

IN THE CIRCUIT COURT OF GREENE COUNTY  
STATE OF MISSOURI

STATE OF MISSOURI, ex rel. )  
Attorney General Eric S. Schmitt, )

Plaintiff, )

v. )

Case No.

Division:

VACATION CONSULTING )  
SERVICES LLC )

Serve registered agent: )  
Brian Scroggs )  
636 W. Republic Rd. Ste. F100 )  
Springfield, MO 65807 )

VCS COMMUNICATIONS, LLC )

Serve registered agent: )  
Brian Scroggs )  
636 W. Republic Rd. Ste. F100 )  
Springfield, MO 65807 )

THE TRANSFER GROUP, LLC )

Serve registered agent: )  
Brian Scroggs )  
1525 East Cherry Street )  
Springfield, MO 65802 )

REAL TRAVEL L.L.C. )

Serve registered agent: )  
Brian Scroggs )  
636 W. Republic Rd. Ste. F100 )  
Springfield, MO 65807 )

**BRIAN J. SCROGGS,** )  
 )  
 **Serve at:** )  
 **1525 E. Cherry St.** )  
 **Springfield, MO 65802** )  
 )  
 **Defendants.** )

**PETITION FOR INJUNCTION, RESTITUTION, CIVIL PENALTIES,**  
**AND OTHER RELIEF**

Plaintiff the State of Missouri, ex rel. Eric S. Schmitt Attorney General (“Plaintiff”) brings this Petition for Injunction, Restitution, Civil Penalties, and Other Relief against Vacation Consulting Services LLC, VCS Communications, LLC, the Transfer Group, LLC, and Real Travel L.L.C. (collectively “Corporate Defendants”), and Brian Scroggs (“Defendant Scroggs”) (all Defendants collectively “Defendants”). Upon information and belief, Plaintiff states as follows:

**PARTIES**

1. Eric S. Schmitt is the Attorney General of the State of Missouri and brings this action in his official capacity pursuant to Chapter 407, RSMo.
2. Vacation Consulting Services LLC is a Missouri limited liability company which was organized on May 19, 2014, and maintained an address at 636 W. Republic Rd., Ste. F100, Springfield, Missouri 65807. Vacation Consulting Services LLC conducted business in and from Greene County, Missouri. Missouri Secretary of State records indicate that Vacation

Consulting Services LLC is still active.

3. VCS Communications LLC is a Missouri limited liability company which was organized on February 5, 2015, and maintained an address at 636 W. Republic Rd., Ste. F100, Springfield, Missouri 65807. VCS Communications LLC conducted business in and from Greene County, Missouri. Missouri Secretary of State records indicate that VCS Communications LLC is still active.

4. The Transfer Group, LLC is a Missouri limited liability company which was organized on December 14, 2014, and maintained an address at 1525 E. Cherry St., Springfield, Missouri 65802. The Transfer Group, LLC conducted business in and from Greene County, Missouri. Missouri Secretary of State records indicate that The Transfer Group, LLC is still active.

5. Real Travel L.L.C. is a Louisiana limited liability company which was organized on April 3, 2012. Real Travel L.L.C. registered as a foreign limited liability company in Missouri on April 4, 2018. Real Travel L.L.C. maintained a business address at 636 W. Republic Rd., Ste. F100, Springfield, Missouri, and conducted business in and from Greene County, Missouri. Real Travel L.L.C. filed its articles of cancellation of its registration as a foreign limited liability company on January 24, 2019.

6. Brian J. Scroggs resides at 1525 E. Cherry St., Springfield, MO

65802. Defendant Scroggs advertised, solicited, and sold services for timeshare obligation relief to consumers in and from Missouri through Corporate Defendants, organized and controlled Corporate Defendants, and is the last registered agent for each of the Corporate Defendants.

7. At all times relevant to the facts alleged in this Petition, Defendant Scroggs maintained control of Corporate Defendants and engaged, or directed his agents to engage, in the unlawful practices alleged in this Petition.

