



CASE NO: A-19-798758-C
Department 2

THE HAYES LAW FIRM
DALE A. HAYES, JR., ESQ.
Nevada State Bar No. 9056
4735 S. Durango Drive, Suite 105
Las Vegas, Nevada 89147
(702) 656-0808 – Telephone
(702) 655-1047 – Facsimile
dhayes@hayeslawNV.com
Attorney for Plaintiffs

**DISTRICT COURT
CLARK COUNTY, NEVADA**

PAUL NOELL, an individual; KATRINA NOELL, an individual; WILLIAM FALLON, an individual; CHARISE FALLON, an individual; CHRISTIAN P. KROGH, an individual; GALE ANN SOUTHARD, an individual; NICOLA CHIARAVALLE, an individual; KERRI A. CHIARAVALLE, an individual; WILLIAM DANIELS, IV, an individual; CHRISTIE DANIELS, an individual; CHAD MCNALLY, an individual; NEAL PERRINE, an individual; and ANITA ROSE, an individual,

Case No.:
Dept. No.:

COMPLAINT

JURY TRIAL DEMANDED

**ARBITRATION EXEMPTION
CLAIMED: ACTION FOR EQUITABLE
AND EXTRAORDINARY RELIEF**

Plaintiffs,

vs.

RESORTCOM MANAGEMENT, INC., a foreign corporation registered to conduct business in Clark County, Nevada; and RESORTCOM INTERNATIONAL, LLC, a Nevada limited liability company; RESORTCOM INTERNATIONAL, LLC d/b/a “UNIVERSAL VACATION CLUB”; RESORTCOM INTERNATIONAL, LLC d/b/a “EL CID”; RESORTCOM INTERNATIONAL, LLC d/b/a “VILLA DEL GROUP”; and ILG, INC. and its subsidiary INTERVAL INTERNATIONAL, INC., a foreign corporation registered to conduct business in Clark County, Nevada; DOES Individuals I through X, inclusive; and ROE Corporations I through X, inclusive;

Defendants.

THE HAYES LAW FIRM
4735 South Durango Drive, Suite 105
Las Vegas, Nevada 89147
TEL: (702) 656-0808 | FAX: (702) 655-1047

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COMPLAINT

Plaintiffs PAUL NOELL, KATRINA NOELL, WILLIAM FALLON, CHARISE FALLON, CHRISTIAN P. KROGH, GALE ANN SOUTHARD, NICOLA CHIARAVALLE, KERRI A. CHIARAVALLE, WILLIAM DANIELS IV, CHRISTIE DANIELS, CHAD MCNALLY, NEAL PERRINE and ANITA ROSE, by and through their counsel of record, DALE A. HAYES, JR., ESQ. OF THE HAYES LAW FIRM, hereby allege and complain against Defendants RESORTCOM MANAGEMENT, INC., RESORTCOM INTERNATIONAL LLC, “INTERNATIONAL VACATION CLUB,” “EL CID,” “VILLA DEL GROUP,” ILG, INC. and INTERVAL INTERNATIONAL, INC. as follows:

PARTIES

1. Plaintiffs are natural persons combining resources as co-Plaintiffs to face a multimillion-dollar timeshare conglomerate, where consolidation is judicially efficient because of shared facts and claims, where many Plaintiffs share almost all of the fraud claim categories, *set forth infra*, and have highly similar fact patterns due to the Defendants systemic and repeated unlawful conduct that occurs in like fashion in multiple sales facilities.
2. Plaintiffs in this matter are as follows:
 - a. Paul Noell and Katrina Noell are State of Nevada residents;
 - b. William Fallon and Charise Fallon are State of Nevada residents;
 - c. Christian P. Krogh and Gale Ann Southard are State of California residents
 - d. Nicola Chiaravalle and Kerri A. Chiaravalle are State of New York residents;
 - e. William Daniels IV and Christie Daniels are State of California residents;

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f. Chad McNally is a State of California, resident; and

g. Neal Perrine and Anita Rose, residents of the State of Washington.

3. Thus, there are four individual Plaintiffs who are Nevada residents, two individual Plaintiffs who are New York residents, two individual Plaintiffs who are Washington residents, and five individual Plaintiffs who are California residents in this case against a Nevada headquartered corporate Defendant, with a California statute applying to all Plaintiffs herein.

4. The above listed Plaintiffs sue in their individual capacity and in their capacity as spouses to the extent that any principles of Community Property law or other laws regulating marital property may apply to their joint assets or debts.

5. Defendant RESORTCOM MANAGEMENT, INC. (hereinafter “Parent Company”), its subsidiaries Defendant UNIVERSAL VACATION CLUB (hereinafter “UVC”), Defendant VILLA DEL GROUP (hereinafter “VDG”), Defendant RESORTCOM INTERNATIONAL, LLC (hereinafter “RIL”) and Defendant EL CID (hereinafter “ELC”) are all managed by the Parent Company located in Las Vegas, Nevada, and conducting business within Clark County, Nevada at 6850 Bermuda Road, Las Vegas, Nevada. Parent Company, UVC, RIL, VDG and ELC are hereinafter collectively referred to as “Resort/Villa/Cid.”

6. Resort/Villa/Cid are in the business of selling timeshares with grandiose promises of "valuable real estate" that are actually valueless "points" with a booking service through Defendant INTERVAL INTERNATIONAL INC. (hereinafter “INT”) also known as ILG. INC. (hereinafter “ILG”). ILG and INT impose prohibitive rules and artificial

1 restrictions on the Plaintiffs' use rights. ILG and INT will hereinafter collectively be
2 referred to as "INT/ILG").

3
4 7. INT/ILG is a foreign corporation authorized and registered to conduct business in Clark
5 County, Nevada.

6 8. The true names and capacities, whether individual, corporate, associate or otherwise of
7 the Defendants named herein as DOES individuals I through X and ROE corporations I
8 through X, inclusive, are unknown to Plaintiffs at this time, who therefore sues said
9 Defendants by fictitious names and will ask leave of the Court to amend this Complaint
10 to show the true names and capacities of said Defendants when the same are ascertained.
11 The Defendants are sued as principals and/or agents, servants, attorneys and employees
12 of said principals, and all the acts performed by them were within the course and scope of
13 their authority. Plaintiffs are informed and believe and thereupon allege that each of said
14 Defendants are legally responsible for the events and happenings referred to herein and
15 directly and proximately caused the damages and injuries to Plaintiffs as hereinafter
16 alleged.

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19 9. Unless otherwise indicated, the use of any Defendant names throughout this Complaint
20 includes all of their respective dba entities, assumed names, affiliates, subsidiaries,
21 agents, employees, officers, directors, principals, trustees, and representatives.

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23 **JURISDICTION AND VENUE**

24 10. The Eighth Judicial District Court, Clark County, Nevada, has original jurisdiction over
25 this matter pursuant to Nev. Const. art. VI, § 6(1) as "[t]he District Courts . . . of this
26 State have original jurisdiction in all cases excluded by law from the original jurisdiction
27 of justices' courts." This case is excluded by law from the original jurisdiction of the
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1 justices' courts pursuant to NRS 4.370 as the action concerns recovery on a contract for
2 an amount in excess of \$15,000.00.

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4 11. Venue is proper in the Eighth Judicial District Court, Clark County, Nevada, pursuant to
5 NRS 13.040 because Defendants, or some of them, reside or have their principal places
6 of business in Clark County, Nevada.

7
8 **INTRODUCTION**

- 9 12. Defendants are subject to common law and statutory claims, including a timeshare statute
10 from the State of California that applies to timeshare sales within Nevada (and other
11 states), because they include use of timeshare hotel properties within the State of
12 California (detailed herein in Plaintiff's First Claim for Relief).

- 13 13. Resort/Villa/Cid own numerous timeshare resorts in the U.S., including
14 "accommodations" in Nevada and California, and a vast amount of resort and hotel sites
15 that are located throughout Nevada and California that are known as "component" sites
16 of Resort/Villa/Cid's "multisite time-share plan" that are part of a required "reservation
17 system" (INT/ILG) that Plaintiffs herein were sold as an integral part of their timeshare
18 purchase. *Quotations above reference the California Vacation Ownership and Time
19 Share Act of 2004, see Article 1, "accommodation" and "component site" at
20 §11211.5(a)(1), and §112112(g); and "reservation system" at §112112(u) and "multisite
21 time-share plan" at §112112(z)(2)(B).*

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23
24 14. Timeshare *Use Rights* contracts were sold to Plaintiffs by Resort/Villa/Cid through their
25 point-of-sale agents introduced to Plaintiffs as "El Cid" and "Villa del Resorts."

- 26
27 15. Plaintiffs are joining together as co-plaintiffs as consolidation is judicially efficient
28 because of the similar Defendants subject to the same claims under the same common

1 law principles and same statutory relief, all with highly similar factual patterns where all
2 Plaintiffs have substantially the same substantive claims and experienced ‘fraud schemes’
3 in common with the other Plaintiffs herein.
4

5 **PUBLIC OFFERING STATEMENT AND IMPROPER NOTICE**

- 6 16. For purposes of Judicial Efficiency, this matter would be streamlined with a bright-line
7 statutory rule regarding disclosure of the Public Offering Statement (POS) that applies to
8 all Plaintiffs as they were all entitled to:
9

10 **Before the execution of any contract for the sale of a time share, the**
11 **developer or . . . the project broker and sales agent, shall provide each**
12 **prospective purchaser with . . . [a] copy of the developer’s public offering**
13 **statement which was approved by the Division pursuant to NRS 119A.307**
14 **and which must contain the date the developer’s permit was originally issued**
15 **and the effective date of the permit; and [a]n addendum to the public**
16 **offering statement summarizing any pending amendments to the public**
17 **offering statement that have been submitted to the Division but have not yet**
18 **been approved, along with a statement to the purchaser that the amendment**
19 **has been submitted to the Division for approval. NRS 119A.400(1) (emphasis**
20 **added).**

- 21 17. The foregoing applies to all places where the Plaintiffs purchased their timeshares, or
22 independently under law pled herein, and such a bright-line rule would permit the Court
23 to grant equitable relief as statutorily prescribed. And where a Rescission remedy can be
24 furthered without foreclosing additional and further remedies, Punitive Damages may
25 still be put forward.
26

- 27 18. Given that the Plaintiffs’ contracts could be rescinded in every case due to violations of
28 the public offering statement notice provision (*before* signing a contract), the Plaintiffs
would then be entitled to related equitable relief and damages:

(a) to put the parties in their pre-contract position as if the contract never occurred;

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(b) rescission ends the contract, and thereby the subparts, including its venue clause and any limitations or waivers to a jury trial and/or punitive damages.

(c) punitive damages would thereafter be assessed by the jury in order to punish the Defendants for their deceptive acts, and to deter such future conduct.

19. After such a ruling, there being no substantive questions of law to apply as to whether there is liability, the jury would not be confused because the only task the jury would have is to assess how much in punitive damages the Plaintiffs are due.

20. The focused task of the jury would be to determine if the deceitful sales schemes that Defendants employed were so egregious, repetitious and systematic as to warrant punitive damages permitted under the respective statutes.

21. As a result, it would assist the jury greatly to assess the Defendants' repetition and systematic conduct as certain concealments (nondisclosure) and certain fraud schemes are very similar (and fall under the same forms of relief), to what occurred in Nevada, where such acts and practices show the wide-reaching impact of Defendants' unlawful conduct with a likelihood of reoccurrence to harm the same persons who fall under these statutory laws (as all Plaintiffs in this matter do). This will effectively assist the jury to evaluate relevant elements of the law they shall apply at trial. And, repetitious and systematic elements are shown through the use of highly similar deceit tactics and strategies in multiple states and even a foreign country, yet appear remarkably the same, as perpetrated by the same closely-knit group of Defendants.

22. Defendants' fraud schemes against Plaintiffs are similar and across all the Plaintiffs' individual experiences.

///

UNCONSCIONABLE SUCCESSOR LIABILITY

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- 2 23. The subject agreements contain clauses that, if enforced, would operate to bind the
- 3 Plaintiffs’ estate and heirs. None of the Plaintiffs would have signed the agreements had
- 4 they been aware of such successive liability clauses. These clauses, which involved ever-
- 5 rising maintenance fees, were known by Defendants to be hidden in the subject
- 6 agreements.
- 7
- 8 24. Not one of the Plaintiffs had any knowledge that the subject agreements contained
- 9 clauses that would operate to bind multigenerational liability to ever-increasing fees. Not
- 10 one of the Plaintiffs would have signed their contract, if they had known this
- 11 unconscionable term existed.
- 12
- 13 25. As a consequence, each & every Plaintiff would not have entered into their contract had
- 14 there been fair and open disclosure of the “successors” clause.
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- 16 26. Furthermore, Defendants’ conduct was even more predatory because Defendants’ staff
- 17 (sales, management and contracting staff) advised the Plaintiffs that they “could” pass
- 18 their investment along via their “Will” or other estate planning (calling it “property” or
- 19 “real estate” at the point-of-sale).
- 20
- 21 27. The Plaintiffs were advised that their timeshare was as an “asset” that Plaintiffs could
- 22 bequeath to family member(s) the same way Plaintiffs could bequeath any other asset.
- 23
- 24 28. Since the Plaintiffs estate planning at the time of these sales did not identify the timeshare
- 25 as an asset, the non-lawyer Defendants were giving Plaintiffs legal advice concerning
- 26 their alleged *future* ability to bequeath their new “asset.” Opposite of what Defendants
- 27 advised Plaintiffs, Defendants knew that the subject agreements contained a “successors”
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clause which converted the timeshare from an asset to a liability, completely contradicting Defendants’ inheritance sales pitch.

