

IN THE CIRCUIT COURT OF THE SIXTEENTH JUDICIAL
CIRCUIT IN AND FOR MONROE COUNTY, FLORIDA

OFFICE OF THE ATTORNEY GENERAL,
STATE OF FLORIDA, DEPARTMENT OF
LEGAL AFFAIRS,

Plaintiff,

-vs-

CASE NO.

HARMONY INTERNATIONAL TOURS LLC,
an inactive State of Florida Limited Liability Company,

BRADLEY R. MATHESON, *an individual,* and

MARGARET L. MATHESON, *an individual,*

Defendants.

COMPLAINT

Plaintiff, Office of the Attorney General, State of Florida, Department of Legal Affairs (“Attorney General”), brings this action under Florida’s Deceptive and Unfair Trade Practice Act, Chapter 501, Part II, Florida Statutes (“FDUTPA”), against HARMONY INTERNATIONAL TOURS LLC, *an inactive State of Florida Limited Liability Company,* BRADLEY R. MATHESON, *an individual,* and MARGARET L. MATHESON, *an individual* (collectively, “Defendants”), to obtain permanent injunctive relief and other statutory and equitable relief, and further states:

I. JURISDICTION AND VENUE

1. This action is brought to obtain permanent injunctive relief, pursuant to Section 501.207(1)(b), Florida Statutes; civil penalties pursuant to Sections 501.2075 and 501.2077, Florida Statutes; equitable relief pursuant to 501.207(3), Florida Statutes, including consumer

restitution; and other just and appropriate relief under FDUTPA. This Court has jurisdiction pursuant to FDUTPA and Section 26.012, Florida Statutes.

2. Defendants at all times material to this Complaint, whether acting alone or in concert with others, solicited consumers within the definition of Section 501.203(7), Florida Statutes, and engaged in trade or commerce as defined by Section 501.203(8), Florida Statutes.

3. Venue is proper in the Sixteenth Judicial Circuit as Defendants, during the pertinent period alleged in this Complaint, maintained a place of business in Key West, Monroe County, Florida. Further, the statutory violations alleged herein affected, or occurred in, more than one judicial circuit in the State of Florida, and elsewhere throughout the United States.

II. PLAINTIFF

4. The Attorney General is an enforcing authority of FDUTPA and is authorized by Section 501.207(1)(b), Florida Statutes, to bring an action to enjoin any person who has violated, is violating, or is otherwise likely to violate FDUTPA, and by Section 501.207(3), Florida Statutes, to obtain equitable relief, as appropriate.

5. The State of Florida has conducted an investigation, and the Attorney General has determined that an enforcement action serves the public interest, as required by Section 501.207(2), Florida Statutes.

III. DEFENDANTS

6. Defendant, HARMONY INTERNATIONAL TOURS LLC (“HARMONY”), is an inactive State of Florida Limited Liability Company, established on or around September 19, 2016, with its principal place of business located at 7009 Shrimp Road, Suite 2, Key West, Monroe County, Florida 33040.

7. HARMONY offered group travel packages to consumers in Florida, and elsewhere throughout the United States.

8. HARMONY was at all times during the pertinent period alleged herein engaged in trade or commerce as defined in Section 501.203(8) of the Florida Statutes.

9. Defendant, BRADLEY R. MATHESON, currently resides at a correctional facility in San Diego, California. BRADLEY R. MATHESON is not in the military and is otherwise *sui juris*.

10. Defendant, MARGARET L. MATHESON, currently resides at a correctional facility in Santee, California. MARGARET L. MATHESON is not in the military and is otherwise *sui juris*.

IV. DEFENDANTS' MISLEADING AND DECEPTIVE BUSINESS PRACTICES

11. Beginning in at least 2017, the Attorney General began receiving complaints from consumers in Florida, and elsewhere throughout the United States, that Defendants were engaging in deceptive trade practices as it relates to the marketing, sale, offering, providing, or accepting of payment for group travel services.

