

IN RE:

CAPITAL JAZZ, INC

* IN THE CONSUMER
* PROTECTION DIVISION
* OF THE OFFICE OF
* THE ATTORNEY GENERAL
* OF MARYLAND

* * * * *

ASSURANCE OF DISCONTINUANCE

The Consumer Protection Division of the Office of the Attorney General of Maryland (the “Division”) is entering into this Assurance of Discontinuance (the “Assurance”) with Capital Jazz, Inc. and Clifford Hunte (the “Respondents”). The Division and the Respondents agree as follows:

PARTIES

1. The Division is responsible for the enforcement of Maryland consumer protection laws, including the Maryland Consumer Protection Act, Md. Code Ann., Com. Law, §§ 13-101 to 13-501 (2013 Repl. Vol. and 2024 Supp.) (the “Consumer Protection Act”).

2. Respondent Capital Jazz, Inc. is a Maryland corporation with its principal office located at 5907 Clifton Oaks Drive, Clarksville, Maryland, 21029. Capital Jazz, Inc. promotes events involving live music performances, including festivals held during the course of cruises it charters and featuring jazz, rhythm and blues, and related genres of musical performances that may be attended by Maryland consumers.

3. Respondent Clifford Hunte resides at 5907 Clifton Oaks Drive, Clarksville, Maryland, 21029, and owns and operates Capital Jazz, Inc.

DEFINITION

4. “SuperCruise(s)” shall refer to the festivals Capital Jazz promotes on cruise ships during which the entertainment and other activities typically offered by the cruise line are replaced

by performances of jazz, rhythm and blues, and/or related genres of music.

5. Tickets for the SuperCruise scheduled to sail in January 2021 went on sale in 2020 (the “2021 SuperCruise”). The 2021 SuperCruise was rescheduled for January 14, 2022 (the “2022 SuperCruise”) in light of the COVID-19 Pandemic and the Centers for Disease Control’s Order prohibiting cruise travel from ports in the United States. The 2022 SuperCruise did not proceed as a result of the rapid spread of the Omicron variant and the Centers for Disease Control’s warning against cruise travel. The “2021 SuperCruise” and “2022 SuperCruise,” shall be referred to collectively as the “2021 and 2022 SuperCruises.”

6. “Effective Date” shall be the date on which this Assurance has been executed by all parties.

THE DIVISION’S ALLEGATIONS

7. Consumers purchased SuperCruise tickets from the Respondents for personal, family, and household purposes.

8. The Respondents’ business of selling tickets to attend jazz performance events, such as the SuperCruises, constitutes a sale of consumer goods and services under Md. Code Ann., Com. Law § 13-101(d)(1).

9. As a result of the COVID-19 pandemic, neither the 2021 SuperCruise nor the 2022 SuperCruise occurred.

10. Following the cancellation of the 2021 and 2022 SuperCruises, the Respondents paid refunds to some, but not all consumers who requested refunds. Some consumers who received refunds from the Respondents were not refunded in a timely manner and/or were not refunded the full amount of their payments and are still owed refunds of these unrefunded amounts.

11. On April 2, 2024, the Division entered into an Assurance of Discontinuance with Royal Caribbean Cruises, Ltd. (“RCCL”), the operator of the cruise ships hired by the Respondents

to conduct the SuperCruises. Pursuant to that settlement, RCCL refunded more than \$1.3 million to consumers who had requested refunds from the Respondents. A material inducement for RCCL's agreeing to those refunds was Capital Jazz's settlement of claims asserted against RCCL for a refund of the advance payments for the 2022 SuperCruise.

12. The Respondents violated the Consumer Protection Act (the "Act") by selling consumers tickets on the 2021 and 2022 SuperCruises and then failing to refund, or failing to timely refund, certain consumers' payments following cancellation of the 2021 and 2022 SuperCruises.

13. The Respondents' practice of selling consumers tickets on the 2021 and 2022 SuperCruises and failing to refund, or failing to timely refund, certain consumers' payments when the aforementioned SuperCruises were cancelled are unfair and deceptive trade practices that violate the Consumer Protection Act.