29. Plaintiffs only discovered the multigenerational “successors” clauses recently after retaining counsel.

30. This “successors” term of the subject agreements, for each & every Plaintiff caused an unconscionable result which is actionable fraud.

**FRAUD IN THE INDUCEMENT – UNCONSCIONABILITY
(COST PER USE AND VALUE)**

31. Plaintiffs were induced into executing their respective agreements based on Defendants’ misrepresentations concerning Plaintiffs’ alleged use rights, the alleged profitability and value of the alleged investment. Significantly, Resort/Villa/Cid misrepresented Plaintiffs ultimate “cost per use” as Plaintiffs had much difficulty booking their uses, *if they could book uses at all.*

32. There are three specific categories of deception that Plaintiffs were promised to induce a sale:

- (a) that they will save money booking accommodations as “owners”;
- (b) that it will be easier to book accommodations because they are “owners”; and
- (c) that they will ultimately make money from the timeshare through rentals and sales.

33. Of the foregoing promises, saving money booking accommodations was the most egregious. In truth, Plaintiffs lost somewhere between several hundred percent, up to one thousand percent in their purchasing power when compared to the public booking online.

1 34. It was extremely difficult to find availability, and for some Plaintiffs it was impossible to
2 book.

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4 35. For the Plaintiffs that could book, they ended up with:

- 5 (a) subpar rooms at non-resorts, which is contrary to 5-star resort promises;
6 (b) unwanted locations because they were the only “available” bookings; and
7 (c) being targeted for “upgrades” by INT/ILG’s booking practices.¹

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9 36. As for “making money” from selling or rental income as promised by Resort/Villa/Cid’s
10 sales staff, management and contract closers, the Plaintiffs could hardly book rooms for
11 themselves let alone rent them out. Moreover, renting rooms involved extra restrictions,
12 fees, and costs that were not disclosed together with a suspicious public that had to rent
13 an exact week/location from an unknown person on *Craigslist, etc.*

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15 37. Furthermore, resales could never produce the promised profits of many thousands of
16 dollars. Indeed, many of Resort/Villa/Cid’s timeshares have historically, and now
17 currently, do not sell for even \$1.00.

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19 38. These real-world, actual results in practice (versus promises) evidence extremely harsh
20 and one-sided results that are fraudulent and unconscionable because they shock the
21 conscience of a neutral observer, establishing the need for judicial redress (equitable
22 rescission) for such outrageous acts, perpetrated in brazen defiance of established law.

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26 _____
27 ¹ “Upgrade Meetings” were/are referred to as “Owners’ Meetings” where INT/ILG, in conspiracy to
28 obtain profits with Geo/Sapphire/Starpoint, had the authority to book Plaintiffs within
Geo/Sapphire/Starpoint’s resort chain for increased pricing.

FACTS

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- 2 39. Plaintiffs all share similar encounters with Defendant. Plaintiffs were on vacation at or
- 3 near a Resort/Villa/Cid Resort. Each was enticed to attend a short (hour long) sales
- 4 presentation.
- 5
- 6 40. What ensued was a two to four-hour ordeal of deceptive sales-oriented activity, during
- 7 which Resort/Villa/Cid’s staff engaged in tactics designed to manipulate consumers to
- 8 purchase what they were told was “real property” with use rights for a week’s lodging
- 9 each year.
- 10 41. Generally, Plaintiffs were not allowed to leave to eat, or have time alone to discuss the
- 11 presentation, and they were not allowed to read the contract or to think about the
- 12 purchase overnight where they could do research or call an attorney.
- 13
- 14 42. False promises and concealments were made by Resort/Villa/Cid through its sales
- 15 persons, its management, and its contract closers, all with the intention of inducing
- 16 Plaintiffs to make a purchase that day, which never would have been done absent bait &
- 17 switch fraud and concealment of the true contract terms.
- 18 43. If the material facts had been disclosed, not one of the Plaintiffs would have contracted
- 19 with Defendants as set forth below in each of the Plaintiff’s particularized facts.
- 20
- 21 44. Instead, Plaintiffs were deceived and believed Resort/Villa/Cid’s staff’s statements, and
- 22 further relied upon them to their unfortunate detriment as victims of fraud and deceit.

SUBSTANTIVE ALLEGATIONS

- 23
- 24 45. To induce a sale that disclosure in an open light would not have produced, the Plaintiffs
- 25 were given false and misleading information, which have been itemized below as ‘a’
- 26 through ‘i.’ The subsequent discovery of the fraudulent inducements and/or
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1 concealments by Resort/Villa/Cid is denoted by the corresponding subheadings (in bold
2 below) showing the truth of the matters falsely asserted:

3 (a) Resort/Villa/Cid’s timeshares are good “investments” that always go up in value
4 (appreciation).

5 (b) Resort/Villa/Cid’s timeshares are valuable as a long-term asset that can be resold
6 for a “profit.”

7 **Value (a-b):** No market value; no resales; thousands have not sold on eBay for \$1.00.

8 (c) Resort/Villa/Cid’s maintenance fees either do not exist, or do not go up at all or
9 only very little.

10 **Fees (c):** Maintenance Fees exist and have regular increases, up to 150% to 300%.

11 (d) Resort/Villa/Cid’s timeshares are a valuable asset and legacy the owner “could”
12 put in a Will or his/her estate planning.

13 (e) Owners (Plaintiffs) “can” decide (optional) who will receive the timeshare in their
14 Will or other estate planning;

15 (f) Plaintiffs were not told about “successors” liability after demise within their
16 contract.

17 **Wills (d-f):** Plaintiffs did not know that despite any possible future contract to make a
18 Will or other estate planning, the Resort/Villa/Cid contract would operate to bind all their
19 children as “successors” to be jointly & severally liable for ever-increasing multi-
20 generational debt.

21 (g) Resort/Villa/Cid’s staff sold anytime, anywhere, easy to book 5-Star resorts and
22 hotels worldwide.

23 **Use (g):** Bookings are restricted to 6 months in advance (exceptions if targeted for an
24 Upgrades; *see “i”*), but online is same day, and promised destination locations and 5-star
25

1 resorts are not available, as evidenced by actual and repeated attempts by the Plaintiffs to
2 get what they paid for.

3 **(h)** Plaintiffs can make “rental” income to pay mortgages and annual fees (no costs).

4 **Rental (h):** Plaintiffs cannot book rooms for themselves, thus rental is impossible as
5 promised.

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7 **(i)** Promises are made for “Upgrades” (costing \$1000s - \$10,000s) to resolve a prior
8 sale’s deficiencies created by Resort/Villa/Cid (often repetitive, where the problem is
9 never fixed).

10 **Upgrades (i):** Upgrades always increase (often double) yearly fees and add thousands to
11 mortgage balances, but never seem to solve the problem, thus requiring future upgrades.

12 46. All Plaintiffs have been victimized by similar fraud schemes including the following 3
13 schemes perpetrated upon all Plaintiffs:

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15 **(a) Plaintiffs (all) did not receive proper public offering statement notice.**

16 **(b) Plaintiffs (all) did not receive any notice, at all, of latent successor liability.**

17 **(c) With interest and fees, Plaintiffs shall pay between \$2,400 and \$33,000/week**
18 **[\$15,000 average] which is 300% to 2200% [1200% average] higher than online²**

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22 ² **Cost per Use Week and Percentage over Online Booking in the same order as the Plaintiff Facts ***
23 (Chivaravalle) \$7,500/week or about 800% higher than booking online, if booked once in 3 years owned;
24 (Daniels) \$15,000/week or about 1300% over comparable online booking cost for members of the public;
25 (Noelle-Fallon) \$15,000/week, or 1400% more than the public pays at the same resort for \$180 per night;
26 (Krogh-Southard) Mr. Krogh was not able to travel due to health issue, a Paraplegic with severe MRSA;
27 (McNally) \$33,000/week, which even for \$250/night room is 2200% more than it books for online; and,
28 (Perrine-Rose) \$2,400/week which is the lowest amount herein, but is still 300% to 400% more than the
public pays online and artificially limited by INT/ILG to advanced bookings and Mexico-only bookings.

* Please note that the calculations herein are rough approximations, however, after the provision of
Discovery, the Plaintiffs will be able to provide exact figures.

- 1 47. Resort/Villa/Cid’s staff, from sales, to management and contract closers, systemically
2 support a fraud strategy to make buyers think they have a real property, with ownership
3 benefits like a traditional home.
- 4 48. Despite a reference to specific room number and specific week of the year that looks like
5 a deed-like document, this is subterfuge, as the Plaintiffs cannot by right stay at that
6 resort, let alone that week number or room number, and the document is used by
7 Resort/Villa/Cid as a sham to deceive timeshare purchasers into thinking they own a
8 valuable “real estate” investment.
- 9 49. Resort/Villa/Cid’s staff told Plaintiffs that they have “property” with rights similar to a
10 traditional home: (1) resale value; (2) appreciation; (3) rental income; and for some
11 Plaintiffs, (4) IRS mortgage interest deduction, or (5) “owners” use of resort chain
12 amenities. And for many Plaintiffs, recent discovery of familial debt (“successors”
13 liability per the contract) has just begun with their lawyers in this litigation.
- 14 50. “Points” are used up for service fulfillment and requires the use of the booking service,
15 INT/ILG.
- 16 51. However, the booking service fulfillment actually restricted the Plaintiffs’ ability to book
17 a room notwithstanding the representations made by Resort/Villa/Cid at the point-of-sale
18 which claimed easy booking services for any dates, anywhere booking, and extra real
19 property rights, benefits and/or profitable values, which have been more recently
20 discovered as deceptive.
- 21 52. Although the Plaintiffs’ “Points” are definitely involved in the booking service provision
22 (in accordance with INT/ILG’s rules and restrictions), the “Deed” is not involved in the
23 service provision to book rooms, and neither is the Deed’s named resort, nor the specified
24 week, nor the assigned room number.
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1 53. “Points” are merely numerical figures where the amount is one factor to book use, subject
2 to rules that are purposely and with intent to make profits, designed by INT/ILG and
3 Resort/Villa/Cid to be highly restrictive, including the frequently claimed, “no
4 availability” by INT/ILG, and its obtuse rules (such as, 11 months advance booking), and
5 for some Plaintiffs, changing rules to individually restrict or prevent yearly services due
6 that were clearly due to these Plaintiffs.
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8 54. Since the promised profits for resale and rental income said to be a sure thing by
9 Resort/Villa/Cid’s staff, were false and deceptive, the entirety of the arrangement is
10 reduced to a pure *Service Contract*, albeit poor quality, over-restricted and for some,
11 there was a complete impossibility to book, thus there was no “Use” in a Use Service
12 Contract, even if they paid 1000% more than the public pays.
13

14 55. Resort/Villa/Cid did not provide proper [statutory] legal notices under applicable law and
15 had unconscionable successive family liability terms and fees charged for use. Any of
16 these three grounds alone could support rescission.
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18 56. The foregoing allegations support rescission based upon statutory relief or common law
19 fraud and are all derived from the Plaintiffs’ individual facts and the general facts
20 asserted in this Complaint.
21

Unauthorized Practice of Law - Acts and Practices Supporting Statutory and Fraud Claims

22 57. In inducing Plaintiffs into entering into their respective agreements, Resort/Villa/Cid
23 engaged in the unauthorized practice of law (hereinafter “UPL”).
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25 58. These UPL acts came in two forms:

26 **a. Contracts Law:** a *de facto* lawyer rapidly [usually 10 – 15 minutes] explains the
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legal terms of the contract and states what it really means, without reading the terms aloud or providing copies to permit the Plaintiffs to read the respective contracts.

b. Wills & Estates Law: Plaintiffs were told how they can plan their Estate with this new “asset” to leave a “legacy” to their child or children (or anyone they want) using a “Will”, all while fraudulently concealing a known “successors” clause in Resort/Villa/Cid’s contract that forces obligations upon living family and their future generations held jointly & severally liable for the ever-rising maintenance fee debt.

- 59. The signing is orchestrated by a *Closer* who is referred to as a “Loan Officer” but they do not go over the loan in any detail, and only give loan information when forced by questions, and then only minimal or false information, usually by management.
- 60. After a 2-hour to 4-hour session that was used to mentally and physically wear down Plaintiffs in the sales room, there is a rapid signing of a huge amount of documents (with all the restrictions and obligations) that lasts only about ten (10) to fifteen (15) minutes.
- 61. The entire contract signing process is controlled from start to finish by Resort/Villa/Cid’s contract *Closer*, and the Plaintiffs are not permitted to read the contract, nor permitted to leave the room (with only one Plaintiff as an exception), nor to discuss the contract alone, and thereby the Plaintiffs were not permitted to research Resort/Villa/Cid’s timeshares online, or to review the contract terms with an attorney.
- 62. Resort/Villa/Cid’s staff, including management and contract Closers, take these tired and weary consumers and essentially force them to sign a contract that day or they will be deprived of many thousands of dollars [typically based upon overt lies concerning value].