12. According to complaining consumers, HARMONY offered group travel packages to various college, high school, and church choir and band groups (alternatively "music groups" or "consumers") to perform in foreign countries and to participate, in some instances, in cultural exchange programs.

13. In offering the group travel packages, HARMONY allowed for a series of installment payments to be paid by individual group members, pursuant to a payment schedule provided by HARMONY.

14. HARMONY led consumers to believe that, upon receipt of the last installment payment from group members, HARMONY would make arrangements for the group members' flight, lodging, tours, certain meals, and prepare any paperwork required for the group to travel to the respective foreign destination.

15. However, in many instances, HARMONY accepted consumers' payments with no intention or ability to provide the promised travel services.

16. In some instances, HARMONY contacted group members within mere days and/or weeks of their scheduled foreign travel to advise them that their group tour had been canceled.

17. According to some consumers, HARMONY told them that their group tour had been canceled because the group did not have enough participants to warrant the initial group tour price offered by HARMONY. HARMONY told other consumers that it was experiencing travel difficulties with the government of the foreign country to which the group members were scheduled to travel.

18. HARMONY falsely promised group members whose tours had been canceled that refunds would be forthcoming. HARMONY, however, failed to issue the promised refunds and ignored group members' multiple requests for refunds.

19. HARMONY misled consumers to believe that it would purchase travel insurance policies on their behalf as part of their group travel package. However, when consumers contacted the travel insurance companies, they were informed that no such travel insurance had been purchased on their behalf by HARMONY.

20. After taking consumers' installment payments for group travel packages on a consistent monthly basis, HARMONY abruptly stopped communicating with many of those

consumers and failed to inform them that the company was in dire financial straits; was in the process of closing; and was filing for bankruptcy.

21. Despite HARMONY being fully aware that it was going out of business, was filing for bankruptcy, and was in no financial posture to follow through with its promises to consumers to provide group travel packages, HARMONY nonetheless continued to accept installment payments from music groups for tours which HARMONY knew, at the time that it took the payments, would never take place.

22. Additionally, rather than deposit the consumers' payments into HARMONY'S business accounts and use those funds towards making the promised travel arrangements, Defendants, BRADLEY R. MATHESON and MARGARET L. MATHESON, diverted hundreds of thousands of dollars received from the group travel sales into their personal checking accounts and paid personal and entertainment expenses.

23. Defendants, BRADLEY R. MATHESON and MARGARET L. MATHESON, additionally wrongfully used a significant amount of the proceeds received from the music groups to fund other businesses, including, but not limited to HARMONY SAILING, LLC, HARMONY YACHT VACATIONS, LLC, HARMONY SAILING ACADEMY, and OCEAN NETWORK LLC.

24. As the result of the deceptive business practices detailed above, Defendants, BRADLEY R. MATHESON and MARGARET L. MATHESON, were arrested; charged in a 98-count indictment, which included allegations of Seller of Travel – Failure to Return Funds Greater than \$950, Seller of Travel – Failure to Deposit Funds Greater than \$950, and Grand Theft of Personal Property, in San Diego, California; and convicted. Both Defendants are currently incarcerated and serving prison sentences.

25. Defendants, BRADLEY R. MATHESON and MARGARET L. MATHESON, managed the day-to-day operations of HARMONY, and at all times material to this Complaint, whether acting alone or in concert with others, formulated, directed, controlled, had the authority to control, and directly participated in the acts and practices of HARMONY.

26. Further, Defendants, BRADLEY R. MATHESON and MARGARET L. MATHESON, at all times material to this Complaint, had knowledge and awareness of the deceptive acts and practices of HARMONY.

27. Defendants' deceptive actions and misrepresentations were likely to mislead consumers acting reasonably under the circumstances and in fact did mislead consumers in the State of Florida and elsewhere throughout the United States.

