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In the matter of:

VOYAGEURS INTERNATIONAL, LTD and  
GILFORD L. MAHAFFY,

Respondents.

ASSURANCE OF VOLUNTARY  
COMPLIANCE

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1. The State of Iowa (“State”) ex rel. Attorney General Thomas J. Miller, by Assistant Attorney General Benjamin E. Bellus (hereinafter “Attorney General”), and Voyageurs International, Ltd. (“VIL”) and Gilford L. Mahaffy (“Mahaffy”) (hereinafter collectively “Respondents”), represented by Anita M. Sorensen of Foley & Lardner LLP, hereby enter into this Assurance of Voluntary Compliance (hereinafter “Assurance”), pursuant to Iowa Code section 714.16, the Iowa Consumer Fraud Act, relating to Respondents’ business practices.

2. Thomas J. Miller is the duly elected Attorney General of Iowa. The Attorney General of Iowa is expressly authorized pursuant to Iowa Code §§ 9D.4(3), 555A.6(2) and 714.16(7) to file a civil action against any person who has engaged in a practice declared to be unlawful under Iowa Code Chapter 9D (Travel Agencies and Agents) and/or Iowa Code Chapter 555A (Door-to-Door Sales) and/or Iowa Code § 714.16 (Consumer Frauds).

3. Respondent VIL organizes and manages overseas concert tours for American student musicians from numerous states, including Iowa. As part of Respondent’s “Ambassadors of Music” program, American students have performed in Europe, the Philippines and Yugoslavia; as well as taken non-performance side trips to other countries solely for sight-seeing purposes. At all times relevant to this action, the primary business office of Respondent was 3726 Pierce Street, PO Box 173, Wheat Ridge, CO 80034-0173.

4. Respondent Mahaffy is a resident of Colorado, and an owner, director, officer and employee of Respondent VIL. He serves as VIL’s Chairman of the Board of Directors and is the

President of VIL.

## I. DEFINITIONS

The following definitions shall be used in construing the Assurance:

5. “Covered Conduct” means any and all alleged acts or practices (including all communications) by VIL relating to VIL’s 2020 “Iowa Ambassadors of Music” European Tour (“2020 Iowa Tour”) and the Greece Extension, which the Iowa Attorney General alleges violated Iowa Code Chapter 9D (Travel Agencies and Agents), Iowa Code Chapter 555A (Iowa Door-To-Door Sales Act) and Iowa Code § 714.16(2)(a) (Consumer Frauds).

6. “Contract” means the Iowa Ambassadors of Music Participant Application/Contract signed by each Participant for VIL’s 2020 Iowa Tour.

7. “Greece Extension” means the application/contract for the optional four-day Greece Extension with the Iowa Ambassadors of Music tour of Greece, pursuant to an extension contract as an “add on” to VIL’s 2020 Iowa Tour.

8. “Mahaffy” means Gilford L. Mahaffy, shareholder and President of Voyageurs International, Ltd.

9. “Participant” means any State resident that signed the Contract as parent or guardian and was registered on March 17, 2020, the date of cancellation.

10. “Parties” means VIL, Mahaffy, and the Attorney General of Iowa.

11. “VIL” or “Voyageurs International, Ltd.” means Voyageurs International, Ltd. and all of their officers, directors, shareholders, employees, independent contractors, representatives, agents, affiliates, parents, subsidiaries, operating companies, and assigns as well as Iowa Ambassadors of Music, or any corporate name or trade name under which they signed up Iowa residents as Participants.

12. Any reference to a written document shall mean a physical paper copy of the document, electronic version of the document, or electronic access to such document.