- 1 63. The contract Closer artfully controls the flow and [non-]viewing of the huge pile of
2 contract documents, and interprets the contract terms at an extremely rapid pace
3 described by the Plaintiffs herein as: “this means this” and “that means that” which is
4 then promptly followed by advisement thereupon based on those (faulty and deceitful)
5 interpretations, to “sign here” and “initial here” in a well-orchestrated strategy to finally
6 (after 2-4 hours of sales) get these hungry, physically tired and mentally drained
7 consumers back to their vacation.
8
- 9 64. This rapid closing orchestration is often coupled with tactical delaying up to the last
10 possible minute for the Plaintiffs to leave to a planned event, thus falsely creating, what
11 becomes a real urgency to sign a huge amount of paperwork in an instant.
12
- 13 65. Because the non-lawyer’s interpretations were known to be untruthful (supporting
14 falsehoods made by the salespersons and management), these interpretations of contract
15 terms were, by design, intended to deceive the Plaintiffs herein.
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- 17 66. In the end, the Plaintiffs believed they were signing and initialing a document that
18 conformed with everything that they were told by Resort/Villa/Cid’s salespeople and
19 management during the many hours spent in sales-related activity; however, the rapid
20 verbal interpretation of the contract terms by non-lawyer Closers, did not, at all, conform
21 with the actual, written terms of the contracts the Plaintiffs signed.
22
- 23 67. As a result of the Resort/Villa/Cid’s staff’s unlawful practice of law, overlaid with fraud
24 & deceit, there never was any meeting of the minds, and there was no meaningful
25 disclosure of the contract’s true terms, thereby appropriate for rescission.
26
- 27 68. Violations of UPL prohibitions serve to evidence the deserved need for providing relief
28 for fraud and/or statutory relief claims herein, and such acts include Resort/Villa/Cid’s

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collusive partners, INT and ILG, that gives legal advice as to statutory rescission laws, in a falsified fashion, to cause the customer to not invoke their statutory rights.

- 69. The other form of UPL conduct which was also effectuated upon the Plaintiffs herein, was for Resort/Villa/Cid’s staff to interpret the law as it applies to Wills & Estates, and thereby deceive Plaintiffs herein, when Resort/Villa/Cid knows a standard contract feature is the “successors” liability contract term that defeats all of the staff’s discussions with Plaintiffs about an asset to be used for optional Will bequests.
- 70. Owners are advised that they “can” put the timeshare in their Will, when it is known that familial obligations (forcible) are already contained in the contract.
- 71. Owners are told they “could” or “can” do whatever they want with the timeshare with regard to their estate such as leave it to one or more of their children.
- 72. However, due to the “successors” clause buried in the contracts’ legalese, the Plaintiffs were committed, without knowledge, to a contract for the purchase of a timeshare which inherently forms joint and several liability to all those same family members who are in the Plaintiffs’ lines of succession, that any one of which or all can be forced to assume the timeshare obligations upon the final owner’s demise.
- 73. This successor liability was a standard term of the contracts known by all of the Defendants, yet for each of the Plaintiffs herein, not one Plaintiff had a disclosure of this perpetual and generational debt obligation.
- 74. The actual word “successors” was buried in a boilerplate sentence with heirs and assigns... [and other potential future parties], however, the Plaintiffs were unwittingly and by surreptitious design of Resort/Villa/Cid, signing an instrument that transferred any remaining mortgage debt, special assessments (in the thousands and no Plaintiffs know

1 what they are) before or after death, and escalating annual debt (maintenance fees) to the
2 Plaintiffs' successor children (if no children, then siblings) and to future generations.
3 75. Not one of the Plaintiffs had any idea, whatsoever, they were obligating successors,
4 including children or grandchildren, and their future generations, to any remaining
5 mortgages and ever-rising fee debt, and in all cases disclosure would have prevented the
6 contract signing.
7

8 **SPECIFIC PURCHASE ALLEGATIONS**

9 **Nicola and Kerie Chiaravalle**

10 81 In October 2017, Nicola and Kerie Chiaravalle ("Plaintiffs" herein) purchased timeshare
11 points from VDG.

12 **Sales Presentation**

13 82 Plaintiffs received a telephone call that offered a free vacation at Oasis Resort who
14 partners with Villa del Group (ResortCom) for the free bookings in exchange for a short
15 VDG presentation.
16

17 83 Plaintiffs arrived very late at night but were told they needed to be at the presentation the
18 next morning at 7 am. In total, Plaintiffs got 3 hours of sleep.

19 84 The presentation ended up being 5 hours.

20 85 Plaintiffs continually told the VDG representative "no" to the presented ownership offers.

21 86 After starting at a package for \$70,000, the VDG representative found ways to reduce the
22 price three more times before arriving at a \$17,000 package which would include an
23 INT/ILG membership and "incentive getaways."
24

25 87 Throughout the process, the rep was assisted by a Villa del Palmar Management, a
26 manager named Selene.

27 88 After 5 hours, Plaintiffs were feeling under immense pressure to say "yes."
28

1 89 First, they were exhausted from such little sleep (3 hours).
2 90 Second, their 4 children were with them and the sales representatives were trying to
3 influence the older children to buy the timeshare, while the younger children were in
4 another room watching movies. At one point, one child was screaming and crying so
5 much that VDG staff allowed Plaintiffs to take him for a short walk before returning to
6 the presentation.

7
8 91 At the presentation, Plaintiffs were told that their cost for the booking that was supposed
9 to be included for just attending the presentation was contingent on signing up for the
10 timeshare ownership. If they did not agree to purchase the VDG interest, they would be
11 billed for their stay, which was an expense they had not accounted for.

12 **Contract Signing**

13
14 92 The contract signing was done with a non-lawyer, a finance officer for VDG and she
15 interpreted the Contract in over-simplified explanations (later discovered as inaccurate)
16 without giving much detail.

17 93 When Plaintiffs asked to read the Contract, the VDG Finance Officer “stared” at them in
18 somewhat offended fashion, but she did not let them read it.

19 94 When the Plaintiffs asked to view it overnight the request was abruptly denied.

20 95 Plaintiffs did not feel like they had an adequate opportunity to understand the clauses of
21 the Contract, but also did not feel like they had any other choice but to sign.

22 **Contract Medium, including Public Offering Statement**

23
24 96 Plaintiffs were not given a Public Offering Statement prior to signing their Contract.

25 97 Plaintiffs were not provided any time to review the terms of the Contract because all the
26 contract information was on a laptop computer held by the rep or the VDG Manager.

27 98 Only during the contract signing was there a stack of paperwork, which was the only time
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with the Contract and the those documents were fully controlled by the Villa closing rep.

Successor Liability

99 Plaintiffs were told that the timeshare was a valuable asset they “could” will to their any of their 4 children.

100 VDG failed to disclose that the Contract, with all future fees, had obligations that would become automatically binding on “successors” including all of those same “children” that representatives and management said were by the Plaintiffs’ choice through a Will able to receive this “valuable asset”.

Specific Use Promises

101 Plaintiffs were persuaded to buy their timeshare because VDG staff promised that the timeshare would give exclusive, all-inclusive benefits for at least 4-star locations and had investment and exclusivity rights gained through ownership.

102 When Plaintiffs got home, they opened up their paperwork and discovered that they were not “exclusive owners of property” as they were led to believe but “just members” in a points booking system.

103 When they tried to book their first vacation, they learned that their ownership did not include complimentary all-inclusive vacations, and they would need to pay additional money not just for food, but also fees for the accommodations that they were told at the point-of-sale they had a right to use.

Use Costs

104 Plaintiffs also realized that it was possible to find the same access to their “exclusive” timeshare online and at a cheaper price than fees as an owner, and that the online price already included the all-inclusive benefits.

105 This makes the \$4,000 down payment and \$17,000 in Mortgage liability (which is

1 \$28,000 with interest) an over \$30,000 investment (plus fees and costs that were already
2 over the price of an online booking) a 100% overcharge when Plaintiffs were specifically
3 told over 5 hours that ownership would save them money on booking accommodations.

4
5 106 Plaintiffs were promised that booking a vacation was easy and they could go anywhere at
6 any time, but when Plaintiffs attempted to book, the defendant's staff was rude and gave
7 what Plaintiffs described as a "runaround" by only referring them to INT, which required
8 them to pay additional fees, which is a cost that they were never told about.

9 107 Plaintiffs were also informed when they were booking that they needed to book one year
10 in advance. Essentially, Plaintiffs lost all the money they put down for their first year of
11 the timeshare because they could not redeem or rollover their points.

12 **Rental Income**

13
14 108 VDG staff told the Plaintiffs to simply let them know they were not coming on a given
15 year and the resort would rent their room and "split the profits" with the Plaintiffs.

16 109 The rental income by the Plaintiffs would cover, for that year, the maintenance fee and
17 help with the mortgage payments.

18 110 However, since Plaintiffs have discovered that they cannot even book for themselves, it is
19 now thought that the rental program, as promised, does not exist.

20 **Investment and Resale**

21
22 111 VDG staff convinced Plaintiffs that their timeshare was an investment in the future.

23 112 Plaintiffs were told that their timeshare would be "worth \$300,000 in 7 years" and if they
24 wanted to sell it, it would be easy and profitable.

25 113 VDG staff promised Plaintiffs that when they wanted to sell, VDG would help them or
26 VDG would buy it back and give the Plaintiffs the full value plus any profits made from
27 appreciation.
28

1 114 When Plaintiffs recently contacted VDG and said they wanted to get out of this or sell,
2 they were told by VDG staff that they would not cooperate with the request and then
3 hung up.

4 **Cost per Use**

5
6 115 Upon signing the Contract, Plaintiffs made a \$4,000 down payment and a maintenance
7 fee payment and booking costs that Plaintiffs discovered is more than the cost to book
8 online.

9 116 However, Plaintiffs have been unable to book anything with their timeshare as it was
10 promised.

11 117 Adding together the mortgage interest, rising maintenance fees and other associated costs
12 over a 8-year mortgage period, if Plaintiffs were in fact able to book a week by 2019, that
13 would have a use rate of about 4 weeks over the 8 year period where they are roughly
14 paying \$30,000, or about \$7,500 per week for a mid-level room in Mexico or 800%
15 higher than non-members book online.

16 **William and Christie Daniels**

17
18 118 William and Christie Daniels (“the Daniels” or “Plaintiffs” herein) attended a VDG sales
19 presentation in Mexico and purchased a timeshare by a Nevada corporation, Defendant
20 ResortCom, through its d/b/a entity VDG that was doing business in Mexico to sell a
21 timeshare to these U.S. citizens.

22 **Sales Presentations**

23
24 119 Plaintiffs bought in 2014, and then were deceived into the next purchase in 2015 where
25 they didn’t even know what they had bought, and both of these purchases involved sales
26 presentations that each lasted about 6 hours.

27 120 Roughly \$14,000 has already been paid by the Daniels since the initial purchase, and they
28

1 have another \$19,000 in mortgage liability at high-interest, but they have not been able
2 use the timeshare, as promises are being discovered as fabricated.

3 **2016-2018 Discoveries**

4
5 121 2015 was the Plaintiff's first use and they were told during that stay that they needed to
6 Upgrade to get the proper loan adjustment and use they desired, but in 2016 it was
7 unfortunate, but what they wanted to book was not available.

8 122 However, when the same unavailability situation happened in 2017, the Plaintiffs realized
9 they were being deceived as to their purchased use rights under the new contract.

10 123 In December 2016, the Plaintiffs first discovered that because of the 2015 upgrade they
11 would have to pay roughly double the maintenance fees each year, as if they had bought a
12 second timeshare which was the opposite of what they were told.

13
14 124 In 2017-18 the Plaintiffs discovered that the promised value, which was represented as a
15 high market value because of the Yucatan area which would continue to appreciate in
16 value, was not as it was promised at the point of sale.

17 125 Until 2018, Plaintiffs were completely unaware (discovered through a lawyer) that their
18 rising annual fees, could be imposed upon their 8-year-old and 10-year-old children.

19 **Loan Prepayment Term Forgiveness**

20
21 126 Already unhappy with their initial purchase, the Plaintiffs went to a meeting for help and
22 ended up in additional 6-hour sales session resulting in an unknown second contract, and
23 double maintenance fees along with additional loan debt.

24 127 VDG staff was informed about the deficiencies in the 2014 contract, they said they would
25 fix all that and resolve it to remove prepayment penalties on the loan, but it was only
26 fixable within this small time period.

27 128 This was all about one-time forgiveness on the existing loan. So, it was all still the same
28

1 existing Contract being discussed.

2 129 Plaintiffs made it clear that they did not want two payments, two maintenance fees, and
3 were assured it was the same, and only Contract. Representatives said maintenance fees
4 will go up maybe \$30, but that would be the only difference.
5

6 **Gift of Unlimited Weeks**

7 130 Through INT, the trading and booking company used by VDG, the representatives said
8 that the Plaintiffs would get a 4 BR for \$700 per week and 3BR for \$500, but only for
9 one week per year.

10 131 Then representatives came out and said a lady from Canada just upgraded and they would
11 get her program and get unlimited weeks with Interval with as many rooms as needed at
12 the time.

13 132 Plaintiffs were told that the lady from Canada had heard about the Plaintiffs and she was
14 gifting them her unlimited weeks, to the point where it made Mrs. Daniels cry.

15 133 They said she is doing this for the Daniels because they were “teachers” and it is an
16 admirable profession, so she really wanted to gift the unlimited weeks to them.

