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9 CURTHOYS and SUZANNE CURTHOYS

**FILED**  
**Superior Court Of California,**  
**Sacramento**  
**02/11/2020**  
**rgomez5**  
**By \_\_\_\_\_, Deputy**  
**Case Number:**  
**34-2020-00275239**

10 **STATE OF CALIFORNIA**

11 **COUNTY OF SACRAMENTO**

12 **ROBERT CURTHOYS and SUZANNE**  
13 **CURTHOYS,**

14 **Plaintiffs,**

15 **v.**

16 **DIAMOND RESORTS INTERNATIONAL,**  
17 **INC., a Delaware corporation, and DOES 1**  
18 **through 100, inclusive,**

19 **Defendants;**

**CASE NO.:**

**COMPLAINT FOR VIOLATION**  
**OF CAL BUSINESS &**  
**PROFESSIONS CODE §17200, ET**  
**SEQ., AND FINANCIAL ELDER**  
**ABUSE PURSUANT TO CAL**  
**WELFARE & INSTITUTIONS**  
**CODE §15610.30**

**JURY TRIAL DEMANDED**

20  
21 Plaintiffs, ROBERT CURTHOYS and SUZANNE CURTHOYS allege as follows:

22 **PARTIES**

23 1. Plaintiffs Robert Curthoys and Suzanne Curthoys (collectively, the "Curthoys" or  
24 "Plaintiffs") are a retired couple living in Folsom, California. At all times relevant to this action,  
25 the Curthoys were over the age of 65.

26 2. Plaintiffs are informed and believe and based thereon allege, that Defendant  
27 Diamond Resorts International, Inc. ("DRI") is a Delaware corporation with its principal place of  
28 business in Nevada, and doing business in the State of California, County of Sacramento.

By Fax



1 the Curthoys that they should pay to convert their timeshare to a membership in one of Diamond's  
2 collections of resorts. The Curthoys refused.

3 12. In 2013, the Curthoys requested that Diamond take their timeshare back. Diamond  
4 refused.

5 13. The Curthoys then paid for the services of an attorney to assist them in transferring  
6 their timeshare to a new buyer. The attorney was unsuccessful and no longer represents the  
7 Curthoys.

### 8 **Regulatory Action Against Diamond**

9 14. In December 2016, the Arizona Attorney General concluded an investigation into  
10 Diamond's violations of the Arizona Consumer Fraud Act with the entry of an Assurance of  
11 Discontinuance, a copy of which is attached to this Complaint as Exhibit 1.

12 15. The Assurance of Discontinuance defines "Diamond" as follows: "Diamond" means  
13 and includes DRI, its predecessor companies, successor companies, direct or indirect wholly and  
14 partially owned subsidiaries, and each of their divisions, employees, officers, directors, managers,  
15 assigns, and agents acting or having responsibilities with respect to the subject matter of this  
16 Assurance."

17 16. Diamond was required to make extensive changes to its sales and marketing  
18 procedures. Diamond was also required to implement new training processes for no less than six  
19 years so that these changes might be followed.

20 17. In connection with the Attorney General's investigation, Diamond agreed to  
21 implement a "relinquishment program" that would allow customers to free themselves of their  
22 timeshare obligations.

23 18. The relinquishment program to which Diamond and the Attorney General agreed  
24 provides that a customer may be considered for the program if they meet five specified criteria,  
25 including not having a loan balance and being current on the payment of all annual fees (the  
26 "Agreed Criteria").

27 ///

28 ///

**Transitions Program**

1  
2 19. Shortly after the Assurance of Discontinuance was entered, Diamond implemented  
3 the relinquishment program on a national basis under the name "Transitions."

4 20. On information and belief, the eligibility criteria for the national Transitions program  
5 were originally limited to the Agreed Criteria.

6 21. However, Diamond's website now includes an additional requirement: "Participation  
7 with a timeshare exit or resale company or firm may negatively impact your ability to apply for  
8 Transitions."

9 ~~22. This requirement is vaguely worded, but Diamond's policy is to reject applications~~  
10 from any customers who have sought legal representation in connection with the relinquishment of  
11 their timeshares.

**The Curthoys' Application for Transitions is Rejected**

12  
13 23. The Curthoys accessed their account on the Diamond website on or about July 30,  
14 2019 and saw that they were eligible for the Transitions program. This was no surprise to them as  
15 they meet each of the Agreed Criteria.

16 24. The Curthoys checked the appropriate boxes and applied for the program.

17 25. One day later, the Curthoys received an email from DRI stating that their application  
18 was not processed. The email explained "Your application for Transitions™ for contract  
19 XXXX7518 was not processed due to failure to satisfy the following condition(s) for application."  
20 No condition was provided.

21 26. That same day, Mr. Curthoys wrote to DRI to ask what condition he had failed to  
22 meet.

23 27. The following day, DRI responded that it was "unable to move forward due to your  
24 account history reflecting legal representation on your end submitted to relinquish your vacation  
25 interest."

26 28. Mr. Curthoys responded that the attorney who had represented him in the past no  
27 longer represented him.

28

1 29. DRI responded, "Since working with a third party company or law firm is a  
2 disqualifier for Transitions, I am unable to submit a Transitions Request for you."

3 30. Plaintiffs will be forced to pay thousands of dollars in maintenance fees as a result of  
4 Diamond's refusal to permit them to end their timeshare obligations.

5 31. Plaintiffs have already been forced to pay approximately \$88.00 in maintenance  
6 fees, thereby suffering injury in fact and losing money as a result of Diamond's refusal to permit  
7 them to end their timeshare obligations.

8 **FIRST CAUSE OF ACTION**

9 **Violation of California Unfair Competition Law**

10 **- Business & Professions Code § 17200, et seq. -**

11 **(Against Defendants DRI and DOES 1 through 50, inclusive)**

12 32. The Curthoys re-allege and incorporate by reference paragraphs 1 through 31 of the  
13 Complaint, and incorporate them by reference into this cause of action as though set forth in full  
14 below.

15 33. California Business & Professions Code §17200, et seq. prohibits unfair competition  
16 that constitutes an unfair, unlawful or fraudulent business act or practice.

17 34. Defendants state that it is their policy to deny relief to consumers if they consult with  
18 an attorney regarding their legal rights. California public policy expressly recognizes the necessity  
19 of insuring the right of every person to freely and fully confer and confide in one having knowledge  
20 of the law in order that its citizens may have adequate advice and a proper defense.

21 35. Defendants' conduct is unfair and harms consumers, including Plaintiffs, because  
22 Defendants denied Plaintiffs' application to relinquish their timeshare obligations based on  
23 Plaintiffs' having had legal representation, and based on that denial, wrongfully sought to induce  
24 Plaintiffs to continuing paying Defendants and to believe that they were unable to be released from  
25 their timeshare obligations due to such prior legal representation.

26 36. Defendant's conduct further constitutes a violation of the fraud prong of the unfair  
27 competition statute because members of the public are likely to be deceived by Defendants'  
28 conduct. Defendants' website states that "Participation with a timeshare exit or resale company or

1 firm may negatively impact your ability to apply for Transitions,” and due to denials of applications  
2 received based on such representation, members of the public, including Plaintiffs, are paying and  
3 will continue to pay Defendants, and to be deceived as to their ability to relinquish their time shares  
4 in connection with properties owned by Defendants.

5 37. Defendants’ acts alleged are acts of unfair competition within the meaning of  
6 Business and Professions Code § 17203. Plaintiffs are informed and believe that Defendants will  
7 continue to do those acts unless the court orders Defendants to cease and desist from engaging in  
8 such unfair competition.

9 38. Further, Plaintiffs are and will continue to be deprived of money due to the  
10 maintenance fees and other amounts demanded and collected by Defendants as a result of the  
11 refusal by Defendants to permit them to end their timeshare obligations, and therefore, Plaintiffs  
12 have sustained injury in fact and are entitled to restitution. Plaintiffs seek restitution and  
13 disgorgement of all earnings, profits, compensation and benefits Defendants obtained as a result of  
14 such unfair and unlawful business practices at the expense of Plaintiffs. Defendants have been  
15 unjustly enriched by receiving monies and profits from payments made by Plaintiffs to Defendants  
16 while Defendants continue to engage in unfair competition in violation of Business & Professions  
17 Code § 17200.

18 39. These violations serve as predicate acts for purposes of Business and Professions  
19 Code §17200, and remedies are provided therein under Business & Professions Code §17203.

20 **SECOND CAUSE OF ACTION**

21 **Financial Elder Abuse**

22 **– Welfare & Institutions Code § 15610.30 –**

23 **(Against Defendants DRI and DOES 1 through 100, inclusive)**

24 40. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 39 of the  
25 Complaint, and incorporate them by reference into this cause of action as though forth in full below.

26 41. Defendants obtained and/or retained property, and/or assisted in obtaining and/or  
27 retaining property, of Plaintiffs who are elders as defined by California Welfare and Institutions  
28 Code §15610.27 for wrongful use and/or with the intent to defraud, in that Defendants’ denied

1 Plaintiffs' application to relinquish their timeshare obligations. Defendants denied Plaintiff's  
2 application based on Plaintiffs' having had legal representation, and based on that denial,  
3 wrongfully sought to induce Plaintiffs into believing that they were unable to be released from their  
4 timeshare obligations as a result of such prior legal representation.

5 42. Defendants' actions in taking, appropriating and/or obtaining and/or retaining  
6 Plaintiffs' funds for a wrongful use or with the intent to defraud as described above constitute elder  
7 financial abuse as defined by Welfare and Institutions Code § 15610.30, and Plaintiff is entitled to  
8 the remedies provided by Welfare and Institutions Code § 15657.5.

