

IN THE CIRCUIT COURT OF GREENE COUNTY,
STATE OF MISSOURI

FILED
DIVISION 1

JAN 06 2023

STATE OF MISSOURI ex rel.)
Attorney General Andrew Bailey,)

Plaintiff,)

vs.)

VACATION CONSULTING)
SERVICES, et al.)

Defendants.)

GREENE COUNTY
CIRCUIT COURT

Case No. 2031-CC00785

CONSENT JUDGMENT

Plaintiff State of Missouri ("Plaintiff") at the relation of Attorney General Andrew Bailey and Defendants Brian Scroggs; Vacation Consulting Services, LLC; The Transfer Group, LLC; and Real Travel, LLC (collectively "Defendants") state the following for their Consent Judgment:

Jurisdiction

1. This Court has subject matter jurisdiction pursuant to Article V, §.14 of the Missouri Constitution because Defendants transacted business within the State of Missouri at all times relevant herein.

2. This Court has personal jurisdiction over Defendants because Defendants conducted business within the State of Missouri, and Defendants' principal place of business at the time of the events described in Plaintiff's Petition was in Missouri.

Venue

3. The Parties agree that venue is proper in this Court pursuant to § 407.100.7 RSMo, as Defendant Brian Scroggs resides in Greene County, Defendants maintained a principal place of business in Greene County, and violations alleged in the Petition occurred in Greene County, Missouri.

Parties

4. This Consent Judgment shall apply to Defendants and their principals, officers, directors, members, affiliates, agents, employees, representatives, successors, assignees, or any other individuals or entities whose acts, practices, or policies are directed or controlled by any Defendant.

Stipulations

5. This Consent Judgment embodies the entire agreement and understanding of the Parties with respect to the subject matter contained herein, and no party has relied upon any statements or representations not contained in this Consent Judgment.

6. This Consent Judgment shall be governed by and construed in accordance with the laws of the State of Missouri.

7. Defendants shall not represent to any person that the Attorney General sanctions, endorses, or approves of any methods, acts, uses, practices, or solicitations undertaken by or on behalf of Defendants.

8. The Parties agree that the State of Missouri is authorized to bring this action and the Attorney General is authorized to represent the interests of the State of Missouri.

9. The Parties agree and acknowledge that Defendants deny and continue to deny any and all allegations of wrongdoing of any kind as alleged in Plaintiff's Petition against Defendants, and that the Parties have agreed to this Consent Judgment in order to avoid the substantial expense and uncertainties of further litigation.

10. The Parties agree that with Defendants' approval, Plaintiff will file this Consent Judgment with the Court for entry.

11. The Parties recommend the Court approve this Consent Judgment and enter judgment in accordance with its terms.

12. From at least 2014 through 2019, Defendants advertised, offered for sale, and sold third party services to terminate, transfer, or otherwise release consumer obligations related to timeshares.

13. Defendants requested and received upfront payments for merchandise sold, and subsequently failed to provide the merchandise purchased by those up front payments.

14. Defendants will stipulate in Case No. 21-60745-CAN-11 of the United States Bankruptcy Court of the Western District of Missouri, Southern Division, and in the bankruptcies of any other Defendant to this action, that

Plaintiff is entitled to \$275,000 in priority under 11 U.S.C. § 507(a)(7) for consumer deposits made before the filing of bankruptcy.

15. Plaintiff agrees to amend its proof of claim in Case No. 21-60745-CAN-11 of the United States Bankruptcy Court of the Western District of Missouri, Southern Division to reflect the amounts described in this consent judgment.

16. Defendants agree that, subject to the orders of the United States Bankruptcy Court of the Western District of Missouri, in the event Defendants confirm a Chapter 11 plan, but subsequently default on payments under that plan, Plaintiff will be able to collect the full amount of this Judgment.

17. Defendants agree that they will not engage in advertising, selling, offering to sell, or marketing third party services to terminate, transfer, or otherwise release consumer obligations related to timeshares in the State of Missouri.

18. The Parties agree that they will work in good faith to file the necessary documents in Case No. 21-60745-CAN-11 of the United States Bankruptcy Court of the Western District of Missouri, and the bankruptcies of any other Defendant, to effectuate the terms of this Judgment.

19. Plaintiff retains the right to object to any bankruptcy plan proposed by Defendants on the grounds that 1) it does not conform to the

terms of this Judgment or 2) the plan fails to meet the requirements of 11 U.S.C. § 1129.

RELIEF

20. IT IS ORDERED, ADJUDGED, AND DECREED that Defendants and their agents, servants, employees, representatives, and other individuals acting at their discretion, shall be permanently enjoined from advertising, selling, offering to sell, or marketing third party services to terminate, transfer, or otherwise release consumer obligations related to timeshares in the State of Missouri.

21. IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants and all persons acting on behalf of Defendants are enjoined from violating the Missouri Merchandising Practices Act as set forth in Chapter 407, RSMo., and that any future violations of Chapter 407, RSMo. shall subject Defendants to an increased penalty of up to \$5,000 per future violation.

22. IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are jointly and severally liable for restitution in the amount of \$700,000, as per § 407.100.4, RSMo. The execution of the restitution portion of this judgment is subject to the rulings of United States Bankruptcy Court of the Western District of Missouri, Southern Division in case number 21-60745-CAN-11.

23. IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall each pay \$50,000 in civil penalties pursuant to § 407.100.6, RSMo. The payment of the civil penalties shall be suspended upon the condition that 1) Defendants propose a Chapter 11 plan that provides payments in conformity with this Judgment and the applicable provisions of the Bankruptcy code; 2) that such a plan is confirmed by the court; 3) that Defendants make all payments under the plan in Bankruptcy Case No. 21-60745-CAN-11, and in the Bankruptcies of any other Defendant, and 4) that Defendants abide by all terms of the injunction in this Judgment.

24. IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall each pay \$50,000 to the Merchandising Practices Revolving Fund, pursuant to § 407.140.3, RSMo. Payment of which will be suspended upon the condition that 1) Defendants propose a Chapter 11 plan that provides payments in conformity with this Judgment and the applicable provisions of the Bankruptcy code; 2) that such a plan is confirmed by the court; 3) that Defendants make all payments under the plan in Bankruptcy Case No. 21-60745-CAN-11, and in the Bankruptcies of any other Defendant, and; 4) that Defendants abide by all terms of the injunction in this Judgment.

25. IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that in the event any Defendant fails to abide by the terms of this Judgment, the Attorney General may, at his option, without notice or demand, declare the

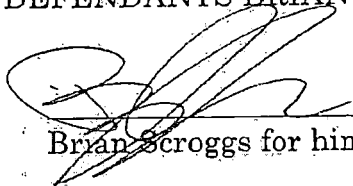
suspended civil penalties due and payable immediately against the violating Defendant(s) and may seek a reasonable attorney's fee if required to pursue collection of same including execution thereon.

1/6/2023

It is so ORDERED this _____ day of _____, 2023.

Hon. Jason R. Brown
Circuit Judge

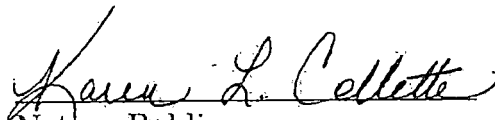
DEFENDANTS BRIAN SCROGGS;



Brian Scroggs for himself

STATE OF MISSOURI)
) SS.
COUNTY OF GREENE)

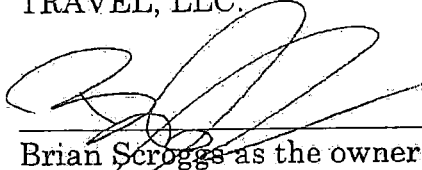
On this 4 day of January, 2023, before me, the undersigned notary public, personally appeared Brian Scroggs and executed this Consent Judgment as his free act and deed. Subscribed and sworn to before me this 4 day of January, 2023.


Notary Public

My commission expires on: 11-30-26

KAREN L. COLLETTE
Notary Public - Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires Nov. 30, 2026
Commission #14492797

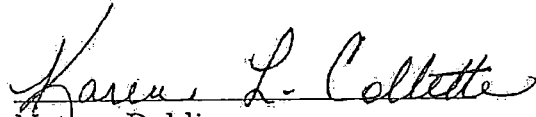
DEFENDANTS VACATION CONSULTING SERVICES, LLC; VCS COMMUNICATIONS, LLC; THE TRANSFER GROUP, LLC; AND REAL TRAVEL, LLC.



Brian Scroggs as the owner of Vacation Consulting Services, LLC; VCS Communications, LLC; The Transfer Group, LLC; and Real Travel, LLC.

STATE OF MISSOURI)
) SS.
COUNTY OF GREENE)

On this 4 day of January, 2023, before me, the undersigned notary public, personally appeared Brian Scroggs, who upon his oath stated that he holds the position of Owner with Defendants Vacation Consulting Services, LLC; VCS Communications, LLC; The Transfer Group, LLC; and Real Travel, LLC; that he is authorized to execute this Consent Judgment on behalf of these Defendants; and that he has executed this Consent Judgment as a free act and deed. Subscribed and sworn to before me this 4 day of January, 2023.


Notary Public

My commission expires on: 11-30-26

