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<u>News</u>

Timeshare company made bogus claims, ordered to pay \$10M for defrauding the elderly, state says

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NEW!

By Karin Price Mueller | NJ Advance Media for NJ.com

A New Jersey-based timeshare company accused of defrauding consumers has been ordered to pay <u>more than \$10 million</u>, the attorney general said Thursday.

The state filed a five-count <u>lawsuit</u> in Essex County Superior Court in November against William Andrews Burns LLC (WAB) and its owner, William O'Hanlon. The state accused the company of operating a telemarketing scheme that "preyed on timeshare owners, many of whom were elderly."

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The lawsuit alleged that WAB cold-called timeshare owners and used high-pressure sales tactics and misrepresentations to persuade them to pay upfront fees ranging from \$594 to \$2,899. In exchange, WAB promised to rent or resell their timeshares.

The default judgment includes \$9.32 million in civil penalties and permanently bars the company and O'Hanlon from doing business in New Jersey.

"These defendants took advantage of consumers – many of them senior citizens – by taking their money in exchange for what turned out to be empty promises," Acting Attorney General Matthew Platkin said.

The state's complaint alleged that WAB assured consumers there was virtually no risk in signing up for its services and offered a money back guarantee.

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"Among other things, the defendants guaranteed owners they would receive thousands of dollars in rental income for each week WAB rented out their timeshares for them, and promised to refund their advance payments within 180 days if WAB failed to deliver," the state said. "However, the complaint noted, the State was unable to identify a single timeshare owner who received rental or sale income after signing on with WAB, and most refunds never materialized."

The state began its investigation after reviewing more than 50 consumer complaints about WAB. In all, it said it received more than 100 complaints from consumers around the U.S., including some from consumers who didn't even own timeshares.

For example, it said, the company took \$2,865 from a 94-year-old consumer to rent a timeshare the consumer no longer owned. In another example, the company convinced an elderly consumer who had never owned a timeshare to pay \$1,999 for rental

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The state also alleged that WAB offered collection services to consumers without disclosing that the services involved an additional fee.

"As part of these collection services, the defendants promised to recover money for consumers from companies that had operated other timeshare-related scams," the state said. "Instead, WAB tried to pocket chargebacks from consumers' credit card companies by fraudulently posing as a friend of the consumer – a friend ostensibly helping the consumer review past statements and obtain reimbursement for alleged unauthorized credit card transactions."

The state also alleged WAB and O'Hanlon violated the Consumer Fraud Act and state advertising regulations.

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"These defendants are being held accountable for exploiting an already vulnerable group of consumers – many of them elderly – by promising help that was never provided," Acting Director of Consumer Affairs Cari Fais said.

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