

Diamond Resorts Corporation Assurance of Discontinuance
Frequently Asked Questions

What are the terms of the settlement that the Attorney General's Office reached with Diamond Resorts?

On December 23, 2016, the Arizona Attorney General settled its consumer fraud investigation into the sales practices of Diamond Resorts Corporation with the filing of the Assurance of Discontinuance. Diamond agreed to make a number of changes to its business practices that will benefit consumers, including requirements to make specific disclosures during timeshare sales presentations. The settlement agreement requires Diamond to pay the State a total of \$800,000, of which \$650,000 will be used for consumer restitution for qualifying claims filed by January 23, 2017, and \$150,000 for the State's attorneys' fees and costs. The Assurance of Discontinuance establishes a Relinquishment Remedy Program that allows qualifying consumers, who no longer want their timeshares, to return them to Diamond with no further obligations.

How does a consumer qualify for the Relinquishment Remedy Program?

A consumer may qualify for the relinquishment program if the consumer meets ALL of the following criteria:

1. The consumer purchased a membership(s) from Diamond in Arizona and/or was domiciled in Arizona at the time of the purchase;
2. The consumer purchased points from Diamond based on misleading or untrue statements that Diamond employees made during sales presentations conducted prior to **January 23, 2017**; AND
3. The consumer files a consumer complaint with the Attorney General's Office (see below) by **May 23, 2017**. The consumer complaint **MUST** include a detailed description of any misrepresentation(s), false or deceptive statement(s), and/or false promise(s) that Diamond's employees made to you.

When should the conduct I am complaining about have occurred in order to qualify for the Relinquishment Remedy Program?

For all complaints filed after January 23, 2017, the alleged conduct must have occurred between January 1, 2011 and January 23, 2017.

How do I file a complaint with the Arizona Attorney General's Office?

If you believe you have been the victim of consumer fraud in this or any other matter, you can file a consumer complaint online by visiting the Attorney General's website at <https://www.azag.gov/complaints/consumer> or you may obtain a complaint form by contacting the Attorney General's Office in Phoenix at (602) 542-5763, in Tucson at (520) 628-6504, or outside the Phoenix and Tucson metro areas at 1(800)352-8431. Bilingual consumer protection staff members are available to assist.

When do I have to file my complaint by to be considered for the Relinquishment Remedy Program?

Written complaints must be submitted to the Arizona Attorney General's Office by May 23, 2017.

What "Relief" is provided under the Relinquishment Remedy Program?

All consumers who qualify for "Relief" under the program will receive a Mutual Release and Termination of Purchase and Security Agreement ("Mutual Release") from Diamond for the Membership(s). The Mutual Release will enable qualifying consumers to return their qualifying membership(s) to Diamond. These consumers will have no further financial obligations, including future loan payments and maintenance fees, with respect to the qualifying membership(s). Consumers who agree to accept relief are required to release all claims that they may have against Diamond relating to their released membership(s) or other purchases from Diamond prior to the Effective Date. If Diamond has reported information to credit reporting agencies regarding consumers who enter into Mutual Releases, Diamond will contact all credit reporting agencies to which it reports and request removal of all negative credit reports.

When will I obtain the Relief under the Relinquishment Remedy Program?

The State and Diamond will review all consumer complaints to determine eligibility for the program on a rolling basis. Consumers who Diamond stipulates qualify under the Relinquishment Remedy Program will receive a Mutual Release from Diamond on or before November 6, 2017. Should Diamond and the State dispute a consumer's eligibility under the Program, the consumer's complaint will be forwarded to a third party Facilitator who will review the information and make the final determination regarding the consumer's eligibility. If the Facilitator decides that a consumer is eligible for relief, the Facilitator will send letters regarding the determination by January 19, 2018. Diamond will deliver a Mutual Release to the consumer by March 7, 2018.

What do I do if I receive a Mutual Release from Diamond?

If you receive a Mutual Release and want to relinquish your timeshare, you must sign and return the Mutual Release to Diamond within 30 days in order to receive the relief. Please be aware that if you sign the Mutual Release, you are releasing any potential claims you may have against Diamond Resorts. If you have specific questions about that or other terms of the Mutual Release, you may want to contact an attorney for advice.

What does that mean if my complaint is forwarded to a "Facilitator"?

Diamond and the State have agreed on a process to determine if complaints qualify for Relief under the Relinquishment Remedy Program. If the State believes that a complaint is eligible for the program, but Diamond disagrees, the disputed complaint will be forwarded to a third party Facilitator, chosen by both Diamond and the State, who will make the final determination as to eligibility for the program. If a complaint is forwarded

to a Facilitator, you will be notified and you may be contacted for more information. The Facilitator will send out letters with the determination by January 20, 2018.

Will this settlement benefit me if I have never lived in Arizona and bought my timeshare in another state?

No, the Arizona Attorney General does not have jurisdiction to assist you. If you believe you have been the victim of consumer fraud, you may want to file a complaint with the attorney general's office in the State where you purchased the timeshare, as well as your own state's attorney general.

What can I do if I do not qualify under this program but I no longer want my Diamond Timeshare?

Diamond is instituting a separate relinquishment program, currently known as Transitions. The Transitions program is different than the Relinquishment Remedy Program provided for under the Assurance of Discontinuance. For more information about Transitions, contact Diamond.

Does qualifying for the Relinquishment Remedy Program entitle me to monetary relief?

No, under the settlement, the Relinquishment Remedy Program is separate from the restitution program.