

STATE OF ILLINOIS
IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT
SANGAMON COUNTY

FILED

FEB 08 2000 CTR-1

THE PEOPLE OF THE STATE OF ILLINOIS,

Plaintiff,

-vs-

NATIONAL TRAVEL SERVICES, INC., a Nevada
corporation; PLAZA RESORTS, INC., d/b/a
RAMADA PLAZA RESORTS ORLANDO/FORT
LAUDERDALE VACATIONS, a Florida corporation;
DANIEL LAMBERT, individually, and as president
and director of NATIONAL TRAVEL SERVICES,
INC., and as a director of PLAZA RESORTS, INC.;
JAMES H. VERRILLO, individually, and as an officer and
director of NATIONAL TRAVEL SERVICES, INC., and
as a director of PLAZA RESORTS, INC.; and ROBIN
LEACH, individually, and d/b/a LEACH ENTERTAINMENT
ENTERPRISES, INC.,

Defendants.

NO. 99-CH-0054

Clerk of the
Circuit Court

FINAL JUDGMENT AND CONSENT DECREE
as to Defendants NATIONAL TRAVEL SERVICES, INC.,
PLAZA RESORTS, INC., DANIEL LAMBERT,
and JAMES H. VERRILLO

Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by JAMES E. RYAN, Attorney General of Illinois, has filed a complaint for a permanent injunction and other relief in this matter pursuant to the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seq.* (West 1996) and the Illinois Real Estate Time-Share Act, 765 ILCS 100/1 *et seq.* (West 1996), charging defendants with violations of the respective acts.

Plaintiff, by its counsel, and defendants NATIONAL TRAVEL SERVICES, INC., PLAZA RESORTS, INC., DANIEL LAMBERT, and JAMES H. VERRILLO (hereinafter collectively referred to as "defendants"), by their counsel, have agreed to the entry of this final Judgment and Consent Decree by the Court without trial or adjudication of any issue of fact or law, and without

admission of any of the violations of the respective acts alleged in the complaint.

FINDINGS

1. On February 3, 1999, plaintiff filed a complaint in this cause pursuant to the provisions of the Illinois Consumer Fraud and Deceptive Business Practices Act and the Illinois Real Estate Time-Share Act, the allegations of which are incorporated herein.

2. The Illinois Attorney General is charged with, among other things, the responsibility of enforcing the Illinois Consumer Fraud and Deceptive Business Practices Act and the Illinois Real Estate Time-Share Act.

3. Defendants were properly served with plaintiff's complaint and with summons in accordance with section 2-208 of the Illinois Code of Civil Procedure, 735 ILCS 5/2-208.

4. Defendants, at all times relevant hereto, have been doing business from 871 W. Oakland Park Boulevard, Fort Lauderdale, Florida 33311.

5. Defendants, at all times relevant hereto, engaged in trade or commerce within the meaning of the Illinois Consumer Fraud and Deceptive Business Practices Act, in that they advertised, offered for sale, and sold to Illinois consumers vacation packages in connection with the solicitation for sale and sale of time-shares to those consumers.

6. Plaintiff, by and through its complaint, has alleged that defendants engaged in unfair and deceptive acts or practices in the conduct of trade and commerce in violation of section 2 of the Illinois Consumer Fraud and Deceptive Business Practices Act, and in violation of provisions of the Illinois Real Estate Time-Share Act.

7. The aforementioned allegations of the complaint constitute the basis for the execution and filing of this Final Judgment and Consent Decree.

8. Defendants recognize and state that this Final Judgment and Consent Decree is

entered into voluntarily and that no promises have been made by the Attorney General's Office or any member, officer, agent or representative thereof to induce them to enter into this Final Judgment and Consent Decree, except as provided herein.

9. Defendants waive any right they may have to appeal from this Final Judgment and Consent Decree.

10. The Court has jurisdiction over the subject matter of the complaint having been filed herein and over the parties to this Final Judgment and Consent Decree. Plaintiff's complaint in this matter states claims upon which relief may be granted under the Illinois Consumer Fraud and Deceptive Business Practices Act and the Illinois Real Estate Time-Share Act.

ORDER

NOW THEREFORE, on the basis of these findings, and for the purposes of effectuating this Final Judgment and Consent Decree,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED as follows:

I. GENERAL PROVISIONS

11. No Endorsements. Under no circumstances shall this Final Judgment and Consent Decree or the name of the State of Illinois, the Office of the Attorney General, Consumer Fraud Bureau, or any of its employees or representatives be used by defendants, or their officers, agents, servants, employees, successors, assigns, attorneys or other persons and/or entities acting in concert or participation with the defendants, in connection with any selling, advertising, or promotion of products or services, or as an actual or implied endorsement or approval of defendants' acts, practices or methods of conducting business.

12. Application of Consent Decree. This Consent Decree shall apply to and bind National Travel Services, Inc., Plaza Resorts, Inc. d/b/a Ramada Plaza Resorts and Ramada Plaza Resorts

Orlando/Ft. Lauderdale Vacations, Daniel Lambert, and James Verrillo, whether acting through their principals, officers, directors, agents, telemarketers, direct mail marketers, servants, employees, subsidiaries, successors or assigns, or acting through any corporation or other business entities whose acts, practices, or policies are directed, formulated, or controlled by National Travel Services, Inc., Plaza Resorts, Inc. d/b/a/ Ramada Plaza Resort Orlando/Ft. Lauderdale Vacations, Daniel Lambert, or James H. Verrillo.