28. As the result of Defendants' deceptive actions and misrepresentations, consumers have suffered injury.

29. The number of consumers adversely impacted by Defendants' unfair and deceptive business practices is thirty-two (32), and the amount of restitution to which these thirty-two (32) consumers are entitled is \$458,113.06.

30. Unless Defendants are permanently enjoined from engaging further in the acts and practices complained of herein, the continued activities of Defendants will result in irreparable injury to the public for which there is no adequate remedy at law.

COUNT I
VIOLATION OF FLORIDA'S DECEPTIVE AND
UNFAIR TRADE PRACTICES ACT

31. Plaintiff adopts, incorporates herein and re-alleges Paragraphs 1-30 above as if fully set forth herein.

32. Section 501.204, Florida Statutes, prohibits unfair methods of competition or unconscionable, deceptive, or unfair acts or practices in the conduct of trade or commerce.

33. As more fully detailed above in paragraphs 1 through 30, Defendants engaged in a pattern of deceptive and unfair acts and practices as it relates to group travel services.

34. Defendants' deceptive actions and misrepresentations were likely to mislead consumers acting reasonably under the circumstances and in fact did mislead consumers in the State of Florida and elsewhere throughout the United States.

35. Defendants, BRADLEY R. MATHESON and MARGARET L. MATHESON, formulated, directed, controlled, had the authority to control, and directly participated in the acts and practices of HARMONY, and had knowledge and awareness of HARMONY's deceptive practices.

36. Defendants have violated FDUTPA, and the above-described acts and practices of Defendants have injured and prejudiced the public and consumers in the State of Florida and elsewhere throughout the United States.

37. Unless Defendants are permanently enjoined from engaging further in the acts and practices complained of herein, Defendants' continued deceptive and unfair business practices will result in irreparable injury to the public and consumers in the State of Florida for which there is no adequate remedy at law.

38. Sections 501.207, 501.2075, and 501.2077, Florida Statutes, authorize this Court to grant such relief as this Court finds appropriate.

39. Pursuant to Section 501.207(3), Florida Statutes, this Court is authorized in an action brought by the enforcing authority under Section 501.207(1)(b) to enter an order that the Defendants provide restitution and other equitable relief.

40. Defendants have committed 32 willful violations of Section 501.204, Florida Statutes, and this Court is authorized pursuant to Section 501.2075 to impose a civil penalty upon the Defendants of up to \$10,000 for each willful violation of FDUTPA by Defendants.

41. The Attorney General has incurred reasonable attorney's fees and costs and is entitled to have those fees and costs reimbursed by Defendants pursuant to Sections 501.2075 and 501.2105, Florida Statutes.

V. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, the Attorney General, pursuant to FDUTPA, requests that this Honorable Court enter Judgment against Defendants, jointly and severally, to:

- A. Permanently ENJOIN Defendants and their officers, affiliates, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this injunction, from engaging in any activity which relates in any manner to the marketing, sale, offering, providing, or accepting of payment for any travel-related services to consumers; and from committing future violations of FDUTPA.
- B. Award restitution in the amount of \$458,113.06 to all consumers who have been injured by Defendants in this action, pursuant to Section 501.207(3), Florida Statutes.
- C. Award such equitable or other relief as the Court finds appropriate, pursuant to Section 501.207, Florida Statutes;
- D. Assess civil penalties in the amount of Ten Thousand Dollars (\$10,000.00) for each of Defendants' 32 willful violations of Section 501.204, Florida Statutes, as prescribed by Section 501.2075, Florida Statutes, in the total amount of \$320,000.00;

E. Award attorney's fees and costs pursuant to Section 501.2105, Florida Statutes, or as otherwise authorized by law; and

F. GRANT such other relief as this Court deems just and proper.

Dated this 13th day of July, 2018.

Respectfully Submitted,

PAMELA JO BONDI
ATTORNEY GENERAL

Carol E. A. DeGraffenreidt

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