

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 11 -Civ- 21757 / Martinez /
McAliley

FILED by _____ D.C.
MAY 16 2011
STEVEN M. LARIMORE
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Federal Trade Commission, and)
State of Florida, Office of the Attorney General,)

Plaintiffs,)

v.)

VGC Corporation of America,)
a Florida Corporation, also d/b/a All Dream(s))
Vacations, All Dreams Travel, Five Star(s))
Vacations, 5 Star(s) Vacations, Total Tours,)
and Travel & Tours Corp.,)

All Dream Vacations Corp.,)
a Florida Corporation, also d/b/a)
All Dreams Vacations,)

Violeta Gonzalez, a/k/a Violeta Rojas,)
individually, and as an officer of)
VGC Corporation of America,)

Cesar A. Gonzalez,)
individually, and as an officer of VGC)
Corporation of America,)

Samir Jose Saer Rodriguez, a/k/a Samir Saer,)
individually, and as an officer of)
VGC Corporation of America and)
All Dream Vacations Corp.,)

Defendants.)

Sealed

COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF

Plaintiffs, the Federal Trade Commission (“FTC”), and State of Florida, Office of the
Attorney General (“State of Florida”), for their Complaint allege:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief, including an asset freeze, immediate access to business premises, and appointment of a receiver, for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

2. The State of Florida brings this action pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010), to obtain temporary and permanent injunctions, consumer restitution and other equitable relief, and reimbursement of costs and attorneys’ fees.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b).

4. Venue is proper in this District under 28 U.S.C. § 1391(b) and (c), and 15 U.S.C. § 53(b).

PLAINTIFFS

5. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

6. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be

appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

7. Plaintiff State of Florida is one of the fifty sovereign States of the United States and, by and through its Attorney General, brings a state claim pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010). The Attorney General has determined that an enforcement action serves the public interest as required by Section 501.207. This Court has supplemental jurisdiction over the State of Florida's state claim pursuant to 28 U.S.C. § 1367.

DEFENDANTS

8. Defendant VGC Corporation of America, also doing business as All Dream(s) Vacations, All Dreams Travel, Five Star(s) Vacations, 5 Star(s) Vacations, Total Tours, and Travel & Tours Corp. ("VGC"), is a Florida corporation with its principal place of business at 3403 NW 82nd Avenue, Suite 210, Doral, Florida 33122. VGC transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, VGC has advertised, marketed, distributed, or sold vacation packages to consumers throughout the United States.

9. Defendant All Dream Vacations Corp., also doing business as All Dreams Vacations ("All Dream"), is a Florida corporation with its principal place of business at 5249 NW 112th Place, Doral, Florida 33178. At all times material to this Complaint, acting alone or in concert with others, All Dream has advertised, marketed, distributed, or sold vacation packages to consumers throughout the United States.

10. Defendant Violeta Gonzalez, also known as Violeta Rojas (“Violeta Gonzalez”), is an owner and President and Chief Executive Officer of VGC. She is also a manager of All Dream. At all times material to this Complaint, acting alone or in concert with others, she has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of VGC and All Dream, including the acts and practices set forth in this Complaint. Defendant Violeta Gonzalez resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

11. Defendant Cesar A. Gonzalez (“Cesar Gonzalez”) is an owner and Vice President of VGC. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of VGC and All Dream, including the acts and practices set forth in this Complaint. Defendant Cesar Gonzalez resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

12. Defendant Samir Jose Saer Rodriguez, also known as Samir Saer (“Samir Saer”), is an owner and director of VGC and President of All Dream. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices of VGC and All Dream, including the acts and practices set forth in this Complaint. Defendant Samir Saer resides in this district and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

13. Defendants VGC and All Dream (collectively, “Corporate Defendants”) have operated as a common enterprise while engaging in the deceptive acts and practices alleged

below. Defendants have conducted the business practices described below through companies that have common ownership, officers, managers, business functions, employees, advertisements, and office locations; and that have commingled funds. Because these Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. Defendants Violeta Gonzalez, Cesar Gonzalez, and Samir Saer have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

COMMERCE

14. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

15. Since at least January 2008, Defendants have been deceptively marketing a prize promotion involving a vacation package to consumers, most of whom are Spanish-speaking.

