travel Insurance as “[t]he only ‘Cancel-For-Any Reason’ travel protection program,” when such was not the case.

182. In the operation of Club ABC Tours and/or ABC Destinations, Defendants have engaged in knowing omissions of material fact including, but not limited to, the following:

- a. In the Fall of 2012, failing to disclose to Members that Club ABC Tours was in the process of closing;
- b. In the Fall of 2012, failing to disclose to consumers who purchased Travel Packages that ABC Destinations was in the process of closing;
- c. Failing to advise Members who purchased Club ABC Tours Travel Packages for tours to occur post-October 1, 2012, that Defendants would not make payment for those accommodations;
- d. Failing to advise consumers who purchased ABC Destinations Travel Packages for tours to occur post-October 1, 2012, that Defendants would not make payment for those accommodations;
- e. Failing to disclose to the Members who embarked on the “Super Tuscany” tour that Defendants had not paid for their hotel accommodations; and
- f. Prior to the Members’ departure on the “Unbelievable Italy” tour, failing to disclose that Club ABC Tours had ceased operations and that Defendants had not paid for their hotel accommodations in Rome, Florence and Venice.

183. Each false promise, misrepresentation and/or knowing omission of material fact by Defendants constitutes a separate violation under CFA, N.J.S.A. 56:8-2.

### **COUNT III**

#### **VIOLATION OF THE ADVERTISING REGULATIONS BY DEFENDANTS**

184. Plaintiffs repeat and reallage the allegations contained in paragraphs 1 through 183 above as if more fully set forth herein.

185. The Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., promulgated pursuant to the CFA, among other things, govern general advertising practices.

186. Specifically, the Advertising Regulations provide, in pertinent part:

(a) Without limiting the application of N.J.S.A. 56:8-1 et seq., the following practices shall be unlawful with respect to all advertisements:

....

9. The making of false or misleading representations 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).]

187. In their operation of Club ABC Tours and/or ABC Destinations, Defendants have violated the Advertising Regulations including, but not limited to, the following:

- a. In the Travel Brochure, advertising that the price of the “Super Tuscany” Travel Package included hotel accommodations in Rome, then failing to provide such accommodations;
- b. In the Travel Brochure, advertising that the price of the “Unbelievable Italy” Travel Package included hotel accommodations in Rome, Florence and Venice, then failing to provide such accommodations;
- c. In the Travel Brochure, advertising and selling Travel Packages to occur post-October 1, 2012, when due to the insolvency of Crown Travel Service, such merchandise would not be provided to Members;
- d. In brochures, advertising and selling Travel Packages to occur post-October 1, 2012 (e.g. “Blue Danube Adventure”), when due to the insolvency of ABC Destinations, such merchandise would not be provided to consumers;
- e. In the 9/10-2012 Travel Brochure, advertising and selling Travel Packages to occur post-October 1, 2012, when due to the insolvency of Crown Travel Service it was in the process of closing;
- f. In brochures, advertising and selling Travel Packages to occur post-October 1, 2012, when due to the insolvency of ABC Destinations it was in the process of closing; and
- g. In the Membership Letter, misrepresenting that the Travel Insurance provided a “Cancel-For-Any Reason” travel protection program, when such did not cover the Member’s inability to obtain the Travel Packages due to the closure of Club ABC Tours.

188. Each violation of the Advertising Regulations by Defendants constitutes a per se violation of the CFA, N.J.S.A. 56:8-2.

**COUNT IV**

**VIOLATION OF THE CFA AND  
THE ADVERTISING REGULATIONS BY R. PARIS**

189. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 188 above as if more fully set forth at length herein.

190. At all relevant times, R. Paris has been the owner, operator and/or Co-President of Crown Travel Service and has controlled, directed and/or participated in the management and operation of that entity, including the conduct alleged in this First Amended Complaint.

191. At all relevant times, R. Paris has been the owner, operator and/or Managing Member of ABC Destinations and has controlled, directed and/or participated in the management and operation of that entity, including the conduct alleged in this First Amended Complaint.

192. R. Paris' conduct makes him personally liable for the violations of the CFA and/or the Advertising Regulations committed by Crown Travel Service and/or ABC Destinations.

