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TIMESHARE OWNERS' COALITION ISSUES WARNING ABOUT THIRD-PARTY EXIT COMPANIES

ANOTHER THIRD-PARTY TIMESHARE EXIT COMPANY FILES FOR BANKRUPTCY

WASHINGTON, April 24, 2019 – After events in a courtroom in Fort Lauderdale on April 18, the American Resort Development Association—Resort Owners' Coalition (ARDA-ROC), representing more than 1.5 million timeshare owners, is reiterating its warning to consumers regarding third-party exit companies. Consumers should thoroughly investigate the business practices of these companies prior to engaging their services or paying upfront fees. “A top priority for ROC is to provide information and resources to our timeshare owners to help protect them from dishonest individuals or companies trying to take advantage of them,” said ARDA-ROC Chairman Ken McKelvey.

This reminder comes after a major timeshare exit firm, American Resource Management Group, LLC (ARMG) doing business as Resort Release, filed for bankruptcy in the U.S. Bankruptcy Court for the Southern District of Florida under Case NO.: 19-14605-JKO. Due to serious questions that were raised during hearings on April 18, the court appointed a Chapter 11 Trustee to take control of the business and review all aspects of its financial affairs to ensure creditors' best interests are represented. The Court specifically questioned why ARMG represented to owners that it is a Midwestern-based firm, when, in fact, the Debtors are operating in Florida. In addition, the court noted that the Debtors, despite being paid substantial upfront fees from timeshare owners, have minimal cash in their bank accounts and have insufficient reserves to cover potential 100% “guarantee” claims they made to thousands of timeshare owners.

Wyndham Destinations previously filed suit against ARMG and its related entities for false and misleading advertising, interference with contractual relations, and violations of the Florida Deceptive and Unfair Trade Practices Act. ARMG filed for bankruptcy immediately after it failed to have that case dismissed. In another suit filed against ARMG, Bluegreen Vacations alleged many of the same claims, including false advertising, civil conspiracy and deceptive trade practices.

In the past six months, two other [timeshare exit](#) firms have shut down and one timeshare exit company owner has been disbarred, leaving potentially thousands of additional consumers, who paid large up-front fees, without the services promised and no refund. In 2018, the Castle Law Group shut down business operations and American Consumer Credit (ACC) filed for bankruptcy. In both instances, industry companies including Diamond Resorts, Holiday Inn Club Vacations, Westgate Resorts and Wyndham Destinations had filed lawsuits against Castle Law Group or ACC in an effort to protect their owners from consumer fraud.

The timeshare industry, which has over nine million owners, and generates over 540,000 jobs and \$10.8 billion in federal, state and local taxes in the U.S., has become a target for unscrupulous individuals and companies. Many third-party exit companies present owners with misleading information, often using scare tactics and false advertising, in order to convince unsuspecting owners to sign up for services that require large upfront fees. “We need to protect our timeshare owners from becoming victims. They are being scammed and told information that is simply not true by third-party entities. As a result, the industry has committed to better communicating with owners who want to understand safe [timeshare exit](#) options, often directly through their developer or property manager, which may be available for exiting their product,” continued McKelvey. This information can be found at www.ResponsibleExit.com.

Among the red flags of exit and resale scams for timeshare owners to be aware of:

- Calls or emails claiming to have an “interested buyer” for a timeshare;

- Caller claiming to be a representative of ARDA or ARDA-ROC. **Fact:** ARDA and ARDA-ROC only respond to inquiries from owners after an inbound request – there are no unsolicited calls, emails or communications;
- 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;
- 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 an exit company should contact their state Attorney General (ConsumerResources.org), local law enforcement or the ARDA-ROC Consumer Support Team at 1-855-939-1515.

“ARDA-ROC will continue their efforts to bring these matters to the attention of government officials, regulatory agencies, and legislators to support efforts to protect timeshare consumers,” continued McKelvey.

For more information on options for exiting timeshare, visit www.responsibleexit.com and www.ardaroc.org.

The ARDA-Resort Owners’ Coalition (ARDA-ROC) is a 501(c)4 non-profit entity funded by over 1.5 million individual timeshare owner’s voluntary contributions. ROC is dedicated to preserving, protecting, and enhancing vacation ownership through smart policy and sensible regulation. We advocate for local, state, and federal policies that enable the vacation ownership industry to thrive and provide consumers with an enriched vacation ownership experience. For more information, visit www.ardaroc.org.