8. Each of the Corporate Defendants was organized for the same purpose of offering timeshare exit services to consumers and was each organized by Defendant Scroggs after another exit company's reputation was irreparably tainted by consumer complaints and alerts. In other words, the Corporate Defendants were merely a cloak used by Defendant Scroggs as a subterfuge to continue to perpetrate his fraud.

9. The Corporate Defendants were also interchangeable from one another in that they shared the same business addresses, managers, employees, phone numbers, email addresses, and business activities and interfaced with each other's customers. Therefore, there was no material difference between the Corporate Defendants.

10. Consequently, the Corporate Defendants were so dominated by Defendant Scroggs, and indistinct from each other, that they are Defendant

Scroggs' alter egos and maintain no legal separation from Defendant Scroggs.

11. Any acts, practices, methods, uses, solicitations or conduct of the Defendants alleged in this Petition include the acts, practices, methods, uses, solicitations or conduct of the Defendants' employees, agents, or other representatives acting under Defendants' direction, control, or authority.

### **JURISDICTION**

12. This Court has subject matter jurisdiction pursuant to Article V, § 14 of the Missouri Constitution.

13. This Court has personal jurisdiction over Defendants because: (1) Defendants conducted business in and from the State of Missouri, (2) the Corporate Defendants maintained their principal places of business in Missouri, and (3) Defendant Scroggs resides in the State of Missouri, as did all Corporate Defendants as there is no legal separation between the companies and Defendant Scroggs.

### **VENUE**

14. Venue is proper in this Court pursuant to § 407.100.7, RSMo, which provides that "any action under this section may be brought in the county in which the defendant resides, in which the violation alleged to have been committed occurred, or in which the defendant has his principal place of business."

15. Defendants have engaged in the acts, practices, methods, uses,

solicitation and conduct described below that violate § 407.020, RSMo, in and from Missouri. Defendant Scroggs, at this time, resides in Greene County, Missouri. Thus, venue is proper in this Court.

### MERCHANDISING PRACTICES ACT

16. Section 407.020, RSMo provides in pertinent part:

The act, use or employment by any person of any deception, fraud, false pretense, false promise, misrepresentation, unfair practice or the concealment, suppression, or omission of any material fact in connection with the sale or advertisement of any merchandise in trade or commerce or the solicitation of any funds for any charitable purpose, as defined in section 407.453, in or from the state of Missouri, is declared to be an unlawful practice... Any act, use or employment declared unlawful by this subsection violates this subsection whether committed before, during or after the sale, advertisement, or solicitation.

17. Section 407.100, RSMo., allows the Attorney General to seek, and the Court to award, injunctive relief, restitution, penalties, and other relief against persons who violate § 407.020, RSMo.

18. “Person” is defined as “any natural person or his legal representative, partnership, firm, for-profit or not-for-profit corporation, whether domestic or foreign, company, foundation, trust, business entity or association, and any agent, employee, salesman, partner, officer, director, member, stockholder, associate, trustee or cestui que trust thereof.”

§ 407.010(5), RSMo.

19. “Merchandise” is defined as “any objects, wares, goods,

commodities, intangibles, real estate, or services.” § 407.010(4), RSMo.

20. “Trade” or “commerce” is defined as “the advertising, offering for sale, sale, or distribution, or any combination thereof, of any services and any property, tangible or intangible, real, personal, or mixed, and any other article, commodity, or thing of value wherever situated. The terms “trade” and “commerce” include any trade or commerce directly or indirectly affecting the people of this state.” § 407.010(7), RSMo.

21. Defendants have advertised, marketed, and sold merchandise in trade or commerce within the meaning of § 407.010, RSMo.

22. Pursuant to § 407.145, RSMo, the Attorney General has promulgated rules explaining and defining terms in §§ 407.010-407.145 of the Merchandising Practices Act. The rules relevant to the Merchandising Practices Act allegations herein include the provisions of 15 CSR 60-8.010 to 15 CSR 60-9.110.

23. From those regulations, and pertinent to this petition, a false promise is defined as “any statement or representation which is false or misleading as to the maker’s intention or ability to perform a promise, or likelihood the promise will be performed.” 15 CSR 60-9.060. Among other things, it is considered an unfair practice “for any person in connection with the sale of merchandise to unilaterally breach unambiguous provisions of consumer contracts.” 15 CSR 60-8.070.

