

2. RCI is the self-proclaimed “largest timeshare vacation exchange network in the world.”

3. By buying a timeshare (a legal interest in resort real estate for a specified period of time each year) and joining RCI, RCI Points members have the right to participate in an exclusive exchange program giving them access to thousands of other RCI timeshares around the world. As represented by RCI, each member can exchange their points for reservations at RCI Points locations or RCI Weeks resort locations. RCI Points members are told that only members of the program can access the timeshares. RCI created and perpetuates this image of its program through a uniform fraudulent, deceptive and unconscionable marketing scheme.

4. RCI Points members, however, are not the only individuals who have access to the timeshares. Instead, RCI engages in an unconscionable commercial practice of skimming a large percentage of the timeshares from the system, including many prime timeshares, and renting them to the general public at a profit to RCI, or selling them to vendors who then rent them to the general public. RCI also uses these timeshares for promotional purposes and as benefits for its employees, further depleting the number of timeshares available for member exchanges.

5. Through these and other business practices, RCI converts many of the prime timeshare deposits into cash, leaving fewer and much less desirable timeshares in the system for RCI Points members to access. As a result of these unconscionable practices, the actual experience of many RCI Points members, like Plaintiff, is that no matter how meticulously they follow RCI's rules and procedures, and no matter how far in advance they begin looking for a desirable exchange, they simply cannot find available destinations. RCI profits by these practices at the expense of its members, whose timeshares and RCI "benefits" are rendered virtually worthless.

6. Plaintiff and others have been and continue to be damaged by RCI's course of conduct.

PARTIES

7. Plaintiff Anton Glenz is a citizen of Ellsberry, Missouri. Plaintiff became a member of RCI Points on May 3, 2004, in conjunction with his purchase of a Timeshare Interval (as defined below) at Sunrise Ridge Resort in Pigeon Forge, Tennessee. Plaintiff paid \$9,490 for this Timeshare Interval, which included Exchange Fees for his membership with RCI Points. At all relevant times herein, Plaintiff paid all RCI Points membership fees and all other fees associated therewith.

8. Defendant RCI maintains its principal place of business in Parsippany, New Jersey.

JURISDICTION AND VENUE

9. This Court has subject matter jurisdiction over this nationwide class action pursuant to 28 U.S.C. § 1332, as amended by the Class Action Fairness Act of 2005, because the matter in controversy exceeds \$5,000,000.00, exclusive of interest and costs, includes more than 100 Class members, and is a class action in which at least one member of the Class is a citizen of a different state than RCI. *See* 28 U.S.C. § 1332(d)(2)(A). This Court also has personal jurisdiction over RCI because it is authorized to do business and in fact does business in this state, and its headquarters are located in this state.

10. Venue is proper in the District of New Jersey because a substantial part of the events detailed herein occurred in this District.

STATEMENT OF FACTS

A. Timeshares and RCI.

11. A timeshare is a form of joint interest in real estate in which numerous individuals share a legal interest in and enjoy the use or occupation of the real estate for a specified period of time.

12. Legal interest in a timeshare can be acquired in two ways. The first is by acquisition of fee title to a specific piece of real estate for a specified period of time, which is known as a “Deeded Interval.” The owner of a Deeded Interval, along with all other Deeded Interval owners in the same real estate, collectively own the real estate.

13. The second way a legal interest in a timeshare can be acquired is by acquisition of a leasehold interest in or license to use a specific piece of real estate for a specified period of time, which is known as a “Vacation Interval.” With Vacation Intervals, the real estate developer typically retains ownership of the real estate, but leases or licenses the right to use a portion of the real estate to individual lessees or licensees at agreed upon terms.

14. The specified period of time during which the owner of a Deeded Interval or Vacation Interval has the right to occupy the real estate is known as a “Timeshare Interval.”

15. Timeshare Intervals generally cost between \$8,000 and \$20,000, depending on the interest being acquired. Additionally, Timeshare Interval owners are typically required to pay annual maintenance fees in connection with their Timeshare Intervals, which steadily increase over time.