9 43. Among other things, Plaintiffs are entitled to compensatory damages consisting of  
10 the return of their funds from Defendants with interest.

11 44. Plaintiffs have incurred, and will continue to incur, attorney's fees and costs in this  
12 litigation. Plaintiffs, if successful in this action, are entitled to recover such fees and costs from  
13 Defendants under the provisions of Welfare and Institutions Code Section 15657.5(a).

14 45. In committing the actions and conduct described above, Defendants, and each of  
15 them, acted with recklessness, oppression, fraud, and malice, and Plaintiffs are entitled to an award  
16 of exemplary or punitive damages pursuant to Welfare and Institutions Code § 15657.5 and Civil  
17 Code § 3294.

18 **PRAYER FOR RELIEF**

19 **WHEREFORE**, Plaintiffs respectfully request that this Court:

20 **On the First Cause of Action:**

21 1. For a judicial declaration that Defendants' acts complaint of herein are unfair and  
22 fraudulent in violation of Cal. Business & Professions Code § 17200, *et seq.*

23 2. For a permanent injunction enjoining Defendants, and each of them, and their  
24 respective agents, servants and employees and all persons acting under or in concert with them, to  
25 cease and desist from:

26 a. Prejudicing customers, including Plaintiffs, who seek legal advice; and

27 b. Denying customers, including Plaintiffs, the ability to relinquish their time  
28 share memberships when they have attempted to do so with the assistance of legal

1 counsel.

2 3. For restitution to Plaintiffs of all sums unfairly and improperly collected by  
3 Defendants from Plaintiffs.

4 4. For interest on those sums at the legal rate of 10% per annum, or the highest amount  
5 allowed by law, whichever is less; and

6 5. For costs of suit incurred herein.

7 On the Second Cause of Action:

8 1. For compensatory damages pursuant to Welfare and Institutions Code Section  
9 15657.5(a), awarded based on Plaintiffs' elder-financial abuse claim as defined by Welfare and  
10 Institutions Code § 15610.30, plus interest thereon at the legal rate of 10% per annum, or the  
11 highest amount allowed by law whichever is less, and other damages in an amount to be determined  
12 by the Court;

13 2. For punitive damages pursuant to Welfare and Institutions Code § 15657.5 and Civil  
14 Code § 3294;

15 3. For reasonable attorney's fees pursuant to Welfare and Institutions Code  
16 § 15657.5(a) in an amount to be determined by the Court;

17 4. For costs of suit incurred herein pursuant to Welfare and Institutions Code  
18 § 15657.5(a) in an amount to be determined by the Court.

19 On All Causes of Action:

20 1. For such other and further relief as the court deems just and proper.

21 Date: February 10, 2020

THE WOLF FIRM, A Law Corporation

22

23

By: Christine E. Howson  
Christine E. Howson, Esq.  
Attorneys for Plaintiffs ROBERT  
CURTHOYS and SUZANNE CURTHOYS

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# Exhibit 1

1 **MARK BRNOVICH**  
2 **ATTORNEY GENERAL**  
(Firm Bar No. 14000)  
3 **ALYSE MEISLIK**  
4 **ASSISTANT ATTORNEY GENERAL**  
STATE Bar No. 024052  
5 1275 West Washington Street  
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7 Telephone: (602) 542-8327  
8 Facsimile: (602) 542-4377  
Consumer@azag.gov  
*Attorneys for State of Arizona*

9 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
10 **IN AND FOR THE COUNTY OF MARICOPA**

11 In the Matter of  
12 **DIAMOND RESORTS CORPORATION,**  
13 Respondents.

Case No:  
**ASSURANCE OF DISCONTINUANCE**

14  
15  
16 The Attorney General of the State of Arizona ("State" or "Attorney General") and  
17 Respondent Diamond Resorts Corporation, agree to the entry of the following Assurance of  
18 Discontinuance ("Assurance" or "Agreement") pursuant to Arizona Revised Statutes ("A.R.S.")  
19 § 44-1530 of the Arizona Consumer Fraud Act, *i.e.*, A.R.S. §§ 44-1521 to 44-1534 ("ACFA").

20 References in this Assurance made to any act of Diamond shall be deemed to include the  
21 acts of Diamond's corporate members, managers, employees, agents, or other representatives,  
22 acting within the scope of their employment or authority. The Attorney General, acting on  
23 behalf of the State of Arizona, has the authority to enforce the ACFA. The Attorney General  
24 conducted an investigation pursuant to the ACFA into the acts and practices of Diamond  
25 relating to its Business. This Assurance is entered into without adjudication on the merits of  
26 the assertions or allegations made by the State below. Diamond denies that it has violated the

1 ACFA and enters into this Assurance solely for purposes of efficient resolution of the matter.  
2 The State and Diamond have agreed to execute this Assurance solely for the purposes of  
3 settlement.

4 **I. DEFINITIONS**

5 1. "Association" means a member owner association for a Collection.

6 2. "Assurance" means this Assurance of Discontinuance.

7 3. "Business" means the marketing and sale of Points at Sales Centers.

8 4. "Consumer" means a person who both: (i) attends a Sales Presentation in Arizona  
9 or, alternatively, is domiciled in Arizona and attends a Sales Presentation outside of Arizona;  
10 and (ii) purchases or has purchased Points, THE Sampler, or has purchased a Diamond  
11 predecessor's timeshare product.

12 5. "Court" means a court of competent jurisdiction.

13 6. "Diamond" means and includes DRI, its predecessor companies, successor  
14 companies, direct or indirect wholly and partially owned subsidiaries, and each of their  
15 divisions, employees, officers, directors, managers, assigns, and agents acting or having  
16 responsibilities with respect to the subject matter of this Assurance.

17 7. "Diamond Collections" means, collectively, Diamond Resorts U.S. Collection,  
18 ~~Premiere-Vacation Collection, Diamond-Resorts California Collection, Diamond Resorts~~  
19 Hawaii Collection and Monarch Grand Vacations timeshare plans, each constituting an  
20 individual "Collection."

21 8. "DRCC" means and includes the Diamond Resorts California Collection.

22 9. "DRHC" means and includes the Diamond Resorts Hawaii Collection.

23 10. "DRI" means and includes Diamond Resorts International, Inc., a company  
24 incorporated in Delaware and headquartered in Las Vegas, Nevada, which is the parent  
25 company of Diamond Resorts Corporation.

26 11. "DRUSC" means and includes the Diamond Resorts U.S. Collection.

1           12. "DRUSC Association" means the Diamond Resorts U.S. Collection Members  
2 Association, Inc., a non-stock, non-profit Delaware corporation

3           13. "Effective Date" means the later of: (a) the date on which a Court approves this  
4 Assurance; or (b) 30 calendar days after the execution date, which means the date this  
5 Assurance is fully executed by both Parties. In the event that the Parties execute this Assurance  
6 on different dates, the later execution date shall be the "execution date."

7           14. "Eligible Complaint" means a complaint filed by an Eligible Consumer that  
8 qualifies for Relief (as defined in paragraph 83) under the Relinquishment Remedy Program set  
9 forth in Article IV(A) of this Assurance.

10           15. "Eligible Consumer" means a Consumer who files a written complaint against  
11 Diamond with the Attorney General, another law enforcement agency, the Better Business  
12 Bureau, or the Arizona Department of Real Estate after January 1, 2009 that is received by the  
13 Attorney General's Office either prior to the Effective Date or during the Filing Period.

14           16. "Filing Period" means the period commencing on the Effective Date and ending  
15 120 calendar days after the Effective Date.

16           17. "ILX" means ILX Resorts Incorporated, an Arizona corporation that sold  
17 timeshare ownership interests throughout the United States from around 1986 until its  
18 dissolution in 2010.

19           18. "Maintenance Fees" means regular assessments and special assessments charged  
20 pursuant to the applicable declaration for one or more Diamond Collections.

21           19. "Membership" means membership in an Association related to owning Points in a  
22 Collection.

23           20. "MGV" means and includes Monarch Grand Vacations.

24           21. "Parties" means and includes the State and Diamond.

25           22. "PMR" means Pacific Monarch Resorts, Inc., a California corporation not  
26 affiliated with Diamond, which was the original developer of MGV and filed for bankruptcy in

1 2011.

2 23. "Points" means the currency of use in Diamond Collections: DRUSC, DRCC,  
3 DRHC, MGCV, and PVC, through which members reserve the use and occupancy of Collection  
4 accommodations in accordance with the Project Documents.

5 24. "Project Documents" means the relevant Collection Declaration, the Articles of  
6 Incorporation, the Bylaws, the Trust Agreement, the Regulations, the Register of Members and  
7 any other document or instrument which defines or governs such Collection, together with each  
8 Member's Purchase Documents and Points Certificate(s), as each may lawfully be amended or  
9 supplemented from time to time.

10 25. "Purchase Documents" means the Purchase and Security Agreement and  
11 Purchaser Understanding and Acknowledgement used for the purchase of Points by a  
12 Consumer.

13 26. "PVC" means and includes the Premiere Vacation Collection.

14 27. "PVC Association" means and includes the Premiere Vacation Collection Owners  
15 Association, Inc.

16 28. "Quality Assurance Officer" means a Diamond employee who is responsible for  
17 reviewing Purchase Documents with Consumers to facilitate their understanding of the  
18 purchase and ownership responsibilities concerning the Points.

19 29. "Quality Assurance Program" has the meaning set forth in Article IV of this  
20 Assurance.