II. DEFINITIONS

13. For purposes of this Final Judgment and Consent Decree, the following definitions shall apply:

- A. *"Clear and conspicuous"* means that the required disclosures, when made in writing or by facsimile, televised communications, or the Internet shall be presented in such a manner, given their size, color, contrast and proximity to any related information, as to be readily noticed and understood by consumers. Use of typeface at least as large as typeface contained in the standard text of the offer is clear and conspicuous. A disclosure is not clear and conspicuous if, among other things, it is ambiguous or it is obscured by the background against which it appears, or by its location within a lengthy disclosure of non-material information. Clear and conspicuous also means that the required disclosures, when made in an oral presentation, are presented in a manner that a consumer will hear and understand at a normal speed in the same tone and volume as the sales offer.
- B. *"Material"* means likely to affect a person's choice of, or decision to purchase or receive goods or services.
- C. *"Terms and Conditions Box"* means a clearly and conspicuously delineated

paragraph of material disclosures outlined by a rectangle or in a rectangular form and labeled "Terms and Conditions." The Terms and Conditions Box shall include only material disclosures. The Terms and Conditions Box shall not include any non-material statements regarding the offer. The contents of the Terms and Conditions Box shall be clear and conspicuous. The first sentence of the Terms and Conditions Box shall be: "This is an offer to sell travel." The second sentence of the Terms and Conditions Box shall be a truthful description of the vacation package offered by defendants. The third sentence of the Terms and Conditions Box shall be a disclosure that the consumer, to take advantage of the offer, is required to attend a sales presentation for timeshare or interval ownership. Whenever defendants use a Terms and Conditions Box, then defendants shall provide a clear and conspicuous disclosure on the same page where the first material statement of the offer appears that additional terms and conditions apply to the offer, and shall refer to the page or placement within the solicitation at which such Terms and Conditions Box is found. The Terms and Conditions Box shall be located in a conspicuous place within the solicitation.

- D. "*Offer*" means an offer of goods and/or services to one or more consumers, including, but not limited to an offer of a vacation package, regardless of whether the offer is conveyed in writing, orally or by facsimile, televised communications, the Internet, or in any other manner. The term "offer" includes any solicitation made directly to consumers by telemarketing or any written solicitation or mailing to which consumers are asked to respond by calling a telephone number for the purpose of receiving information regarding the purchase of a vacation package. Offer also

includes any solicitation made by means of inviting or asking consumers to register to enter a contest, a random drawing, or any other promotion which results in the consumer being solicited directly or indirectly to purchase a vacation package.

E. "*Represent*" and "*representation*" include any communication, whether made in writing, orally, or by facsimile, televised communication, the Internet, or in any other manner.

F. "*Solicitation*" means any communication to a consumer that contains an offer, whether made in writing, orally, or by facsimile, televised communications, the Internet, or in any other manner.

G. "*Time-share*" means any arrangement whereby a purchaser receives a right to use accommodations and/or facilities for specific periods of time on a recurring basis. The term includes any vacation ownership interest or similar interest.

H. "*Vacation package*" means goods and/or services which involve a stay in a location away from the consumer's home, and includes use of accommodations whether with or without meals.

I. "*Defendants*" means National Travel Services, Inc., Plaza Resorts, Inc. d/b/a Ramada Plaza Resorts and Ramada Plaza Resorts Orlando/Ft. Lauderdale Vacations, Daniel Lambert, and James Verrillo.

III. INJUNCTION

14. *Application of Injunction.* The injunctive provisions of this Final Judgment and Consent Decree shall apply to the defendants, and the defendants' successors, assigns, officers, agents, servants, employees, representatives, and all other persons or entities in active concert or participation with the defendants.

15. Notice. All corporate, partnership and individual defendants, and any shareholder, partner, member, manager, director or officer of the corporate defendants, who is a defendant herein shall immediately inform all successors, assigns, transferees, officers, agents, servants, employees, representatives, and all other persons or entities in active concert or participation with defendants or with the corporations named as defendants in the complaint, of the terms and conditions of this Final Judgment and Consent Decree and shall direct those persons and/or entities to comply with this Final Judgment and Consent Decree. In addition, the defendants as described herein shall provide copies of the injunctive provisions of this Final Judgment and Consent Decree to all employees, representatives, and sales agents, and upon request, shall make the entire Final Judgment and Consent Decree available to any requesting employee, representative, or sales agent.

16. Injunction. Defendants and all successors, assigns, transferees, officers, agents, servants, employees, representatives and all other persons or entities in active concert or participation with defendants, are hereby permanently enjoined and restrained from directly or indirectly engaging in the following acts or practices in the State of Illinois, and from failing to comply with the provisions of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/1 *et seq.*, the Illinois Real Estate Timeshare Act of 1999, Public Act 91-585 (effective January 1, 2000), the Illinois Travel Promotion Consumer Protection Act, 815 ILCS 420/1 *et seq.*, and the Illinois Telephone Solicitation Act, 815 ILCS 413/1 *et seq.*, as they are currently written or as they are amended in the future, including but not limited to:

- A. Distributing any solicitation in the State of Illinois unless the solicitation clearly and conspicuously discloses:
 - 1. that a purchase of the vacation package is required, if the consumer is required to make a purchase to receive the subject matter of the

solicitation. Such disclosure shall be made on the same page as the first material statement of the offer in any solicitation and shall be made by providing in typeface at least as large as the typeface contained in the standard text of the offer: (a) the total price per person of the vacation package; and/or (b) the statement: "THIS IS AN OFFER TO SELL TRAVEL;" and/or (c) use of other words which clearly convey the message to the recipient that a purchase is required. This disclosure shall not be satisfied by use of a "Terms and Conditions" box.

