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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA IN AND FOR THE COUNTY OF MARICOPA

STATE OF ARIZONA, ex rel. MARK BRNOVICH, Attorney General,

Plaintiff,

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EB WORLDWIDE, LLC, a Texas limited liability company; and GEORGE A. BARRAGAN and SONIA M. BARRAGAN, husband and wife,

Defendants.

Case No: CV2018-009542

DEFAULT JUDGMENT AS TO DEFENDANTS EB WORLDWIDE, LLC, GEORGE BARRAGAN, AND SONIA BARRAGAN.

This matter came before the Court on the Rule 55(b)(2) Motion for Entry of Default Judgment Against Defendants EB Worldwide, LLC, George Barragan, and Sonia Barragan filed by Plaintiff State of Arizona, ex rel. Mark Brnovich, Attorney General (the "State"). The Court received and considered the pleadings of record, and the declarations submitted by the State in connection therewith. The Court finds as follows:

Defendant EB Worldwide, LLC, was served with the summons (i) and complaint on August 16, 2018, via personal service on its

statutory agent, George Barragan.

- (ii) George Barragan and Sonia Barragan were served with the summons and complaint on August 16, 2018, via personal service on George Barragan at their shared residence.
- (iii) EB Worldwide, LLC, George Barragan, and Sonia Barragan failed to answer the Plaintiff's complaint within the period prescribed by law;
- (iv) The Plaintiff filed an application for entry of default judgment on September 20, 2018, and mailed a copy of the application to the residence of George Barragan and Sonia Barragan;
- (v) Default was entered against EB Worldwide, LLC, George Barragan, and Sonia Barragan on September 24, 2018;
- (vi) The Court held a Rule 55(b)(2) hearing at which the State established its entitlement to affirmative relief against EB Worldwide, LLC, George Barragan, and Sonia Barragan as specified herein; and
- (vii) George Barragan and Sonia Barragan are not infants or incompetent.

The Court therefore makes the following Findings of Fact and Conclusions of Law and enters the following Orders:

FINDINGS OF FACT

From May 2016 to present, Defendant EB Worldwide, LLC, and its owner,
 Defendant George Barragan, marketed and sold vacation packages to consumers residing in Arizona.

- 2. From May 2016 to May 22, 2017, Defendants EB Worldwide, LLC, and George Barragan marketed and sold a Disneyland vacation package to eighty Arizona consumers (the "Cienega High School Trip") and collected \$40,000 in payment from those consumers.
- 3. On May 22, 2017, the scheduled date of departure for the Cienega High School Trip, EB Worldwide, LLC, and George Barragan failed to provide transportation for the Cienega High School Trip as promised, effectively cancelling the trip without providing notice to the eighty Arizona consumers who had already paid for the vacation package.
- 4. EB Worldwide, LLC, and George Barragan subsequently refused to respond to consumer inquires and did not refund any of the \$40,000 paid by the consumers.
- After failing to refund the \$40,000 collected from consumers, EB
 Worldwide, LLC and George Barragan continued to market and sell vacation packages in
 Arizona and elsewhere.
- 6. From at least May 2016 to present, George Barragan was married to Sonia Barragan, and the acts of George Barragan described above were taken for the benefit of the marital community.

CONCLUSIONS OF LAW

7. From May 2016 to May 22, 2017, EB Worldwide, LLC and George Barragan violated Arizona Consumer Fraud Act, A.R.S. § 44-1521-34 (the "ACFA"), by engaging in the deceptive practices of advertising and accepting payment for goods and services that were not provided as promised.

- 8. From May 2016 to present, EB Worldwide, LLC, and George Barragan violated the ACFA by engaging in a deceptive and unfair practice of refusing to refund prepayments for goods and services that were not provided as promised.
- 9. At all relevant times, EB Worldwide, LLC, and George Barragan knew or should have known that the above described business practices were "of the nature prohibited by" the ACFA, and, therefore, EB Worldwide, LLC, and George Barragan acted willfully as defined by A.R.S. § 44-1531(B) while engaging in the practices described in the preceding paragraphs of this Default Judgment.

