



2. The Attorney General's authority to bring this action is derived from statutory and common law of Kansas, specifically, the Kansas Consumer Protection Act, K.S.A. 50-623, *et seq.*

3. Defendant Vacations Outlet, L.L.C., is a limited liability corporation organized under the laws of the State of Kansas with a principal office located at 1919 N. Amidon, Suite 120, Wichita, Kansas, 67203.

4. Defendant Vacations Outlet of Kansas City, L.L.C., is a limited liability corporation organized under the laws of the State of Kansas with a principal office located at 9062 Metcalf, Overland Park, Kansas, 66212.

5. The undersigned Principals, Agents and Employees of Defendants stipulate to being personally, jointly and severally, liable and responsible for all the terms of the judgment referenced in this Journal Entry of Consent Judgment, including, but not limited to, the monetary judgment and injunctive provisions.

6. Defendants are suppliers within the definition of K.S.A. 50-624(i) and have engaged in consumer transactions in Kansas within the definitions of K.S.A. 50-624(c).

7. Defendants operated a showroom, located at 9062 Metcalf, Overland Park, Kansas, 66212, where employees gave presentations related to, and made sales of, travel club packages to consumers.

8. Defendants are responsible for the acts of their agents and employees under the legal theory of respondeat superior.

9. Defendants admit the Court has personal and subject matter jurisdiction over the parties.

10. The Attorney General alleges Defendants engaged in the following acts and practices which are deceptive and/or unconscionable and violate the Kansas Consumer Protection Act:

- (a) employees of Defendants represented to consumers (i) travel club contracts could be canceled at any time, (ii) condominium reservations could be obtained anywhere, anytime, (iii) consumers would receive 5% rebate on all travel, (iv) there were no complaints against the Defendants with the Office of the Attorney General or Better Business Bureau, (v) consumers did not have to travel each year to receive the money back guarantee, (vi) the money back guarantee would be good even if the Defendants went out of business, (vii) the free trip destinations included New Orleans, (viii) hotel discounts were available at any time, and (ix) consumers could make hotel reservations for friends and family, all constituting the willful use, in oral or written representations, of exaggerations, falsehoods, innuendos or ambiguities as to material facts, in violation of K.S.A. 50-626(b)(2);
- (b) employees of Defendants failed to advise consumers (i) money for the condominium reservations was to be paid at the time of confirmation, (ii) the prize of two (2) airline tickets included conditions to stay at a hotel, at the consumer's expense, for seven to ten days, (iii) the prize trip included an obligation to attend a timeshare seminar, and (iv) a \$30.00 cleaning fee was required on condominiums, all constituting the willful failure to state material facts, or the willful concealment, suppression or omission of material facts, in violation of K.S.A. 50-626(b)(3);
- (c) employees of Defendants represented the Office of the Attorney General controlled their sales methods by limiting the number of memberships available for purchase by Kansas consumers, a representation made knowingly or with reason to know that the property or services have sponsorship, approval, accessories, characteristics, ingredients, uses, benefits or quantities that they do not have, in violation of K.S.A. 50-626(b)(1)(A);
- (d) employees of Defendants represented the Office of the Attorney General controlled their sales methods by requiring Defendants to sell certain travel club packages for a certain price at the time of the initial presentation to the consumer, falsely stating the reasons for offering or supplying property or services at sale or discount prices, in violation of K.S.A. 50-626(b)(10);
- (e) employees of Defendants represented in sales presentations Defendants were members of the International Association of Travel Agents, Airline Reporting Commission, United States Tour Operators Association and Cruise Line International Association in July 1996, which in truth and in fact they were

not, a representation made knowingly or with reason to know the supplier had a sponsorship, approval, status, affiliation or connection that the supplier did not have, in violation of K.S.A. 50-626(b)(1)(B);

- (f) employees of Defendants offered Alaskan cruises at a special price to consumers when they were not available at the special price, thereby offering property or services, knowingly or with reason to know, without the intent to supply reasonable, expectable public demand, in violation of K.S.A. 50-626(b)(6);
- (g) employees of Defendants kept consumers in the showroom for presentations exceeding three (3) hours in length, an unconscionable act in violation of K.S.A. 50-627(a);
- (h) contracts entered into between Defendants and consumers were excessively one-sided in favor of Defendants in that Defendants had the right to cancel, create or change conditions without a corresponding right of cancellation for consumers, an unconscionable act in violation of K.S.A. 50-627(b)(5); and
- (i) Defendants offered consumers incentives of free gifts to attend sales presentations and said gifts were not provided to consumers prior to the beginning of the sales presentation, an unconscionable act in violation of K.S.A. 50-692.

11. Defendants agree to this Consent Judgment without trial or adjudication of any issue of fact or law and deny each and every one of the Attorney General's allegations set forth herein.

12. Defendants agree to refrain from and to be permanently enjoined from engaging in acts and practices described in paragraph ten (10) in violation of the Kansas Consumer Protection Act. Defendants agree that engaging in acts or similar acts after the date of this Consent Judgment shall constitute a violation of this Order.

13. The provisions of this Consent Judgment will be applicable to Defendants, and every employee, agent or representative of Defendants.

14. Defendants agree to make available and/or disclose the provisions of this Consent Judgment to all of its appropriate senior management personnel within thirty (30) days of signing the Consent Judgment.

15. Defendants agree to be permanently enjoined from entering into, forming, organizing or reorganizing into any partnership, corporation, sole proprietorship or any other legal structures, for the purpose of avoiding compliance with the terms of this Consent Judgment.

