

PRESS RELEASE

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Settlement reached with BlueGreen Corp.; Florida-based timeshare company will pay refunds, cancel improper contracts and change business practices

HARRISBURG — The Attorney General’s Bureau of Consumer Protection has reached a settlement with Florida-based BlueGreen Corporation that addresses complaints about the company’s alleged use of deceptive “contests,” misleading sales presentations and improper contracts in the marketing and sale of timeshare vacation packages in Pennsylvania.

Attorney General Tom Corbett says the agreement, known as a Consent Decree, resolves a consumer protection lawsuit filed in October 2008 against BlueGreen Corporation, BlueGreen Resorts, BlueGreen Vacations Unlimited, Inc. and Great Vacations Destinations, Inc., all of Boca Raton, Florida. BlueGreen contacted consumers by phone and through kiosks at shopping malls, fairs, and festivals throughout Pennsylvania, along with the use of sales facilities in Hershey and King of Prussia.

“As a major part of this settlement, BlueGreen has agreed to cancel contracts and pay refunds to consumers who have filed valid complaints about their timeshare purchases,” Corbett said. “Those complaints include consumers who were unable to use their timeshare, false promises about when or where consumers could travel and situations where timeshare purchasers did not receive extra services or discounts that were promised during the sales presentation.”

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Corbett noted that the settlement applies to complaints by Pennsylvania timeshare purchasers that have already been filed with the Pennsylvania Office of Attorney General, along with any new complaints filed within the next 30 days. Also, BlueGreen has agreed to turn over all complaints involving Pennsylvania residents that were filed directly with the company.

Additionally, Corbett said the Attorney General's Office is reviewing complaints filed with other state agencies, such as the Pennsylvania Real Estate Commission, along with other consumer protection agencies, including the Florida Attorney General's Office, where BlueGreen is headquartered, as well as the Federal Trade Commission and Better Business Bureau offices in Pennsylvania and Florida.

"Many of the complaints filed with the Attorney General's Office involve consumers who spent between \$20,000 and \$40,000 on vacation packages they were unable to use," Corbett said. "This part of the settlement could result in more than \$1 million in refunds to consumers, depending on the total number of additional complaints we receive over the next 30 days."

Corbett said the settlement also includes payments for consumers who were promised various "free gifts," including airline tickets, hotel accommodations, gas cards and other valuable prizes.

"For most consumers, the promise of a 'free gift' or 'valuable prize' turned out to be nothing more than vouchers or coupons which required other expensive purchases before they could be used, or were limited by massive "fine print" restrictions," Corbett said. "As part of this agreement, BlueGreen is paying \$125,000, which will be used to compensate people who were deceived about "free" prizes – so consumers who filed valid complaints will get a check for the value of the item they were promised."

Finally, Corbett said the settlement includes a special reward for each consumer who filed a complaint about BlueGreen's use of telemarketing sales calls that violated Pennsylvania's "Do Not Call" law.

Corbett explained that under the provisions of the state's Do Not Call law, consumers can receive up to \$100 when they file a complaint that results in a lawsuit or fines against a company charged with telemarketing violations. A total of 29 people filed Do Not Call complaints about improper BlueGreen calls and each of those consumers will be receiving a check for \$100.

"This is a substantial settlement for Pennsylvania, in terms of the money it returns to consumers who were victims of deceptive sales, along with the protection it offers future timeshare buyers," Corbett said. "BlueGreen has agreed to change its businesses practices to eliminate future confusion about consumer rights involving timeshare purchases, to stop using misleading advertisements about free gifts or prizes and to make certain that any future telemarketing calls fully comply with our Do Not Call law."

Corbett said consumers who have not yet filed complaints about being unable to use their BlueGreen timeshare or customers who were deceived about "free gifts" and prizes have until June 24, 2010 to contact the Attorney General's Bureau of Consumer Protection. Consumers who have already filed complaints with the Attorney General's Office, either before or after the initial lawsuit was filed in October 2008, do not need to take any further action to have their claims considered as part of this settlement.

Consumers with complaints can call the Attorney General's Consumer Protection Hotline, at 1-800-441-2555, or submit an online complaint using the Attorney General's website, at www.attorneygeneral.gov (Click on the "Complaints" button on the front page of the website and select the "Consumer Complaint Form").

The Consent Decree was filed in Commonwealth Court by Senior Deputy Attorney General David Sumner.

Timeshare Tips

Corbett encouraged consumers who are shopping for a timeshare vacation package to consider the following tips:

- Take your time. Treat a timeshare purchase like the purchase of a home or any other significant commitment. Don't let high pressure sales tactics and long presentations force you into a hasty decision.
- Do your research. Check the market and the value of the vacation property before you buy and investigate the seller, the developer and the management company. Ask for references and contact current owners to verify their satisfaction with the property.
- Know the cancellation period. Pennsylvania provides a five-day cooling off period for buyers to change their mind and cancel a timeshare contract. Consumers must notify the seller in writing via certified mail or return receipt mail.
- Recognize that timeshares can be difficult to resell. Buy a timeshare only if you plan to use it. It is an option for future vacations, not an investment.
- Consider extra costs. Most timeshares require consumers to pay annual assessment fees, maintenance fees and taxes, closing and broker commissions, and finance charges. Some fees can rise dramatically in the future so it's important to ask if there is a cap on future fees.
- Beware of scams. If you are offered a prize as an incentive to attend a timeshare presentation, ask for details and watch out for hidden conditions and fine print. Keep in mind that the value of promotional gifts may be low in comparison to the fees and charges associated with a timeshare purchase. Any 'free' travel or vacations you are offered may have blackout dates and other restrictions.

- Read everything before you sign. Carefully review contracts and all other paperwork before you sign anything, and get all special promises about discounts, waived fees or other promotions in writing.

Consumers with questions or complaints involving timeshares can call the Attorney General's Consumer Protection Hotline, at 1-800-441-2555, or submit an online complaint at www.attorneygeneral.gov.

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Editors' Note: A copy of the BlueGreen Consent Decree is available by contacting the Attorney General's Press Office at 717-787-5211.