



FEDERAL TRADE COMMISSION
PROTECTING AMERICA'S CONSUMERS

For Release

FTC, Wisconsin Attorney General Take Action Against Timeshare Exit Scammers for Cheating Consumers Out of \$90 Million

Scammers pitch pricey services to older adults promising escape from timeshare contracts, but regularly fail to deliver

November 22, 2022

Tags: [Consumer Protection](#) | [Regional Offices](#) | [Midwest Region](#) | [Bureau of Consumer Protection](#) | [Travel](#)

The U.S. Department of Justice, on behalf of the Federal Trade Commission, and the Wisconsin Attorney General, filed suit today against Consumer Law Protection and related companies, along with their owners and operators, Christopher Carroll, George Reed, Louann Reed, Scott Jackson, and Eduardo Balderas for scamming consumers—mostly older adults—out of more than \$90 million in a massive timeshare exit scam.

“The defendants used scare tactics and high-pressure sales pitches to coerce seniors into forking over thousands of dollars for timeshare exit services they didn’t deliver,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “The FTC appreciates the partnership of the Department of Justice and the Wisconsin Attorney General in putting a stop to this scheme.”

The Missouri-based scam has operated under a number of names, including Square One, Consumer Law Protection, Premier Reservations Group, Resort Transfer Group, and Timeshare Help Source. Since at least 2018, the defendants used direct mail and in person “seminars” to pitch a dizzying array of deceptive claims to pressure consumers into paying for their services.

The [complaint alleges the defendants harm consumers](#) in numerous ways, including:

- **Making bogus affiliation claims:** The complaint alleges that the defendants’ sales pitches falsely employed logos of legitimate timeshare companies and trade groups to lead consumers to think their services are endorsed or “authorized” by major timeshare companies.
- **Deceiving consumers about their options:** According to the complaint, the defendants falsely told consumers that they could not exit a timeshare on their own without paying the defendants an exorbitant amount of money. They also threatened consumers to buy their service on the



day of the sales pitch or they will never be able to exit their timeshare.

- **Stoking baseless fears about how heirs may be affected:** The complaint notes that the defendants use fears that consumers' heirs will be saddled with ever-increasing maintenance fees after the consumers die as an incentive to pay for the expensive exit services. In fact, states have procedures allowing heirs to disclaim any timeshare inheritance.
- **Failing to give consumers promised refunds:** The defendants' sales documents include a "guarantee" that if the defendants do not deliver on their promises, consumers will receive a full refund. When consumers call to request refunds, the defendants cite non-existent litigation, the COVID pandemic, or other phony reasons why they haven't secured the timeshare exit, and then deny nearly every refund requested.
- **Pressuring consumers to sign contracts with non-negotiable and unenforceable terms:** The complaint alleges that the defendants pressure consumers to sign contracts that say consumers are not allowed to cancel. Including such a contract term violates the [FTC's Cooling-Off Rule](#), which guarantees consumers the right to cancel a contract like this within three business days of the sale.

The Commission vote on October 3, 2022, to refer the civil penalty complaint to the DOJ for filing was 5-0. The Department of Justice filed the complaint on behalf of the Commission in the U.S. District Court for the Eastern District of Missouri.

NOTE: The Commission refers a complaint for civil penalties to the DOJ for filing when it has "reason to believe" that the named defendants are violating or are about to violate the law and that a proceeding is in the public interest. The case will be decided by the court.

The Federal Trade Commission works to promote competition and [protect and educate consumers](#). Learn more about consumer topics at [consumer.ftc.gov](#), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](#). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

Contact Information

Media Contacts

[Jay Mayfield](#)

Office of Public Affairs

[202-326-2656](#)

[Nicole Drayton](#)

Office of Public Affairs

[202-326-2565](#)



[312-960-5623](#)

Staff Contact

Samantha Denny
FTC Midwest Region
[312-960-5623](tel:312-960-5623)

