



AG ANNOUNCES SETTLEMENT WITH TIMESHARE TRAVEL CLUB TO PROVIDE \$75,000 IN REFUNDS FOR ALABAMA CONSUMERS

(MONTGOMERY) –Attorney General Luther Strange announced today that his office has reached a settlement with Festiva Development Group of North Carolina that will return \$75,000 to Alabama consumers and reform business practices of its timeshare and travel club operations.

“I am pleased that this settlement will compensate Alabama consumers who complained of difficulties with this company,” said Attorney General Strange. “It also is important that we have reached an agreement that should prevent future problems and ensure more fair and scrupulous practices,” said Attorney General Strange.

The agreement, called an Assurance of Voluntary Compliance, calls for partial refunds to certain Festiva Vacation Club members, not those in timeshares. Each of the 107 consumers with complaints currently pending with the Attorney General’s Office will receive a refund of approximately \$467. About 221 additional consumers may be eligible for an undetermined amount if they contact the Attorney General’s Office within 90 days of the settlement’s execution, which is effective today. These consumers should contact the Attorney General’s Office through its website; www.ago.alabama.gov; by calling toll-free 1-800-392-5658; or writing to the Attorney General’s Office, Festiva Settlement, Consumer Protection Section, 501 Washington Avenue, Montgomery, AL 36104.

The settlement also provides for Festiva to adhere to strict marketing rules when it conducts business in Alabama. Among these are: the company must orally offer all prospective time share or membership customers ample time after presentations to discuss the matter privately; must provide gifts up front in solicitations to current customers, and within 120 minutes for new customers or earlier if the person chooses to leave after the presentation has begun; must disclose terms of any certificates or gifts acquired from third parties; must make clear the brand and value of gifts offered in exchange for attending a presentation; must not represent something as a free vacation if there is any obligation on the consumers’ part; must not charge for anything identified as a gift, prize or bonus; must not tell consumers that a prize offered at a presentation will not be available at any time; must disclose that reservations are first-come, first-served; and must respond within 10 days to all complaints made to the Attorney General’s Office. For its investigation, the Attorney General’s Office will receive \$25,000 for costs and attorneys’ fees.

Attorney General Strange commended his Consumer Litigation Section for its outstanding work in reaching this agreement, noting in particular Assistant Attorneys General Kyle Beckman, Noel Barnes and Cameron McEwen, and Special Agents of the Attorney General’s Office.

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