## ALLEGATIONS OF FACT

24. Defendant Scroggs, through Corporate Defendants, marketed, advertised, offered to sell and sold services to terminate, transfer, or otherwise release consumer obligations related to timeshares.

25. Generally, as timeshare exit companies, Defendants offered to act as consumers' representative in negotiations with timeshare companies for the release of consumers' respective timeshare obligations. Defendants offered these services for significant fees.

26. In order to generate business, Defendants, or third parties hired by Defendants, made telemarketing calls and sent mail advertisements to consumers who owned timeshare interests, inviting them to attend meetings in which Defendants would offer their services.

27. At these meetings, Defendants would use high-pressure sales tactics such as telling consumers that their timeshare maintenance fees would increase at staggering rates or that consumers' descendants could be burdened with the timeshare obligations when consumers pass away due to recently enacted laws. These tactics were designed to exploit consumer fears and induce consumers to provide substantial payments for Defendants' services. Defendants demanded and received payment in full before providing any promised service to consumers.

28. Defendants would also coax consumers into a sense of security by

contractually offering a “100% Guarantee” to transfer or terminate consumer timeshare interests within one year or Defendants would assume the timeshare obligation entirely. Repeatedly, Defendants did not assume timeshare obligations as promised.

29. Furthermore, Defendants told consumers that if a transfer of the timeshare interest could not be completed within one year, Defendants would pay the timeshare maintenance fees as they accrued thereafter until a transfer was completed. This promise was also memorialized in consumer contracts. At separate times, Defendants also told consumers that Defendants would immediately start paying consumers’ maintenance fees until a transfer was completed. Regardless of the timing, on numerous occasions, Defendants failed to pay timeshare maintenance fees as promised.

30. Many consumers are in arrears with their resort developers and have sustained significant damage to their personal credit scores as a direct consequence of these practices.

31. Additionally, Defendants instructed consumers to refrain from contacting their respective resort developers because it allegedly would only slow down the transfer process. This directive to cease communications with consumers’ resort developers not only prevented consumers from monitoring Defendants’ progress in negotiating a release or transfer, but also exacerbated maintenance fee delinquencies.

32. Furthermore, on select occasions, when consumers contacted their resort developers to inquire about unpaid maintenance fees, those resort developers had no knowledge of Defendants' efforts to negotiate a release.

33. On other occasions, when consumers complained to Defendants about Defendants' failure to pay the fees as promised, Defendants instructed consumers to pay the fees, and then Defendants would reimburse consumers for those payments. Defendants failed to compensate consumers as promised.

34. Defendants failed to respond to consumer inquiries after receiving consumer deposits. When consumers attempted to communicate with Defendants, consumers had no success. Defendants' phone numbers and email addresses were not effectively monitored, and most attempted communications went unanswered.

35. Defendants, at one point, in response to the extensive failure to communicate, told consumers that Defendants had upgraded the client communication system by implementing an online interactive portal. However, consumers either could not access the portal or did not receive responses from Defendants.

36. The following, by way of example only and not to be construed as an exhaustive list, are accounts of consumers who retained Defendants for

Defendants' offered timeshare relief services. These accounts are illustrative of Defendants' common scheme:

- a. Russell Walker attended a seminar that was conducted by Vacation Consulting Services LLC. On April 19, 2018, Walker paid \$8,799.00 to Vacation Consulting Services LLC in exchange for the promised transfer or termination of his timeshare interest. After some time passed, Walker's timeshare interest still hadn't been liquidated, and Walker inquired for a status update. In response, Walker was told by Defendants that Real Travel L.L.C. would be handling the liquidation of his timeshare interest. To date, Defendants haven't transferred or terminated Walker's timeshare interest or assumed Walker's timeshare obligations as promised.
- b. Zorina Khan paid Real Travel L.L.C. \$14,316.00 on July 12, 2018, to transfer or terminate two of her timeshares. To date, Defendants have not communicated with Khan and have failed to transfer or terminate Khan's timeshare interest or assume Khan's timeshare obligations as promised.
- c. Marilyn Crane attended a seminar conducted by VCS Communications, LLC. At that presentation, VCS Communications, LLC agents represented that the only way

for timeshare interest owners to get out of their timeshare obligations was to work with VCS Communications, LLC. On May 9, 2018, Crane paid \$5,105 to VCS Communications, LLC to transfer or terminate her timeshare interest. To date, Defendants have failed to transfer or terminate Crane's timeshare interest or assume Crane's timeshare obligations as promised.