13. Unless otherwise specified, the phrase “travel services” as used, as used herein, includes arranging or booking vacation or travel packages, travel reservations or accommodations, tickets for domestic or foreign travel by air, rail, ship, bus, or other mediums of transportation, or hotel or other lodging accommodations. “Travel services” includes travel-related prizes or awards for which the costumer must pay a fee or, in connection with the prize or award, expend moneys for the direct or indirect monetary benefits of the prize or award.<sup>1</sup>

14. Unless otherwise specified, the phrase “travel agency” as used herein, includes a person who represents, directly or indirectly, that the person is offering or undertaking by any means or method, to provide travel services for a fee, commission, or other valuable consideration, direct or indirect.<sup>2</sup>

15. Unless otherwise specified, the term “Respondents” as referred to herein includes VIL and Mahaffy.

#### FACTUAL BACKGROUND

16. On or before approximately June 15, 2019, Respondents contracted with 307 Iowa resident consumers for the 2020 Ambassadors of Music Tour of Europe; with 40 of the Iowa resident consumers contracting for an optional nonperformance side trip to Greece (“Greece Extension”). Of the 40 participant Iowa residents for the Greece Extension, there were 2 participants who signed up solely for the Greece Extension.<sup>3</sup>

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<sup>1</sup> Iowa Code § 9D.1(9).

<sup>2</sup> Iowa Code § 9D.1(7).

<sup>3</sup> The Iowa Attorney General relied on representations made by the Respondents for the Iowa resident consumer numbers contained in paragraphs 16 and 28. In the unlikely event that additional Iowa resident consumers come forward and produce credible evidence of payment to Voyageurs for the 2020 Iowa Ambassadors of Music tour such as cancelled checks and a signed contract and were registered as of March 17, 2020, the date of cancellation,

17. Students paid \$6,345 for the 2020 Iowa Tour and accompanying adults paid \$6,745, while the students choosing the Greece Extension paid an additional \$2,075 and the adults paid an additional \$2,265.

18. Subsequent to the signing of these contracts, the COVID-19 virus spread throughout Europe and the rest of the world. The U.S. State Department issued travel advisories suggesting that U.S. citizens refrain from traveling abroad, including some countries providing performance venues for the 2020 Iowa Tour. Subsequent actions by the U.S. Government restricted travel by foreign nationals from Europe and the U.S. State Department warned that students traveling abroad might face unpredictable circumstances, travel restrictions, and challenges in returning home or accessing healthcare while abroad.

19. On or about March 17, 2020, Respondent Mahaffy sent a letter to Iowa consumers cancelling the 2020 Iowa Tour and the Greece Extension because of the COVID-19 pandemic; and informing the consumers that they would receive a refund of their contract payment, less \$1,900 per the cancellation clause in the contract.

## II. ALLEGATIONS AND DENIALS

20. The Attorney General alleges that Respondents violated Iowa Code Chapter 9D (Travel Agencies and Agents) in a manner including, but not limited to, soliciting Iowa residents for the purchase of travel services without first:

- a. registering as a travel agency with the Iowa Secretary of State, as required under Iowa Code § 9D.2, or
- b. submitting evidence of financial security to the Iowa Secretary of State, as required by Iowa Code § 9D.3.

21. The Attorney General further alleges that Respondents violated Iowa Code Chapter

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Respondents agree to reimburse those Iowa resident consumers in a timely manner consistent with the provisions of this AVC.

555A (Iowa Door-To-Door Sales Act) in a manner including, but not limited to, selling consumer goods or services with a purchase price of twenty-five dollars or more, in which the Respondents or the Respondents' representative personally solicited the sale, and the consumer's agreement was made at a place other than the Respondents' place of business; and:

- a. failing to disclose the consumers' right to cancel in 10-point boldface type on the front of the contract or receipt, Iowa Code § 555A.2;
- b. failing to provide the consumer with a "Notice of Cancellation" drafted with the required form and content, Iowa Code § 555A.3; and
- c. failing to furnish to the consumer two copies of the "Notice of Cancellation" which included the deadline date by which the consumers had to deliver their cancellation to the Respondents, Iowa Code § 555A.4(1).

22. The Attorney General further alleges that Respondents violated Iowa Code § 714.16(2)(a) by:

- a. pursuant to Iowa Code § 9D.4(3), committing the violations of Iowa Code Chapter 9D referenced in paragraph 20, above;
- b. pursuant to Iowa Code § 555A.6(2), committing the violations of Iowa Code Chapter 555A referenced in paragraph 21, above: and
- c. unilaterally cancelling the 2020 Iowa Tour and Greece Extension due to the COVID-19 crisis and then refusing to refund \$1,900 to each student based on the representation that Respondents had already paid more than \$1,900 for each student's trip "that it will not be able to recoup" when in fact Respondents did receive partial refunds from some vendors.

