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## Lawsuit Against RCI is Settled

### *Class Action Agreement Subject to Court Approval*



A settlement of the class action lawsuit against RCI, brought by RCI “Weeks Members,” has been memorialized in an agreement which provides for enhanced exchange opportunities and monetary benefits for current and former RCI members. Although the matter has not been formerly certified by the court as a class action, the terms of the settlement agreement, once approved by the court, will bind everyone who was a Weeks Member of RCI at any time between January 1, 2000 and November 20, 2008, except those people who notify

the court of a desire to be excluded from the settlement. The settlement terms are subject to approval by the United States District Court after a “fairness hearing” scheduled for June 16, 2009.

The monetary part of the settlement, while potentially large in the aggregate, is not significant for individual members, providing for a choice of credits ranging from \$20 for an exchange fee or membership renewal up to \$100 for a cruise exchange or a free rental night or two month membership extension. On the other hand, that part of the settlement agreement which Weeks Members are likely to regard as most significant, revolves around the exchange system and includes a number of aspects.

#### **Trading Power**

Prior to a Member’s actual deposit of a week, RCI will disclose the Trading Power for that week, so long as the

request for disclosure is made more than 14 days and less than two years prior to the starting date of the week.

Provided a Member submits to RCI the information that would be required for a deposit, RCI will disclose all currently available inventory for which the Member’s week has sufficient Trading Power.

These disclosures will be made for a period of two years beginning no later than August 31, 2010. RCI is not required to disclose its methodology for calculating Trading Power.

#### **Balancing deposits and rentals**

On a calendar year basis, the aggregate quantity of Member-deposited weeks which are rented by RCI must be less than the aggregate quantity of weeks deposited by RCI or others.

#### **Disclosure of activity**

For the calendar year 2008 and at least two years thereafter, RCI will make available to Members statistical information regarding activity in the Weeks Exchange Programs.

#### **Priority for exchanges**

For a period of two years commencing no later than August 31, 2010, each week deposited more than one year in advance of the starting date of the week shall, for a period of 31 days from date of deposit, be available exclusively for exchange and not for any other purpose including rental.

In addition, during the two year period, all weeks, whenever deposited, will be used to satisfy active exchange requests pending at the time of de-

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## RCI Lawsuit Settlement

(Continued from front page.)

posit, subject to Trading Power criteria.

### Other benefits

Certain other benefits of the settlement are available only to qualified Members upon submission of a claim form. Claim forms must be filed prior to April 6, 2009. (A claim form is available at [www.tstoday.com/claimform.pdf](http://www.tstoday.com/claimform.pdf))

Members who had deposited weeks with starting dates between January 1, 2000 and August 31, 2008, who paid to extend the exchange period for at least six months and never got an exchange despite having an active exchange request pending, will receive a \$30 credit towards the Member's next exchange.

In addition, Members may choose one benefit from among the following:

- For a period of two years after the settlement is approved by the court, a Member can search available inventory before making a deposit for exchange.
- Two months extension of membership.
- For Members whose membership expires more than two years after the settlement is approved, a \$20 credit towards membership renewal or an exchange.
- Prorated refund of membership fee is a Member elects to terminate membership and a full refund of fees paid for pending exchange requests.
- One free night's stay at any RCI rental added to a rental of at least one night, to be reserved within one year.

- A \$100 credit towards the purchase of each cabin (up to four) on a cruise offered by RCI, to be booked within one year.

Former RCI Members can choose between a \$15 payment from RCI or a \$15 credit towards an RCI Weeks membership.

All "Other Benefits" require submission of a claim form.

If any Members wish to exclude themselves from the settlement (which would leave them with a right to litigate separately with RCI), they must mail an exclusion request by April 6, 2009 to David Berman, Esq., 71 Maple Avenue, P.O. Box 111, Morristown, NJ 07963-0111. If more than 5% of Members exclude themselves, RCI has a right to opt out of the settlement agreement.

Members who do not exclude themselves can file objections to the terms of the settlement agreement, stating why they believe the Court should not approve it. These objections must also be filed by April 6, 2009 and sent to David Berman at the address above or to David S. Sager, Esq., Day Pitney, LLP, P.O. Box 1945, Morristown, NJ 07962-1845.

The settlement agreement runs to 37 pages, but is 280 pages with all the exhibits. The full text of the agreement with the exhibits is available through a link at the very bottom of the RCI website, [www.rci.com](http://www.rci.com).

Members who are considering filing an objection to the agreement should not rely on the summary of the major terms of the settlement agreement that is published here, but should carefully read the text of the agreement before filing any objections.

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