21 30. "Relinquishment Program" means Diamond's relinquishment program, currently  
22 known as Transitions, publicly announced by Diamond on May 4, 2016, or other materially  
23 similar program as described in Article VI of this Assurance. The Relinquishment Program is  
24 separate from the Relinquishment Remedy Program set forth in Article IV(A) of this  
25 Assurance. Moreover, the Relinquishment Program is a program offered, on a case-by-case  
26 basis, at Diamond's discretion and it does not constitute an obligation under this Assurance

1 aside from the election resulting in the RP Monetary Payment in paragraph 113.

2 31. "Relinquishment Remedy Program" means the procedures for resolving Eligible  
3 Complaints as set forth in Article IV(A) of this Assurance.

4 32. "Sales Center" means (i) a Diamond sales center or other sales location located in  
5 the State of Arizona and (ii) a Diamond sales center or other sales location located outside of  
6 the State of Arizona which makes Sales Presentations to Consumers who are domiciled in  
7 Arizona.

8 33. "Sales Manager" means a Diamond employee who is responsible for direct  
9 supervision of Vacation Counselors at Sales Centers.

10 34. "Sales Materials" means, and shall include, all scripts, booklets, brochures,  
11 presentations, and all other documents used by Vacation Counselors when conducting a Sales  
12 Presentation.

13 35. "Sales Presentation" means a formal sales presentation for the purchase of Points  
14 made at a Sales Center.

15 36. "Sampler Agent" means a Diamond employee who conducts sales presentations  
16 for the purchase of THE Sampler.

17 37. "Secret-Shopper Program" means that part of the Quality Assurance Program  
18 under which Diamond will send a "secret-shopper" at least two (2) times per year to each Sales  
19 Center to monitor implementation of and compliance with the Quality Assurance Program.

20 38. "State's Allegations" has the meaning set forth in paragraph 67.

21 39. "Stipulated Eligible Complaints List" means the list of complaints on file with the  
22 Attorney General's Office that the Parties have stipulated constitute Eligible Complaints  
23 qualifying for Relief regardless of when the relevant Complaint was filed.

24 40. "Sunterra" means Sunterra Corporation, a Maryland corporation formed in 1996  
25 to market and sell timeshare ownership interests, which it did until 2007. Sunterra was a  
26 predecessor-in-interest to Diamond.



1           48. In 2010, a Diamond subsidiary acquired management of PVC when it purchased  
2 certain assets from ILX in a sale under section 363 of the Bankruptcy Code. Diamond did not  
3 assume PVC's or ILX's liabilities when it acquired ILX's assets.

4           49. Similarly, in 2012, a Diamond subsidiary acquired management of MGV when it  
5 purchased certain assets from PMR in a sale under section 363 of the Bankruptcy Code.  
6 Diamond did not assume MGV's or PMR's liabilities when it acquired PMR's assets.

7           50. As of December 31, 2015, Diamond managed a total of five (5) U.S.-based  
8 vacation ownership Collections: DRUSC, PVC, DRCC, DRHC, and MGV. As of this same  
9 date, Diamond's resort network included 93 resort properties with approximately 11,000  
10 Diamond-managed units. Additionally, as of December 31, 2015, Diamond contracts for use  
11 rights with 206 additional resorts and four (4) cruise itineraries. All real estate in the Diamond  
12 Collections is held in trust for the benefit of the members of the applicable Collection.

13           51. Diamond maintains an Arizona timeshare registration permit with the Arizona  
14 Department of Real Estate for the marketing of all Diamond Collections, but the Arizona-based  
15 sales of Points for DRHC, DRCC, PVC and MGV are negligible. All Diamond Collections are  
16 affiliated with THE Club. Diamond has four loyalty levels in THE Club: Valued, 2,500 to  
17 14,999 Points; Silver, 15,000 to 29,999 Points; Gold, 30,000 to 49,999 Points; and Platinum,  
18 over 50,000 Points (collectively referred to as "Loyalty Levels" or individually as a "Loyalty  
19 Level"). Points purchased in different Diamond Collections affiliated with Diamond may be  
20 combined to determine Loyalty Level.

21           52. As of December 31, 2015, DRUSC was comprised of 56 resorts across the  
22 continental United States and St. Maarten. DRUSC is actively sold and marketed in Arizona  
23 and accounted for over 83% of Diamond's Arizona sales from January 1, 2011 to July 24,  
24 2014. PVC comprises 11 total resorts in Arizona, Colorado, Indiana, Nevada, and Mexico.  
25 Most of Diamond's remaining sales in Arizona during the same time period were PVC  
26 memberships sold at the resort known as Los Abrigados Resort and Spa in Sedona, Arizona.



1 Diamond does not currently sell PVC memberships.

2 53. Diamond sells Points in the Diamond Collections to Consumers for a purchase  
3 price ranging from approximately \$11,500 to over \$100,000 depending on the number of Points  
4 purchased.

5 54. Points are used like currency to reserve nights at a resort that is part of a  
6 Collection.

7 55. With each annual (or, as in some cases with MGTV, biennial) allotment of Points,  
8 Consumers pay annual Maintenance Fees, which are allocated to pay for resort operations,  
9 capital reserves, property taxes, insurance, and management.

10 56. The Points required for a night of accommodation at each resort location can vary  
11 by type of accommodation (e.g., number of bedrooms), location, and time of year. A night of  
12 accommodation at a more desirable vacation destination during a high volume vacation season  
13 will "cost" comparatively more Points than a night of accommodation at a less desirable  
14 destination in a low volume vacation season.

15 57. Points are initially sold to new members during Sales Presentations by a sales  
16 team that consists of Vacation Counselors and Sales Managers. Quality Assurance Officers are  
17 independent from Diamond's sales and marketing department, and are responsible for  
18 providing Purchase Documents to Consumers to facilitate and confirm Consumers'  
19 understanding of purchase and ownership responsibilities concerning the Points.

20 58. A member's Points are replenished annually or biennially, subject to the member  
21 being current on Maintenance Fees and otherwise in good standing. For example, a member in  
22 good standing who purchases 10,000 Points will automatically receive a new allotment of  
23 10,000 Points annually or biennially.

24 59. Diamond created various Sales Materials to train and assist the Vacation  
25 Counselors and Sales Managers with respect to conducting Sales Presentations. Diamond gives  
26 such Sales Materials to the Vacation Counselors and Sales Managers, who are directed to

1 follow such materials. Diamond provides training to Vacation Counselors and Sales Managers  
2 in effective sales techniques, compliance and ethics at a week-long training seminar, as well as  
3 through ongoing training.

4 60. It is contrary to Diamond's corporate policies for Vacation Counselors to make  
5 material alterations to, or materially deviate from, the Sales Materials in the course of  
6 conducting a Sales Presentation.

7 61. Each Collection has an Association, operated similarly to a homeowner  
8 association, for the purpose of managing the Collection and assessing Maintenance Fees.

9 62. The board of directors of each Association sets yearly Maintenance Fees based on  
10 the Collection's costs of operating and maintaining the timeshare programs and resort  
11 infrastructure in accordance with the Project Documents. Members of the Association must  
12 pay Maintenance Fees annually to maintain their rights and privileges under the Project  
13 Documents.

14 63. In 2010, the board of the PVC Association amended the document entitled PVC  
15 Membership Plan, which is recorded in Maricopa County, to enable Maintenance Fees to  
16 increase to a maximum of inflation plus 25% per year from the original maximum of inflation  
17 plus 10% per year.

18 64. After the 2010 amendment, PVC owners have experienced annual increases in  
19 Maintenance Fees. For example, a PVC member with 6,000 Points paid Maintenance Fees of  
20 \$635 in 2010, \$789.80 in 2011, \$891.20 in 2012, and \$1,106.12 in 2013.

21 65. According to Diamond, these increases were required to address years of prior  
22 mismanagement. It is Diamond's position that before Diamond's acquisition, the PVC  
23 Association had kept Maintenance Fees artificially and unsustainably below the amount  
24 necessary to pay for the resorts' basic operations and upkeep. Diamond submits that after these  
25 short-term spikes in 2011-2013 to repair, refurbish, and update the PVC resorts, the increases to  
26 Maintenance Fees have been less extreme, with the PVC Association raising them so that a

1 PVC member with 6,000 Points paid Maintenance Fees of approximately \$1,210.83 in 2014  
2 and \$1,281.06 in 2015.

3 66. DRUSC owners have also experienced annual increases in Maintenance Fees. In  
4 accordance with applicable Florida law and industry standards, the DRUSC Association has  
5 capped increases to Maintenance Fees at 25% per year. For example, a DRUSC member who  
6 owns 15,000 Points would have paid \$1,214 in Maintenance Fees in 2007, \$1,348.50 in 2008,  
7 \$1,686 in 2009, \$1,850 in 2010, \$1,923.50 in 2011, \$2,018.50 in 2012, \$2,045.50 in 2013,  
8 \$2,330 in 2014, and \$2,404.70 in 2015. The Attorney General received Consumer complaints  
9 that involved alleged acts or practices of certain companies (each a "Prior Developer") that  
10 occurred prior to Diamond's acquisition of certain of their assets. Except for Sunterra,  
11 Diamond did not assume the liabilities of these Prior Developers and some of the prior  
12 complaints resulted from actions taken by these Prior Developers before Diamond acquired  
13 such assets.

14 67. Based upon allegations made by Consumers in their complaints, the State  
15 believes, and therefore alleges, the following (collectively, the "State's Allegations"):

16 a. At times, some Vacation Counselors deviated from the Sales Materials and  
17 made unauthorized representations or misrepresentations in connection with sales.