17 134 The Plaintiffs didn’t realize they would now have maintenance fees that have doubled
18 because they were sent two timeshare maintenance fee statements in December 2016 and
19 that meant two timeshares worth of fee liability, versus the \$30 they were promised at the
20 point of sale.
21

22 135 Plaintiffs were also covertly obligated through the upgrade to a new mortgage that they
23 were totally unaware of, which was for \$13,900, versus a *small loan adjustment* to
24 alleviate a claimed prepayment penalty (now thought to be a fabrication).
25

26 **Contact Signing**

27 136 Thus, in coming to VDG for hardship relief, 6 hours later Plaintiffs were surreptitiously
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obligated to more than double the liability in mortgages owed and approximately double the maintenance fees owed, all in a Contract signing that only took a matter of minutes.

137 The signing was where both Plaintiffs were given pens in what Plaintiffs described as a “rapid fire” paper shuffle with minimal explanations given and absolutely no disclosures of the unknown \$13,900 mortgage and maintenance fee doubling.

138 Representatives took it upon themselves to interpret fabricated terms of a contract for an upgrade gift and \$30 fee increase, with falsifications explaining a legal document and advising the Plaintiffs where to sign.

139 Representatives were professional and friendly. There was significant pressure to finish after 6 hours with Plaintiffs’ children who were young and waiting and wanted to leave.

140 By the time the Plaintiffs signed the contract, it was very informal and VDG reps rushed them through it.

141 High pressure rapid pace from reps shuffling pages between the two consumers disallowed any type of detection of switched document fraud and/or a second mortgage.

142 Instead, positive aspects were highlighted or invented and then the Plaintiffs were instructed where to sign.

Resale Value

143 Apprehensive about the upgrade, VDG representatives eased Plaintiffs’ worries over the 6 hours with promises of resale profits.

144 VGD representatives advised Plaintiffs it was a sound investment and that Plaintiffs were would make substantial money when they re-sold their timeshare.

145 VGD advised Plaintiffs that VGD was the number 3 resort chain in Mexico, was very desirable and had the highest resale value in the Yucatan area. They said it would keep going up in value and would sell easily.

Public Offering Statement

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2 146 Plaintiffs were not given a Public Offering Statement to read and review prior to signing
3 either of the Contracts.

Successor Liability

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5 147 Plaintiffs were told that their timeshare was an “asset” that they could put in a Will to
6 their children.

7
8 148 Plaintiffs were also told that once they paid it off, their children would someday own the
9 interest “free and clear” and use it for free.

10 149 Representatives failed to disclose that the Contract’s successor term would automatically
11 bind Plaintiffs’ children and that as successors their children would be responsible for all
12 future fees and costs even after the mortgage was paid off.

13
14 150 Plaintiffs stated that they never would have signed any contract if they knew it obligated
15 their children to any payments.

Cost per Use

16
17 151 Plaintiffs continue to pay a mortgage and maintenance fees for an unusable timeshare.

18 152 Plaintiffs have only been able to use their timeshare 1 time in 4 years, and that was only
19 for 5 days.

20 153 This use-rate is projected at roughly 1.5 weekly uses over 8 years (because the only use
21 booked was only enough points saved over 2 years to cover 5 nights of use), which would
22 be presumably doubled by the second timeshare purchase [the surreptitious purchase].

23
24 154 Taking into account [two] mortgage payments with interest (even factoring in
25 prepayments made), along with [two] escalating maintenance fees, it could cost roughly
26 \$50,000 over a 8-year period, or about \$15,000 per 1-week hotel stay (6 nights).

27 155 This would mean that the Plaintiffs herein are paying \$2,500 per night for a hotel room
28

1 could be about 1300% more as “Villa del owners” than the public books online without
2 any advanced booking requirements or restrained availability.

3 **Paul and Katrina Noell & William and Charise Fallon**

4
5 156 Katrina & Paul Noell and Charise & William Fallon (“Plaintiffs” under this heading)
6 purchased a timeshare at Defendant’s resort, “El Cid” in 2016 after being subjected to an
7 8-hour presentation.

8 157 They paid a down payment of \$5,500 and financed \$16,000 through a high-interest loan.

9 158 To date, Plaintiffs have been unable to use their timeshare.

10 159 Plaintiffs in 2017-18 realized that ELC’s misrepresented the investment value, its resale
11 profitability, and the alleged ability to freely Will this claimed asset in the future as they
12 may choose (versus forced successor liability).

13 **Sales Presentation**

14
15 160 ELC’s representatives held the Plaintiffs for an 8-hour presentation with multiple reps
16 that were tag-teaming Plaintiffs to overcome any questions or possible objections.

17 161 ELC engaged in “good cop; bad cop” tactics as well where a salesperson would be
18 reprimanded by an Executive Manager for confusing the Plaintiffs. After reprimanding
19 the salesperson, the Executive Manager gave Plaintiffs his card and promised them he
20 would donate some of his points to them because of the misunderstanding.

21
22 162 When Plaintiffs indicated that they did not wish to purchase a “timeshare,” ELC
23 representatives advised them that they were not selling “timeshares.” Plaintiffs were told
24 by ELC’s sales staff that it was a “vacation club,” not a timeshare.

25 163 Because of these drawn-out and boozy procedural tactics used by ELC’s staff, after the
26 grueling 8 hours of high-pressure tag-team sales, Plaintiffs were worn down physically
27 and mentally, and under the influence of alcohol to the point of intoxication.
28

1 164 After that, the Plaintiffs we taken through an extremely rapid contract signing phase with
2 many documents containing numerous unknown obligations.

3 **Contract Signing and Annual Fees**

4 165 Plaintiffs were very intoxicated at the contract signing where ELC's "Finance Officer"
5 advised Plaintiffs what the contract terms meant in simple statements (which have later
6 proved false), and then rapidly told them where to sign.

7
8 166 Plaintiffs enrolled in the "Leisure Club" for a flat rate cost of \$199 per year for the
9 specific purpose of eliminating any rising "membership fees."

10 167 Nonetheless, Plaintiffs discovered that 2017 membership fees started at \$675 and would
11 be assessed every year.

12 168 ELC staff created a lot of pressure when the Plaintiffs were signing.

13 169 When Plaintiffs would try to stop signing, ELC staff would give Plaintiffs free gifts and
14 wrist bands for free drinks which persuaded the inebriated Plaintiffs who did not even
15 know what they were signing.

16 170 The closing representative said it was a lot of business stuff, they just needed to sign
17 where he drew 'x's or initial a bunch of things on a sheet, where he did not go through
18 the terms line by line.

19
20 171 Mr. Fallon kept asking over and over again to have an Attorney review the Contract, but
21 the ELC representatives ignored him.

22 172 Plaintiffs did not know what they signed/purchased, so they asked for the Contract the
23 next day, however, ELC staff had excuses to not give the Plaintiffs a copy of their
24 Contract each time they asked, until just before they left the hotel for the airport.

25
26 **Points Use**

27 173 Plaintiffs were induced into acquiring their "investments" based in part upon promises of
28

1 luxury rooms, owner-exclusivity and roll over points.
2 174 The foregoing promises related to “use rights” were not included in the Contracts as
3 promised.
4 175 Plaintiffs were promised the use of luxury properties in both Mexico and Europe. As it
5 turns out, Plaintiffs learned their membership is limited to a resort in Cabo San Lucas.
6 176 ELC concealed much of their misrepresentations through the delay of providing Plaintiff
7 with their “password” to the membership website.
8 177 Plaintiffs did not get emails or passwords for the website until mid-summer when they
9 had purchased in early spring.
10 178 ELC’s concealment tactics effectively denied Plaintiffs their statutory right to cancel the
11 Contract and put off knowledge of limitations with their use rights to book in the spring
12 of 2017 as they had desired.

13
14
15 **Value Resale and Rental**

16 179 ELC further induced Plaintiffs into executing the Contract with promises related to the
17 profits from the rental and market value of “points” that could be realized in the future.
18 180 ELC represented to Plaintiffs that they could rent their points when they were not using
19 them which Plaintiff were promised would result in substantial yearly income.
20 181 But because of the delays in passwords to book even for themselves, rental limitations for
21 the years they would not use the points were also delayed.
22 182 Plaintiffs were advised they could easily sell their membership at a market value that
23 would produce a substantial profit.
24 183 ELC’s staff also told the Plaintiffs that they would handle their resale for them.
25 184 Plaintiffs in 2017 eventually discovered that they cannot even sell the membership on the
26 open market.
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POS and Rescission – Improper Disclosures

185 ELC’s staff did not provide Plaintiffs with a Public Offering Statement nor review any such statement with Plaintiffs prior to signing any of the contract documents.

186 Plaintiffs were not provided any contract documents at all until their vacation ended.

Successor Liability

187 ELC’s representatives told the Plaintiffs they “could” pass the timeshare on to their children in their Will.

188 ELC’s representative and management did not disclose to Plaintiffs that the “successors” clause in the contracts would automatically bind all of their children (jointly & severally liable) to the valueless points harboring multigenerational fee liability which was not discovered until 2017 through an attorney.

189 Had the Plaintiffs been told about the forced and hidden liabilities to their children, they never would not have signed the contracts.

Cost per Use

190 Plaintiffs’ high-interest mortgage along with maintenance fees and membership fees and other costs, would be approximately \$45,000 over the mortgage period.

191 If Plaintiffs were lucky enough to use of the timeshare, it would be their first use in 3 years and that use rate would cost them about \$15,000 for one week (6 nights).

192 That expenditure is about \$2500 per night for rooms that cost \$180 per night online (all-inclusive room that “owners” typically pay extra booking costs for), which is about 1400% more that ELC club members have to pay then the day before they purchased.

Christian Krogh & Gale Southard

193 Christian Krogh and Gale Southard (collectively “Plaintiffs” under this heading) entered into a timeshare agreement in 2015 after being held captive in a remote location 30 miles

1 from their hotel in Cabo for a 7-hour sales presentation somewhere in Mexico.

2 **2017 Discoveries**

3 194 VDG's sales representatives told the Plaintiffs they would have exclusive access to any
4 resorts in Florida or Mexico or anywhere else they desired.

5 195 However, Mr. Krogh had a life-threatening medical trauma that drained their finances
6 and has left them unable to travel.

7 196 Chris Krogh is a Paraplegic and became severely infected with Mersa that moved into his
8 bone and the condition prohibited his traveling.

9 197 Thus, discovery of the severe limitations on use bookings as experienced by other
10 Plaintiffs herein was only discovered through an attorney's revelations in 2017.

11 198 Also in 2017, with a lawyers assistance, the Plaintiffs discovered the true market value
12 and the inability to achieve a resale as opposed to the representations at the point of sale.

13 199 Until 2017, the Plaintiffs trusted what the reps had said, which was to pay off the
14 mortgage and then they would get permission from the resort to resell the interest.

15 200 And finally in 2017, Plaintiffs discovered through a lawyer that there were mistruths
16 associated with paying off the timeshare and putting it in a Will for their children, for
17 what the Plaintiffs had been told was an asset for their children, only to discover there
18 was forced liability for the fees even if they never put it in a Will.

19 **Sales Presentation**

20 201 The Plaintiffs were exploring a Honeymoon trip to Mexico, but it turned into a 7-hour
21 ordeal where Plaintiffs were forced to cooperate for a certain VDG Manager to sign-off
22 on a form to get the room credit, or they would owe a huge price for the room. However,
23 instead of a signed form, a new Manager came out each time to convince them to buy.

24 202 Plaintiffs were exhausted and mentally drained after 7 hours and felt they would never
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1 make it to check-in 30 miles away. They are from Lodi, California and were completely
2 lost in the middle of Mexico with no familiarity to find their way back to their hotel.
3 203 VDG’s representative gave the Plaintiffs shots of tequila. Plaintiff was plied with
4 approximately 10 complimentary shots of tequila and 7 hours of wearing down, and then
5 they were led into an office to sign a contract.
6

7 **Contract Signing**

8 204 Plaintiffs kept saying “no,” but the VDG’s representatives told them this was a one-way
9 trip and insisted they were closing. Plaintiffs felt pressured because they had to leave and
10 get back to their hotel somehow, which was about 30 miles away in an unfamiliar
11 location with nighttime approaching.
12

13 205 VDG’s staff effectuated a rapid, coercive signing on the drained and tequila-filled couple.
14 206 Plaintiffs were denied a copy of the contract after signing.
15

16 **Value and Resale**

17 207 VGD advised Plaintiffs that VGD was the number 3 resort chain in Mexico, was very
18 desirable and had the highest resale value in the Yucatan area. They said it would keep
19 going up in value and would sell easily.
20

21 208 VDG representatives advised Plaintiffs the timeshare was “like having cash in your
22 pockets” if you ever needed to sell someday.
23

24 209 In 2017, Plaintiffs were told by an attorney that even if they paid it off as they were told
25 by VDG, there still was no positive resale market value and certainly no appreciation.
26

27 **POS and Rescission – Improper Disclosures**

28 210 VDG’s staff did not provide Plaintiffs with a Public Offering Statement nor review any
29 such statement with Plaintiffs prior to their execution of their Contract.
30

31 211 By design, Plaintiffs were not provided their Contract at the point of sale.
32

Successor Liability

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2 212 VDG’s representatives told the Plaintiffs they “could” will the inyterest to their children
3 after they paid it off.