16. Defendants advertise nationwide through purported contests on Spanish-language television and radio stations, offering a vacation package as a prize to certain callers who correctly guess the answer to a simple trivia question.

17. Consumers who call the number provided are uniformly told they have won a vacation package, consisting of one or more trips to popular destinations. Defendants then inform consumers that they must immediately pay a tax or an administrative fee, generally ranging from \$200-\$400, in order to receive their promised vacation package.

18. Consumers who pay Defendants the taxes or administrative fees do not receive their promised vacation packages.

A. The Initial Pitch

19. Defendants initially solicit consumers through the use of Spanish-language television and radio spots that advertise a contest to win a vacation package worth thousands of dollars, if consumers call the telephone number provided and answer a simple question.

20. For instance, Defendants run television advertisements that open with a high-pitched noise, a multicolored test screen, and the word “Attention!” (translated from Spanish) in bright yellow letters. Defendants then show a quick montage of images, like Disney’s “Magic Castle” and “Mickey Mouse,” while an announcer explains to consumers (translated from Spanish):

Attention! This program has been interrupted. It’s time to win for the first thirty people that dial the number that appears on the screen and can tell me correctly how that famous Mexican comedian was also known. His name was Mario Moreno. ... If you know the answer ... you are going to go to Disneyland, fully paid, you and your family. Also, a surprise gift to Cancun, Las Vegas, Napa Valley and any other destination that you choose. Dial and be part of this because today you will receive vacations with a value of four thousand dollars, and they are yours. Mario Moreno, what? ... Dial the number on the screen.

21. Defendants’ radio spots are substantially similar to their television advertisements. One of Defendants’ recent radio spots (translated from Spanish) exclaims:

Attention. Attention. The first thirty people ... that want to go to Punta Cana in the Dominican Republic. Hotels, meals, drink ... Tell me the name of a country that doesn’t have the letter A and you will go to Punta Cana, and also, four days in Orlando, Florida, with hotels and tickets to the parks. Dial right now 1-800-919-6064 ... and good luck.

B. Closing the Deal

22. Consumers who call the number provided in Defendants' advertisements are connected to representatives who uniformly tell consumers they have given the correct answer to the trivia question and have won a valuable vacation package.

23. In a script obtained from a former employee, Defendants direct employees to tell consumers that, "[t]he answer is correct!!!," this is the "winning call," and they have "won."

24. Defendants' script further advises employees to tell consumers that they are only one of five winners out of 800 callers from twenty states, and as such, they have won trips to additional destinations.

25. Defendants' script further instructs employees to "Transmit emotion, take advantage of the emotion that the client is feeling, use it to your favor!!!" and to tell consumers, "Congratulations to you and your family... That's great, right? Are you happy? ... Wonderful!!! Perfect!!!"

26. Once consumers are assured they have won, Defendants then tell consumers they must pay a tax or administrative fee in order to claim their prize. Defendants explain to consumers that their prize is worth thousands of dollars and that the amount they must pay equals only a small fraction of the value of the vacation package. Defendants then charge consumers a tax or administrative fee, generally ranging from \$200-\$400.

C. The Let-Down

27. Consumers who pay Defendants' fee do not receive the vacation packages they are promised.

28. In many instances, consumers who call Defendants to book their vacations are told they are not eligible to redeem their prize because they do not meet previously undisclosed conditions, limitations, and restrictions, including age, income or marital-status requirements, or required attendance at a timeshare presentation.

29. In many other instances, Defendants tell consumers their promised vacations are no longer available or that consumers must make additional payments in order to redeem their prize.

30. Other consumers are unable to claim their prize because they cannot reach Defendants at all.

31. Consumers who are denied their prize are also routinely denied when they ask Defendants for their money back. Instead, Defendants inform consumers, for the first time, that there is a “no refund” policy, and consumers are simply out their money.