18 b. At times, some Quality Assurance Officers did not adequately explain to  
19 certain Consumers all of the benefits and responsibilities associated with their Points-based  
20 vacation membership product.

21 c. Although certain Vacation Counselors, at times, represented to Consumers  
22 that Points could be used to book other travel needs such as cruises, hotels, airline tickets, and  
23 rental cars at a lower rate, some Consumers allege that using Points to book such travel resulted  
24 in a higher overall cost than booking through a travel website and paying cash.

25 d. During Sales Presentations, certain Vacation Counselors represented to  
26 some Consumers that their Points may be rolled over to the following year if they did not use

1 them in any given year, but did not explain that to do so they needed to submit a request within  
2 a pre-designated period of time. Some Consumers who did not submit a request later  
3 discovered that their Points expired because they did not roll over to the subsequent year  
4 automatically.

5 e. At times, certain Vacation Counselors told some Consumers that increases  
6 to Maintenance Fees are minimal, when the DRUSC Association is permitted to increase  
7 Maintenance Fees up to 25% per year.

8 f. At times, certain Vacation Counselors stated that Points could be used to  
9 pay Maintenance Fees and did not explain that only members of certain Loyalty Levels could  
10 use Points to pay/offset Maintenance Fees. At times, certain Vacation Counselors did not  
11 explain to some Consumers the exchange rate of Points to Maintenance Fees dollars. Some  
12 Consumers who believed they could use their Points to pay or offset Maintenance Fees were  
13 not able to do so because they were not part of a Loyalty Level that offered this benefit.  
14 Certain Consumers who attempted to allocate their entire balance of Points in a given year  
15 received a comparatively small credit against their Maintenance Fees. At times, certain  
16 Vacation Counselors stated to some Consumers that their Maintenance Fees would be reduced  
17 by the purchase of more Points notwithstanding that Maintenance Fees are based on the number  
18 of Points that a Consumer owns.

19 g. In some instances, certain Quality Assurance Officers did not specifically  
20 discuss with some Consumers the portion of the Arizona Time-Share Public Report and  
21 Purchase Documents which disclosed the Consumer's right to cancel a purchase and security  
22 agreement within seven (7) calendar days following its execution, pursuant to A.R.S. § 32-  
23 2197.03.

24 h. Some Consumers alleged that Diamond failed to honor their requests to  
25 cancel the purchase and security agreement within seven (7) calendar days following its  
26 execution, pursuant to A.R.S. § 32-2197.03.

1 i. Certain Vacation Counselors induced some Consumers to buy Points at the  
2 Sales Presentation by representing to them that the deal offered would not be available after  
3 they left the Sales Center.

4 j. Certain Vacation Counselors represented to some Consumers that Sales  
5 Presentations typically last approximately 90 to 120 minutes. In some instances, however,  
6 Sales Presentations lasted for several hours, and at times, certain Vacation Counselors led some  
7 Consumers to believe they were obligated to stay for the entire presentation. Some Consumers  
8 claimed they felt rushed to sign the Purchase Documents before carefully reviewing them, and  
9 that they signed Purchase Documents with Diamond because they felt it was the only way to  
10 extricate themselves from what they perceived as a high-pressure sales situation.

11 k. Consumers who agreed to buy Points were presented Purchase Documents  
12 to sign which obligated them to pay yearly Maintenance Fees imposed by the Association  
13 boards. At times, certain Quality Assurance Officers did not adequately explain to some  
14 Consumers their rights and obligations under the Purchase Documents.

15 l. While Diamond provided Consumers with physical, paper copies of the  
16 documents required to be provided in that form (e.g., the Purchase Documents), Diamond  
17 provided other Project Documents in electronic form when permitted under applicable Arizona  
18 law. As most of the Consumers were on vacation, some were unable to review all of the  
19 Project Documents provided in electronic form until they returned home.

20 m. At times, certain Vacation Counselors represented to some Consumers,  
21 directly or indirectly, that Points ownership constitutes an investment or deeded real property  
22 interest that can appreciate in value. However, Points-based vacation membership does not  
23 constitute a deeded real property interest and Consumers are not likely to experience an  
24 appreciation in financial value.

25 n. Certain Vacation Counselors represented to some Consumers, directly or  
26 indirectly, that Consumers could sell their Membership if, at any time, they decided that they

1 no longer wanted their Membership. However, some Consumers have been unable to sell their  
2 Membership on the secondary market. Certain other Consumers have been unable to give their  
3 Membership away because some potential acquirers did not want to assume the obligation of  
4 paying yearly Maintenance Fees and also could not acquire through a resale the Consumers'  
5 membership in THE Club.

6 o. At times, certain Vacation Counselors failed to adequately inform  
7 Consumers that they could not transfer Membership interests without approval from Diamond  
8 and the DRUSC or PVC Association, which can refuse to allow the transfer of Membership  
9 interests. At times, certain Vacation Counselors failed to disclose that if a Membership interest  
10 transfer or sale is allowed, the purchasing Consumer does not receive a Membership in THE  
11 Club.

12 p. At times, certain Vacation Counselors represented to some Consumers that  
13 they could "rent" Points to other persons. According to the Purchase Documents, Consumers  
14 are allowed to rent to friends and family, but are expressly prohibited from renting out vacation  
15 intervals for cash through online or print advertising to the general public.

16 q. At times, certain Vacation Counselors represented to some Consumers that  
17 purchases financed through Diamond could be refinanced at lower interest rates through the  
18 Consumers' personal banking institutions, when Consumers were unable to acquire such  
19 refinancing.

20 r. At times, certain Vacation Counselors represented to some Consumers that  
21 interest paid on Diamond purchase money loans is tax-deductible as mortgage interest paid,  
22 when such tax benefits only applied to deeded timeshare interests. Interest paid by Consumers  
23 for their Membership is not deductible as home mortgage interest paid because Points-based  
24 vacation membership products are not considered "qualified homes" according to IRS  
25 Publication 936.

26 s. At times, certain Vacation Counselors represented to some Consumers that

1 Diamond would buy back their Membership within the first two years after purchase if the  
2 Consumer became dissatisfied, but the Purchase Documents disclosed that Diamond does not  
3 offer a buy-back program. Some Consumers expressed dissatisfaction to Diamond within two  
4 years of their purchase. Despite these Consumers requesting that Diamond repurchase the  
5 Membership as verbally represented, Diamond declined many of the requests.

6 t. At times, certain Vacation Counselors represented to some Consumers that  
7 Diamond would assist them with selling their Membership. However, the Purchase Documents  
8 disclosed that Diamond does not offer a resale program.

9 u. At times, certain Vacation Counselors represented to some Consumers that  
10 they could save money on future vacations by purchasing Points, but did not factor in the cost  
11 of Maintenance Fees and other costs.

12 v. At times, certain Sampler Agents represented to some Consumers that  
13 THE Sampler package allows Consumers to experience membership in THE Club without  
14 risking the initial cash outlay. Certain Sampler Agents did not verbally disclose that both the  
15 Sampler agreement and checklist provided to Consumers explained that purchasers had to  
16 maintain their Sampler account in good standing at the time of booking, were required to pay  
17 either \$1,000 or six (6) monthly payments towards their purchase money loan before  
18 vacationing, stay a minimum of three (3) nights, and attend a Sales Presentation during their  
19 stay.

20 w. After the acquisition of Sunterra in 2007 and PVC in 2010, Diamond  
21 contacted Sunterra and PVC timeshare owners to invite them to attend what were purportedly  
22 "informational meetings" to learn about changes to the resorts. These meetings included Sales  
23 Presentations for upgrades to a Points-based vacation Membership.

24 x. At these meetings, certain Vacation Counselors represented to some  
25 former Sunterra and PVC owners that their Maintenance Fees would be lowered or reduced if  
26 they upgraded to a Points-based vacation Membership. Instead, some former Sunterra and

1 PVC owners who upgraded to Points-based vacation Memberships saw an increase in their  
2 Maintenance Fees.

3 y. At times, Vacation Counselors represented to some former PVC owners  
4 that they would be able to take more vacations at a wider variety of resort locations if they  
5 upgraded to a Points-based vacation Membership. While these former deeded PVC owners  
6 were able to vacation at a wider variety of resort locations if they upgraded to a Points-based  
7 vacation Membership, some former PVC owners who converted to Diamond Memberships  
8 claim they were not able to occupy the same number of accommodation nights with their  
9 Points-based vacation Memberships as with their original Memberships.

10 68. The State believes, and therefore alleges, that some of the actions and statements  
11 by certain Diamond employees, including Vacation Counselors, Sales Managers, and Quality  
12 Assurance Officers, as detailed in the State's Allegations, constitute deception, deceptive or  
13 unfair acts or practices, fraud, false pretenses, false promises, misrepresentations, or  
14 concealment, suppression, or omission of material facts in violation of the ACFA.

15 69. The State's Allegations are based on allegations made in specific individual  
16 complaints received by the State.

17 70. Without admitting any liability or wrongdoing, Diamond emphasizes that it takes  
18 Consumer complaints seriously and acknowledges the areas of concern identified by the State.  
19 While Diamond already has policies and procedures in place, Diamond is prepared to further  
20 enhance its policies and procedures in accordance with the terms of this Assurance in order to  
21 resolve this dispute.

### 22 **III. APPLICATION**

23 71. The provisions of this Assurance shall be limited to Diamond's Business with  
24 Consumers at Sales Centers in Arizona and with Arizona-domiciled Consumers who attend  
25 Sales Presentations with Diamond outside of Arizona.

