

IN THE CIRCUIT COURT OF PLATTE COUNTY
STATE OF MISSOURI

STATE OF MISSOURI, ex rel.)	
Attorney General Eric S. Schmitt,)	
)	
Plaintiff,)	Case No.
)	
v.)	Division:
)	
MARTIN MANAGEMENT)	
GROUP LLC)	
)	
Serve registered agent:)	
Steven Albert Martin)	
10102 NW River Hills Dr.)	
Parkville, MO 64152)	
)	
STEVEN ALBERT MARTIN,)	
)	
Serve at:)	
10102 NW River Hills Dr.)	
Parkville, MO 64152)	
)	
Defendant.)	

**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 Martin Management Group LLC (“Martin Management”) and Steven Albert Martin (“Martin”) (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. Martin Management was organized on March 28, 2017, but Defendant Martin conducted business under the name well before the date of organization.

3. Martin Management is still listed as active within the Missouri Secretary of State's records but is believed to have ceased operations.

4. Martin Management's principal place of business was located at 2109 N. Glenstone, Suite E, Springfield, Missouri 65803.

5. Steven Albert Martin resides at 10102 NW River Hills Drive, Parkville, Missouri 64152. Defendant Martin advertised, solicited, and sold services for timeshare membership relief to consumers in and from Missouri, controlled Martin Management, and is the last registered agent of Martin Management.

6. At all times relevant to the facts alleged in this petition, Defendant Martin maintained control of Martin Management and engaged, or directed his agents to engage, in the unlawful practices alleged in this Petition.

7. 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

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

9. This Court has personal jurisdiction over Defendants because: (1) Defendants conducted business in and from the State of Missouri, (2) Defendant Martin resides in the State of Missouri, and (3) Defendant Martin Management’s principal place of business was in Missouri.

10. This court has authority over this action pursuant to § 407.100, which allows the Attorney General to seek injunctive relief, restitution, penalties, and other relief in circuit court against persons who violate § 407.020, RSMo.

VENUE

11. 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.”

12. Defendants have engaged in the acts, practices, methods, uses, solicitation and conduct described below that violate § 407.020, RSMo, in and

from Missouri. Defendant Martin, at this time, resides in Platte County, Missouri, and thus venue is proper in this Court.

MERCHANDISING PRACTICES ACT

13. 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.

14. Section 407.100.1, RSMo states:

Whenever it appears to the attorney general that a person has engaged in, is engaging in, or is about to engage in any method, act, use, practice or solicitation, or any combination thereof, declared to be unlawful by this chapter, the attorney general may seek and obtain, in an action in a circuit court, an injunction prohibiting such person from continuing such methods, acts, uses, practices, or solicitations, or any combination thereof, or engaging therein, or doing anything in furtherance thereof.

15. “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.

16. “Merchandise” is defined as “any objects, wares, goods, commodities, intangibles, real estate, or services.” § 407.010(4), RSMo.

17. “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.

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

19. 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.

20. From those regulations, and pertinent to this petition, a misrepresentation is defined as “an assertion that is not in accord with the facts.” 15 CSR 60-9.060. 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. 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

21. Plaintiff incorporates all allegations as stated above.

22. Beginning in at least August 2016, Defendant Martin operated Martin Management as a timeshare-exit company that marketed, advertised, offered to sell and sold services to terminate, transfer, or otherwise release consumer obligations related to, timeshares.

23. As a timeshare-exit company, Defendants offered to act as consumers’ representative in negotiations with timeshare companies for the release of consumers’ respective timeshare memberships. Defendants offered these services for a fee.

24. In doing so, Defendants directly solicited, by mail or telephone, consumers to attend sales meetings around the country.

25. At these meetings, Defendants would use high-pressure sales tactics to convince consumers to make substantial payments for Defendants’ services.

26. Among other things, Defendants promised that Defendants would terminate consumers’ timeshares by a specified time or provide a full refund of consumer deposits. However, Defendants regularly failed to perform by promised deadlines, failed to terminate consumers’ timeshare

obligations, and failed to reimburse consumer deposits as promised.

27. Additionally, Defendants told consumers to discontinue, or redirect, forthcoming maintenance fees on consumer timeshares, because Defendants would either cover the cost or cancel the timeshare before those fees became due. This was not true as consumers had contractual obligations to make the payments. Several consumers are in arrears with their timeshare holders over unpaid maintenance fees as a direct consequence of these misrepresentations.