**COUNT V**

**VIOLATION OF THE CFA AND/OR  
THE ADVERTISING REGULATIONS BY T. PARIS**

193. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 192 above as if more fully set forth at length herein.

194. At all relevant times, T. Paris has been the owner, operator and/or Co-President of Crown Travel Service and has controlled, directed and/or participated in the management and operation of that entity, including the conduct alleged in this First Amended Complaint.



195. At all relevant times, T. Paris has been the owner, operator and/or Member of ABC Destinations and has controlled, directed and/or participated in the management and operation of that entity, including the conduct alleged in this First Amended Complaint.

196. T. Paris' conduct makes him personally liable for the violations of the CFA and/or the Advertising Regulations committed by Crown Travel Service and/or ABC Destinations.

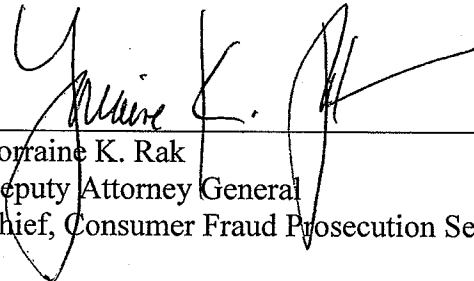
### **PRAYER FOR RELIEF**

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

- (a) Finding that the acts and omissions of Defendants constitute multiple 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.;
- (b) Permanently enjoining Defendants and their owners, officers, directors, shareholders, founders, managers, agents, servants, employees, 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 First Amended Complaint;
- (c) 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 First Amended Complaint;
- (d) Declaring that any Memberships effective post-October 1, 2012, entered into between Defendants and Members are null and void, thus entitling Members to recovery of any monies paid thereunder;
- (e) Directing Defendants, jointly and severally, to restore to any affected person, whether or not named in this First Amended 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;

- (f) 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;
- (g) 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
- (h) Granting such other relief as the interests of justice may require.

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By:   
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

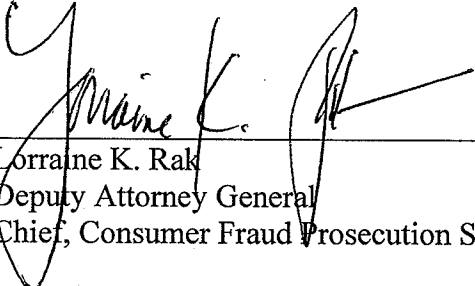
Dated: August 16, 2013  
Newark, New Jersey

**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 CFA, N.J.S.A. 56:8-1 et seq., and the Advertising Regulations, N.J.A.C. 13:45A-9.1 et seq., 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 the Defendants, but have no direct information that any such actions involve consumer fraud allegations. 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 certify that there is no other party who should be joined in this action at this time.

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By



Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

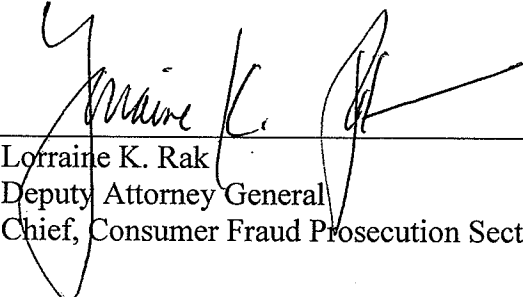
Dated: August 16, 2013  
Newark, New Jersey

**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).

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: \_\_\_\_\_

  
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

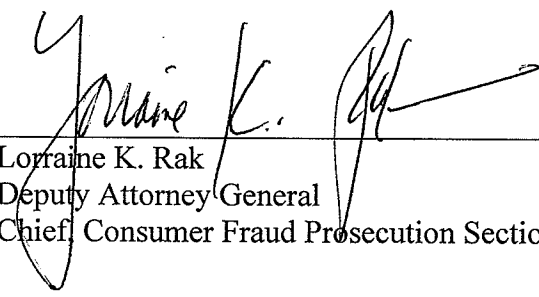
Dated: August 16, 2013  
Newark, New Jersey

**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.

JOHN J. HOFFMAN  
ACTING ATTORNEY GENERAL OF NEW JERSEY  
Attorney for Plaintiffs

By: \_\_\_\_\_

  
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution Section

Dated: August 16, 2013  
Newark, New Jersey