RELIEF ORDERED

The Court, upon determining that there is no just reason for delay, enters the following order:

IT IS ORDERED, ADJUDGED AND DECREED judgment is entered in favor of the State against EB worldwide, LLC, George Barragan, and Sonia Barragan as follows:

- 1. The injunctive relief set forth in this Default Judgment is binding upon EB Worldwide, LLC, George Barragan, their affiliates, principals, employees, agents and attorneys, any entity established by EB Worldwide, LLC, and George Barragan, whether a partnership, corporation or limited liability company, and those persons in active concert or participation with EB Worldwide, LLC, and George Barragan, directly or indirectly, who receive actual notice of this Default Judgment by personal service or otherwise.
- 2. Pursuant to A.R.S. § 44-1528, EB Worldwide, LLC and George Barragan are permanently enjoined, restrained and prohibited from:
 - a. Engaging in any and all deceptive or unfair acts or practices, fraud, false pretense, false promises, misrepresentations,

and/or concealment, suppression or omission of material fact in violation of the Consumer Fraud Act as currently written or as amended in the future; and

- b. Selling, advertising, or otherwise marketing any vacation packages or group vacations in Arizona or to Arizona residents.
- 3. Pursuant to A.R.S. § 44-1528(A)(2), EB Worldwide, LLC, and George Barragan are joint and severally liable and obligated to pay to the Arizona Attorney General's Office the amount of \$40,000 in consumer restitution ("Restitution Award"), with interest thereon at six and one-quarter percent (6.25%), or the statutory rate if different, per annum from entry of this Default Judgment until paid, to be deposited into an interest bearing consumer restitution subaccount of the Consumer Restitution and Remediation Revolving Fund, pursuant to A.R.S. § 44-1531.02(B). The Arizona Attorney General shall disburse said funds to eligible consumers as solely determined by the State.
- 4. Pursuant to A.R.S. § 44-1534, EB Worldwide, LLC, and George Barragan are jointly and severally liable and obligated to pay to the Arizona Attorney General's Office the amount of \$11,451 in attorney fees and costs ("Fee Award"), with interest thereon at six and one-quarter percent (6.25%), or the statutory rate if different, per annum from entry of this Default Judgment until paid, to be deposited into the Consumer Protection Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the purposes set forth therein.
- 5. Pursuant to A.R.S. § 44-1531, EB Worldwide, LLC, is individually liable and obligated to pay a \$2,500 civil penalty for each of the eighty consumers who made payments for the Cienega High School Trip, for a total civil penalty of \$200,000 with interest thereon at six and one-quarter percent (6.25%), or the statutory rate if different, per annum from entry of this Default Judgment until paid, to be deposited into the

Consumer Protection – Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the purposes set forth therein.

- 6. Pursuant to A.R.S. § 44-1531, George Barragan is individually liable and obligated to pay a \$2,500 civil penalty for each of the eighty consumers who made payments for the Cienega High School Trip, for a total civil penalty of \$200,000 with interest thereon at six and one-quarter percent (6.25%), or the statutory rate if different, per annum from entry of this Default Judgment until paid, to be deposited into the Consumer Protection Consumer Fraud Revolving Fund pursuant to A.R.S. § 44-1531.01, and used for the purposes set forth therein.
- 7. The State shall allocate payments received pursuant to this Default Judgment first to the Restitution Award, then to the Fee Award, and then to the Civil Penalty Awards, until the total amount of \$451,451.00, plus any interest thereon, is reached.
- 8. If any portion of this Consent Judgment is held invalid by operation of law, the remaining terms thereof shall not be affected and shall remain in full force and effect.
- 9. Jurisdiction is retained by this Court for the purpose of entertaining an application by the State for the enforcement of this Judgment.
- 10. This judgment resolves all outstanding claims. Because no further matters remain pending, this is a final judgment entered pursuant to Ariz. R. Civ. P. 54(c).

DATED this 14 day of November, 2018.

Judge of the Superior Court