



# 13 SHOCKING SECRETS

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The timeshare industry  
does not want you to  
know

Read this before you buy, sell, or get rid of your  
unwanted timeshare

[www.redweektimesharebook.com](http://www.redweektimesharebook.com)

**“...the U.S. timeshare industry increased for the 8th straight year by nearly 4% from \$9.2 billion in 2016 to \$9.6 billion in 2017.”  
Foundation, 2018**

### **TIMESHARE SALES ON THE RISE**

Nobody wakes up one morning and decides to buy a timeshare, but a growing number of consumers spend an average of \$21,000 to contribute to this multi-billion-dollar industry.

Timeshare purchases occur every day somewhere in the world: North America, Europe, Central and South America, Mexico, Caribbean Islands and Asia.

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“ARDA says that the image of timeshare owners as elderly seniors playing shuffleboard has changed too, with timeshare owners becoming younger and more ethnically diverse with a median age of 39 for owners, and more than 40% of U.S. owners are either African-Americans or Hispanics.”

Goldstein, 2016

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Many clueless consumers are talked into taking a timeshare sales presentation through the mail, on the phone, or while on vacation. They buy them in the city, on beach fronts, in ski resorts, in theme parks and now on cruise ships.

Consumers buy primarily for two reasons: Firstly, it is due to the alluring gifts offered by the developers. Timeshare resorts have been offering discounted accommodations (called minivacs) in exchange for travelers or vacationers to attend a timeshare presentation. This tactic converts into a high percentage of new owners.

Secondly, it is because of the sales and marketing staff. They are trained to gain the potential clients' trust, identify their dominant buying motives, and present an offer that makes financial sense. The industry's motto is “sell on emotion, and close on logic,” and it works.

In the United States alone, the industry continues to skyrocket despite the negative image it has maintained for years.

However, the market has changed substantially in the last 20 years. Timeshares were generally purchased by the elderly or the retired. Now, the demographics have changed drastically and are attracting younger families with higher incomes and more ethnic groups.

When you were vacationing on a beautiful white sandy beach alongside the turquoise waters of the Caribbean Sea, and the weather back home was cold and nasty, why not buy a timeshare? The person who invited you seemed genuine and sincere. The sales person was friendly and knowledgeable. The manager gave you a good deal that you simply could not pass up, and now you own a timeshare and can travel anywhere in the world, anytime. Right? Not always so.

Like any other industries, there are shocking secrets within the timeshare industry that consumers are not supposed to know to protect the integrity of the companies and the industry. There will be legal ramifications if the consumers know what really goes on.

Here are **13 shocking secrets of the timeshare industry** that consumers should know before they buy, sell or get rid of their timeshares.

## **1 Many Timeshare Companies Do Not Own the Properties Where They Sell**

That's right. Many timeshare companies do not own the resorts where they sell their timeshares. They are owned by separate corporations and simply have an agreement with the timeshare companies to use their rooms.

Unfortunately, when the members try to use their timeshares through the resort network or the exchange company, many find it very difficult because the timeshare has a limited inventory at that property. Consequently, there are a plethora of online complaints toward the company.

In the case of SECRETS, ZOETRY, DREAMS, BREATHLESS, NOW and SUNSCAPE Resorts in Mexico, the Dominican Republic and Jamaica, they are a collection by AmResorts. The company that sells the timeshare is Unlimited Vacation Club, a travel club, and they do not own any of the resorts. Consumers who purchase a UVC membership at these resorts are buying nothing more than an overpriced travel club membership that costs between \$10,000 to \$80,000.

According to the contracts, the legal entity for Unlimited Vacation Club is in Panama. Although it is a Florida based company, travel club members who want to initiate any legal action against the company must go to Panama.

Similarly, Prestige Travelers at Karisma Resorts and TravelSmart Travel Clubs in Mexico and in the Caribbean islands also do not own inventory at any of the resorts.

## 2 Guests Who Attend a Timeshare Presentation and Tell the Sales Staff That They are Not Going to Buy That Day Often End Up Buying

When guests are invited to a timeshare sales presentation either by phone or while on vacation they have no intention to purchase. When they share resistance with the sales representative up front, their chances of purchasing are even higher for two reasons.

Firstly, while guests attend the sales presentation, their guards are up, and they will show no intention to make a purchase. The job of the sales person is to lower their guards by being friendly and appear to be genuine. Once the guards are down, the sales rep is trained to identify the "real" objections that the guests have for not purchasing that day.

Secondly, once the real objection is identified, the sales rep is highly trained to focus the presentation around that objection, find their "hot buttons or dominant buying motives," and come up with the sales strategies that will get them to buy, that day. These sales strategies would normally involve coming up with a reason to lower the price or give them a free week of vacation or other attractive gifts.