28. Also, after forming the contracts, Defendants often directed consumers to pay a variety of additional expenses such as court costs or termination and transfer fees. In these instances, Defendants promised consumers that payment of these expenses was necessary to relieve the consumers of their timeshare obligations. However, even if the consumer paid the outstanding amounts, Defendants still failed to terminate the consumer timeshare obligations.

29. 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. Richard and Doris Brune were invited and attended one of Defendants' sales meetings on August 13, 2016, in Jefferson

City, Missouri. At this meeting, Defendants promised to cancel the Bruness' two timeshares within a year, or the Bruness would receive a full refund of the \$7,995 they paid. Defendants failed to negotiate the release of the Bruness' timeshares, and to date have failed to provide a refund of deposits made.

- b. Ken Reynolds on November 1, 2016, met with Defendants to obtain cancellation of Reynolds' two timeshares. Defendants promised that Defendants could relieve Reynolds of his timeshare membership and requested Reynolds to redirect timeshare maintenance fees to Defendants. Reynolds redirected the forthcoming timeshare maintenance fee of \$1,768.43 and made a separate payment of \$9,500 for the cancellation of his timeshare memberships. The contract stated that if the timeshares were not cancelled within 180 days, Reynolds would receive a full refund. Defendants failed to negotiate the release of Reynolds' timeshares and, to date, have failed to provide a refund of any deposits made.
- c. Roger and Michelle Ryser, on or about May 1, 2017, met with Defendants. Defendants stated that Defendants were experienced in negotiating timeshare membership releases and instructed the Rysers to cease maintenance payments. Per

contractual agreement, Defendants promised to release the Rysers from their timeshare obligations for \$6,100 or provide a full refund. To date, Defendants have failed to cancel the Rysers' timeshare membership and have failed to refund any deposits made.

- d. On August 4, 2017, George Huntoon met with Defendants and entered into a contract to hire Defendants to terminate his timeshare membership for \$7,995. That contract contained the same clause guaranteeing performance within 180 days or Huntoon would receive a full refund. In September 2017, Defendants solicited another \$1,200 from Huntoon as a "termination fee," which was promised to be the final step before the timeshare membership cancellation. Despite Huntoon's payment of the termination fee, Defendants failed to negotiate the release of his timeshare and failed to provide a refund of any kind.

30. Defendants, in their advertisement and sale of timeshare-exit services, have misrepresented the nature, scope, and effect of Defendants' services, improperly instructed consumers to cease or redirect timeshare maintenance fees to Defendants, falsely promised to obtain the release of timeshare memberships or provide refunds, and engaged in unfair practices

by directly breaching unambiguous provisions of consumer contracts.

31. At this time, twenty-seven (27) 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.

32. Additionally, consumers have suffered over \$100,000 in ascertainable loss as a result of the Defendants' practices.

VIOLATIONS OF LAW

COUNT I – MISREPRESENTATION

33. Plaintiff incorporates all allegations stated above.

34. Defendants violated § 407.020 by misrepresenting to consumers that consumers were no longer contractually obligated to continue making maintenance payments on their timeshare memberships.

COUNT II – FALSE PROMISES

35. Plaintiff incorporates all allegations stated above.

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

- a. Negotiate consumers' release from timeshare memberships; and
- b. Provide refunds in full upon the failure to obtain timeshare membership releases; and

c. Terminate consumer timeshare obligations, upon payment of final service expenses.

COUNT III – UNFAIR PRACTICES

37. Plaintiff incorporates all allegations stated above.

38. 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 of timeshare memberships within specified timeframes or at all; and
- b. Failed to provide refunds to consumers who were not released from their timeshare interest obligations within 180 days of entering the contract.

RELIEF

WHEREFORE, Plaintiff prays this Court enter judgment:

- 1. Finding that Defendants violated the provisions of § 407.020.
- 2. Issuing an injunction pursuant to § 407.100.1 prohibiting and enjoining Defendants from marketing, advertising, offering to sell, selling, timeshares or timeshare-exit services.
- 3. Requiring Defendants to provide full restitution to all consumers who suffered any ascertainable loss per § 407.100.4.

4. 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.

5. 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.

6. Requiring Defendants to pay all court, investigative, and prosecution costs of this case per § 407.130.

7. Granting any further relief that this Court deems proper.

Respectfully submitted,

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