Defendants may satisfy the disclosure requirements of paragraph 16(A)(1) above, (a) where a certificate mail piece or letter mailing is used, by providing on the first page of the offer in 12-point type, either: (1) the price of the vacation, or (2) one of the following statements which shall appear verbatim without modification: (i) "This is an Offer to Sell Travel;" (ii) "Call Toll-Free to Purchase;" or (iii) "Purchase Required;" or (b) where a postcard type mail piece is used, by providing in at least 10-point bold type, either: (1) the price of the vacation, or (2) one of the following statements which shall appear verbatim without modification: (i) "This is an Offer to Sell Travel;" (ii) "Call Toll-Free to Purchase;" or (iii) "Purchase Required." If this section is used by the defendants, the first sentence of the "Terms and Conditions Box" as defined in paragraph 13(C) above shall be a disclosure that the consumer, to take advantage of the offer, is required to attend a sales presentation for timeshare or interval ownership;

2. whether the vacation package includes: (a) transportation, including air fare; (b) meals, and/or (c) accommodations, as applicable;

3. that a consumer, when traveling on defendants' vacation, will be solicited to tour and purchase a time share or vacation ownership interest if: (a) such tour is required; (b) the consumer must participate in the tour to take advantage of the offer; or (c) the failure of the consumer to take the tour will result in a reduction of the level of goods and services the consumer will receive in relation to what the consumers would receive if they participate in the tour;
- B. Failing to disclose all additional material terms and conditions which apply to the offer, including, but not limited to travel restrictions, any types of additional costs and charges for services offered, including but not limited to taxes, hotel upgrades, cabin fees, and/or cancellation fees.
- C. Failing to provide, before receiving payment for goods or services, the oral and written disclosures required by Illinois law as set forth in section 4 of the Illinois Travel Promotion Consumer Protection Act, 815 ILCS 420/4.
- D. Failing to disclose the terms and conditions for any and all bonus vacations, including whether the bonus vacation will be given if a purchase is not made and whether any further costs or restrictions will be required prior to using the bonus trip.
- E. Failing to comply with the provisions of the Illinois Telephone Solicitations Act, 815 ILCS 413/1 et seq., which Act regulates the solicitation of the sale of goods in Illinois through the use of a telephone by live operators.
- F. Failing to disclose promptly in a clear and conspicuous manner that a purchase is required.
- G. Failing to promptly state: (1) the identity of the seller; and (2) that the purpose of the

call is to sell the consumer a vacation package or other goods and services;

(for purposes of this provision, "promptly" shall mean that the disclosure shall be made prior to the time any substantive information about the vacation package or other goods or service is conveyed to the consumer).

- H. Failing to state the total cost of the trip, including any and all costs or fees paid directly to the seller, at any time during the call when any cost associated with the trip is provided to the consumer.
- I. Failing to comply with provisions which regulate solicitations by unsolicited facsimiles as set forth in the section 26-3(b) of the Illinois Criminal Code, 720 ILCS 5/26-3(b), and in the Telephone Consumer Protection Act, 47 U.S.C. § 227 and implementing rules at 47 C.F.R. § 64.1200.
- J. Failing to comply with the registration requirements of the Illinois Real Estate Timeshare Act of 1999, Public Act No. 91-585 (effective January 1, 2000), which Act regulates the marketing, sale, resale, and exchange of timeshare plans with an accommodation or component site in Illinois, and timeshare plans without an accommodation or component site in Illinois, if the latter timeshare plans are sold or offered to be sold to any individual located within Illinois.
- K. Failing to comply with section 10-25 of the Illinois Real Estate Timeshare Act of 1999, Public Act No. 91-585 (effective January 1, 2000), which section of the Act prohibits specific conduct in the offering of a timeshare plan, and which section requires particular disclosures in a promotion being used in connection with the offering of a timeshare interest.
- L. Failing to comply with Illinois law regulating the use of simulated checks as set

forth in section 2X of the Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/2X.

17. Defendants are further permanently enjoined from:
- A. Representing, directly or by implication, that a particular destination or particular services are included in the vacation package or bonus package when such is not the case.
 - B. Representing, directly or by implication, the nature of any part of the vacation package, through the use of terms such as "world class," "first class," or similar representations unless defendants can substantiate these representations through comparable ratings or evaluations by an independent, internationally or nationally recognized publication on travel or tourism.
 - C. Representing to any consumer, directly or by implication, that the consumer is a "winner" or that the consumer has been "selected" or is otherwise being included in a select group for receipt of a prize or opportunity unless that is, in fact, true, or that the consumer is entering a "contest," "sweepstakes," "drawing," or other competitive enterprise from which a winner or select group of winners will receive a prize or opportunity when, in fact, the enterprise is a promotional scheme designed to make contact with prospective customers, and all or a substantial number of those "entering" receive the same "prize.
 - D. Representing limitations on the offer or creating a false sense of urgency, directly or by implication, including, but not limited to misrepresenting limitations on:
 - 1. the time within which the consumer must take action (including contacting defendants);

2. the number of offers of vacation packages;
 3. who is entitled to take advantage of the vacation package offer; or
 4. the number of contacts that a person or household may make to take advantage of the offer.
- E. Representing, directly or by implication, that a vacation package has been reserved for a consumer, by using the term "Reservation Number" or similar term, unless such number is unique to the consumer.
- F. Using "Control Numbers," or any similar identifier in any communications relating to a vacation package unless such identifier is in fact employed by defendants for a specific business purpose.
- G. Misrepresenting, directly or by implication, the purpose of its contact or its offer through the following:
1. that the purpose of the contact or offer is to "promote tourism," or similar wording;
 2. that the purpose of the contact or offer is to "regulate" or "administer" the "disbursement" of vacation packages, or similar wording;
 3. that the purpose of the contact or offer is to engender "word of mouth" advertising, or any similar wording, unless defendants have a realistic likelihood, based on past experience, of generating substantial business from consumer-to-consumer communications; or
 4. that the purpose of the contact or offer is to lead the consumer to buy another vacation package in the future, unless defendants have a realistic likelihood, based on past experience, of generating

substantial repeat business from consumers;