4 213 VDG’s representative did not disclose to Plaintiffs that when they die, the contract
5 contained hidden successor liabilities that would automatically bind the two children of
6 one of the Plaintiffs (jointly & severally liable) for increasing maintenance fees.

7
8 214 This fact was not discovered until 2017 through a lawyer, where Plaintiffs confirmed that
9 they never would have signed a contract that financially burdened those two children.

10 **Cost per Use**

11 215 The Plaintiffs due to Mr. Krough’s health issues (see 195 and 196 above), he is
12 physically unable to use the timeshare.

13 **Chad McNally**

14
15 216 Chad McNally (hereinafter “Plaintiff”) purchased in 2013 based upon VDG’s fraudulent
16 misrepresentations at the point of sale, and he was likewise was upgraded in 2015.

17 217 At that time, the Plaintiff was induced and influenced to sign contract documents through
18 the use of alcohol.

19 218 Plaintiff was induced to sign a contract because of VDG’s misrepresentations concerning
20 value & resale, profitability, promised use rights, and false interpretations of the contract
21 terms, as well as concealment of known liabilities, including successor liability.

22 **October 2016 and 2017 Discoveries**

23
24 219 In October 2016, Plaintiff discovered misrepresentations concerning the interest’s resale
25 value were false.

26 220 In 2017, Plaintiff learned through legal counsel that there was familial successor liability
27 for the maintenance debt.
28

1 221 This became a concern because he was unaware his family members (siblings, 2 sisters,
2 or future children) could be liable upon his death for contracts he had made.

3 222 And particularly concerning was that his fees had risen from \$1255 to \$2000 in a few
4 years of ownership, so the burden was excessively high and he never would have caused
5 that to be forcibly passed on to other members of his family.
6

7 223 In July 2016, Plaintiffs credit card was illegally charged \$2155 for the timeshare's annual
8 fees (see Credit Card Wire Fraud section below).

9 224 On July 19, 2016, the credit card company statement date serves to date stamp discovery
10 to a date within 3 years of filing this case.

11 **Sales Presentation**

12 225 Plaintiff was enticed by all sorts of incentives made by VDG convincing him to commit
13 to this type of timeshare arrangement, particularly in the 2015 Upgrade (most of which
14 became more apparent in later years as false statements of fact made to induce a sale).
15

16 226 Mr. McNally purchased his vacation interest with the intention of being able to use it as a
17 place of rest when he travels to perform professional music shows.

18 227 At the 2015 Upgrade sales presentation (3-4 hours in length), Mr. McNally specifically
19 stated that he was a U.S. musician who travels around the country performing and he
20 needs hotels for that purpose and VDG staff advised Plaintiff they could accommodate
21 his specific needs, but he would need to enter into the 2105 Upgrade Contract to do so.
22

23 228 At the upgrade meeting, Plaintiff was repeatedly advised that if he executed the Upgrade
24 Agreement, he could get discounted rates at hotels all around the US.

25 229 VDG specifically discussed resorts in the precise areas Plaintiff travels for shows.
26
27
28

1 230 Plaintiff was shown examples (pictures) of luxury resorts and fine hotels that he could
2 stay in with this upgraded timeshare while he was on the road professionally, which was
3 the entire reason for the 2015 upgrade.

4 231 However by 2017, it became apparent that he was not getting the booking benefits he was
5 specifically promised.
6

7 **Contract Signing**

8 232 After over 3 hours of sales presentation, VDG’s closing representative, in just minutes,
9 interpreted the contract for Plaintiff in short statements (highly summarized, but
10 inaccurate) and told the Plaintiff where to sign.

11 233 In addition to being deceived concerning the true terms and obligations of the contract,
12 the Plaintiff lacked the legal capacity to contract because the contract execution came
13 hours after sales-oriented activity with over 3 hours of plying Plaintiff with alcohol.

14 234 Plaintiff recalled “there was lots of alcohol, my glass never went empty.”

15 235 The main presentation was done by a salesperson and then Plaintiff had to sign the
16 paperwork before a “Notary” who was an adept sale’s closer.

17 236 The closer said that he was only there for execution of the contracts and to explain the
18 forms, but in practice he summarized everything extremely rapidly forcing a very rapid
19 signature process upon an inebriated signer.
20
21

22 **Rental Income**

23 237 In 2015, VDG representatives made misrepresentations of profitable income streams with
24 the ability to rent the timeshare for a promised return if the need arose.

25 238 VDG’s staff advised Plaintiff that some people actually buy these timeshares as
26 investments to rent them out instead of ever using it themselves, entirely for the purpose
27 of making profit.
28

1 239 However, this fabricated marketplace for rental profits was not discovered until years
2 later when the need to rent finally arose.

Credit Card Wire Fraud

3
4 240 In early July 2019, upon checking into a VDG resort, “Garza Blanca” resort, the Plaintiff
5 was asked and left his credit card at the front desk for incidentals and potential room
6 damages. Plaintiff specifically asked the resort staff if his credit card could be used for
7 such incidental or room damage charges, only.

8
9 241 Garza Blanca/VDG staff specifically confirmed that the Plaintiff’s credit card would only
10 be charged if there were room charges or to cover room damages, if any.

11 242 In fact, the VDG’s hotel staff further informed Plaintiff that it would be “*illegal to run*
12 *your card to use it for something else*” other than any extra charges or damages for this
13 room booking.

14
15 243 Nonetheless, that same credit card was charged \$2155 for the timeshare’s annual fees on
16 July 6, 2016 during the Plaintiffs stay at Garza Blanca.

17 244 This was discovered on a July 19, 2016 statement issued by the credit card company to
18 the Plaintiff.

19 245 The only way VDG could have access to that card was by sliding it for a charge during
20 the time of the Plaintiff’s vacation, long before the maintenance fees charge accrued.

21
22 246 VDG never had the Plaintiff’s approval to charge any amount of maintenance fees
23 whatsoever to that credit card.

24 247 VDG’s conduct constitutes a federal offense. **Wire Fraud under 18 USC 1343**

Public Offering Statement

25
26 248 VDG’s staff did not provide Plaintiff with a Public Offering Statement nor time to review
27 any such statement prior to the execution of the Contract.
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Successor Liability

249 Since Plaintiff was told he could cancel the contract, he had no idea this timeshare could affect his current siblings and future children.

250 VDG’s representative did not disclose to Plaintiff that his siblings or future children would be automatically liable for the timeshare under the “successors” clause in the contract.

251 Had the Plaintiff known of such familial liability, he never would have entered the contracts, including the 2015 contract, and such liability was not discovered by the Plaintiff until the a review of the matter with a lawyer in 2017

Cost per Use

252 Plaintiff’s high-interest mortgage equates to approximately \$100,000 over 7 years including the annual maintenance fees that have increased from \$1,255 to \$2,000.

253 Based on these amounts, and a current use projection of 3 uses over 7 years, Plaintiff will pay over \$33,000 per week for each use, which is over \$5,500 per night for a room.

254 That translates even if the rooms are \$250 a night online, to over 2000% higher than the online cost to book a room.

Neal Perrine and Anita Rose

255 Neal Perrine and Anita Rose are Washington residents (hereinafter “Plaintiffs” under this heading) who purchased a timeshare from VDG in February 2018.

256 The Plaintiffs were advised that a membership point system would allow them to travel the world and stay at 5-star hotels and resorts at the most desirable destinations anytime they wished.

257 In truth, only an all-inclusive resort in Mexico could be booked (with mandated months of advance notice).

1 258 Plaintiffs arrived in Mexico for vacation and were quickly lost. A woman offered to help
2 them get a taxi to their hotel, with the condition that the same taxi would pick them up at
3 their hotel the next day and bring them to a short presentation.

4 259 In return for going to the presentation they would get to swim with dolphins.

5 **Sales Presentation**

6
7 260 Early the next morning the Plaintiffs were picked up from their hotel for their short
8 presentation.

9 261 8 hours later the presentation was finally wrapping up.

10 262 When the Plaintiffs arrived at the presentation, the Plaintiffs were served breakfast and
11 given multiple refills of Mimosas throughout the day.

12 263 When the presentation began, Plaintiffs made it clear that they were not interested in
13 buying and would never be interested in a timeshare.

14 264 Plaintiffs were quickly assured that they could stay at two beautiful French Villas and,
15 with the VDG ownership plan, “\$400 would cover an entire week for 4 people.”

16 265 Plaintiffs were also told about “Diamond Memberships” which involved full week
17 vacations for a one-night cost.

18 266 Plaintiffs later learned that there were no “Diamond Memberships.”

19 **Predatory Sales Practices**

20
21 267 Plaintiffs were advised that the “Diamond Membership” was a great opportunity and a
22 valuable asset that their children could inherit.

23
24 268 Despite the alleged opportunity, Plaintiffs continued to convey their disinterest in buying
25 any type of vacation ownership. Each time Plaintiff conveyed their disinterest a
26 “manager” would come back and make the offer more appealing and sometimes even
27 lowered the price.
28

1 269 The managers even tried to appeal to the Plaintiff's emotions by pressuring them to make
2 a purchase from their representative (Alberto) as he "had just finished cancer treatment
3 and he was just the nicest guy in the world."

4 270 Early on, Plaintiffs were asked to rate their interest from 1 to 10 and said "0 to 1."
5 However, after 8 hours of drinking, persistent offers, harassment and emotional coercion,
6 Plaintiffs finally agreed.

7
8 271 Once they had agreed, the staff opened a bottle Champagne to celebrate, just before the
9 contract signing.

10 **Costs, Rental, Value and Resale**

11 272 To avoid the egregious interest rates offered by the resort, the Plaintiffs were encouraged
12 to put the entire charge onto their credit card.

13 273 The manager (who had his wife with him and was assisting with the sale) told the
14 Plaintiffs they could make up for the \$16,000 costs by future vacation savings and
15 through renting their timeshare, which as believed in their inebriated state.

16 274 In addition, Plaintiffs were promised that the rental fees they would collect would easily
17 cover the costs for the annual maintenance fees.

18 275 The VDG representatives, including management, promised the Plaintiffs that they were
19 getting a great deal that was below market value and that it was only available for that
20 day.

21 276 The representatives also led Plaintiffs to believe that should they ever change their mind
22 and wish to get out of the contract it would be "easy to sell" because the "exclusivity was
23 so desirable."

24 277 Plaintiffs were also promised that since they were paying well under market value, such a
25 sale would make them a substantial profit as well.
26
27
28

1 278 While trying to book hotels, Plaintiffs discovered that “Diamond Members” were charged
2 an additional annual fee of over \$200 that was in addition to the annual maintenance fee
3 charges.

4 **Use - Bookings**

5
6 279 The Plaintiffs were reluctant to sign up for a timeshare since they were not sure it would
7 give them the vacations they wanted.

8 280 However, there was literally hours of continued reassurance from VDG managers that
9 began to wear them down, like luxury accommodations at their disposal whenever they
10 desired to travel.

11 281 These destinations were promised to be 5-star accommodations, like 2 French Villas in
12 Europe, luxury resorts in the Caribbean and ski lodges in season in Whistler.

13 282 Unfortunately, Plaintiffs learned much later that the easy international travel they were
14 promised, came at an extra fee, and ultimately, with no availability in the specific places
15 they were promised even when attempting to book many months in advance.

16 283 The little they could find to book was clearly not the resorts or the destination locations
17 that they were promised that they could easily book.

18 284 In addition, there were undisclosed daily fees of nearly the same price of the rooms,
19 costing \$100 per day, per person.

20 285 This was totally inconsistent from “pay for one night for a week” inducement that
21 Plaintiffs were promised in the presentation.

22 286 All the hotels they found with availability required at least an additional \$150 per night
23 charge and the Plaintiffs could not use any of their points to cover the costs.

24 287 While staying at the hotel they managed to book, Plaintiffs discovered that the promises
25 of exclusivity were false. The hotel was packed with people who had booked on
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Travelocity.

288 Plaintiffs had to be up at 6:00 am to 7:00 am to reserve pool or beach chairs or they may be completely unable to have a seat for that day just like the general public.

Contract Signing

289 After 8 hours of an alcohol-fueled presentation that involved emotional coercion, Plaintiffs agreed to purchase.

290 At the time of execution, Plaintiffs were intoxicated and had been subject to 8 hours of high-pressure sales tactics.

291 Plaintiffs were exhausted and inebriated, and then, prior to review of the contract and execution, the staff gave the couple a final bottle of Champagne to make them even less in control of their faculties.

292 Plaintiffs were then handed a one-page checklist.

293 The representative quickly went through that checklist and abruptly told them to sign.

294 The VDG representative then rapidly handed them new documents to sign from a stack of papers that went along with the checklist.

295 The Plaintiffs were intoxicated after the drug-out presentation that culminated with an extremely fast contract presentation and execution phase wherein the Plaintiffs were never provided an opportunity to review or ask about the contract documents.

296 The Plaintiffs were told that they could not take the documents home to look them over, since it was a “now or never” deal and “all of the benefits would be gone.”

297 Within minutes of agreeing to the purchase (that took a tactical 8 hours), Plaintiffs were rushed through the entire contract with cursory explanations of all the terms and directives of where to sign.

298 Plaintiffs were not given time to read the contract’s content on their own and were not

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given adequate time alone to discuss their situation.

Successor Liability

299 The VDG representatives told Plaintiffs that the timeshare was a good investment that they could leave to their children in their Will.