26 72. This Assurance shall apply to Diamond, any successor entity or entities, whether



1 by acquisition, merger, or otherwise, Diamond's current or future officers, directors,  
2 managerial or supervisory employees, and to any other employees or agents having  
3 responsibilities with respect to the subject matter of this Assurance.

4 **IV. ASSURANCES**

5 NOW, THEREFORE, Diamond and its officers, agents, servants, employees,  
6 successors, assignees, and all other persons in active concert or participation with it, pursuant to  
7 A.R.S. § 44-1530, agree, undertake and assure:

8 73. Diamond shall comply with the ACFA as it is now written and as it is amended in  
9 the future.

10 74. Diamond shall adopt and implement a set of enhanced policies and procedures  
11 (collectively, the "Quality Assurance Program") to govern the following:

12 a. Diamond shall continue to maintain its independent Quality Assurance  
13 Program under which Quality Assurance Officers shall remain independent from Diamond's  
14 sales and marketing department.

15 b. Diamond shall enhance its programs, policies, and training and continue to  
16 instruct and train its Vacation Counselors and Sales Managers to comply with the ACFA.  
17 Diamond shall advise all Vacation Counselors and Sales Managers that they may not:

- 18 i. deviate from Diamond Sales Materials;
- 19 ii. make oral representations at the point of sale that are inconsistent with  
20 Diamond's Purchase Documents;
- 21 iii. use documents or other materials in Sales Presentations unless such  
22 materials have been approved by the appropriate corporate departments;
- 23 iv. provide any information that may be construed as tax advice; and
- 24 v. make oral representations referred to in subsection (c) of this paragraph.

25 c. Diamond, its officers, agents, servants, employees, successors, assigns,  
26 and those persons in active concert or participation with them are prohibited from, and

1 Diamond shall instruct its Vacation Counselors, Sales Managers, and Quality Assurance  
2 Officers that they are prohibited from, making any oral representations at the point of sale that  
3 are inconsistent with Diamond's Purchase Documents or any misrepresentations, including, but  
4 not limited to the following:

- 5 i. the use of Points to book travel arrangements such as flights, rental  
6 cars, or cruises is comparatively lower in cost than if the Consumer  
7 would spend cash for the same travel arrangements, unless such  
8 representations are accurate;
- 9 ii. a non-deeded timeshare interest such as Points is a deeded property  
10 interest or may be considered an investment in real property;
- 11 iii. Points appreciate in value;
- 12 iv. Points automatically roll over to the following year, unless such  
13 representations are accurate;
- 14 v. Points may be used to pay Maintenance Fees unless the particular plan  
15 being sold offers this benefit;
- 16 vi. the Consumer's Maintenance Fees will be reduced by the purchase of  
17 additional Points, unless such representations are accurate;
- 18 vii. Consumers may rent out Points for cash through online or print  
19 advertising to the general public unless such representations are true;
- 20 viii. Diamond will buy back Consumers' Memberships unless Diamond  
21 offers a buy-back program;
- 22 ix. there is a secondary market for the sale of Points, that such secondary  
23 market has a certain level of sales volume, or provides Consumers with  
24 the ability to re-sell their Points, unless such representations are  
25 accurate;
- 26 x. Consumers will be able to obtain a loan from a private lender to

1                   refinance a loan from Diamond at a lower interest rate; and  
2                   xi. interest paid on a Diamond loan is tax deductible unless such  
3                   representations are accurate.

4                   d. A Quality Assurance Officer shall meet with each Consumer before the  
5                   Consumer signs any Purchase Documents. The Quality Assurance Officer shall review the  
6                   Purchase Documents with the Consumer and shall ask the Consumer a series of questions  
7                   reasonably designed to confirm that each Consumer understands the following:

- 8                   i. their right to cancel their purchase of a timeshare interest within seven  
9                   (7) calendar days following execution pursuant to A.R.S. § 32-2197.03  
10                  (or other right to cancel, as applicable);  
11                  ii. any applicable policy regarding transfer of their timeshare interest to a  
12                  third-party and the fees and costs associated with such assignments;  
13                  iii. their decision to purchase is not based on tax incentive reasons;  
14                  iv. how to use their Points for travel or other ancillary benefits;  
15                  v. how to use Points for the payment of Maintenance Fees, including  
16                  disclosure of the exchange rate of Points to Maintenance Fee dollars in  
17                  such transactions, if applicable;  
18                  vi. ~~procedures and deadlines~~ procedures and deadlines for saving or borrowing Points from year-to-  
19                  year, and the timing for use based on Loyalty Level;  
20                  vii. the duration of their Membership; and  
21                  viii. that Maintenance Fees are billed annually, must be paid current to  
22                  make reservations, and are subject to annual increases in accordance  
23                  with the Project Documents and applicable law.

24                  e. Quality Assurance Officers shall take reasonable steps to evaluate whether  
25                  any Vacation Counselor or Sales Manager is engaging in, has engaged in, or intends to engage  
26                  in conduct that is not consistent with subsections (b) and (c) of this paragraph. Diamond shall

1 investigate all claims by any Quality Assurance Officer that a Vacation Counselor or Sales  
2 Manager has engaged in conduct that is not consistent with subsections (b) and (c) of this  
3 paragraph within thirty (30) calendar days of receiving such information and shall take  
4 appropriate action as described below.

5 f. Should Diamond receive a complaint directly from a Consumer that  
6 alleges that a Vacation Counselor or Sales Manager has engaged in conduct that is not  
7 consistent with subsections (b) and (c) of this paragraph, Diamond shall appropriately  
8 investigate such allegations within thirty (30) calendar days of receiving the Consumer  
9 complaint.

10 g. Diamond shall take appropriate disciplinary action, including termination  
11 of employment, suspension and/or re-training of a Vacation Counselor or Sales Manager in the  
12 event Diamond determines that such Vacation Counselor has engaged in conduct that is not  
13 consistent with subsections (b) and (c) of this paragraph.

14 h. Diamond shall maintain policies for disclosure of all material information  
15 regarding THE Sampler, including the requirement that the Consumer maintains his or her  
16 Sampler account in good standing at the time of booking, having paid either \$1,000, or six (6)  
17 monthly payments toward his or her purchase money loan; the three-night minimum stay  
18 requirement; the existence of any other applicable fees and costs; and that the Consumer must  
19 attend a timeshare presentation of approximately sixty (60) minutes during each Sampler stay.

20 i. Diamond shall maintain a Secret-Shopper Program to monitor Vacation  
21 Counselors and Sales Managers' compliance with this Assurance.

22 j. The Quality Assurance Program shall include practices designed to (a)  
23 monitor Vacation Counselor and Sales Manager activities for consistency with this Assurance;  
24 (b) utilize information received from any complaints or misunderstandings from Consumers to  
25 improve the Quality Assurance Program training; and (c) utilize information received through  
26 the Quality Assurance Program to improve disclosures in the Purchase Documents.

1           75. At each Sales Presentation, Diamond shall provide each attending Consumer with  
2 the following:

3           a. a summary containing the cost of Maintenance Fees and other applicable  
4 fees charged to members of the Association for each Loyalty Level for at least the five (5) years  
5 preceding the year of the sale applicable only to the Diamond Collection associated with the  
6 Points being presented for sale; and

7           b. a written explanation of the process by which Maintenance Fees are  
8 established by the applicable Association, which shall include disclosure of maximum yearly  
9 increases to Maintenance Fees.

10          76. Diamond shall make available to each attending Consumer paper copies or, if the  
11 Consumer requests, copies that are viewable in real time on a Diamond tablet or other device, of  
12 the form Purchase Documents (*i.e.*, without blanks filled-in), the Arizona Time-Share Public  
13 Report (or other disclosure document, as applicable), and the governing documents for their  
14 review prior to signing.

15          77. Diamond shall give each attending Consumer sufficient time to review the  
16 Purchase Documents before requiring the Consumers to sign them.

17          78. Diamond shall provide each attending Consumer an opportunity to ask a Quality  
18 Assurance Officer any questions they may have about the rights and obligations set forth in the  
19 completed but unexecuted Purchase Documents (*i.e.*, with blanks filled-in) prior to requesting  
20 the Consumer to sign any Purchase Documents.

21          79. After each Consumer who attends a Sales Presentation signs the Purchase  
22 Documents, Diamond shall provide each attending Consumer a copy of the Purchase  
23 Documents executed by the Consumer, the Arizona Time-Share Public Report (or other  
24 disclosure document, as applicable), and the Project Documents for the Consumer to keep. If  
25 the Consumer consents to receive documents in electronic format in accordance with applicable  
26 law, Diamond shall provide Consumers a tablet or other device through which the Consumer

1 may view such documents in the future. If the Consumer does not provide such consent, the  
2 copies of the Purchase Documents and the Arizona Time-Share Public Report (or other  
3 disclosure document, as applicable) provided to the Consumer shall be paper copies.

4 80. To the extent applicable, Diamond shall clearly and conspicuously disclose to  
5 Consumers in its Arizona Time-Share Public Report that a majority of the Board of Directors of  
6 the Association are employees of Diamond or are otherwise affiliated with Diamond.

7 81. For six (6) years after the Effective Date, Diamond shall conduct a training  
8 program with relevant personnel, at least annually, to administer the requirements of this  
9 Assurance. For three (3) years after the Effective Date, Diamond shall provide a copy of the  
10 training materials provided to relevant personnel to the Attorney General's Office, within forty-  
11 five (45) calendar days after conducting the training program. All training materials Diamond  
12 provides to the Attorney General's Office under this paragraph will be confidential in  
13 accordance with A.R.S. § 44-1525.