RESPONDENTS' DENIALS

14. The Respondents deny violating the Consumer Protection Act or any other Maryland law and affirmatively assert that the Division's allegations do not establish a *prima facie* violation of the Act as it existed at the time of the events in question. Respondents furthermore deny that they ever engaged in any practice of failing to honor consumer requests for cash refunds.

15. Capital Jazz made full, complete and timely cash refunds to all purchasers of tickets for the 2021 SuperCruise who elected this option.

16. Capital Jazz made cash refunds of \$2.2 million to purchasers of tickets for the 2022 SuperCruise, issuing refunds until it exhausted its resources due to the unexpectedly high percentage of customers choosing this option over a credit for future cruises, the financial impact of the COVID-19 Pandemic on its business, and RCCL's wrongful and unanticipated seizure of the entire advance payment for the 2022 SuperCruise.

17. In total, Capital Jazz refunded over \$6.0 million for the 2021 and 2022 SuperCruises.

18. The Respondents agree to the terms of this Assurance without trial of any issue of fact or law, for the purpose of resolving their dispute with the Division regarding the above allegations. Nothing in this Assurance shall constitute an admission of liability

CEASE AND DESIST PROVISIONS

19. The cease-and-desist provisions of this Assurance shall apply to Respondent Capital Jazz, Inc., and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, wholly owned subsidiaries, and all other persons acting in the course and scope of their duties with Respondent Capital Jazz, Inc.

20. The cease-and-desist provisions of this Assurance shall apply to Respondent Clifford Hunte and any partnership, corporation, or entity in which he, individually, currently or in the future, has a controlling interest, or for which he establishes policy or has the authority to establish policy.

21. The Respondents shall not make any false or misleading oral or written statements or other representations of any kind that have the capacity, tendency, or effect of deceiving or misleading consumers in connection with the offer and sale of any SuperCruise or other event tickets.

22. The Respondents shall not fail to state any material fact, the omission of which would deceive or tend to deceive consumers, in connection with the offer and sale of any SuperCruise or other event tickets.

23. The Respondents shall not misrepresent their ability or willingness to provide refunds to consumers for any good or service that they offer to consumers.

24. The Respondents shall not misrepresent the status of any refund for a good or service.

25. The Respondents shall not misrepresent a consumer's right to cancel a purchase or to obtain a refund.

26. The Respondents shall not challenge a consumers' dispute of a credit card charge if the basis for that dispute relates to the Respondents' failure to provide a promised good or service consistent with the terms of their contract with the consumer.

27. The Respondents, when selling goods or services, shall provide consumers the opportunity to cancel any order for a good or service if the Respondents are unable to deliver the good or service within the timeframe the Respondents represented that the good or service would be delivered.

28. The Respondents shall fully refund all payments that consumers make for goods or services that the Respondents are unable to deliver within a reasonable time, and such refunds must be paid within sixty (60) days of a consumer's cancellation or, if no cancellation request is made, within a reasonable time after the Respondents determine that they are unable to deliver the goods or services.

29. The Respondents shall clearly and conspicuously disclose to consumers all material terms concerning any ticket payment at the time the Respondents collect the ticket payment.

30. In any contracts hereinafter executed with a cruise line for SuperCruises, the Respondents shall verify that the cruise line has provided the financial responsibility assurances to the extent required by 46 U.S.C. 44102.

31. The Respondents shall not offer and sell tickets to any SuperCruise unless they maintain available "Event Cancellation" insurance with an indemnity limit equal to or greater than

100% of all amounts that were paid or are payable to the Respondents for the event. The requirement under this paragraph that the Respondents purchase “Event Cancellation” insurance shall remain in effect for five (5) years from the date the last claim is made against the “Event Cancellation” insurance policy, or if no claims are made, five (5) years from the Effective Date of this Assurance.

RESTITUTION

A. The Restitution Payment

32. Respondents shall make all reasonable efforts to identify and locate every consumer who paid any monies to Respondents for services that were not provided.

33. The Respondents agree to pay restitution to the Division by making refunds to consumers equal to the amount of all payments or portions thereof that consumers paid for the 2021 and 2022 SuperCruises (including credit card processing fees) that have not been: (1) refunded to consumers by the Respondents, RCCL or any other party; or (2) subject to the consumer’s affirmative election to credit their payments toward a future SuperCruise (the “Restitution Amount”).