- H. Representing to any consumer, directly or by implication, that a certain number or percentage of its customers have been satisfied with their vacation packages, or similar wording, unless there is reasonable numerical substantiation for that statement based on documentation from those consumers who have purchased and actually have used the vacation packages from defendants.
- I. Representing, directly or by implication, through the use of any envelope, other mailing device, or other communication, that defendants, or the contents of any of its communications, are in any way connected to the government or a government agency, including, but not limited to:
1. citing the possibility of criminal penalties on the front of an envelope; or
 2. using the names of departments that are non-existent or do not represent actual entities, divisions, or departments, such as "The Office of Records of Entitlement Disbursements Division" and "The Offices of Records Entitlement/Disbursements Division.;"
- J. Using the term "confidential" when referring to any of defendants' written solicitations.
- K. Referring to documents as delivered by registered mail, express mail, overnight delivery, special delivery, or any other form of mail or delivery other than by the rate that actually applies such as bulk rate or first class mail.
- L. Representing that the duration of a time share sales presentation tour is of a specific period or amount of time unless there is reasonable substantiation for that statement

and that substantiation will be provided to plaintiff upon plaintiff's request.

18. Defendants are further permanently enjoined from misrepresenting, directly or by implication, the price of the vacation package by "unbundling" any part of the cost of the vacation package as a port fee, port charge, port tax, or any other tax unless the entire port fee, port charge, port tax, or other tax is imposed by and passed on to a governmental or quasi-governmental authority. Defendants shall include in the stated or advertised price of its vacation packages all mandatory (non-optional) charges, other than those imposed by, and passed on to, a governmental or quasi-governmental agency. Where a charge is passed on to a governmental or quasi-governmental agency as a port fee, port charge, port tax, or other tax, defendants shall disclose the amount of the fee at the time the cost of the vacation package is first disclosed. For the purpose of this Final Judgment and Consent Decree, the term quasi-governmental shall refer to an entity that is either:

- A. A subordinate agency within a foreign, domestic, federal, state, or legal governmental authority; or
- B. An entity created or authorized by a foreign or domestic governmental authority to carry out a governmental function for the benefit of the public.

This shall include port authorities within the United States or within a foreign jurisdiction.

19. Defendants shall be permanently enjoined from informing any and all consumers they are confirmed for a specific date for their trip unless:

- A. defendants have accommodations available at a specific hotel as promised for the confirmed date at the time the confirmation is initially made to the consumer;
- B. the consumers must take no further actions to confirm the date upon receipt and timely return of the confirmation notice; and

C. defendants do not in any way attempt to alter the confirmed date unless specifically requested to do so by the consumer.

20. Defendants shall disclose any right of cancellation as applicable, and if no right of cancellation is applicable, then defendants shall inform consumers that no right of cancellation exists prior to accepting payments towards the purchase price of the vacation package.

21 Defendants shall be enjoined from:

A. Representing to consumers that defendants' vacation packages are being sold at prices which are below the cost consumers would pay if they did not acquire the accommodations through the purchase of defendants' vacation packages unless such representation is true and can be substantiated on a quantifiable basis with figures provided to the Illinois Attorney General's Office on the first day of every six (6) months for the first 24 months after the date of this agreement, and upon request, after the 24-month period is ended.

B. Representing to consumers that defendants are paying for a portion of the cost of each vacation package unless such representations are true and can be substantiated on a quantifiable basis with figures provided to the Illinois Attorney General's Office on the first day of every six (6) months for the first 24 months after the date of this agreement, and upon request, after the 24-month period is ended.

C. Including any bonus days in the calculation of the cost per day of the vacation package, unless defendants at the time of making any such representation also disclose (1) that such bonus days are included in such calculation, and the number thereof; (2) that transportation to the bonus location(s) is not included in the price(s) quoted for the vacation package; (3) that customers must take the Ft. Lauderdale

vacation package (initial or original trip) before they can take the bonus trip(s); and (4) that the vacation package and the bonus trips must all be completed within the 18-month period, unless the customer pays an additional fee for the extension of such period (if that is an option and if that is the case).

IV. ENDORSEMENTS

22. Defendants are permanently enjoined from using a spokesperson, endorser, or other representative, or the likeness of such person, to sponsor, approve, or endorse defendants' vacation package or other travel-related services unless defendants are in full compliance with the FTC Guides Concerning Use of Endorsements and Testimonials in Advertising at 16 C.F.R. § 255 *et seq.*

V. RESTITUTION

23. Defendants shall refund the total price of the vacation package to consumers: (1) who purchased a vacation package from defendants; (2) who have not traveled on that vacation package; and (3) who request a refund in the manner set out in paragraph 24 below. Any consumers who have already received a partial refund or have not paid the entire cost of the vacation package shall only be refunded the amount they have paid to defendants for the package.

24. Defendants shall refund any money paid to defendants by each consumer who purchased a vacation package from defendants, and who has not yet traveled using the vacation package, and who has complained in writing to the defendants, or to the State of Illinois Attorney General's Office--Consumer Fraud Bureau or any state or local governmental consumer protection agency or bureau located in the State of Illinois, or any Better Business Bureau located in the State of Illinois; or Illinois consumers who have filed with any other agency or Better Business Bureau, on or before the 60th day following the entry of this Final Judgment and Consent Decree.