16. Defendants agree to pay \$102,861.79 in restitution to consumers who have filed complaints with the Office of the Attorney General (Exhibit A attached). Consumers listed who have received a full refund, in the amount listed, prior to this Journal Entry of Consent Judgment being filed shall not be entitled to a second, and duplicative, refund.

17. Defendants further agree to pay \$25,000.00 in investigation fees and expenses to the "Office of the Attorney General" of the State of Kansas and \$25,000.00 in civil penalties to the "State of Kansas".

18. With regard to the amounts payable in paragraphs 16 and 17 above, Defendants agree to make a payment of \$10,000.00 at the time of signing of this Journal Entry of Consent Judgment with subsequent \$5,000.00 payments thereafter due on or before the first (1st) day of each month, until the entire amount payable is satisfied. Payment for investigative fees and expenses and civil penalties shall commence after payments for restitution to consumers have been completed. Defendants agree that failure to make timely payments, as set out above, will result in the entire outstanding balance becoming due within five (5) days of the first payment missed. Defendants also agree that, in the event of a missed payment, failure to remit the entire outstanding balance within five (5) days shall constitute a violation of this order.

19. Additionally, Defendants agree to provide complete refunds to those consumers filing complaints with the Office of the Attorney General on or before thirty (30) days after the filing of this Journal Entry of Consent Judgment with the Clerk of the District Court.

20. Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Consent Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the modification of any of the provisions hereof, for the enforcement of compliance herewith, and for the punishment of violations thereof.

21. If any portion, provision or part of this Consent Judgment is held to be invalid, unenforceable, or void for any reason whatsoever, that portion shall be severed from the remainder and shall not affect the validity or enforceability of the remaining provisions, portions or parts.

22. Compliance with this Consent Judgment does not relieve Defendants of any obligation imposed by applicable federal, state or local law, nor shall the Attorney General be precluded from taking appropriate legal action to enforce civil or criminal statutes under her jurisdiction.

23. The parties understand this Consent Judgment shall not be construed as an approval of or sanction by the Attorney General of the business practices of Defendants nor shall Defendants represent the decree as such an approval. The parties further understand that any failure by the State of Kansas or by the Attorney General to take any action in response to any information submitted pursuant to the Consent Judgment shall not be construed as an approval of or sanction of any representations, acts or practices indicated by such information, nor shall it preclude action thereon at a later date.

24. Defendants agree to withdraw unfavorable credit reports for consumers who had filed complaints with the Office of the Attorney General and failed to make payments on their contracts for vacation services.

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that the stipulation and agreement of the parties contained herein are adopted and approved as the findings of fact and conclusions of law of the Court and any monies owed hereunder by Defendants immediately become a judgment upon filing.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that judgment is entered against Defendants Vacations Outlet, L.L.C., Vacations Outlet of Kansas City, L.L.C., and all Principals, Agents and Employees, in favor of Plaintiff in the amount of \$152,861.79.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that pursuant to the Kansas Consumer Protection Act, and the provisions of K.S.A. 50-632(b), the Court hereby approves the terms of the Consent Judgment and adopts the same as the Order of the Court.

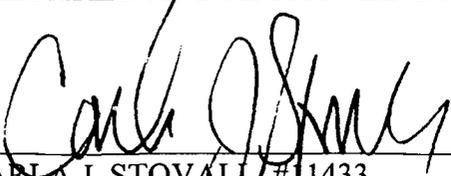
**IT IS SO ORDERED.**



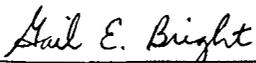
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Judge of the District Court

**PREPARED AND APPROVED BY:**

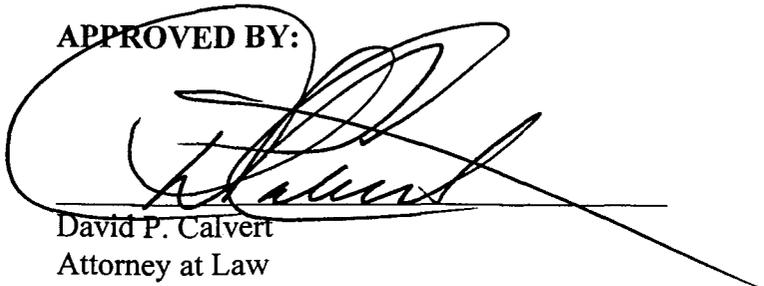


CARLA J. STOVALL, #11433  
Attorney General

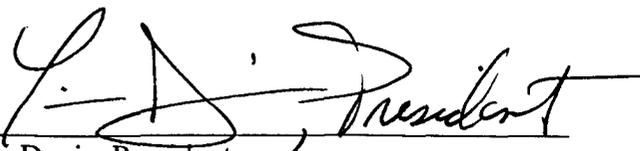


Gail E. Bright, #14572  
Assistant Attorney General  
Kansas Judicial Center  
Topeka, Kansas 66612-1597  
(785) 296-3751  
Attorney for Plaintiff

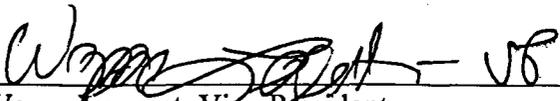
**APPROVED BY:**



David P. Calvert  
Attorney at Law  
532 N. Market  
Wichita, Kansas 67214-3514  
(316) 269-9055  
Attorney for Defendants



Tim Davis, President  
Vacations Outlet, L.L.C., and  
Vacations Outlet of Kansas City, L.L.C.



Wayne Largent, Vice-President  
Vacations Outlet, L.L.C., and  
Vacations Outlet of Kansas City, L.L.C.