300 Plaintiffs were never informed that under the contract’s “successors” clause, their children would be automatically liable for all future fees and costs of the timeshare.

301 The successor clause was buried in legalese that no lay person would recognize as the legal mechanism for binding their children and successive generations to ever-rising maintenance fees.

302 Had the Plaintiffs known that their two children and future generations could be held jointly and severally liable for ever-rising maintenance fees they never would have signed the contract documents.

303 As a result, without question, no contract would exist today.

Public Offering Statement

304 VDG’s staff did not provide Plaintiffs with a Public Offering Statement nor review any such statement with Plaintiffs prior to their execution of their respective contracts.

Cost per Use

305 Plaintiffs were only able to book one vacation using their timeshare. The location was not the high-end, exclusive destination resort as promised.

306 When the Plaintiffs attempted to book the international destinations and accommodations that they were promised, they were advised there was no availability.

307 The only available bookings had very high additional per-day costs that would have paid for the room themselves if booked online.

308 In essence, the Plaintiffs investment in the timeshare ownership was without any

1 financial benefit to booking online (more expensive) and it had many detrimental
2 impediments that booking online could have alleviated.

3 309 Despite being promised “5-star” exclusive accommodations, the room Plaintiffs were
4 able to book was loud as it was exposed to shows until 10:00-11:00pm every night with a
5 very loud (PA system) events announcer which interfered with their sleep and even the
6 use of the balcony. The beach was very dangerous and steep, and the beach and the pool
7 were extremely packed; they were not “member exclusive”
8

9 310 All the options promised in 2018 concerning availability were reduced to resorts with all-
10 inclusive fees, so the Plaintiffs were forced to pay \$100 to \$150 per person (\$200 to
11 \$300) per day.

12 311 Plaintiffs can only book a room similar to the Mexican resort because the two French
13 Villas, the Caribbean resorts and Whistler ski lodges were just false inducements that are
14 not available.
15

16 312 Even a location in that they tried to book in the United States (New Mexico) was not
17 available unless they were willing to be in a very remote location.

18 313 Therefore, Plaintiffs were limited to booking resorts in Mexico which amounts to about
19 \$2,400 for each 6-night week.

20 314 That cost is \$400 per night.

21 315 However, added to the 2018 booking fees was \$200 to \$300 in additional fees for
22 Plaintiffs extra daily fees.

23 316 This is \$600 to \$700 per night for a room that books to the public for \$195 a night for an
24 all-inclusive resort, which is 300% to 350% more that the public pays.
25

26 317 If the resort was not an all-inclusive, the public would pay \$100-\$138 per night for same
27 Mexican resort that the “exclusive-member” Plaintiffs pay \$400 per night, which is
28

1 nearly 300% to 400% more than the public pays.

2 318 Thus, the public can book similar rooms online in one day (as opposed to 6 months or
3 more in advance) with vast selections available (versus non-availability and restrictions)
4 for about 300% to \$400% less money than VDG "Owners" are forced to pay. Such a
5 result is unconscionable.
6

7 **FIRST CLAIM FOR RELIEF**
8 **(California Timeshare Act And Unfair Competition Law)**
9 **(Rescission – Against all Defendants)**

10 312. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
11 herein.

12 313. Choice of Law principles permit state courts to apply the substantive laws of states other
13 than a state of general jurisdiction in order to provide remedies to Consumers in
14 consumer fraud and deceit cases. California's Vacation Ownership and Time Share Act
15 of 2004 can apply in the case at bar to all Plaintiffs herein, because Defendant offers
16 "accommodations" in California pursuant to California law, as "component sites" in a
17 "multisite timeshare plan". See, BUSINESS AND PROFESSIONS CODE - BPC,
18 DIVISION 4, REAL ESTATE [11000 - 11288] CHAPTER 2. The Vacation Ownership
19 and Time-Share Act of 2004 [11210 - 11288], Article 1 General Provisions [11210 -
20 11219], cited in this Count as the "Act", and on-point to this paragraph at §11211.5(a)(1)
21 which states that the Time-share Act is applicable to:
22

23 Time-share plans with an accommodation or component site in this state
24 [California].

25 314. VDG sold Plaintiffs a service where points are used to book rooms with access hundreds
26 of hotels and resorts in California as "component sites" physically located in the State of
27 California. See Act at §11211.5(a)(1); and known by definition under §112112(g):
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"Component Site" means a specific geographic location where accommodations of a multisite time-share plan are located.

315. The Defendants sold the Plaintiffs timeshares under a marketing system known under California law to be a "multisite time-share plan". See, Act at §112112(z)(2)(B). Such use rights exist in the written Contracts between Defendant and Plaintiffs and are known by California law as:

(z) "Time-share plan" means any arrangement, plan, scheme, or similar devise... [with] the right to use accommodations.... A timeshare plan may be either of the following:

...
(2) A "multisite time-share plan," which includes either of the following:

...
(B) A "nonspecific time-share interest," which is the right to use accommodations at more than one component site created by or acquired through the time-share plan's reservation system, but including no specific right to use any particular accommodations.

316. Further, Defendants have a central booking "reservation system" that Plaintiffs must use as part of Defendant's "multisite time-share plan" where the Plaintiffs are required to go through Defendant's intermediary, INT/ILG. INT/ILG handles the central reservations for Defendants' multisite plan that Plaintiffs are required to use to attempt to make bookings for accommodations the Defendants own or that are component sites for resorts and hotels in the multisite time-share plan that Defendants sold to the Plaintiffs. See, "reservation system" at §112112(u), stating:

"Reservation system" means any method, arrangement, or procedure by which a purchaser, in order to reserve the use or occupancy of any accommodation of a multisite time-share plan for one or more time-share periods, is required to compete with other purchasers in the same multisite time-share plan....

If a purchaser is required to use an exchange program as the purchaser's principal means of obtaining the right to use and occupy accommodations in a multisite time-share plan, that arrangement shall be deemed a reservation system.

- 1 317. Plaintiffs' experiences are replete with actual experiences that demonstrate the primary
2 purpose and function of INT/ILG's reservation system is to frustrate, obstruct and deny
3 bookings on behalf of its collusive resort partners.
- 4 318. INT/ILG is an affiliate reservation system to all other Defendants herein, and performs
5 acts to prevent use, as coordinated and strategically planned with Defendant, who profits
6 immensely selling [useless] use rights at exorbitant rates up to 1000% over online rates.
- 7 319. Defendant through this method does not permit fair use of its accommodations, nor other
8 resorts' component sites that it would have to compensate for such uses.
- 9 320. Plaintiffs or "owners" [told by representatives that they own valuable "property", "real
10 estate"] are actually victims of complex fraud scheme where "owners" pay many
11 thousands for little or no use in degraded facilities and/or substandard accommodations.
- 12 321. These are unfair and deceptive systems and strategies used to perpetrate sales fraud: (a)
13 high interest loans (often doubling the principal amount); with further profits from, (b)
14 ever-rising, multi-generational fees (and hidden use fees), and to avoid expenses, (c) use
15 rights execution that is substandard, and sparse to nonexistent, such that "owners" are in
16 practice, victims of abusive sales practices and predatory lending.
- 17 322. The operations and acts of all Defendants (including INT/ILG) qualify for coverage
18 under the Act, where subsection 11285, provides:
19
20 An action for damages or for injunctive or declaratory relief for a violation of this
21 chapter may be brought by any time-share interest owner....
22
23 Relief under this section does not exclude other remedies provided by law.
- 24 323. There has been recent discoveries of some of the harm caused by the Defendants and
25 there is ongoing harm in collusion with Defendants INT/ILG, and all such harm can
26 apply to the Timeshare Act for any and all of the Plaintiffs herein.
27
28

- 1 324. Resort/Villa/Cid sells a booking service to hundreds of "component sites" located in
2 California as part of its nonspecific, time-share plan, that was sold to all the Plaintiffs
3 herein, and in this plan, Plaintiffs were all required to exclusively book any such
4 component sites, like California accommodations, through INT/ILG.
5
6 325. By its acts and practices as herein described, Defendants violated the Timeshare Act in
7 multiple ways (as specified in each section below):
8 a. Resort/Villa/Cid violated §11225 & §11238 by failing to provide certain documents
9 and certain disclosures clearly and conspicuously as required by law;
10 b. All Defendants violated §11237 by failing to make proper disclosures as required by
11 law with regard to the incidental benefits offered to the Plaintiffs;
12 c. All Defendants violated §11245 by making material misrepresentations, including,
13 but not limited to misrepresentations in connection with the promotion of a time-share
14 plan, the nature, qualities and/or characteristic of the offered time-share plan, and/or
15 incidental benefits;
16 d. Resort/Villa/Cid violated §11265 by charging assessments in amounts not proscribed
17 by law, or by failing to provide proper notice regarding the increase of assessments;
18 e. All Defendants violated §11265 by failing to deliver on certain items within the time
19 represented to the Plaintiffs; and
20 f. Resort/Villa/Cid violated §11265 by including conflicting, misleading and/or
21 unlawful provisions among the various documents provided to the Plaintiffs.
22
23 326. Plaintiffs herein have suffered great financial losses and have been harmed by
24 Defendants' intentional and deceptive acts, which comprise precisely the type of conduct
25 the California Legislature sought to protect all consumers from when it enacted the Time-
26 Share Act of 2004.
27
28

- 1 327. Based on the foregoing, Plaintiffs request damages, including Punitive Damages, and any
2 other available remedies.
- 3 328. As may or could be applicable to any of the Plaintiffs herein, the California Unfair
4 Competition Law is an available remedy, which normally provides treble damages for
5 violations of the statute. The violations of the timeshare act pled in this Count One, meet
6 the standards for coverage under the California's Unfair Competition Law (UCL) which
7 is an equivalent to a consumer protection act. Cal. Bus. & Prof. Code § 17200.
8
- 9 329. However, applying that statute in matters where Defendants do systematic and repeated
10 violations of law (as is alleged herein, for all Defendants with regard to timeshare act
11 violations) then Punitive Damages are available for redress.
- 12 330. All Defendants' systematic and repeated violations of law under the timeshare statute, fit
13 well under the UCL Act, and its seminal case for application of Punitive Damages,
14 Johnson v. Ford Motor Co., 35 Cal.4th 1191, 29 Cal.Rptr3d. 401, 113 P.3d 82 (2005),
15 and Johnson's progeny of case law in support of applying Punitive Damages to Plaintiffs.
16
- 17 331. The UCL confers standing on both private parties, but only private plaintiffs who have
18 "suffered injury in fact and lost money or property as a result of such unfair competition"
19 may file suit. Cal. Bus. & Prof. Code §17203 and §17204 (2010).
- 20 332. California's UCL is broadly written. Section 17200 includes five definitions of unfair
21 competition: (1) an unlawful business act or practice; (2) an unfair business act or
22 practice; (3) a fraudulent business act or practice; (4) unfair, deceptive, untrue,
23 or misleading advertising; or (5) any act prohibited by Sections 17500-17577.5.
- 24 333. In addition, a Section 17200 claim that is based on a violation of another law -- an
25 "unlawful" claim -- precisely as is the case with the California Timeshare Act and all
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1 other laws pled pursuant to this Complaint, may lie even where no private right of action
2 exists pursuant to the underlying law, thus the coverage is broad.

3 **SECOND CLAIM FOR RELIEF**
4 **(Fraud – Against all Defendants)**

5 334. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
6 herein. Acts of all Defendants (including INT/ILG) evidence Fraud.

7 335. Resort/Villa/Cid’s staff engaged in high-pressure (and sophisticated hybrid sales tactics)
8 through sales presentations that were designed to induce Plaintiffs to make a significant
9 financial decision in a short time span based upon false information.

10 336. Resort/Villa/Cid’s representatives intentionally misrepresented certain material facts as
11 set forth herein.

12 337. Resort/Villa/Cid’s representatives knew (as this was their training) that their
13 representations via tactics and fraud schemes detailed herein, were false and misleading.

14 338. Specific examples of these fraud schemes are set forth herein.

15 339. Resort/Villa/Cid’s sales and management stated falsities intentionally for the purpose of
16 inducing Plaintiffs to enter into contracts to pay many thousands in purchase funds and
17 future obligations, and collusively with INT/ILG, eradicated expenses (restricted
18 use/nonuse).
19

20 340. Resort/Villa/Cid via INT/ILG, protected profits with obtuse requirements to access where
21 Plaintiffs pay \$8,000 - \$14,000 per week, 1000% more than online.

22 341. The end result to the Plaintiffs herein was: (a) high-interest mortgages (typically doubling
23 the principal amount); along with, (b) ever-rising maintenance fees that bind alive family
24 members and future generations, evidencing blatant Unconscionability.
25

26 342. At all relevant times herein, Resort/Villa/Cid’s staff was acting as agents of one or more
27 of the Defendant entities in this matter, and the acts of the staff are attributable to
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Defendants, because they were performed in the course of work, and trained, directed and managed daily by Defendants’ management which is involved from the inception of hiring sales agents, through their education in the fraud schemes and refinement in tactics and strategies, including daily execution designed to defraud consumers.

343. For all the reasons set forth herein, the Plaintiffs became induced to purchase a timeshare interest from Resort/Villa/Cid by means of fraud & deceit. The false representations of material facts, combined with the high-pressure sales pitches, deceptive procedures, defective [or absence of] disclosures, were all used to separate the Plaintiffs from their money in exchange for substantially less than what was promised (including Resort/Villa/Cid’s collusive partner for booking, INT/ILG).