34. The Division shall use the Restitution Amount to pay consumers the amounts they paid for 2021 and 2022 SuperCruise tickets that have not already been refunded to them. The Division shall distribute restitution to consumers consistent with the claims procedure set forth below.

B. Claims Administration Process

35. The Respondents shall administer a claims procedure, the purpose of which shall be to locate consumers entitled to receive refunds pursuant to paragraph 33 and to pay the refund amounts to consumers.

36. Within sixty (60) days of the Effective Date that this Assurance, the Respondents

shall provide the Division with a list of all consumers who paid any money to the Respondents for 2021 and 2022 SuperCruise tickets (the "Consumer List"). For each consumer whose name is on the Consumer List, the Respondents shall provide the following information, in the form of an electronic spreadsheet with each item in a separate field:

- a. the consumer's first name;
- b. the consumer's last name;
- c. the consumer's address;
- d. the consumer's telephone number;
- e. the consumer's email address;
- f. the amount of the ticket payment paid by the consumer;
- g. the amount of each refund already issued to the consumer by Respondents;
- h. to the extent any consumer received a refund from RCCL, the amount refunded reported by RCCL; and
- i. for any consumer who is still owed a refund, the amount of the refund owed.

37. The Respondents shall pay the restitution required under paragraph 33 by delivering the unrefunded amount to the consumer within ninety (90) days of the Effective Date this Assurance. The Respondents may deliver the restitution amounts to consumers either by charging back the amount to the credit card used by the consumers when they paid the Respondents or by mailing the consumers a check.

38. Consumers shall have one hundred and eighty (180) days from the date of issuance any checks issued pursuant to this paragraph to present such checks for payment. To the extent a bank declines a check presented for payment within the above period as stale, Respondents shall issue the consumer another check.

39. At the same time the Respondents deliver the restitution amount required under paragraph 33, the Respondents shall send the consumer the letter attached hereto as Exhibit 1 (the "Restitution Notice").

40. All refunds shall be made to the person who actually paid for the ticket.

41. In the event there are multiple consumers who are co-obligors and/or guarantors for a SuperCruises ticket, any restitution amount shall be divided equally to each such co-obligor and/or guarantor.

42. The Respondents shall not issue a Form 1099-MISC tax report to any consumers who receive a payment pursuant to this Assurance.

43. If any Restitution Notice or check mailed pursuant to paragraph 37 is returned as undeliverable, the Respondents shall resend the Restitution Notice letter and/or check to any different address that is identified for the consumer through a Global Address Verification Service (such as the United States Postal Service's National Change of Address Database or Melissa Inc.) and agreed to by the Division, or to any address that is provided to the Respondents by the Division. If no address is available for a consumer through a Global Address Verification Service or supplied by the Division, or the consumer does not cash the restitution check that was mailed pursuant to this paragraph, then this unpaid restitution amount shall be paid to the Division as set forth below.

44. One (1) year from the Effective Date, the Respondents shall provide the Division with a revised Consumer List setting forth the information required in the Consumer List and including an additional field stating whether the restitution payment made to the consumer was accepted or is still due and owing (the "Revised Consumer List"). The Revised Consumer List shall be submitted to the Division in the same format required for the Consumer List under paragraph 36.

45. At the same time the Respondents are required to remit the Revised Consumer List to the Division, the Respondents shall remit to the Division any portion of the Restitution Amount that was not paid to consumers, which amounts the Division may utilize to pay restitution to consumers, turn over to the Maryland Comptroller as an unclaimed fund, or to be placed in, or applied to, the consumer protection law enforcement fund, including future consumer protection enforcement or consumer education, or any other lawful public purpose designated by the Attorney General.

46. For a period of three (3) years following the Effective Date, the Respondents shall preserve all data and documents that they possess related to all consumers who paid any money for the 2021 and 2022 SuperCruises. The data and documents shall include, but not be limited to information identifying the names, addresses and contact information of all consumers who purchased tickets to the SuperCruises and copies of all checks, credit card receipts, and statements reflecting their payments. The Respondents shall, upon the Division's request, make such data and documents available to the Division for inspection within a reasonable time from the request, which shall not exceed thirty (30) days.

