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Industry Website Provides Consumers with Timeshare Exit Information

ARDA Establishes Coalition for Responsible Exit – www.ResponsibleExit.com

WASHINGTON, February 27, 2019 – The American Resort Development Association (ARDA) in collaboration with a founding group of timeshare developers, the leading exchange companies, RCI and Interval International, and ARDA Resort Owners Coalition (ARDA-ROC) have launched a platform, www.ResponsibleExit.com, to educate timeshare owners about options on how they can responsibly and safely sell, modify, cancel, or exit their timeshares. The members of the Coalition for Responsible Exit have committed to offering timeshare owners transparent, easy-to-follow information, along with clear processes, and the opportunity for a consultation based on their individual situation.

The timeshare industry, with more than \$9.6 billion in annual sales and more than nine million owners strong, has become a target for unscrupulous individuals and companies. Many third-party exit companies present owners with misleading information, often using scare tactics, in order to persuade unsuspecting owners to sign up for services that require large upfront fees. “We need to protect our owners from becoming victims,” said Robert Clements, Vice President of Regulatory Affairs and General Counsel for ARDA. “Owners are being scammed and told information that is not true by third-party entities. As a result, the industry is moving to communicate better with owners who want to understand what options may be available for exiting their product.”

The Coalition website provides candid, direct, and transparent information for owners looking for answers on resale options that includes a four-step process for owners to get started:

1. Research— Owners should be knowledgeable about what they own and ensure all their paperwork is in one place.



2. Contact the Timeshare Developer/Resort Management Company/Homeowners Association—these are often the best resources to reach out to first. In fact, many timeshare developers, including those that are members of the Coalition, have committed to offering easy-to-follow information, clear processes, and consultation with their owners who may be considering exiting.

3. Contact the Exchange Company—exchange companies are equipped to offer owners guidance toward safe options that are unique to each situation. If owners do not find their timeshare developer listed on the site, or if the developer is unable to help, the Coalition encourages owners to contact RCI or Interval International if they are enrolled in one of the exchange programs.

4. Contact ARDA-ROC—If an owner’s timeshare property is not listed on the website, or if they are not a member of one of the exchange companies, ARDA’s Resort Owner’s Coalition (ARDA-ROC) can provide additional information and resources.

Additionally, states are cracking down on the deceptive practices of unscrupulous exit companies. “A top priority for our industry and owners, and for law enforcement and other agencies, is to protect consumers from dishonest individuals or companies trying to take advantage of them,” said ARDA-ROC Chairman Ken McKelvey. “Establishing the Coalition for Responsible Exit and recent actions against exit companies send a strong signal to criminals that fraud and deceptive activities will not be tolerated by our industry, and it tells consumers that we take the actions of these individuals very seriously.”

Most recently, the Supreme Court of Tennessee disbarred attorney Judson Wheeler Phillips, founder of the Castle Law Group. A number of consumer fraud complaints had been filed against Philips and Castle Law. After Phillips was disbarred, Castle ceased its operations. “Seeing significant actions like the disbarment of Phillips and the closing of Castle Law sends a very clear message to others trying to take advantage of timeshare owners: You won’t get away with it.” said Clements.

Here are a few red flags of exit and resale scams that owners should keep top of mind:



- Someone contacts an owner and says that they have an “interested buyer” for the timeshare.
- Someone calls claiming to be a representative of ARDA or ARDA-ROC. Owners are contacted by ARDA and ARDA-ROC only when requested.
- A company promises to modify, cancel, or transfer an owner’s timeshare for a large upfront fee.
- An exit company requests an upfront fee, or the wire transfer of money for a “service,” “tax,” or other “requirement” for the sale or transfer to be completed. This is often a scam.
- If an offer sounds too good to be true, it likely is.

Owners who believe they have been unfairly taken advantage of or defrauded by a timeshare exit company should contact their state Attorney General, local law enforcement or the ARDA-ROC Consumer Support Team at 1-855-939-1515.

For more information on the Coalition for Responsible Exit, visit <https://responsibleexit.com>

ARDA is the Washington D.C.-based professional association representing the vacation ownership and resort development industries. Established in 1969, ARDA today has over 600 members ranging from privately held firms to publicly traded companies and international corporations with expertise in shared ownership interests in leisure real estate. The membership also includes timeshare owner associations (HOAs), resort management companies, and owners through the ARDA-ROC. For more information, visit www.arda.org