344. Because of Unconscionability – the absurdity and harshness exemplified by paying up to 1000% more for a room than before they contracted -and- Multi-Generational debt liability – the sales contracts between the parties should be Rescinded, and then permit this Court or a Jury to award damages, including Punitive Damages that are warranted for the intentional, deceptive and fraudulent acts of all the Defendants.

THIRD CLAIM FOR RELIEF
(Civil Conspiracy - Against all Defendants)

345. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth herein.

346. Defendants agreed to join a conspiracy related to defrauding consumers in the purchase of timeshare property seemingly, but not actually, in compliance with the laws of California and Nevada.

347. The conspiracy had a common design, jointly and knowingly established by Defendants acting through their agents and employees, and those of their subsidiary entities.

- 1 348. Defendants knew that the object of this conspiracy was to market and sell timeshare
2 interests to Plaintiffs, without disclosing, among other material facts described herein,
3 that Plaintiffs would not be able to use their points as promised where fraud (intentional
4 misrepresentation) was used as the method to maximize profits.
5
6 349. Defendants knew that this was unlawful and have continued to use such means as fraud,
7 misrepresentations, and omissions.
8
9 350. Defendants had a meeting of the minds on the object of or course of action for this
10 conspiracy. Defendants knew and agreed upon the unlawful object or course of action
11 for this conspiracy. Defendants also knew that their wrongful actions would inflict injury
12 upon the targets of the conspiracy, including Plaintiffs.
13
14 351. As described in the sections above, Defendants committed multiple unlawful and overt
15 acts to further the object or course of action for this conspiracy and these unlawful acts
16 proximately caused the damages suffered by the Plaintiffs.
17
18 352. Accordingly, Plaintiffs are entitled to recover their actual damages, plus costs, attorneys'
19 fees, and pre-judgment interest and post-judgment interest.

20 **FOURTH CLAIM FOR RELIEF**
21 **(Breach of Contract – Against Resort/Villa/Cid)**

- 22 353. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
23 herein.
24
25 354. Resort/Villa/Cid and Plaintiffs entered into valid and binding agreements.
26
27 355. Plaintiffs satisfied all conditions precedent to their respective agreements.
28
356. In material breach of the agreements, Resort/Villa/Cid failed to: deliver a timeshare that
would allow Plaintiffs to specific use benefits (use rights); to plan vacations for less
money than the non-owner in the public could book for; to deliver real (alienable)
property rights; and to plan vacations easily through reservation services affiliates.

- 1 357. As a direct and proximate cause of Resort/Villa/Cid's actions, Plaintiffs have been
2 damaged in an amount in excess of \$50,000.00.
- 3 358. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
4 as reasonable attorney's fees.
- 5 359. As a direct and proximate result of the aforesaid acts of Resort/Villa/Cid, it has become
6 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
7 recover attorney's fees and costs incurred herein as special damages.

8
9 **FIFTH CLAIM FOR RELIEF**
10 **(Negligent Misrepresentation – Against Resort/Villa/Cid)**

- 11 360. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
12 herein.
- 13 361. Plaintiffs seek rescission of their agreements and further seek damages and relief
14 pursuant to the Counts above. In the alternative, to the extent any Plaintiff's cannot
15 establish relief for fraud, rescission or statutory remedies, Plaintiffs are entitled to recover
16 damages for the negligence of Resort/Villa/Cid.
- 17 362. Specifically, the salespersons made false or at least negligent representations of highly
18 material facts (value, salability, debt obligations, and the fundamental rights for use in a
19 use rights contract), as set forth herein.
- 20 363. Plaintiffs reasonably and justifiably relied on Resort/Villa/Cid's representations.
- 21 364. Plaintiffs relied to their detriment.
- 22 365. At the time the misrepresentations were made, Resort/Villa/Cid's representatives knew
23 that they were overtly false or were at least negligently made.
- 24 366. Resort/Villa/Cid's staff and affiliate/partner/co-conspirator INT/ILG, deceived and duped
25 Plaintiffs intentionally, or at least negligently.
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- 1 367. As a direct and proximate cause of Resort/Villa/Cid’s actions, Plaintiffs have been
2 damaged in an amount in excess of \$50,000.00.
- 3 368. Resort/Villa/Cid’s conduct was malicious, oppressive and further committed with
4 reckless disregard to the rights and feelings of Plaintiffs warranting an award of punitive
5 damages.
- 6 369. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
7 as reasonable attorney’s fees.
- 8 370. As a direct and proximate result of the aforesaid acts of Resort/Villa/Cid, it has become
9 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
10 recover attorney’s fees and costs incurred herein as special damages.

11
12 **SIXTH CLAIM FOR RELIEF**
13 **(Alternatively Unjust Enrichment – Against all Defendants)**

- 14 371. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
15 herein.
- 16 372. Defendants unlawful acts have conferred a benefit upon them.
- 17 373. Defendants have and are appreciating the benefit.
- 18 374. Defendants accepted and retained the benefit under circumstances where it would be
19 inequitable for Defendants to retain the benefit without the payment of value for the
20 same.
- 21 375. As a direct and proximate cause of Defendants’ actions, Plaintiffs’ have been damaged in
22 an amount in excess of \$50,000.00.
- 23 376. Defendants conduct was malicious, oppressive and further committed with reckless
24 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
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1 377. As a direct and proximate result of the aforesaid acts of Defendants, it has become
2 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
3 recover attorney's fees and costs incurred herein as special damages.

4
5 **SEVENTH CLAIM FOR RELIEF**
6 **(Tortuous Breach of the Implied Covenant of Good Faith and Fair Dealing – Against**
7 **Resort/Villa/Cid)**

8 378. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
9 herein.

10 379. Resort/Villa/Cid and Plaintiff entered into valid and binding agreements.

11 380. Every contract contains an implied covenant to act in good faith in performance and
12 enforcement of the contract.

13 381. Plaintiffs justifiably expected to receive certain benefits consistent with the spirit of the
14 agreements.

15 382. Resort/Villa/Cid performed in a manner that was in violation of or unfaithful to the spirit
16 of the contract (the terms of the contract are complied with in a literal sense, but the spirit
17 of the contract is breached);

18 383. A special relationship of trust existed between the Plaintiffs and Resort/Villa/Cid.

19 384. Resort/Villa/Cid engaged in unfaithful and deliberate actions as set forth herein.

20 385. As a direct and proximate cause of Resort/Villa/Cid's actions, Plaintiffs have been
21 damaged in an amount in excess of \$50,000.00.

22 386. Resort/Villa/Cid's conduct was malicious, oppressive and further committed with
23 reckless disregard to the rights and feelings of Plaintiffs warranting an award of punitive
24 damages.

25 387. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
26 as reasonable attorney's fees.
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1 388. As a direct and proximate result of the aforesaid acts of Resort/Villa/Cid, it has become
2 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
3 recover attorney's fees and costs incurred herein as special damages.

4 **EIGHTH CLAIM FOR RELIEF**
5 **(Concert of Action – Against all Defendants)**

6 389. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
7 herein.

8 390. The Defendants acted together while committing a tort pursuant to a common design or
9 plan.

10 391. The conduct of each Defendant was individually tortuous.

11 392. As a direct and proximate cause of Defendants' actions, Plaintiffs have been damaged in
12 an amount in excess of \$50,000.00.

13 393. Defendants' conduct was malicious, oppressive and further committed with reckless
14 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.

15 394. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
16 as reasonable attorney's fees.

17 395. As a direct and proximate result of the aforesaid acts of Defendants, it has become
18 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
19 recover attorney's fees and costs incurred herein as special damages.

20 **NINTH CLAIM FOR RELIEF**
21 **(Deceptive Trade Practice – Violation of NRS 598.0918(2) – Against all Defendants)**

22 396. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
23 herein.

24 397. Chapter 598 of the Nevada Revised Statutes provides:

25 [a] person engages in a 'deceptive trade practice' if, during a . . . sales
26 presentation, he or she . . . '[r]epeatedly or continuously conduct[ing] the
27
28

- 1 solicitation or presentation [of a sales presentation] in a manner that is considered
2 by a reasonable person to be annoying, abusive or harassing.’ NRS 598.0918(2).
- 3 398. As set forth herein, Defendants’ sales presentations violated the forgoing Section of
4 Nevada’s Deceptive Trade Practices Act.
- 5 399. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
6 an amount in excess of \$50,000.00.
- 7 400. Defendants’ conduct was malicious, oppressive and further committed with reckless
8 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
- 9 401. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
10 from their deceptive practice.
- 11 402. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to treble damages.
- 12 403. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
13 as reasonable attorney’s fees.
- 14 404. As a direct and proximate result of the aforesaid acts of Defendants, it has become
15 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
16 recover attorney’s fees and costs incurred herein as special damages.

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19 **TENTH CLAIM FOR RELIEF**
20 **(Deceptive Trade Practice – Violation of NRS 598.092(5)(a) – Against all Defendants)**

- 21 405. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
22 herein.
- 23 406. Chapter 598 of the Nevada Revised Statutes provides:
24 A person engages in a “deceptive trade practice” when in the course of his or her
25 business or occupation he or she . . . [a]dvertises or offers an opportunity for
26 investment and . . . [r]epresents that the investment is guaranteed, secured or
27 protected in a manner which he or she knows or has reason to know is false or
28 misleading . . . NRS 598.092(5)(a).

- 1 407. As set forth herein, Defendants’ offered and presented an opportunity for investment in
2 violation of the forgoing Section of Nevada’s Deceptive Trade Practices Act.
- 3 408. As set forth herein, Defendants’ represented that the investment was guaranteed, secured
4 or protected in a manner which they knew or had reason to know was false or misleading
5 in violation of the forgoing Section of Nevada’s Deceptive Trade Practices Act.
- 6 409. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
7 an amount in excess of \$50,000.00.
- 8 410. Defendants’ conduct was malicious, oppressive and further committed with reckless
9 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
- 10 411. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
11 from their deceptive practice.
- 12 412. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to treble damages.
- 13 413. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
14 as reasonable attorney’s fees.
- 15 414. As a direct and proximate result of the aforesaid acts of Defendants, it has become
16 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
17 recover attorney’s fees and costs incurred herein as special damages.

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21 **ELEVENTH CLAIM FOR RELIEF**
(Deceptive Trade Practice – Violation of NRS 598.092(5)(b) – Against all Defendants)

- 22 415. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
23 herein.
- 24 416. Chapter 598 of the Nevada Revised Statutes provides:
25
26 [a] person engages in a ‘deceptive trade practice’ when in the course of his or her
27 business or occupation he or she . . . [a]dvertises or offers an opportunity for
28 investment and . . . [r]epresents that the investment will earn a rate of return
which he or she knows or has reason to know is false or misleading.’ NRS
598.092(5)(b).

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417. As set forth herein, Defendants’ offered and presented an opportunity for investment in violation of the forgoing Section of Nevada’s Deceptive Trade Practices Act.

418. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in an amount in excess of \$50,000.00.

419. Defendants’ conduct was malicious, oppressive and further committed with reckless disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.

420. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized from their deceptive practice. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to treble damages.

421. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well as reasonable attorney’s fees.

422. As a direct and proximate result of the aforesaid acts of Defendants, it has become necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to recover attorney’s fees and costs incurred herein as special damages.

TWELFTH CLAIM FOR RELIEF
(Deceptive Trade Practice – Violation of NRS 598.092(5)(c) – Against all Defendants)

423. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth herein.

424. Chapter 598 of the Nevada Revised Statutes provides:

[a] person engages in a ‘deceptive trade practice’ when in the course of his or her business or occupation he or she . . . [a]dvertises or offers an opportunity for investment and . . . [m]akes any untrue statement of a material fact or omits to state a material fact which is necessary to make another statement, considering the circumstances under which it is made, not misleading.’ NRS 598.092(5)(c).

425. As set forth herein, Defendants’ offered and presented an opportunity for investment in violation of the forgoing Section of Nevada’s Deceptive Trade Practices Act.

- 1 426. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
2 an amount in excess of \$50,000.00.
- 3 427. Defendants’ conduct was malicious, oppressive and further committed with reckless
4 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
- 5 428. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
6 from their deceptive practice.
- 7 429. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to treble damages.
- 8 430. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
9 as reasonable attorney’s fees. As a direct and proximate result of the aforesaid acts of
10 Defendants, it has become necessary for Plaintiffs to secure the services of an attorney,
11 and Plaintiffs are entitled to recover attorney’s fees and costs incurred herein as special
12 damages.
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15 **THIRTEENTH CLAIM FOR RELIEF**
16 **(Deceptive Trade Practice – Violation of NRS 598.092(8) – Against all Defendants)**

- 17 431. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
18 herein.
- 19 432. Chapter 598 of the Nevada Revised Statutes provides:
20 [a] person engages in a ‘deceptive trade practice’ when in the course of his or her
21 business or occupation he or she . . . [k]nowingly misrepresents the legal rights,
22 obligations or remedies of a party to a transaction.’ NRS 598.092(8).
- 23 433. As set forth herein, Defendants’ knowingly misrepresented the legal rights, obligations
24 and remedies to Plaintiffs in violation of the forgoing Section of Nevada’s Deceptive
25 Trade Practices Act.
- 26 434. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
27 an amount in excess of \$50,000.00.
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- 1 435. Defendants’ conduct was malicious, oppressive and further committed with reckless
2 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
3
4 436. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
5 from their deceptive practice.
6
7 437. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to treble damages.
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9 438. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
10 as reasonable attorney’s fees.
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12 439. As a direct and proximate result of the aforesaid acts of Defendants, it has become
13 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
14 recover attorney’s fees and costs incurred herein as special damages.

