

## FAQs – FESTIVA CONSUMERS

### Settlement

- On October 13, 2015, the Attorney General settled her case against 6 Festiva companies, their owners, and the Festiva Adventure Club Members' Association through court-ordered mediation.
- Under the settlement, Festiva has agreed not to sell any Festiva Adventure Club ("FAC") memberships in Maine for 3 years.
- In addition, approximately 800 consumers who filed complaints with the AG's Office or who completed the AG's survey (the "Survey") are entitled to relief under the settlement.
- Consumers who still own a Festiva Adventure Club ("FAC") membership have been divided into 6 different groups. Consumers in each group are entitled to the relief specified, which generally depends on several factors, including whether the consumer indicated dissatisfaction on the Survey with Festiva's sales tactics, took a vacation using their Festiva points, or converted (traded in) a deeded timeshare to buy a FAC membership.
- For consumers who have defaulted on, or cancelled, their FAC contracts, Festiva Development Group ("FDG") will request that the credit reporting agencies delete any trade line on their credit report that relates to money owed to Festiva, and stop all collection efforts.
- The 6 different relief groups are:

**Group 1** (Exhibit B): In this group are consumers who 1) indicated dissatisfaction with Festiva's sales tactics on the Survey, 2) never took a vacation using their FAC points, and 3) didn't convert a deeded timeshare to buy their FAC membership.

Relief: FDG will notify each consumer by letter of an opportunity to get a release from his/her FAC contract. The consumer must sign a release if he/she accepts this offer.

**Group 2** (Exhibit C): In this group are consumers who 1) indicated dissatisfaction with Festiva's sales tactics on the Survey, 2) never took a vacation using their FAC points, and 3) converted a deeded timeshare to buy their FAC membership.

Relief: FDG will notify each consumer by letter of an opportunity to choose either:

Option 1 – an opportunity to get a release from his/her FAC contract;

OR

Option 2 – an opportunity to get a release from his/her FAC contract and the return of the consumer's deeded timeshare.

The consumer must sign a release if he/she chooses either Option.

**Group 3 (Exhibit D):** In this group are consumers who either 1) did not indicate dissatisfaction with Festiva's sales tactics on the Survey or 2) took a vacation using their FAC points, and 3) converted a deeded timeshare to buy their FAC membership.

Relief: FDG will notify each consumer by letter of an opportunity to get a release from his/her FAC contract and the return of the consumer's deeded timeshare. The consumer must sign a release if he/she accepts this offer.

**Group 4 (Exhibit E):** In this group are consumers who 1) own less than 3,200 biennial points, and 2) did not convert a deeded timeshare to buy their FAC membership.

Relief: FDG will notify each consumer by letter of an opportunity to seek a release from his/her FAC contract. The consumer must sign a release if he/she accepts this offer.

**Group 5 (Exhibit F):** In this group are consumers who 1) own less than 3,200 biennial points, and 2) converted a deeded timeshare to buy their FAC membership.

Relief: FDG will notify each consumer by letter of an opportunity to choose either:

Option 1 – an opportunity to get a release from his/her FAC contract;

OR

Option 2 – an opportunity to get a release from his/her FAC contract and the return of the consumer's deeded timeshare.

The consumer must sign a release if he/she chooses either Option.

**Note: There are no consumers in Group 5 (Exhibit F).**

**Group 6 (Exhibit G):** In this catchall group are all other consumers who aren't a member of any of the above groups.

Relief: FDG will notify each consumer by letter of any opportunity to be released from his/her FAC contract before the end of the 40-year term so long as any loan balances are paid in full, and the consumer is at all times current on maintenance fees owed to the FAC Members' Association. Any release granted by FDG will be effective 10 years from the date the consumer signed his/her FAC contract, but

the consumer who gets such a release continues to be bound by the contract and the obligation to pay maintenance fees until the 10-year period expires.

### FAQs

- Is Festiva going to pay me back all the money I spent?

No. The settlement was hard to negotiate because there are 800 affected consumers who've had different experiences with Festiva, and who may have received some benefits (i.e., by taking vacations). However, all of these consumers have a 40-year contract with Festiva. In reaching the settlement, the Attorney General decided that it was more important to offer as many consumers as possible a chance to be released from these 40-year contracts – and their ongoing maintenance fees - than it was to get a little money for a much smaller number. The cost for releasing consumers from their contracts and maintenance fees, and returning deeded timeshares, will be significant to Festiva, and the Attorney General is very pleased that so many Maine consumers will benefit from the settlement.

- Do I have to take Festiva's offer under the settlement?

No, you can refuse Festiva's offer. If you refuse, your contract will remain in force, and you're free to pursue your own private action against Festiva if you wish to do so.

- I didn't fill out a Survey. Can I still participate in the settlement?

No, but Festiva has agreed to treat new complainants who file a complaint with the Attorney General's Office in the same, or similar, way to consumers who are entitled to relief under the settlement. If you'd like to try to resolve your complaint with Festiva in this way, please write a letter detailing how and when you purchased your FAC membership, your experience in using it, and why you're dissatisfied with Festiva, and mail or e-mail it to us to:

Office of the Attorney General  
Consumer Protection Division  
Festiva Complaints  
State House Station 6  
Augusta, ME 04333-0006  
[Consumer.mediation@maine.gov](mailto:Consumer.mediation@maine.gov)

We'll send your letter or e-mail to Festiva's in-house attorney for review, and will forward her reply and any offer of resolution to you. It will be your decision whether to accept any offer.

- Why has it taken so long for us to hear about the settlement?

The settlement is complicated, and the parties have spent this time working to sort out the 800 affected consumers into the different groups that are entitled to relief. We decided

that it didn't make sense to publicize the settlement until we could tell consumers who contacted us what relief, if any, they are entitled to under the settlement.

- I think I should be in a different group.

If you think you've been put into the wrong group, please write a short email or letter to us that explains why you believe you're in the wrong group and should be in a different group. We'll confer with Festiva's in-house attorney, and get back to you with a decision.

- I sent the Attorney General's Office the binder and paperwork that I got from Festiva and would like them back.

Thanks for sending the materials to us. The paperwork and binders that we received from consumers were very helpful to us in preparing our case. We're happy to return your binder and paperwork to you. Please confirm your name and address and we'll put them in the mail to you.