25. Defendants shall refund \$200 to each Illinois consumer who:

- A. Purchased a vacation package from defendants, and who traveled using the vacation package, and who has, on or before the date of entry of this Final Judgment and Consent Decree, complained in writing, to the defendants, to the State of Illinois Attorney General's Office--Consumer Fraud Bureau or any state or local governmental consumer protection agency or bureau located in the State of Illinois, to any Better Business Bureau located in the State of Illinois, or to any other agency or Better Business Bureau.
- B. Purchased a vacation package from defendants, and who traveled using the vacation package, and who complains in writing to the State of Illinois Attorney General's Office—Consumer Fraud Bureau or any state or local governmental consumer protection agency or bureau located in the State of Illinois, to any Better Business Bureau located in the State of Illinois, or to any other agency or Better Business Bureau. This complaint must cite specific instances where the vacation accommodations were not as represented or portrayed by the defendants and must be in verified form, i.e., it must either be notarized or signed by the consumer as a declaration pursuant to section 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109. This complaint must be postmarked no later than 30 days after the entry of the Final Judgment and Consent Decree. For those consumers who file pursuant to this section 25(B), defendants will be responsible for payment up to but not exceeding \$250,000. This \$250,000 is exclusive of any other financial limitations or amounts set forth in this Final Judgment and Consent Decree and is an

aggregate cap for all states participating in the settlement of this action¹. Should consumer claims under this section exceed \$250,000, consumers will be paid on a pro rata basis.

26. Within thirty (30) days of the close of the claims period as set forth in paragraphs 24 and 25 above, defendants shall refund \$200 to consumers who took the trip as set forth in paragraph 25 above, and shall refund any unrefunded monies paid for a vacation package as set forth in paragraph 24 above, or notify consumers who have not traveled that they are entitled to choose one of the following options from defendants:

- A. A refund of previously unrefunded monies paid for a vacation package; or
- B. An eighteen-month extension of the vacation package and a waiver of any and all additional service charges, with such extension beginning to run at the date it is issued or at the expiration of the date of the vacation package, whichever is later.

27. In any notice to eligible consumers of these options, which shall be in the form attached hereto as Exhibit A, defendants shall state that the choice of remedy belongs to the consumer and that in order to obtain an extension in lieu of a refund, the consumer must notify defendants within thirty (30) days of his or her decision.

28. Defendants shall make a refund pursuant to paragraph 23 above, less any amount already refunded or credited, to each consumer who declines defendants' offer to extend the vacation certificate within thirty (30) days of defendants' receipt of the consumer's response, or if no response, upon expiration of thirty-five (35) days of the mailing of the notice as provided in

¹ These states include Arizona, Arkansas, Connecticut, the District of Columbia, Florida, Illinois, Kansas, Michigan, Missouri, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, Washington, West Virginia, and Wisconsin.

paragraph 27 above.

29. Defendants shall adopt and maintain procedures with regard to the handling of claims and/or requests for refunds from consumers, including maintaining copies of all written complaints or requests for refunds received, and records of all oral complaints or requests for refunds. Such records shall include the name and address of each Illinois consumer from whom a complaint or request for refund was received, the amount of refund requested, the resolution of each complaint, and the amount refunded, if any.

30. Within one-hundred and eighty (180) days of the filing of this Final Judgment and Consent Decree, or within sixty (60) days of the completion of restitution to all consumers pursuant to paragraphs 23 through 26 above, whichever is earlier, defendant shall submit an affidavit to the Illinois State Attorney General's Office--Consumer Fraud Bureau, identifying by name and address: (1) each Illinois consumer who mailed a written request for a refund to the Illinois State Attorney General's Office, to any state or local governmental consumer protection agency or bureau located in the State of Illinois, to the Better Business Bureaus located in the State of Illinois, and whose identity and address is timely delivered to defendants, or to defendants within the time period specified in paragraphs 24 and 25 of this Final Judgment and Consent Decree; (2) each Illinois consumer to whom the defendant mailed a notice of the offer to extend the vacation package in lieu of a refund as set forth in paragraph 26 above; (3) each Illinois consumer to whom restitution has been provided, and the amount of the refund or credit; (4) each Illinois consumer who has elected the alternative remedy of extension of the vacation package in lieu of a refund; and (5) each consumer who traveled and received a refund of \$200 per vacation package purchased.

31. If notice is not mailed out to consumers as set forth in paragraph 26 of this Final Judgment and Consent Decree, and/or the corporate defendants are in default per paragraph 34

below, then Defendants Lambert and Verrillo shall pay consumer claims as set forth in paragraphs 23 through 30 within thirty (30) days of the date the notice should have been mailed, or payments made, to consumers as set forth in paragraphs 33 through 37 below. Defendants Lambert and Verrillo's liability for these payments is subject to the limitations set for in paragraph 34 below.

32. If restitution is not paid within 30 days as set forth in paragraphs 23 through 31, defendants Plaza Resorts, Inc. d/b/a Ramada Plaza Resorts Orlando/Ft. Lauderdale Vacations and National Travel Services, Inc. shall be deemed in default of this Final Judgment and Consent Decree.

VII. FINANCIAL RESPONSIBILITY OF DEFENDANTS

33. Defendants shall be jointly and severally liable for performance of all of the terms and conditions of this Final Judgment and Consent Decree. With respect to all monetary obligations, payment will be made from the assets of Defendant National Travel Services, Inc. and Defendant Plaza Resorts, Inc., d/b/a Ramada Plaza Resorts Orlando/Ft. Lauderdale Vacations. Defendants Lambert and Verrillo shall pay subject to the limitations of paragraph 34 hereof, any consumer claims that are not paid by Defendants National Travel Services or Plaza Resorts Inc. pursuant to paragraphs 23 through 32 of this Final Judgment and Consent Decree.