14 82. The Attorney General may conduct undercover investigations of Diamond's  
15 practices as the State deems fit to monitor compliance with the ACFA and this Assurance.

16 ***A. Relinquishment Remedy Program***

17 83. The Relinquishment Remedy Program may include any complaints filed by  
18 Eligible Consumers and received by the Attorney General either (1) prior to the Effective Date  
19 or (2) during the Filing Period. The form of relief available through the Relinquishment  
20 Remedy Program is limited to the relinquishment relief described in paragraphs 100 and 101  
21 below (the "Relief"). An Eligible Consumer's receipt of a monetary disbursement pursuant to  
22 paragraph 105 does not automatically entitle the Eligible Consumer to Relief under the  
23 Relinquishment Remedy Program.

24 84. Only Eligible Complaints will be entitled to Relief. An Eligible Consumer  
25 complaint may qualify as an Eligible Complaint only if: (1) the complaint alleges a problem or  
26 dissatisfaction that can be identified with specificity about a matter that is the subject of the

1 State's Allegations; (2) the Consumer has not already been released from the Memberships at  
2 issue; (3) the conduct alleged in the complaint occurred prior to the Effective Date; (4) the  
3 Eligible Consumer wants to receive the Relief; and (5) the complaint was filed in good faith.  
4 Eligible Consumer complaints filed during the Filing Period may qualify as an Eligible  
5 Complaint only if the conduct alleged in the complaint occurred between January 1, 2011 and  
6 on or before the Effective Date. Notwithstanding the foregoing criteria, the Parties stipulate  
7 that all Consumers listed on the Stipulated Eligible Complaints List are eligible for Relief.

8 85. The Attorney General will evaluate whether Eligible Consumers, whose  
9 complaints were not previously stipulated to on the Stipulated Eligible Complaints List, have  
10 filed Eligible Complaints. Within thirty (30) calendar days after the expiration of the Filing  
11 Period, the Attorney General will send Diamond a list of these Eligible Consumer complaints  
12 that he believes should qualify as Eligible Complaints that are entitled to Relief (each a "Relief  
13 List"). With respect to each such complaint, the Attorney General will identify the specific  
14 State Allegation(s) in paragraph 67 that are the subject matter of the complaint based upon the  
15 alleged conduct described therein. The Attorney General may provide Relief Lists on a rolling  
16 basis during the Filing Period, but no more frequently than once per month.

17 86. Upon Diamond's receipt of a Relief List, Diamond will cease all collection  
18 activities, ~~including~~ instructing third parties acting on its behalf to cease any applicable  
19 collection activities, with respect to each of the Eligible Consumers who filed a complaint  
20 included on the Relief List, until the relevant complaint has been investigated and a final  
21 determination has been made regarding whether it qualifies as an Eligible Complaint. Diamond  
22 will copy the Attorney General on all correspondence it sends to Eligible Consumers with  
23 respect to the Relinquishment Remedy Program.

24 87. Within forty-five (45) calendar days after the expiration of the Filing Period,  
25 Diamond will notify the Attorney General in writing if it has objections to the inclusion of any  
26 complaints on the Relief List ("Relief Objections"). Diamond's Relief Objections will describe

1 the basis for its objections. Diamond will also notify the Attorney General in writing if there  
2 are Consumers to which Diamond will stipulate to provide Relief (“Undisputed Complaint  
3 List” and each such complaint an “Undisputed Complaint”).

4 88. Within forty-five (45) calendar days after receipt of the Relief Objections, the  
5 Attorney General will provide Diamond with written notice of any Eligible Consumer  
6 complaint subject to the Relief Objections which he believes should qualify for Relief  
7 (“Disputed Complaint List” and each such complaint a “Disputed Complaint”). With respect to  
8 each Disputed Complaint, the Attorney General will provide Diamond with any additional  
9 information provided by the Eligible Consumer.

10 89. Disputed Complaints will be subject to the resolution procedures set forth in  
11 paragraphs 90 through 99 below. Within forty-five (45) calendar days after receipt of the  
12 Disputed Complaint List and additional information from the Attorney General, Diamond will  
13 re-evaluate the Disputed Complaints prior to initiation of the dispute resolution procedures.  
14 Diamond will notify the Attorney General in writing during such forty-five (45)-day period  
15 with a revised Undisputed Complaint List if Diamond determines to stipulate to provide Relief  
16 to a previously Disputed Complaint (“Second Stipulated Eligible Complaints List”). Diamond  
17 will also deliver to the Attorney General a final Disputed Complaint list (“Final Disputed  
18 Complaint List”).

19 90. On or before March 31, 2017, Diamond will retain a neutral third-party dispute  
20 resolution facilitator (the “Facilitator”), who is mutually agreed upon by both Parties. All fees  
21 and out-of-pocket expenses of the Facilitator will be paid by Diamond. The Facilitator will be  
22 responsible for the coordination of resolution procedures to resolve Disputed Complaints and  
23 will determine whether Disputed Complaints are Eligible Complaints that qualify for Relief.  
24 On or before expiration of the Filing Period, the Facilitator will meet with the Attorney General  
25 and Diamond, or confer by telephone or video conference, regarding the Relinquishment  
26 Remedy Program process and procedures. The Facilitator may not engage in any ex parte



1 communications with the Attorney General or Diamond without prior consent of the Parties.  
2 All information and evidence submitted to the Facilitator, and all written decisions or reports  
3 issued by the Facilitator, will be confidential in accordance with A.R.S. § 44-1525.

4 91. The Facilitator may be removed for Cause by either the Attorney General or by  
5 Diamond. For the purpose of this paragraph, "Cause" will mean: (a) a breach by the Facilitator  
6 of the terms of this Assurance; (b) any act of dishonesty, intentional fraud or similar conduct by  
7 the Facilitator; (c) any intentional act of bias or prejudice in favor or against either Diamond or  
8 Eligible Consumers by the Facilitator; or (d) conduct by the Facilitator that demonstrates  
9 unfitness to serve in any administrative capacity. "Cause" will not include disagreements with  
10 the decisions of the Facilitator pursuant to this Assurance, unless there is a clear pattern in the  
11 Facilitator's decisions that demonstrates that the Facilitator has not been acting as a neutral  
12 third-party in rendering decisions. Should the Facilitator be removed for Cause, Diamond will  
13 retain a new Facilitator who is mutually agreed upon by both Parties within thirty (30) calendar  
14 days of the removal of the prior Facilitator.

15 92. Within twenty (20) calendar days after delivering the Final Disputed Complaint  
16 List to the Attorney General's Office, the Attorney General and Diamond may provide a joint  
17 statement to the Facilitator to assist him/her in the resolution process, which may include, but is  
18 not limited to, information about the timeshare industry and the ACFA ("Joint Statement").  
19 The Joint Statement will be exchanged between the Parties prior to submission to the  
20 Facilitator. Each Party's position set forth on the Joint Statement will be limited to ten pages  
21 that are double-spaced, using 12 point, Times New Roman font.

22 93. Within forty-five (45) calendar days after delivering the Final Disputed  
23 Complaint List to the Attorney General's Office, Diamond will deliver the following: (1) to the  
24 Facilitator, the applicable records related to the Disputed Complaint, including: (a) the  
25 Disputed Complaint, (b) any written communications from the Eligible Consumer in the  
26 context of the Disputed Complaint, (c) any information provided by the Attorney General to

1 Diamond in the context of the Disputed Complaint, and (d) any information provided by  
2 Diamond to the Attorney General in the context of the Disputed Complaint (collectively, the  
3 "Disputed Complaint Materials"); (2) to Eligible Consumers listed on the final Disputed  
4 Complaint List, a notice that their complaint has been sent to the Facilitator with copies of all  
5 Disputed Complaint Materials that Diamond sent to the Facilitator ("Facilitator Notice"); and  
6 (3) to the Attorney General, a copy of each Facilitator Notice.

7 94. The Facilitator will review the terms of this Assurance and the Disputed  
8 Complaint Materials. The Facilitator's decision regarding each Disputed Complaint will be  
9 based solely on the Assurance, the Joint Statement, and the Disputed Complaint Materials  
10 unless: (1) the Facilitator deems it necessary to obtain additional information or testimony  
11 regarding a specific Disputed Complaint and/or (2) Diamond or the Attorney General  
12 specifically request a telephonic conference in writing. The Facilitator will schedule and  
13 conduct all proceedings with the objective of resolving the dispute as quickly and efficiently as  
14 reasonably possible.

15 95. If the Facilitator deems it necessary to obtain additional information or testimony,  
16 he/she may request it from the Attorney General, Diamond, or the Eligible Consumer. Prior to  
17 contacting Eligible Consumers, the Facilitator must advise the Parties of the intended contact.  
18 Except as specifically requested by the Facilitator, no Party or the Eligible Consumer may  
19 present any evidence that was not shared with the other Party in a good faith attempt to resolve  
20 the dispute prior to the review by the Facilitator.

21 96. The Facilitator will determine whether the Disputed Complaint qualifies as an  
22 Eligible Complaint, which is entitled to Relief. A Disputed Complaint will qualify as an  
23 Eligible Complaint if the Facilitator specifically finds by a preponderance of the evidence that:  
24 (1) each of the requirements set forth in paragraph 84 are met, (2) Relief is warranted under the  
25 totality of the circumstances, and (3) the underlying material allegations are true.