VIOLATIONS OF SECTION 5 OF THE FTC ACT
(By Plaintiff FTC)

32. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

33. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act. 15 U.S.C. § 45(a).

COUNT I

34. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants’ vacation packages, Defendants have made representations, directly or indirectly, expressly or by implication, that: (a) consumers who

respond to Defendants' promotions have won a prize; or (b) consumers who make a payment to Defendants will receive a vacation package.

35. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 34 of this Complaint, (a) consumers who respond to Defendants' promotions have not won a prize; and (b) consumers who make the payment to Defendants do not receive a vacation package.

36. Therefore, Defendants' representation as set forth in Paragraph 34 of this Complaint is false and misleading and constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

37. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants' vacation packages, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who make a payment to Defendants will receive a vacation package.

38. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 37 of this Complaint, Defendants have failed to disclose to consumers that, in order to receive their promised vacation package, consumers must satisfy some or all of the following material conditions, limitations, and restrictions: (a) additional required payments; (b) age, income, or marital-status requirements; or (c) required attendance at a timeshare presentation.

39. Defendants' failure to disclose the material information described in Paragraph 38 above, in light of the representation described in Paragraph 37 above, constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

**VIOLATION OF THE FLORIDA DECEPTIVE AND
UNFAIR TRADE PRACTICES ACT**
(By Plaintiff State of Florida)

40. Section 501.204 of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010), prohibits "unfair or deceptive acts or practices in the conduct of any trade or commerce."

COUNT III

41. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants' vacation packages, Defendants have made representations, directly or indirectly, expressly or by implication, that: (a) consumers who respond to Defendants' promotions have won a prize; and (b) consumers who make a payment to Defendants will receive a vacation package.

42. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 41 of this Complaint, (a) consumers who respond to Defendants' promotions have not won a prize; and (b) consumers who make the payment to Defendants do not receive a vacation package.

43. Therefore, Defendants' representation as set forth in Paragraph 41 of this Complaint is false and misleading and constitutes an unfair or deceptive act or practice in violation of Section 501.204 of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010).

COUNT IV

44. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of Defendants' vacation packages, Defendants have represented, directly or indirectly, expressly or by implication, that consumers who make a payment to Defendants will receive a vacation package.

45. In truth and in fact, in numerous instances in which Defendants have made the representation set forth in Paragraph 44 of this Complaint, Defendants have failed to disclose to consumers that, in order to receive their promised vacation package, consumers must satisfy some or all of the following material conditions, limitations, and restrictions: (a) additional required payments; (b) age, income, or marital-status requirements; or (c) required attendance at a timeshare presentation.

46. Defendants' failure to disclose the material information described in Paragraph 45 above, in light of the representation described in Paragraph 44 above, constitutes a deceptive act or practice in violation of Section 501.204 of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010).

CONSUMER INJURY

47. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act and the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010). In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

48. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

49. Pursuant to 28 U.S.C. § 1367, this Court has supplemental jurisdiction to allow Plaintiff State of Florida to enforce its state law claim against Defendants in this Court for violations of the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes (2010), and to grant such relief as provided under state law, including injunctive relief, restitution, costs and attorneys' fees, and such other relief to which the State of Florida may be entitled.

PRAYER FOR RELIEF

50. Wherefore, Plaintiff Federal Trade Commission, pursuant to Section 13(b), 15 U.S.C. § 53(b), and Plaintiff State of Florida, pursuant to the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, and the Court's own equitable powers, request that the Court:

A. Award Plaintiffs such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to, a temporary and preliminary injunction, an order freezing assets, immediate access to business premises, and the appointment of a receiver;

B. Enter a permanent injunction to prevent future violations of the FTC Act and the Florida Deceptive and Unfair Trade Practices Act by Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act the Florida Deceptive and Unfair Trade Practices Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

D. Award Plaintiffs the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

[SIGNATURE PAGE FOLLOWS.]

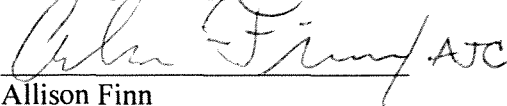
Respectfully submitted,
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