34. Concurrently with the execution of this Final Judgment and Consent Decree, the Defendants shall advance the sum of the \$1.5 million to be utilized for payment of consumer claims from the participating states referred to in paragraph 25 above. Such monies shall be deposited in an account established and held by Greenspoon, Marder, Hirschfeld, Rafkin, Ross & Berger, P.A., located at Trade Centre South, Suite 700, 100 West Cypress Creek Road, Fort Lauderdale, Florida, 33309, in a special trust account and shall be distributed in accordance with the terms of this Final Judgment and Consent Decree in payment of the obligations of Defendants National Travel Services and Plaza Resorts for consumer restitution. In the event such monies shall be fully utilized to pay

consumer claims, Defendants National Travel Services and Plaza Resorts shall continue to make payment from their respective assets for the consumer claims in excess of \$1.5 million made pursuant to paragraphs 23 through 32 of this Final Judgment and Consent Decree. Should Defendants National Travel Services and Plaza Resorts default on payment of consumer claims, Defendants Lambert and Verrillo shall each be individually responsible for \$500,000.00 (for a total of \$1,000,000.00) in unpaid monetary and/or consumer claims beyond the \$1.5 million, which respective obligations are set forth in the "Guaranty Agreement" attached hereto and incorporated herein as Exhibit B.

35. Should Defendant National Travel Services, Inc. and Defendant Plaza Resorts, Inc., d/b/a Ramada Plaza Resorts Orlando/Ft. Lauderdale Vacations default, and Defendants Lambert and Verrillo make total payments of \$1,000,000.00 in settlement of their financial responsibilities outlined herein, plaintiff reserves its right to pursue Defendant National Travel Services, Inc. and Defendant Plaza Resorts, Inc., d/b/a Ramada Plaza Resorts Orlando/Ft. Lauderdale Vacations for all remaining monetary obligations arising from this Final Judgment and Consent Decree.

VII. PAYMENT TO THE STATE

36. The Court enters a judgment in favor of plaintiff and against defendants in the amount of \$35,000.00 payable to the Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund, which fund shall be used by the Illinois Attorney General for law enforcement activity and education programs associated with enforcement of the Consumer Fraud Act. This amount is not to be construed as a fine or civil penalty. Defendants shall mail or hand-deliver said sum of \$35,000.00 to the Office of the Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706, upon executing this Final Judgment and Consent Decree, in the form of a cashier's or certified check made payable to the "Attorney General Court Ordered and Voluntary

Compliance Payment Projects Fund.”

37. Pursuant to section 7 of the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS 505/7 *et seq.*, plaintiff has the authority to seek civil penalties; however, plaintiff suspends such attempts based upon defendants’ full compliance with all the provisions of this Final Judgment and Consent Decree.

38. In the event the defendants default with respect to compliance with the terms of this Final Judgment and Consent Decree, plaintiff retains the right to return to Court and seek civil penalties for, among other things, conduct which took place prior to the entry of this Final Judgment and Consent Decree.

VIII. ENFORCEMENT

39. For a period of three (3) years from the date of the entry of this Final Judgment and Consent Decree, defendants shall provide a copy of this Final Judgment and Consent Decree to all officers, employees, and agents (including "independent contractors") who have responsibility for developing, authorizing, or using promotional materials, scripts, or marketing programs for vacation packages. Defendants may redact the amount of any monetary payment prior to distribution of a copy of the Final Judgment and Consent Decree.

40. For a period of three (3) years after the date of this Final Judgment and Consent Decree, and except as the same may be filed otherwise with the State of Illinois or any agency thereof pursuant to applicable Illinois law, upon request by any Illinois state agency, defendants shall, within thirty (30) days of the request, provide the requester a copy of all promotional materials and scripts used in the solicitation or sale of vacation packages to residents of the State of Illinois since the date of entry of this Final Judgment and Consent Decree.

41. At any time upon proper notice, any party to this Final Judgment and Consent Decree

may apply to this Court, which shall retain jurisdiction, for such further orders as may be necessary or appropriate for the construction or modification of any of the provisions thereof, or the enforcement of, compliance therewith, and for the punishment of violations thereof.

42. This Final Judgment and Consent Decree does not constitute approval by the Illinois Attorney General's Office of any of defendants' advertising, programs, or practices, and defendants shall make no representation to the contrary.

43. This Final Judgment and Consent Decree shall supersede any and all agreements that defendants may have entered into, prior to the entry date of this Final Judgment and Consent Decree, with the State of Illinois Attorney General's Office in connection with the advertising, promoting, and marketing of its vacation packages, and any prior agreements shall be deemed terminated. This Final Judgment and Consent Decree shall not bind any other offices, boards, commissions, or agencies of the State of Illinois except as to the matters specified herein. This Final Judgment and Consent Decree finally resolves all claims that the Office of the Attorney General--Consumer Fraud Bureau may have against defendants in connection with the promoting and marketing of its vacation packages prior to the date of entry of this Final Judgment and Consent Decree.

44. Defendants shall submit to the jurisdiction of the courts of the State of Illinois for the purposes of any action taken to enforce this Final Judgment and Consent Decree, including any action seeking sanctions for violations of same. Unless a temporary restraining order is sought, plaintiff shall make reasonable efforts to notify defendants in writing, prior to instituting any action to enforce this Final Judgment and Consent Decree, that plaintiff believes defendants to be in default of any provision of this Final Judgment and Consent Decree. Notwithstanding the foregoing, such notice shall not be deemed to be a jurisdictional prerequisite for the Office of the Attorney General to institute an enforcement action. The notice to defendants shall set forth the basis for plaintiff's

belief that defendants have violated any provision of this Final Judgment and Consent Decree.