## 3 Timeshare Attorneys and Relief Companies are Generating Millions of Dollars Off Timeshare Owners Who Can Easily Do the Work Themselves for Free

Timeshare attorneys and timeshare relief companies are generating millions of dollars in profits by helping consumers get out of their unwanted timeshares. They use a variety of successful methods which begins with contacting the resort to initiate the process.

What most timeshare owners do not realize is that they can do the work themselves without paying anyone. In some cases, they can simply walk away without any repercussions because, in many cases, they do not own anything.

However, these savvy cancellation companies have popped up overnight and are generating millions of dollars in profits.

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“... the Timeshare Exit Team. Its CEO, Brandon Reed, claims that it has a 99 percent success rate among the approximately 6,000 consumers who have sought relief over the past four years.”

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Marks, 2016

One timeshare attorney boasts that he has helped over 6,000 timeshare owners to get rid of their timeshare with a 99% success rate and charges an average of \$3,900 per client. So, 6,000 X \$3,900 = \$23 million.

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“Several timeshare companies have declared war on attorneys and businesses that advertise timeshare cancellation services.”

Paul Brinkman, 2017

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Although successful, the timeshare owners could have saved themselves the \$3,900 and did it themselves by negotiating with the resort to transfer the property back with a warranty deed. This is the legal procedure that many timeshare attorneys use to transfer the timeshare back to the resort.

Timeshare attorneys and timeshare relief companies are so successful that the timeshare resorts have filed lawsuits against them because members are getting out of their timeshares through these companies.

## 4 Many Timeshare Owners Cannot Use Their Own Timeshares Because the Resort has Been Sold Out – Many Times Over

Many timeshare owners purchased because they wanted the ability to travel around the world and explore new places and cultures. They will attempt to make reservations within their own resort system or use one of two of the largest timeshare exchange companies in the world, Resorts Condominiums International (RCI) or Interval International (I.I.).

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“Plaintiffs seek unspecified damages, including punitive damages, pre-judgment and post-judgment interest, attorneys' fees other expenses and court costs and certain declaratory and injunctive relief.”

Bizjournal, 2003

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Unfortunately, one of the reasons why so many timeshare owners want to get rid of their timeshare is because they cannot exchange their timeshare to where they want to go. The primary reason why they can't exchange is because they resort has been oversold. With the points system being sold to new and existing timeshare owners, the resorts can sell as many points as they like. According to a law suit filed against ILX Resorts. they oversold their inventory

In many cases, a simple email from the timeshare owner to the resort would suffice, and there is nothing the resort can do.



at the Los Abrigados Resort and Spa in Sedona, Arizona and that is why the owners could never get in.

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“The elderly were induced to purchase vacation memberships in a same day sale without being advised as to the lack of a secondary market by intentional design. Memberships were accompanied by, at times, dramatically escalating maintenance fees.”

Insider, 2017

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Another lawsuit was recently filed against Diamond Resorts based in Las Vegas for securities fraud. The suit alleges that the resorts sell points that are not registered with the Securities and Exchange commission. Apparently, they are involved in a one billion-dollar lawsuit which accuses the company, and many of its affiliates of unfairly targeting the elderly.

Too often, resorts that sell a points system can easily oversell the inventory if the points are not directly attached to a deed.

There are many resorts that simply have no inventory for their members because they have sold more inventory than they own.

This was the case with The Manhattan Club which resulted in a class action law suit by its members.

The points system and the right to use system are created for the advantage of the developers, not the consumers. They can sell as much as they like without any accountability.

Many foreign owned timeshares in Mexico and the Caribbean are guilty of overselling because they are travel clubs, not typical timeshares. Because they do not own the inventory, they can sell as much as they want, and they do.

## 5 Jamaica Travel Clubs are Operating Illegally and Discriminate Against Locals

Although Jamaica has many timeshares in the RCI and I.I. resort directories, Jamaica traditionally has not had timeshare legislation to control the industry. In fact, most timeshares or travel clubs in Jamaica are operating illegally by not registering as a local business.

Daily sales are quickly disbursed to foreign bank accounts, circumventing the local banking system and the government. The Jamaican government might think that the resorts are selling the timeshares because they are registered with the local governments to operate as a legitimate business, but the travel clubs are not registered. Jamaica has recently passed timeshare legislation to ‘increase the presence of timeshare’ according to a news article.

However, the legislation does not include travel clubs that have already made their footprint in the country and might be operating illegally behind the skirts of high end resort brands, i.e., SECRETS, KARISMA and ROYALTON, they are completely separate entities.

They operate under the radar by working with small mom and pop businesses set up in the Free Zone of Montego Bay. However, the daily travel club sales are unreported to the local authorities. The Jamaican government may be losing millions in unreported tax revenue.