- d. Wendell Kiser paid The Transfer Group, LLC \$4,200 on November 17, 2017, to transfer or terminate Kiser's timeshare interest in Branson, Missouri. After payment was made, Kiser attempted to communicate with Defendants on several occasions, however, each of his calls went to voicemail and were not returned. To date, Defendants have failed to transfer or terminate Kiser's timeshare interest or assume Kiser's timeshare obligations as promised.
- e. Rebecca Chisol paid \$4,000 to VCS Communications LLC on March 16, 2018, to transfer or terminate her timeshare interest. To date, Defendants have failed to release Chisol from her timeshare interest as promised. Furthermore, Chisol had previously been told to discontinue her payment of timeshare maintenance fees, as Defendants would cover the

expenses. Defendants failed to pay the maintenance fees as promised, which placed Chisol in delinquency with her resort developer.

37. In summation, Defendants failed to transfer timeshare interests, failed to assume ownership of those timeshare interests and obligations, and failed to pay maintenance fees despite expressly promising and assuring consumers that Defendants would do each of those things.

38. At this time, one hundred and three (103) consumers have complained to the Missouri Attorney General's Office about Defendants' unlawful acts. There may be additional consumers discovered throughout the course of this litigation.

39. At the time of filing, it is estimated that consumers have suffered over \$700,000 in ascertainable loss as a result of the Defendants' practices.

## **VIOLATIONS OF LAW**

### **COUNT I – FALSE PROMISES**

40. Plaintiff incorporates all allegations stated above.

41. Defendants violated § 407.020, by falsely promising to consumers that, in exchange for payment, Defendants would:

- a. Negotiate consumers' release from timeshare interests;
- b. Transfer or terminate consumer timeshare obligations;

- c. Assume ownership of consumer timeshare interests and obligations upon a failure to negotiate the transfer or release of the timeshare interests within one year; and
- d. Pay, or compensate consumers for the payment of, consumer timeshare maintenance fees.

**COUNT II – UNFAIR PRACTICES**

42. Plaintiff incorporates all allegations stated above.

43. Defendants violated § 407.020, by committing the unfair practice of unilaterally breaching unambiguous provisions of consumer contracts in that Defendants:

- a. Failed to negotiate release or transfer of timeshare interests within specified timeframes or at all;
- b. Failed to assume ownership of the timeshare interests after failing to negotiate the release or transfer; and
- c. Failed to pay timeshare maintenance fees on consumers' behalf upon Defendants' failure to negotiate the transfer or release of consumers' timeshare interest within one year.

**RELIEF**

WHEREFORE, Plaintiff prays this Court enter judgment:

1. Finding that Corporate Defendants were Defendant Scroggs' alter egos and, therefore, that Defendant Scroggs is personally liable for the liabilities of the Corporate Defendants.
2. Finding that Defendants violated the provisions of § 407.020.
3. Issuing an injunction pursuant to § 407.100.1 prohibiting and enjoining Defendants from marketing, advertising, offering to sell, selling, timeshares or timeshare-exit services.
4. Requiring Defendants to provide full restitution to all consumers who suffered any ascertainable loss per § 407.100.4.
5. Requiring Defendants to pay to the State an amount of money equal to 10% of the total restitution ordered against the Defendants per § 407.140.3.
6. Requiring Defendants to pay the State of Missouri a civil penalty of \$1,000 per violation of Chapter 407 that the Court finds to have occurred per § 407.100.6.
7. Requiring Defendants to pay all court, investigative, and prosecution costs of this case per § 407.130.
8. Granting any further relief that this Court deems just and proper.

Respectfully submitted,

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