47. The Respondents and the Division may agree to extend or revise any deadline contained herein.

PAYMENT TO THE DIVISION

48. Within ninety (90) days of the Effective Date of this Assurance, the Respondents shall pay the Division Fifty Thousand Dollars (\$50,000) for future consumer protection enforcement or consumer education, or any other lawful public purpose designated by the Attorney General..

49. If the Respondents breach any of the terms of this Assurance, including failing to

make any required payment, then they shall pay a penalty in the amount of Fifty Thousand Dollars (\$50,000).

NOTICE

50. When notice is required under this Assurance, notice shall be provided in writing.

Notice to the Division shall be directed to:

Philip D. Ziperman
Consumer Protection Division
Office of the Attorney General
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
(410)-576-6417
pziperman@oag.state.md.us

and

Chief
Consumer Protection Division
Office of the Attorney General
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
consumer@oag.state.md.us

Notice to Respondents shall be directed to:

Robert Hayes
Cozen O'Connor
One Liberty Place
1650 Market Street Suite 2800
Philadelphia, PA 19103
rhayes@cozen.com

Any party may change its designated notice recipients by written notice to the other parties.

RELEASE

51. In consideration for Respondents' commitments as set forth in this Assurance, the Division releases and discharges Respondents, their officers, employees, agents, assignees, affiliates, merged or acquired entities, parent or controlling entities, and wholly owned subsidiaries from all claims that the Division could have brought under Maryland's Consumer Protection Act,

which arise out of or relate to the allegations set forth in this Assurance prior to the date of this Assurance.

DISPUTES

52. The Chief of the Division, or his designee, shall resolve any disputes concerning this Assurance and enter any supplemental orders needed to effectuate its purpose.

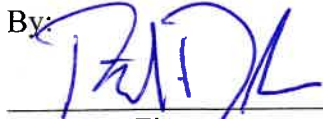
ENFORCEMENT

53. The Respondents understand that this Assurance is enforceable by the Consumer Protection Division pursuant to the Consumer Protection Act and that any violation of this Assurance is a violation of the Consumer Protection Act.

54. The Respondents agree that any violations of this Assurance or future violations of the Consumer Protection Act similar to those in the Division's Allegations shall constitute a subsequent violation of the Consumer Protection Act for purposes of Consumer Protection Act §13-410 and shall be subject to the penalty provisions for subsequent violations contained therein.

**Consumer Protection Division
Office of the Attorney General**

By:



Philip D. Ziperman
Deputy Chief

Date

6/29/25

**Clifford Hunte, on behalf of Capital Jazz,
Inc.**



Clifford Hunte, Individually



Date

6/23/2025

Exhibit A

CAROLYN A. QUATTROCKI
Chief Deputy Attorney General

LEONARD J. HOWIE III
Deputy Attorney General

CARRIE J. WILLIAMS
Deputy Attorney General

SHARON S. MERRIWEATHER
Deputy Attorney General

ZENITA WICKHAM HURLEY
Deputy Attorney General



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL

ANTHONY G. BROWN
Attorney General

PETER V. BERNIS
General Counsel

CHRISTIAN E. BARRERA
Chief Operating Officer

[Date]

[Consumer Name]
[Consumer Address]
[City, State, Zip Code]

[Refund Amount] Refund of SuperCruises Ticket

Dear Consumer:


The enclosed check is being mailed to you in connection with a settlement entered into between Capital Jazz, Inc. and my Consumer Protection Division concerning the cancellation of "SuperCruises" in 2021 and 2022 that were organized by Capital Jazz, Inc. The enclosed check represents an additional refund amount you are owed from Capital Jazz, Inc..

[or]

A refund has been issued to your credit card in the above-listed amount in connection with a settlement entered into between Capital Jazz, Inc. and my Consumer Protection Division concerning the cancellation of "SuperCruises" in 2021 and 2022 that were organized by Capital Jazz, Inc. The refund amount is in addition to any refund you may have already received.

If you have any questions regarding your refund, you may contact the Office of the Attorney General at 410-578-8662.

Sincerely


Attorney General