FOURTEENTH CLAIM FOR RELIEF

(Deceptive Trade Practice – Violation of NRS 598.0923(4) – Against all Defendants)

- 14 440. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
15 herein.
16
17 441. Chapter 598 of the Nevada Revised Statutes provides:
18 [a] person engages in a ‘deceptive trade practice’ when in the course of his or her
19 business or occupation he or she knowingly . . . [u]ses coercion, duress or
20 intimidation in a transaction.’ NRS 598.0923(4).
21
22 442. As set forth herein, Defendants’ knowingly used coercion, duress or intimidation in their
23 advertising and offering in violation of the forgoing Section of Nevada’s Deceptive Trade
24 Practices Act.
25
26 443. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
27 an amount in excess of \$50,000.00.
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444. Defendants’ conduct was malicious, oppressive and further committed with reckless
disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.

1 445. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
2 from their deceptive practice.

3 446. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to treble damages.

4 447. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
5 as reasonable attorney's fees.

6
7 448. As a direct and proximate result of the aforesaid acts of Defendants, it has become
8 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
9 recover attorney's fees and costs incurred herein as special damages.

10 **FIFTEENTH & SIXTEENTH CLAIMS FOR RELIEF**
11 **(Civil R.I.C.O. – Against all Defendants)**

12 449. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
13 herein.

14 450. Nevada law defines 'racketeering activity' to mean "engaging in at least two crimes
15 related to racketeering that have the same or similar pattern, intents, results, accomplices,
16 victims or methods of commission, or are otherwise interrelated by distinguishing
17 characteristics and are not isolated incidents."

18
19 451. In this case, Defendants engaged in the following two separate civil racketeering acts as
20 set forth herein:

21 a. obtaining possession of money or property valued at \$650 or more, or obtaining a
22 signature by means of false pretenses; and

23 b. any violation of NRS 205.377, specifically, a knowing act, with the intent to defraud,
24 engage in an act, practice or course of business or employ a device, scheme or artifice
25 which operates or would operate as a fraud or deceit upon a person by means of a
26 false representation or omission of a material fact in the course of any enterprise or
27 occupation, that:
28

- 1 i. the person knows to be false or omitted; and
- 2 a. obtaining possession of money or property valued at \$650 or more, or obtaining a
- 3 signature by means of false pretenses; and
- 4 b. any violation of NRS 205.377, specifically, a knowing act, with the intent to defraud,
- 5 engage in an act, practice or course of business or employ a device, scheme or artifice
- 6 which operates or would operate as a fraud or deceit upon a person by means of a
- 7 false representation or omission of a material fact in the course of any enterprise or
- 8 occupation, that:
- 9 i. the person intends another to rely on.
- 10 452. As set forth herein, Defendants’ knowingly engaged in the above two civil racketeering
- 11 acts.
- 12 453. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
- 13 an amount in excess of \$50,000.00.
- 14 454. Plaintiffs relied on the false representations or omissions of Defendants, in at least two
- 15 transactions that have the same or similar pattern, intents, results, accomplices, victims or
- 16 methods of commission, or are otherwise interrelated by distinguishing characteristics
- 17 and are not isolated incidents within 4 years and in which the aggregate loss or intended
- 18 loss is more than \$650 as set forth herein.
- 19 455. Defendants’ conduct was malicious, oppressive and further committed with reckless
- 20 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
- 21 456. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
- 22 from their deceptive practice.
- 23 457. Pursuant to NRS 207.470(1), Plaintiffs are entitled to treble damages.
- 24 458. In addition to any other penalty, Plaintiffs are entitled to restitution.
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1 459. Pursuant to NRS 41.600(3)(c) and NRS 207.470(1), Plaintiffs are entitled to recover their
2 costs of suit as well as reasonable attorney’s fees.

3 460. As a direct and proximate result of the aforesaid acts of Defendants, it has become
4 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
5 recover attorney’s fees and costs incurred herein as special damages.
6

7 **SEVENTEENTH, EIGHTEENTH AND NINETEENTH CLAIMS FOR RELIEF**
8 **(Civil R.I.C.O. – Against all Defendants)**

9 461. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
10 herein.

11 462. Nevada law defines ‘racketeering activity’ to mean “engaging in at least two crimes
12 related to racketeering that have the same or similar pattern, intents, results, accomplices,
13 victims or methods of commission, or are otherwise interrelated by distinguishing
14 characteristics and are not isolated incidents.”

15 463. In this case, Defendants engaged in the following three separate civil racketeering acts as
16 set forth herein:

- 17 a. obtaining possession of money or property valued at \$650 or more, or obtaining a
18 signature by means of false pretenses;
- 19 b. any violation of NRS 91.230, specifically,
- 20 i. employing a scheme or artifice to defraud a person; and/or
21 ii. making any false report, enter any false record, or make any untrue statement of a
22 material fact or omit to state a material fact necessary in order to make the
23 statements made, in the light of the circumstances under which they were made,
24 not misleading; and/or
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- 1 iii. engage in any transaction, act, practice or course of business, including, without
- 2 limitation, any form of advertising or solicitation, which operates or would
- 3 operate as a fraud or deceit upon any person.
- 4
- 5 464. As set forth herein, Defendants’ knowingly engaged in the above three civil racketeering
- 6 acts.
- 7 465. As a direct and proximate cause of Defendants’ actions, Plaintiffs have been damaged in
- 8 an amount in excess of \$50,000.00.
- 9 466. Defendants’ conduct was malicious, oppressive and further committed with reckless
- 10 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
- 11 467. Pursuant to NRS 598.0999(3), Plaintiffs are entitled to all profits Defendants realized
- 12 from their deceptive practice.
- 13 468. Pursuant to NRS 207.470(1), Plaintiffs are entitled to treble damages.
- 14 469. Pursuant to NRS 41.600(3)(c) and NRS 207.470(1), Plaintiffs are entitled to recover their
- 15 costs of suit as well as reasonable attorney’s fees.
- 16
- 17 470. As a direct and proximate result of the aforesaid acts of Defendants, it has become
- 18 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
- 19 recover attorney’s fees and costs incurred herein as special damages.
- 20

TWENTIETH CLAIM FOR RELIEF
(Declaratory Relief – Against all Defendants)

- 21
- 22 471. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
- 23 herein.
- 24 472. A genuine dispute exists between the Parties concerning Defendants’ failure to provide
- 25 Plaintiffs with a copy of the Public Offering Statement prior to execution as well as the
- 26 successive liability (multi-generational) clauses.
- 27
- 28 473. The interests of the Parties are adverse.

- 1 474. This Court should enter the following declarations:
- 2 a. That Plaintiffs were all entitled to receive a Public Offering Statement before
- 3 Plaintiffs signed their respective agreement;
- 4 b. That Defendants' failure to provide a Public Offering Statement prior to execution
- 5 operates to rescind the agreements;
- 6 c. That the subject agreements venue clauses and any limitations or waivers to a jury
- 7 trial and/or punitive damages are void; and
- 8 d. That the successive liability (multi-generational) clauses are unconscionable
- 9
- 10 475. As a direct and proximate cause of Defendants' actions, Plaintiffs have been damaged in
- 11 an amount in excess of \$50,000.00.
- 12
- 13 476. Defendants' conduct was malicious, oppressive and further committed with reckless
- 14 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
- 15 477. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
- 16 as reasonable attorney's fees.
- 17 478. As a direct and proximate result of the aforesaid acts of Defendants, it has become
- 18 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
- 19 recover attorney's fees and costs incurred herein as special damages.
- 20
- 21 **TWENTY-FIRST CLAIM FOR RELIEF**
(Violation on NRS 119A.475 – Against all Defendants)
- 22 479. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
- 23 herein.
- 24
- 25 480. Defendants failure to properly disclose a public offering statement and misrepresentations
- 26 as set forth herein constitute a violation of NRS 119A.475.
- 27 481. Plaintiffs are entitled to recover such damages as represent the difference between the
- 28 amount paid for the time share and the reasonable cost of any permanent improvements

1 thereto, and the lesser of: (a) The value thereof as of the time the suit was brought; (b)
2 The price at which the time share has been disposed of in a bona fide market transaction
3 before suit; or (c) The price at which the time share has been disposed of after suit in a
4 bona fide market transaction but before judgment,

5
6 482. Alternatively, Plaintiffs are entitled to rescission of the contract of sale and the refund of
7 any consideration paid by the purchaser.

8 483. Pursuant to NRS 119A.475, Plaintiffs are entitled to reasonable attorney's fees

9 484. As a direct and proximate cause of Defendants' actions, Plaintiffs have been damaged in
10 an amount in excess of \$50,000.00.

11 485. Defendants' conduct was malicious, oppressive and further committed with reckless
12 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.

13 486. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
14 as reasonable attorney's fees.

15
16 487. As a direct and proximate result of the aforesaid acts of Defendants, it has become
17 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
18 recover attorney's fees and costs incurred herein as special damages.

19
20 **TWENTY-SECOND CLAIM FOR RELIEF**
(Violation on NRS 119A.700 – Against all Defendants)

21 488. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
22 herein.

23 489. Defendants utilized false or misleading information to advertise the sale of time shares in
24 violation of NRS 119A.700.

25
26 490. As a direct and proximate cause of Defendants' actions, Plaintiffs have been damaged in
27 an amount in excess of \$50,000.00.
28

- 1 491. Defendants' conduct was malicious, oppressive and further committed with reckless
2 disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.
3
4 492. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well
5 as reasonable attorney's fees.
6
7 493. Plaintiffs are also entitled to additional damages pursuant to Chapter 119A of the Nevada
8 Revised Statutes.
9
10 494. As a direct and proximate result of the aforesaid acts of Defendants, it has become
11 necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to
12 recover attorney's fees and costs incurred herein as special damages

13 **TWENTY-THIRD CLAIM FOR RELIEF**
14 **(Violation on NRS 119A.710 – Against all Defendants)**

- 15 495. Plaintiffs incorporate by reference all the preceding paragraphs, as though fully set forth
16 herein.
17
18 496. In violation of NRS 119A.710, Defendants engaged in the following violative acts:
19
20 a. failure to properly disclose a public offering statement;
21
22 b. misrepresenting or failing to disclose any material fact concerning a time share.
23
24 c. including in an agreement for the purchase of a time share provisions purporting to
25 waive any right or benefit provided for purchasers under Chapter 119A;
26
27 d. receiving from a prospective purchaser any money or other valuable consideration
28 before the purchaser has received a statement of public offering.
e. misrepresenting the amount of time or period of time the unit will be available to a
purchaser;
f. misrepresenting the location or locations of the unit;
g. misrepresenting the size, nature, extent, qualities or characteristics of the unit;
h. misrepresenting the nature or extent of any services incident to the unit;

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- i. misrepresenting the conditions under which a purchaser may exchange occupancy rights to a unit in one location for occupancy rights to a unit in another location;
- j. failing to disclose initially that any promised entertainment, food or other inducements are being offered to solicit the sale of a time share;
- k. conducting or participating in, without prior approval by the Division, any type of lottery or contest, or offering prizes or gifts to induce or encourage a person to visit a project, attend a meeting at which a time share will be discussed, attend a presentation or purchase a time share;
- l. failing to disclose initially to a prospective purchaser any agreement between the project broker or sales agent and the developer that results in a sharing of sales proceeds in excess of a minimum sales price for a time share; and
- m. any act or practice considered an unfair method of competition or an unfair or deceptive act or practice under NRS 207.170, 207.171 or 598.0915 to 598.0925, inclusive, or chapter 598A or 599A of NRS as set forth herein.

497. As a direct and proximate cause of Defendants' actions, Plaintiffs have been damaged in an amount in excess of \$50,000.00.

498. Defendants' conduct was malicious, oppressive and further committed with reckless disregard to the rights and feelings of Plaintiffs warranting an award of punitive damages.

499. Pursuant to NRS 41.600(3)(c), Plaintiffs are entitled to recover their costs of suit as well as reasonable attorney's fees.

500. As a direct and proximate result of the aforesaid acts of Defendants, it has become necessary for Plaintiffs to secure the services of an attorney, and Plaintiffs are entitled to recover attorney's fees and costs incurred herein as special damages.

///

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for relief against Defendants as follows:

1. For judgment in favor of Plaintiffs and against Defendants;
2. For special damages in an amount in excess of \$50,000.00;
3. For general damages in an amount in excess of \$50,000.00;
4. For Plaintiffs' requested declarations;
5. For rescission of the agreements;
6. For attorney's fees and costs incurred herein as special damages;
7. For prejudgment interest;
8. For punitive damages;
9. For treble damages;
10. Alternatively, for unjust enrichment; and
11. For such other and further relief as the Court deems just and proper.

DATED this 18th day of July, 2019.

THE HAYES LAW FIRM

/s/ Dale A. Hayes, Jr., Esq.
DALE A. HAYES, JR., ESQ.
Nevada Bar No. 9056
4735 S. Durango Drive, Suite 105
Las Vegas, Nevada 89147
dhayes@hayeslawNV.com
Attorney for Plaintiffs