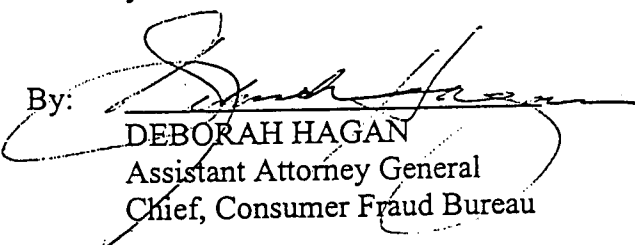
45. This Final Judgment and Consent Decree does not limit the remedies available to the Office of the Attorney General in connection with any future violations of Illinois laws or regulations by defendants which are not specifically addressed herein.

46. This Final Judgment and Consent Decree shall not affect the rights of any private party to pursue any remedy or remedies pursuant to the laws of the State of Illinois.

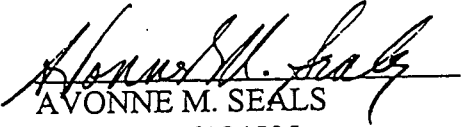
APPROVED AS TO FORM AND SUBSTANCE:

Plaintiff, THE PEOPLE OF THE STATE OF ILLINOIS, by JAMES E. RYAN, Attorney General of Illinois,

By:

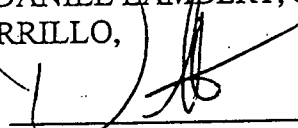

DEBORAH HAGAN
Assistant Attorney General
Chief, Consumer Fraud Bureau

By:

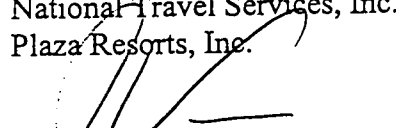

AVONNE M. SEALS
IL Bar No. 6184505
Assistant Attorney General
Consumer Fraud Bureau
500 south Second Street
Springfield, IL 62706
217/782-4436

Defendants, NATIONAL TRAVEL SERVICES, INC., PLAZA RESORTS, INC., DANIEL LAMBERT, and JAMES H. VERRILLO,


By:


DANIEL LAMBERT
an individual and a director of
National Travel Services, Inc. and
Plaza Resorts, Inc.

By:


JAMES H. VERRILLO
an individual and a director of
National Travel Services, Inc. and
Plaza Resorts, Inc.

By:


RICHARD W. EPSTEIN, Esq.
Greenspoon, Marder, Hirschfeld,
Rafkin Ross & Berger
Trade Centre South, Suite 700
100 West Cypress Road
Fort Lauderdale, FL 33309

Date Entered:

2-8-2000


JUDGE

[To be typed on the stationary of National Travel Services, Inc.]

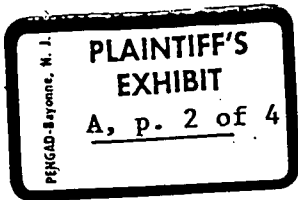
Dear _____:

We are writing to inform you that we have reached an agreement with the Attorney General of the State of _____ concerning the purchase of vacation packages from National Travel Services, Inc. by consumers in _____. Pursuant to our agreement, and in our continuing efforts to ensure customer satisfaction, we are now offering you these options:

- (1) The vacation package that you purchased from us includes: []
For no additional extension fee, we are prepared to extend the time for you to use your vacation certificate for travel with National Travel Services, Inc. through [date]. You may still be responsible for any unpaid balance on your vacation purchase price.
- (2) In the alternative, if you prefer to receive a refund of amounts paid by you for your vacation package, less any refunds or credit we have already provided to you, you are entitled to receive a refund from National Travel Services, Inc.

Please review the postcard enclosed and indicate which of these options you have selected. Please mail the enclosed postcard back to us at [address], and we will honor your request within thirty (30) days after receipt of the postcard. If you do not return the postcard, we will assume that you have chosen option two.

Sincerely yours,



[Postcard]

I have received your letter offer and appreciate the options offered.
I choose to (please initial one choice):

- () Accept the offer, at no additional extension charge, to extend my vacation certificate for travel with National Travel Services, Inc. through [date]. I understand that I may still be responsible for any unpaid balance on my vacation purchase price.
- () Receive a refund.

Thank you for your assistance.

Please fill in name, address telephone number:

National Travel Services, Inc.

**PLAINTIFF'S
EXHIBIT**

A, p. 3 of 4

[To be typed on the stationary of Plaza Resorts, Inc.]

Dear _____:

We are writing to inform you that we have reached an agreement with the Attorney General of the State of _____ concerning the purchase of vacation packages from Plaza Resorts, Inc. by consumers in _____. Pursuant to our agreement, and in our continuing efforts to ensure customer satisfaction, we are now offering you these options:

- (1) The vacation package that you purchased from us includes: []
For no additional extension fee, we are prepared to extend the time for you to use your vacation certificate for travel with Plaza Resorts, Inc. through [date]. You may still be responsible for any unpaid balance on your vacation purchase price.
- (2) In the alternative, if you prefer to receive a refund of amounts paid by you for your vacation package, less any refunds or credit we have already provided to you, you are entitled to receive a refund from Plaza Resorts, Inc.

Please review the postcard enclosed and indicate which of these options you have selected. Please mail the enclosed postcard back to us at [address], and we will honor your request within thirty (30) days after receipt of the postcard. If you do not return the postcard, we will assume that you have chosen option two.

Sincerely yours,

G:\Rhb\4865\0067\PLAZA.LTR

[Postcard]

I have received your letter offer and appreciate the options offered.
I choose to (please initial one choice):

- () Accept the offer, at no additional extension charge,
to extend my vacation certificate for travel with
Plaza Resorts, Inc. through [date]. I understand that
I may still be responsible for any unpaid balance on
my vacation purchase price.