23. Respondents deny the Attorney General's allegations but agree to entry of this Assurance.

24. Respondents are entering into this Assurance solely for the purpose of settlement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any matter of fact or law, of any liability or wrongdoing, all of which Respondents expressly deny. Respondents do not admit any violation of

Iowa's Code Chapter 9D (Travel Agencies and Agents), Iowa Code Chapter 555A (Iowa Door-To-Door Sales Act) and Iowa Code § 714.16(2)(a) (Consumer Fraud Act), or other Iowa statutes, and do not admit any wrongdoing that was or could have been alleged by the Attorney General before the date of the Assurance under the laws. No part of this Assurance, including statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Respondents.

### III. TERMS OF ASSURANCE

25. In consideration for the Attorney General's agreement to not file suit, Respondents agree to the terms of this Assurance and agree that a future material violation of this Assurance shall constitute a violation of the Iowa Consumer Fraud Act, Iowa Code § 714.16.

26. In consideration for the Attorney General's agreement to not file suit, Respondents acknowledge that a court may impose a civil penalty of not more than \$5000.00 for each day of intentional violation of this Assurance as provided pursuant to Iowa Code § 714.16(7), as if this Assurance was a permanent injunction issued under authority of Iowa Code § 714.16.

27. Respondents further agree to comply with the following terms from the date of the signing of this Assurance unless released by the Attorney General, or his designated agent, in writing:

- a. Respondents shall comply with all provisions of the Iowa Travel Agencies and Agents law, Iowa Code Chapter 9D;
- b. Respondents shall comply with all provisions of the Iowa Door-To-Door Sales Act, Iowa Code Chapter 555A; and
- c. Respondents shall refrain from the use or employment of an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation; or the concealment, suppression, or omission of a material fact with the intent that others rely upon the concealment, suppression or omission of material fact – in connection with the lease, sale or advertisement of merchandise or services.

28. Respondents further agree to pay \$610,430.00 to the Attorney General for the reimbursement as restitution to Iowa resident consumers, but in the event that the consumers entitled to reimbursement cannot be located through reasonable efforts then any remaining funds shall be used by the Attorney General for the administration and implementation of Iowa Code § 714.16. Payment shall be made to the “Iowa Attorney General” and shall be made within 5 days of the last party to sign this Assurance by wire transfer pursuant to instructions separately delivered by facsimile or email transmission.

29. This Assurance shall not be construed so as to affect the legal or equitable rights of any individual citizen to initiate court proceedings against Respondents and to obtain any relief authorized by law or regulation.

30. This Assurance resolves with prejudice all claims which could have been raised by the Attorney General on behalf of the State against Respondents under Iowa’s Code Chapter 9D (Travel Agencies and Agents), Iowa Code Chapter 555A (Iowa Door-To-Door Sales Act) and Iowa Code § 714.16(2)(a) (Consumer Fraud Act), or other Iowa statutes, arising out of and relating to the Covered Conduct and acts and commission in connection with this action, except that if there is a material failure to comply with this Assurance by Respondents then this Assurance shall permit the Attorney General of Iowa to take such action against Respondents as provided therein.

#### IV. RELEASE

31. Released Claims. By its execution of this Assurance, the State of Iowa releases and forever discharges Respondent VIL and Respondent Mahaffy, and VIL’s past and present officers, directors, shareholders, employees, independent contractors, representatives, agents, affiliates, parents, subsidiaries, operating companies, predecessors, assigns, successors and Iowa Ambassadors of Music (collectively, the “Releasees”) from the following: all civil causes of

action, claims, damages, restitution, disgorgement, fines, costs, attorney's fees, or penalties that the Iowa Attorney General has asserted or could have asserted against the Releasees under Iowa's Code Chapter 9D (Travel Agencies and Agents), Iowa Code Chapter 555A (Iowa Door-To-Door Sales Act) and Iowa Code § 714.16(2)(a) (Consumer Fraud Act), or other Iowa statutes, that the Attorney General has the authority to release resulting from the Covered Conduct up to and including the date of this Assurance. <sup>4</sup>