Moreover, they hire illegal foreigners to run the schemes and are paid in Mexico or in the Dominican Republic to avoid paying local taxes.

Most often, the travel clubs are not paying the local Jamaicans the same commission structure as the illegal foreign workers. While many foreign workers are generating tens of thousands per month, many of the locals are barely making a living. This is undetected as the foreign workers are paid handsomely "under the table."

## 6 When Timeshare Owners Trade in Their Old Timeshares for One at the Resort, They Give Them Zero Trade In

When an existing timeshare owner attends a timeshare presentation at a different resort, they have the option of trading in their old timeshare for a new one.

The resort will offer a reduced price if the owners traded in their old paid in full timeshare. In some cases, they will offer tens of thousands for their old timeshare.

This is an old trick used in the industry to make a sale. The closer will originally present a much higher price for the timeshare to make room for this "trade in."

In the end, the timeshare owners simply traded in one timeshare for another and paid the same price as those who didn't trade in a timeshare.

Resorts will **NEVER** give anything for a used timeshare. They will give the old timeshare to a broker who will list it on the resale market or sell it back to the original resort.

## **7 Many Timeshare Sales Managers Expect or Require Their Sales People to Lie, or They Get Fired**

Timeshare companies have a reputation for being dishonest, which is why there are so many lawsuits against them and so many disgruntled owners.

What consumers do not realize is that lying is expected in most resorts and required in many resorts. There are many lies within the industry that if the sales person does not present, he will not get the backing of the management during the sales process.

Every resort has a sales meeting before the guests arrive. The meetings will announce the sales for the previous day, and what the sales team needs to do to improve sales. Some sales meetings involve vulgar and obscene language towards the sales staff.

The sales process is a team effort and requires the backing of management to use a variety of sales strategies to get the sale. Most often, if you do not lie and your sales figures are not where the company wants it to be, the sales person will either be blackballed or get fired.

All resorts have daily, monthly and annual budgets that they must hit – at any costs.

## **8 Racial, Religious, Gender and Sexual Preference Profiling is a Common Marketing Tool**

Timeshare resorts spend a lot of money on marketing costs to lure unwilling consumers to attend a timeshare presentation. The gifts must be attractive enough to convince even the most skeptical consumers to take a 90-minute sales presentation.

The gifts range anywhere from free vacations, free excursions to theme parks, i.e., Disney, show tickets in Las Vegas to cash. If the resort has a sales staff of 100, which is not uncommon in some places like Disney that has over 250, the marketing expenses add up.

Although the resorts get a nice discount when purchasing these gifts, they must spend a lot of money to lure consumers into the sales presentations. Therefore, their marketing strategies must become a science – and a science it is.

Resorts will use many strategies to target demographic segments to get the most for their marketing money. Within the U.S., they will target certain zip codes. That would represent income bracket, educational level, race and religion.



Blacks, Latinos, Jews, Indians from India, men and seniors will usually be offered fewer gifts and the marketing team will also get less pay.

In Mexico and the Caribbean Islands, the timeshare resorts give their marketing representatives specific instructions as to what they are looking for. These instructions will determine the number of gifts they can give to the guests, and the amount of cash the marketing representative will get for bringing in certain profiles or guests who would most likely buy.

In most cases, the most valuable couples are whites and gays. The resort's marketing management will pay the most for these couples. Blacks, Latinos, Jews, Indians from India, men and seniors will usually be offered fewer gifts and the marketing team will get lesser pay if they bring in these couples.

Why? Because their primary purchasers in Mexico and the Caribbean Islands are the white and gay couples from the U.S and Canada.

Surprisingly, in Mexico, Mexicans are disqualified. In the Caribbean, the locals are disqualified, unless they appear to be wealthy.

## 9 Most New Timeshare Owners Sign Legal Documents Without Ever Reading What They Have Signed For

After what was supposed to be a 90-minute sales presentation becomes a 4 to 6-hour ordeal, consumers will give in and decide to make a purchase. Once they fill out the initial paperwork, they are emotionally drained and just want to leave.

However, it might take an additional 30 minutes or more for the final paperwork to arrive, especially when there are a lot of sales. When the paperwork finally arrives, most new owners sign the paperwork without ever reading the vital information that pertains to what they are purchasing.

One resort chain in the Dominican Republic states in their paperwork that if the owner makes any negative remarks or comments online about their experiences with the resort, the resort will cancel their membership. This is something that the new owners unknowingly agree to when signing the paperwork.

Many will also overlook the right of rescission period.