26 97. Upon the Facilitator's determination as to whether the Disputed Complaint will

1 be treated as an Eligible Complaint and if Relief is warranted, but no later than sixty (60)  
2 calendar days after Diamond delivers the Disputed Complaint Materials to the Facilitator, the  
3 Facilitator will send a letter to Diamond, the Eligible Consumer, and the Attorney General  
4 explaining his or her determination.

5 98. The use of the Facilitator will be the exclusive remedy for the Parties with respect  
6 to the Disputed Complaints and the Parties may not attempt to adjudicate any Disputed  
7 Complaints in any other forum. The decision of the Facilitator will be final and binding on the  
8 Parties and will not be capable of challenge by the Parties, whether by arbitration, in court or  
9 otherwise. This paragraph does not alter Consumers' rights as set forth in paragraph 124.

10 99. No later than thirty (30) days after delivering the last letter pursuant to paragraph  
11 97, the Facilitator will send Diamond and the Office of the Attorney General a written report  
12 summarizing the review and determination of the Disputed Complaints (the "Facilitator  
13 Report").

14 100. For all Eligible Complaints, Diamond will deliver a Mutual Release and  
15 Termination of Purchase and Security Agreement ("Mutual Release") with respect to the  
16 Membership(s) which are the subject of the Eligible Complaint and purchased prior to the  
17 Effective Date (collectively, the "Released Membership") during the following time periods:  
18 (1) for all Eligible Consumers listed on the Stipulated Eligible Complaints List, Diamond will  
19 deliver a Mutual Release within thirty (30) calendar days after the Effective Date; (2) for all  
20 Eligible Consumers listed on the Second Stipulated Eligible Complaints List, Diamond will  
21 deliver a Mutual Release within thirty (30) calendar days after delivering the Second Stipulated  
22 Eligible Complaints List to the Attorney General; (3) for all Disputed Complaints that are  
23 determined to be Eligible Consumers who qualify for Relief, Diamond will deliver a Mutual  
24 Release with respect to the Released Membership(s) within fifteen (15) calendar days after  
25 receipt of the Facilitator Report. Eligible Consumers must return their signed Mutual Release  
26 to Diamond within thirty (30) calendar days after receipt of the Mutual Release to obtain the

1 Relief.

2 101. Diamond's Mutual Releases of Eligible Complaints will require the following: (1)  
3 the Eligible Consumers will release all right, title, interest, and claim, in and to the Released  
4 Membership and the Points allocated to such Released Membership; (2) the Eligible  
5 Consumers will authorize the appropriate Association(s) to transfer the Points allocated to the  
6 Released Membership to the cumulative register of Diamond; (3) Eligible Consumers will  
7 release Diamond of any pre-Effective Date claims under the ACFA and claims relating to  
8 Eligible Consumers' Released Membership or any other purchase(s) made through Diamond  
9 prior to the Effective Date; (4) Eligible Consumers will release all right, title, or interest in all  
10 Diamond Collections, THE Club, or interval exchanges related to the Released Membership;  
11 (5) Diamond will release the Eligible Consumers of all outstanding obligations, financial and  
12 otherwise, under the purchase and security agreement for the Released Membership and all  
13 outstanding notes and obligations associated with the Released Membership will be deemed  
14 satisfied and terminated; (6) the applicable Association(s) will release the Eligible Consumers  
15 from liability for any unpaid Maintenance Fees for the Released Membership; (7) Diamond will  
16 not impose liquidated damages in connection with the Released Membership; (8) Diamond will  
17 not prohibit such Eligible Consumers from making statements to government officials; (9) to  
18 ~~the extent that~~ Diamond has reported information regarding such Eligible Consumers to credit  
19 reporting agencies, Diamond will contact all credit reporting agencies to which it reports and  
20 request removal of all negative credit reporting entries with respect to each such Eligible  
21 Consumer—it is understood and agreed that Diamond has no control over information  
22 furnished to the credit reporting agencies by entities whose assets (or a portion thereof)  
23 Diamond acquired; (10) Diamond will pay the cost of any transfer, documentation, and title  
24 fees associated with the Relief; and (11) upon full execution of the Mutual Release, Diamond  
25 will send a copy of each to the Attorney General.

26 102. The Relinquishment Program set forth in Article VI is separate from the

1 Relinquishment Remedy Program. Eligible Complaints entitled to Relief under the  
2 Relinquishment Remedy Program are to be considered separate from Diamond's  
3 Relinquishment Program and may not be considered as any part of any annual caps on  
4 Consumers' eligibility for Diamond's Relinquishment Program. Diamond will have no  
5 obligation under this Assurance to make any monetary payment directly to Eligible Consumers  
6 in connection with the Relinquishment Remedy Program.

7 ***B. CRRR Fund Payments***

8 103. Subject to the terms and conditions of this Section, Diamond will pay to the  
9 Attorney General a monetary payment of Six Hundred Fifty Thousand Dollars (\$650,000),  
10 pursuant to A.R.S. § 44-1530 ("CRRR Fund Payment").

11 104. The CRRR Fund Payment will be made by cashier's check, or by wire, payable to  
12 the Office of the Attorney General, in a single lump sum, no later than thirty (30) calendar days  
13 after the Effective Date.

14 105. The Attorney General will promptly deposit the CRRR Fund Payment into an  
15 interest-bearing consumer restitution subaccount of the Consumer Restitution and Remediation  
16 Revolving Fund, pursuant to A.R.S. § 44-1531.02, and used for the purposes set forth therein.  
17 The Attorney General may distribute such monies to Eligible Consumers who filed complaints,  
18 pursuant to A.R.S. § 44-1531.02(B). The amount and timing of disbursement to each Eligible  
19 Consumer will be determined at the sole discretion of the Attorney General and need not take  
20 into account whether a complaint was deemed an Eligible Complaint under the Relinquishment  
21 Remedy Program. The total amount of disbursement by the Attorney General to Eligible  
22 Consumers is capped at the amount set forth in paragraph 103 above. In the event that any  
23 portion of the monies cannot be distributed to Eligible Consumers, or exceeds the amount of  
24 claims, such portion will be deposited by the Attorney General into the Consumer Protection –  
25 Consumer Fraud Revolving Fund in accordance with A.R.S. § 44-1531.01 and used for the  
26 purposes specified therein.



1           111. To be considered an RP Qualifying Owner, an owner of a Membership or other  
2 timeshare interest (collectively, “Qualifying Interest”) must meet at least the following criteria  
3 (“Eligibility Criteria”):

- 4           a. not have a loan balance or other lien encumbering the Qualifying Interest;  
5           b. be current on the payment of all Maintenance Fees levied against the Qualifying  
6 Interest and THE Club dues;  
7           c. have free and clear title to the Qualifying Interest;  
8           d. own a Qualifying Interest from a Diamond managed resort/program trust or a  
9 Qualifying Interest that is eligible for Diamond’s multisite vacation plan; and  
10          e. have acquired the Qualifying Interest from Diamond or through any entity where  
11 Diamond acquired associated developer rights; however, in some cases, Diamond  
12 may acquire interests acquired by the RP Qualifying Owner in the secondary market  
13 as Diamond shall determine.

14           112. RP Qualifying Owners who previously attempted to make transfers to fraudulent  
15 companies may participate in the Relinquishment Program if they otherwise meet the  
16 Eligibility Criteria. The Relinquishment Program is separate from the Relinquishment Remedy  
17 Program set forth in Article IV(A) of this Assurance. Moreover, the Relinquishment Program  
18 ~~is a program offered, on a case-by-case basis, at Diamond’s discretion and it does not constitute~~  
19 an obligation under this Assurance aside from the election resulting in the RP Monetary  
20 Payment in paragraph 113.

21           113. If in any calendar year commencing January 1, 2018 through December 31, 2023  
22 Diamond, in its discretion, elects (i) to terminate the Relinquishment Program with respect to  
23 Consumer purchases of Qualifying Interests at Sales Centers in Arizona or with respect to  
24 Consumers domiciled in Arizona or (ii) not to offer relinquishment to a Consumer who  
25 otherwise meets the Eligibility Criteria in any calendar year where the Relinquishment Cap (as  
26 defined below) has not been met (“RP Denied Consumer”), Diamond shall promptly pay to the

1 Attorney General's Office a monetary payment of Five Hundred Thousand Dollars (\$500,000),  
2 pursuant to A.R.S. § 44-1530, which will be deposited into the Consumer Restitution and  
3 Remediation Revolving Fund, pursuant A.R.S. § 44-1531.02 ("RP Monetary Payment"). Only  
4 one RP Monetary Payment shall be required in any calendar year irrespective of the total  
5 number of RP Denied Consumers in that year. In no event, however, shall any portion of such  
6 RP Monetary Payment be characterized, by the Attorney General or otherwise, as a fine,  
7 penalty, sanction, or forfeiture by Diamond to the State. For purposes of this paragraph, the  
8 "Relinquishment Cap" means the maximum amount of relinquished Qualifying Interests  
9 (represented by Points) to RP Qualifying Owners under the Relinquishment Program in a  
10 calendar year, and shall equal 15% of the previous year's timeshare sales (represented by  
11 Points). The Relinquishment Cap will not include any Consumer complaints resolved under the  
12 Relinquishment Remedy Program. To the extent Diamond agrees to acquire an interest under  
13 the Relinquishment Program, Diamond will charge no more than \$250 per interval or Points  
14 package, subject to annual inflation increases as designated by the U.S. Consumer Price Index.