- () Receive a refund.

Thank you for your assistance.

Please fill in name, address telephone number:

Plaza Resorts, Inc.

GUARANTY AGREEMENT

In consideration of, and as an inducement for the granting, execution and delivery of the herein attached Consent Decree entered into by and between the State of Illinois (hereinafter "Plaintiff") and National Travel Services, Inc. ("NTS"), Plaza Resorts, Inc. ("Plaza"), Daniel Lambert ("Lambert"), and James Verrillo ("Verrillo") (hereinafter "Defendants"), and Plaintiff's agreement to limit Defendants, Lambert and Verrillo, individual liability as provided in the Consent Decree, Defendants, Lambert and Verrillo, hereby guarantee to the States of Arizona, Arkansas, Connecticut, Florida, Illinois, Kansas, Michigan, Missouri, New Mexico, North Carolina, Ohio, Oregon, Pennsylvania, West Virginia, Washington, Wisconsin and the District of Columbia (the "States"), in the aggregate, the total of and the full and complete payment of \$1,000,000 in consumer restitution claims payable over and beyond the \$1,500,000 payment required of NTS and Plaza as provided for in the Consent Decrees of the States. Upon the payment of restitution claims to eligible consumers of the States totaling, in the aggregate, \$2,500,000, the guaranty obligations of Lambert and Verrillo hereunder shall be fully discharged and satisfied.

This Guaranty is absolute and unconditional, and in partial payment of restitution claims made in accordance with the terms and conditions of the States' Consent Decrees. It shall be binding upon and enforceable against the undersigned, their heirs, personal representatives, successors and assigns, without the need for any suit or proceedings whatsoever against Defendants, NTS and/or Plaza, and without the need for acceptance of this Guaranty or of any other notice or demand. Defendants Lambert and Verrillo expressly agree to the validity of this Guaranty and expressly agree to the obligations set out in this Guaranty and the Consent Decree. Defendants, Lambert and Verrillo, also expressly agree that this Guaranty shall in no way be terminated, affected, diminished or impaired by reason of the assertion, or the failure to assert, by Plaintiff against NTS and/or Plaza, of any of the rights or remedies reserved to Plaintiffs under the terms and conditions of the Consent Decree or any facts or circumstances arising therefrom.

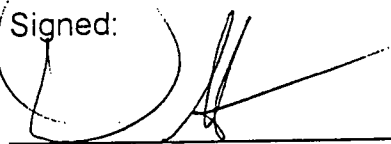
In further consideration of, and as an inducement to Plaintiff for the granting, execution and delivery of the herein attached Consent Decree, Defendants, Lambert and Verrillo, covenant and agree that in any action or proceeding brought on, under or by virtue of this Guaranty, they will indemnify Plaintiff from and against any and all costs and damages incurred by Plaintiff, including but not limited to, attorneys' fees, court costs and other expenses, at both the trial and appellate level. Defendants Lambert and Verrillo do hereby waive any right to trial by jury with respect to this Guaranty, and do hereby waive any objection as to the personal and subject matter jurisdiction of the courts of the Plaintiff's state.

The rights of Plaintiff are cumulative and shall not be exhausted by its exercise of any of its rights hereunder or otherwise against guarantors, or by any number of successive actions until and unless all indebtedness guaranteed has been paid.

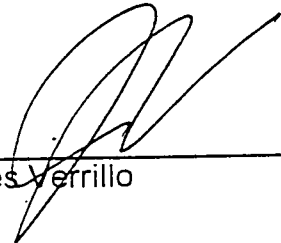
Notwithstanding anything contained herein to the contrary, Defendants, Lambert and Verrillo, are each obligated individually for only \$500,000 of the \$1,000,000 total obligation due to the States collectively under the States' Consent Decrees and this Guaranty.

Defendants, Lambert and Verrillo, shall provide each Plaintiff state with an executed duplicate copy of this document. Each duplicate shall operate as an original.

Signed:




Daniel Lambert



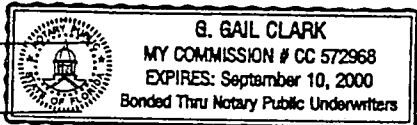
James Verrillo

STATE OF FLORIDA :
:ss.:
COUNTY OF BROWARD :

The foregoing instrument was acknowledged before me this 28th day of Jan, 2000, by Daniel Lambert. He is personally known to me or has produced _____ as identification.




Notary Public, State of Florida
My Commission expires: _____

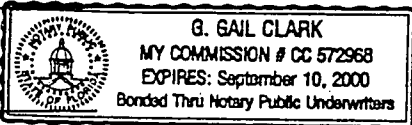


STATE OF FLORIDA :
:ss.:
COUNTY OF BROWARD :

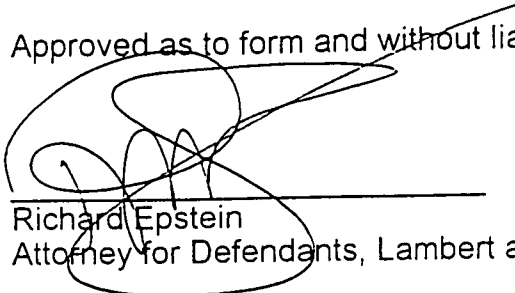
The foregoing instrument was acknowledged before me this 28th day of Jan, 2000, by James Verrillo. He is personally known to me or has produced _____ as identification.



Notary Public, State of Florida
My Commission expires: _____



Approved as to form and without liability under their Guaranty Agreement.:



Richard Epstein
Attorney for Defendants, Lambert and Verrillo