## **10 When New Timeshare Owners Receive Free Accommodations and Gifts for Purchasing That Same Day Are Already Included in the Purchase Price and the Closing Costs**

When the guests decide to purchase the timeshare, the resorts will list the closing costs in addition to the purchase price. It will not be listed as part of the purchase price but will be added to the down payment.

For example, if the purchase price is \$18,000, the down payment is 35% or \$6,300. The closing costs will be an additional cost and could be as high as \$2,000. Hence, your down payment would be \$8,300.

The resort will use these funds to pay for the documents, the new owner's kit or packet, the exchange company enrollment, and any gifts that are offered as part of the deal. Most of it will be split between the sales staff involved in the sale.

For example, if the resort offers the new owners a free stay at the resort or other valuable gifts, they are already included in the closing costs. They are never free.

## **11 Consumers Can Purchase a Timeshare for a Fraction of What It Costs at the Resort With the Same Benefits. In Some Cases, for Only \$1.00 and It Includes All Closing Costs**

Consumers who are serious about purchasing a timeshare should never purchase at a resort because they can buy the same timeshare at the same property for a fraction of the cost.

Resorts are charging exorbitant prices for a timeshare when consumers can quickly go online at the many timeshare resale sites and get it for much less.

While some resorts charge between \$10,000–\$20,000 for a timeshare, consumers can go online and purchase them for 10% of those prices.

Purchasing online also gives the consumer time to do the research and learn everything about the timeshare before making a purchase. There is nothing worse than making an expensive

purchase at a high-pressure sales presentation and later regretting it. By purchasing online, one has the time to do their due diligence and pay considerably less.

When a consumer purchases a timeshare from an owner, they will receive the same benefits as the original owner, unless otherwise documented in the paperwork. This would be highly unlikely.

## **12 Consumers Who Purchase a Timeshare at an All-Inclusive Resort are Paying More Than the General Public**

Most Mexican and many Caribbean resorts have become mandatory all-inclusive resorts that include meals, beverages and some non-motorized activities.

This is an attractive feature for many consumers who do not want to deal with finding local establishments to eat and drink. With the all-inclusive option, they can eat and drink as much as they like without additional charges.

Many timeshare companies operate within these resorts, although they don't own the resort.

When prospects attend a sales presentation, they are told that they will get a discount when they stay at any of the company's affiliate resorts. Some are even told that the timeshare will guarantee discounted airfares during their membership. This is untrue.

For example, if the guest bought a timeshare from the Unlimited Vacation Club that operates out of the Secrets Resorts, they can stay at any of the Secrets Resorts and get a discount on the mandatory all-inclusive options without paying a maintenance fee.

What the owners don't realize is that they are paying the same or more for the all-inclusive than the general public. When you add up the purchase price for the timeshare, and the nightly costs for the mandatory all-inclusive, they are paying much more than they get on any travel site.

Many owners have later gone online and witnessed deals at the same resorts at a much cheaper price than what their timeshare offers.

**There are many timeshares selling for only \$1.00, and the seller will pay all closing costs and transfer fees just to get rid of it.**

# 13 All Timeshare Owners Can Easily Get Out of Their Timeshares, If They Know the Process

Timeshare attorneys and timeshare relief companies are successful in getting frustrated timeshare owners out of their unwanted timeshares. Most will guarantee that they can get you out regardless of whether it is paid off or not.

Timeshare owners too can get out of any timeshare without paying big bucks to companies who are generating millions annually.

Sadly, these companies use effective marketing strategies that include scare tactics to convince consumers to give them their credit cards to pay for something they can easily do themselves.

## **KNOW BEFORE YOU GO ON A TIMESHARE PRESENTATION**

Before attending a timeshare presentation anywhere, know before you go. Research the resort, the reviews and the resale costs to learn all you can about the resort that has invited you.

If you want to complete your sales presentation at 90 minutes or less with your gifts, present them a copy of the resale and the negative reviews. They will usually get you out so that they can talk to a more willing prospect.

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## About the Author

Wayne C. Robinson has worked in the timeshare industry for more than 15 years in the U. S., Canada, Mexico and the Caribbean Islands, including Holiday Inn Club Vacations, Wyndham, Royal Resorts, The Manhattan Club, Pueblo Bonito Sunset and many more. He is thoroughly familiar with the contracts and the local timeshare laws on all types of timeshares.

He currently holds a timeshare license in Nevada and has held licenses in Pennsylvania and New Mexico. He has sold millions of dollars of timeshares and has hundreds of owners. Additionally, Wayne has worked for developers reviewing contracts and in sales and marketing.

The culmination of his career was being promoted to Director of Sales and Marketing for the timeshare at the luxurious Azul Sensatori Resort in Jamaica.

He knows almost everything there is to know about the timeshare industry and wants to share industry secrets to those who want to get out of a timeshare—without paying anyone.