32. NOTICES. Service of notices required by this Assurance shall be served on the following persons, or any person subsequently designated by the parties to receive such notices:

Benjamin E. Bellus  
Iowa Department of Justice  
1305 East Walnut, Second Floor  
Des Moines, IA 50319  
Telephone: 515-281-5926  
Email: Benjamin.Bellus@AG.Iowa.gov

Anita M. Sorensen  
Foley & Lardner LLP  
150 East Gilman St., Suite 5000  
Madison, WI 53703  
E-mail: [asorensen@foley.com](mailto:asorensen@foley.com)  
Telephone: (608) 258-4253  
Fax: (608) 258-4258

With a copy to:  
John R. Flanders  
Campbell Killin Brittan & Ray, LLC  
270 Saint Paul St., Suite 200  
Denver, CO 80206  
Email: JFlanders@ckbrlaw.com

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<sup>4</sup> Note that this Assurance does not release any claims by other state agencies with independent enforcement authority such as the Iowa Department of Revenue, nor does it release any criminal liability.

Agreed and approved as to form and content:

Date 2-10-2021

Voyageurs International, Ltd.

Respondent

*Gilford L. Mahaffy*

By: Gilford L. Mahaffy

Board Chairman, President and Owner

By affixing a signature to this Assurance, the individual signing on behalf of Voyageurs International, Ltd., Gilford L. Mahaffy hereby represents that he has legal authority to bind the corporate Respondent to the terms and provisions of this Assurance.

Subscribed and sworn to before me this 10 day of February, 2021.



*John E. Rischpater*

Notary Public in and for the State of Arizona

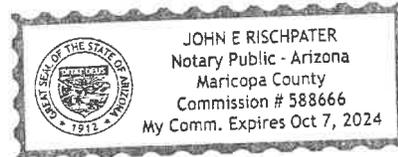
Date 2-10-2021

*Gilford L. Mahaffy*

Gilford Mahaffy, Individually

Respondent

Subscribed and sworn to before me this 10 day of February, 2021.



*John E. Rischpater*

Notary Public in and for the State of Arizona

Date \_\_\_\_\_

Anita M. Sorensen

Foley & Lardner LLP  
150 East Gilman St., Suite 5000  
Madison, WI 53703  
E-mail: [asorensen@foley.com](mailto:asorensen@foley.com)  
Telephone: (608) 258-4253  
Fax: (608) 258-4258

Attorney for the Respondents

Agreed and approved as to form and content:

Date \_\_\_\_\_

Voyageurs International, Ltd.  
Respondent

\_\_\_\_\_  
By: Gilford L. Mahaffy  
Board Chairman, President and Owner

By affixing a signature to this Assurance, the individual signing on behalf of Voyageurs International, Ltd., Gilford L. Mahaffy hereby represents that he has legal authority to bind the corporate Respondent to the terms and provisions of this Assurance.

Subscribed and sworn to before me this \_\_\_\_\_ day of February, 2021.

\_\_\_\_\_  
Notary Public in and for the State of  
Colorado

Date \_\_\_\_\_

\_\_\_\_\_  
Gilford Mahaffy, Individually  
Respondent

Subscribed and sworn to before me this \_\_\_\_\_ day of February, 2021.

\_\_\_\_\_  
Notary Public in and for the State of  
Colorado

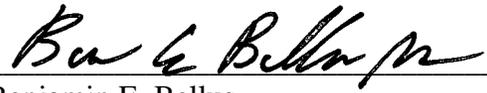
Date February 11, 2021



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Anita M. Sorensen  
Foley & Lardner LLP  
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Madison, WI 53703  
E-mail: [asorensen@foley.com](mailto:asorensen@foley.com)  
Telephone: (608) 258-4253  
Fax: (608) 258-4258

Attorney for the Respondents

Date: February 15, 2021

A handwritten signature in black ink, appearing to read "Ben E. Bellus", is written over a horizontal line.

Benjamin E. Bellus  
Attorney for the State of Iowa  
Iowa Department of Justice