15 **VII. ADDITIONAL PAYMENT**

16 114. Subject to the terms and conditions of this Section, and in consideration of the  
17 time and effort of the Attorney General in connection with this Assurance, Diamond will pay to  
18 the Attorney-General an additional monetary payment of One Hundred and Fifty Thousand  
19 Dollars (\$150,000), pursuant to A.R.S. § 44-1530.

20 115. Such additional payment will be made by cashier's check, or by wire, payable to  
21 the Office of the Attorney General, in a single lump sum, no later than thirty (30) calendar days  
22 after the Effective Date.

23 116. The Attorney General will deposit such payment in the Consumer Protection –  
24 Consumer Fraud Revolving Fund in accordance with A.R.S. § 44-1531.01 and used for the  
25 purposes set forth therein.

26 117. In the event that Diamond fails to timely make the full additional payment



1 imposed by this Assurance, and in addition to any other relief or remedy elected or pursued by  
2 the State, the remaining balance will accrue interest at the rate of ten percent (10%) per annum  
3 beginning thirty (30) calendar days after the Effective Date until paid in full.

4 118. No portion of the additional payment set forth in this Section will be  
5 characterized as a fine, penalty, sanction, or forfeiture by Diamond to the State.

6 **VIII. GENERAL PROVISIONS**

7 119. This Assurance applies to Diamond, any successor entity or entities, whether by  
8 acquisition, merger or otherwise, Diamond's current or future officers, directors, managerial or  
9 supervisory employees, and to any other employees or agents having responsibilities with  
10 respect to the subject matter of this Assurance of Discontinuance.

11 120. Diamond shall not participate, directly or indirectly, in any activity, or form a  
12 separate corporation or entity for the purpose of engaging in acts or practices in whole or in part  
13 within the State, that is prohibited by this Assurance or for any other purpose that would  
14 otherwise circumvent any part of this Assurance.

15 121. Acceptance of this Assurance by the State shall not be deemed approval of or  
16 sanction by the State of Diamond's past, present or future business practices, and Diamond is  
17 prohibited from making any representations to the contrary. Further, neither Diamond nor  
18 anyone acting on its behalf shall state or imply or cause to be stated or implied that the State, or  
19 any other governmental unit, has approved, sanctioned, or authorized any of Diamond's acts or  
20 practices.

21 122. Nothing in this Assurance shall be construed as relieving Diamond of its  
22 obligation to comply with all applicable state and federal laws, regulations, or rules, or granting  
23 it permission to engage in any acts or practices prohibited by such laws, regulations, or rules.

24 123. In the event that any statute, rule, or regulation pertaining to the subject matter of  
25 this Assurance is enacted, promulgated, modified, or interpreted by a federal or state court, or  
26 any federal or state government, or any federal or state agency, or a court of competent

1 jurisdiction holds that such statute, rule, or regulation is in conflict with any provision of this  
2 Assurance, Diamond may comply with such statute, rule, or regulation and such action shall not  
3 per se constitute a violation of this Assurance.

4 124. Nothing in this Assurance shall be construed to affect, restrict, limit, alter, waive,  
5 or create any private right of action that a Consumer may hold against Diamond, unless  
6 expressly set forth in state law.

7 125. This Assurance is made without trial or adjudication of any issue of fact or law.  
8 The settlement negotiations resulting in this Assurance have been undertaken by the Parties in  
9 good faith and for settlement purposes only. Nothing contained in this Assurance shall be  
10 construed as an admission or concession of liability or fact by Diamond, a public reprimand, or  
11 an adverse administrative order.

12 126. Neither this Assurance nor any evidence of any settlement negotiation or  
13 settlement communications resulting in this Assurance, including determinations by the  
14 Facilitator as part of the Relinquishment Remedy Program, shall be offered or received in  
15 evidence in any action or proceeding for any purpose other than the enforcement of this  
16 Assurance or related actions or enforcement proceedings. Nothing contained in this Assurance  
17 shall be construed to create any legal or voluntary standard of care. Further, Diamond does not  
18 intend that this Assurance be relied upon in any manner by any third-party in any civil,  
19 criminal, or administrative proceeding before any court, administrative agency, or other  
20 tribunal as an admission, concession, or evidence that Diamond has violated any federal, state,  
21 or local law, or that any of Diamond's current or prior practices are or were in accordance with  
22 any federal, state, or local law.

23 127. To seek modifications of this Assurance, Diamond shall send a written request for  
24 modification with a detailed written explanation of the reason for the request to the Attorney  
25 General. The Attorney General shall review such request on a timely basis and shall provide a  
26 written response to Diamond within ninety (90) calendar days of the request.

1           128. This Assurance contains the entire agreement between the Parties. If any clause,  
2 provision, or section of this Assurance shall, for any reason, be held illegal, invalid, or  
3 unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause,  
4 provision, or section of this Assurance, and this Assurance shall be construed and enforced as if  
5 such illegal, invalid, or unenforceable clause, section, or other provision had not been contained  
6 herein.

7           129. No waiver, modification, or amendment of the terms of this Assurance shall be  
8 valid or binding unless made in writing, signed by the Parties, and then only to the extent  
9 specifically set forth in such written waiver, modification, or amendment. To the extent that a  
10 waiver, modification, or amendment of this Assurance must be approved and entered by the  
11 Court, the State and Diamond agree to submit such waiver, modification, or amendment to the  
12 Court for approval.

13           130. Although time is of the essence, nothing in this Assurance shall be construed to  
14 require, prevent, or prohibit the Parties from agreeing to extend any time period set forth  
15 herein, including but not limited to any notice requirement specified herein.

16           131. Diamond represents that it has fully read this Assurance and understands the legal  
17 consequences involved in signing this Assurance.

18           132. Diamond represents and warrants that it is represented by legal counsel; it has  
19 been fully advised of its legal rights in this matter; and the corporate signatory signing below is  
20 fully authorized to act on behalf of Diamond.

21           133. Diamond shall provide a copy of this Assurance or a complete and accurate  
22 summary of the material terms and conditions of this Assurance to its senior executive officers  
23 who have managerial responsibility over the subject matter of this Assurance.

24           134. Diamond shall comply with the terms and conditions of this Assurance as of the  
25 Effective Date, unless indicated otherwise in this Assurance or agreed to in writing by the  
26 Parties.

1 135. Any notices required to be sent to the State or Diamond by this Assurance shall  
2 be sent by United States mail or other national recognized courier service. Notice may also be  
3 provided by facsimile, e-mail, or other electronic means of transmission. The documents shall  
4 be sent to the following addresses:

5 For the State of Arizona:  
6 Alyse C. Meislik  
7 Assistant Attorney General  
8 1275 West Washington Street  
9 Phoenix, Arizona 85007-2997  
10 consumer@azag.gov

11 For Diamond:  
12 Jared T. Finkelstein  
13 Senior Vice President and General Counsel  
14 10600 West Charleston Boulevard  
15 Las Vegas, Nevada 89135  
16 Jared.Finkelstein@diamondresorts.com

17 136. If the State receives a request for documents provided by Diamond relating to this  
18 Assurance or the negotiations resulting in this Assurance, or for any documents, materials,  
19 reports or information specified by or required herein, the State shall comply with applicable  
20 public disclosure laws, including without limitation A.R.S. § 44-1525.

21 137. This Assurance shall not be construed against the "drafter" because all Parties  
22 participated in the drafting of this Assurance.

23 138. This Assurance may only be enforced by the Parties. Nothing contained in this  
24 Assurance shall be construed to create any third-party beneficiary rights or give rise to or  
25 support any right of action in favor of any consumer or group of consumers, or confer upon any  
26 third-party any rights and remedies.

139. This Assurance is entered pursuant and subject to the provisions of A.R.S. § 44-  
1530.

140. Diamond acknowledges that a violation of this Assurance within six (6) years of  
the Effective Date constitutes prima facie evidence of a violation of A.R.S. § 44-1522.

141. The Attorney General shall file and seek Court approval of this Assurance. This  
Court retains jurisdiction over the parties and the subject matter for purposes of enabling the  
Parties to apply to the Court at any time for orders and directions as may be necessary or  
appropriate to enforce compliance with or punish violations of this Assurance. Neither Party

1 will object on the basis of jurisdiction to enforcement of this Assurance under this paragraph.

2 142. This Assurance does not in any way limit the right of the Attorney General to: (a)  
3 bring a legal action against Diamond for any future acts which violate the ACEA, whether or  
4 not such acts are in violation of this Assurance; or (b) to enforce this Assurance.

5 143. This Assurance may be executed in counterparts, and a facsimile or pdf signature  
6 shall be deemed to be, and shall have the same force and effect as, an original signature.

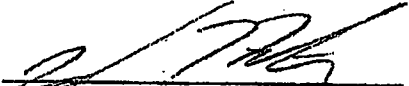
7 DATED this 23<sup>rd</sup> day of December, 2016.

8 MARK BRNOVICH  
9 ATTORNEY GENERAL

10 Alyse Meislik  
11 Alyse C. Meislik  
12 Assistant Attorney General  
13 Office of the Arizona Attorney General  
14 *Attorneys for State of Arizona*

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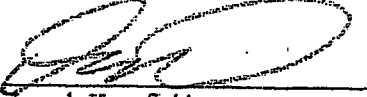
1 **Diamond Resorts Corporation**

2  
3 By: 

4 Jared T. Finkelstein  
5 Senior Vice President and General Counsel of  
Respondent Diamond Resorts Corporation

6 Date: 12/22/16

9 APPROVED AS TO FORM AND CONTENT:

10  
11 By: 

12 Joseph Kanefield  
13 Ballard Spahr, LLP  
Attorneys for Respondents

14 Date: 12/23/16

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