16. RCI claims that 7 out of every 10 timeshare resorts are affiliated

with RCI, thereby giving members access to more than 3,700 affiliated resorts worldwide.

17. RCI is not licensed to engage in the business of a real estate broker.

18. RCI purports to facilitate the exchange of Timeshare Intervals among owners of Timeshare Intervals through, *inter alia*, the RCI Points program. RCI defines the “RCI Points Exchange Program” (“RCI Points”) on its website as follows:

When you purchase your vacation week or convert an existing vacation week, its assigned an RCI points value, which simplifies the exchange process. The RCI Points value depends on certain factors including the supply and demand at that resort location, the type of unit, season, and evaluations from Members who’ve stayed there. Your RCI Points are made available to you annually, at the beginning of your Use Year.

Once you receive your annual allotment of RCI points, you can exchange them to make reservations at both Points and weeks resorts, as well as RCI Points Partners for hotels, rental cars, cruises, airfare and entertainment.

19. RCI charges annual fees for membership in RCI Points

20. RCI depicts the RCI Points exchange program as a convenient, easy means for Points Members to achieve flexibility with their Vacation Time. On its website, RCI states that RCI Points Members have access to a broad range of destinations and experiences.

B. RCI's Practices.

21. Through a coordinated and uniform marketing strategy, RCI creates and maintains the impression that access to Vacation Time is completely or almost completely limited to RCI members and that RCI members will be able to exchange their RCI Points for comparable Timeshare Intervals around the world. To create this impression, RCI, directly and indirectly through agents or intermediaries, makes misrepresentations and knowingly conceals, suppresses or omits material facts in connection with the sale or advertisement of RCI Points, and in connection with RCI's subsequent operation of RCI Points, with the intent that members and prospective members will rely thereon to purchase a Timeshare Interval, purchase memberships in RCI Points, maintain and renew memberships in RCI Points, pay Exchange Fees to RCI, and pay other fees to RCI.

22. RCI implements its uniform marketing strategy through various channels, directly targeting RCI members and prospective members, including, but not limited to, RCI's publications, website, and advertisements.

23. RCI also implements its uniform marketing strategy indirectly through agents or intermediaries such as resort developers, which RCI calls affiliates, and on information and belief RCI develops and initiates that strategy in New Jersey. Vacation exchange opportunities play an important role in RCI's affiliates' ability

to “close the sale” with potential Timeshare Interval purchasers. RCI develops and provides standardized “sales tools” to its affiliates, including but not limited to membership kits, resort directories, brochures, videos and DVDs. RCI develops these standardized sales tools and distributes them to its affiliates to create and reinforce RCI members’ and prospective members’ false belief that access to Vacation Time is completely or almost completely limited to RCI members, and that RCI Points Members will be able to exchange their Points for comparable Timeshare Intervals around the world. RCI also provides consulting and advisory services to the affiliated resorts and others in connection with the development and management of tourism-related real estate, programs to foster customer loyalty, in-house and outsourced travel agency services and third party vacation club exchanges. RCI represents that its sales tools reinforce the benefits of a Timeshare Interval purchase and that use of these sales tools adds value to the Timeshare Intervals its affiliates are selling. RCI provides the sales tools to increase closing rates, enhance loyalty, and drive the growth of its affiliates, and its sales tools have made RCI’s affiliates some of the top resort developers in the world. RCI’s affiliates benefit from the ability to reassure potential Timeshare Interval purchasers that their post-purchase exchange services and benefits are backed by RCI.

24. By virtue of the representations and omissions in these standardized sales tools, RCI acquires members indirectly through affiliated resorts. RCI knows and intends that the representations and omissions in its sales tools are material to RCI members' and prospective members' decisions to purchase Timeshare Intervals, purchase memberships in RCI Points, maintain and renew memberships in RCI Points, pay Exchange Fees to RCI, and pay other fees to RCI.

25. Contrary to its representation to members and prospective members, RCI engages in unconscionable commercial practices by routinely making Vacation Time available to persons other than RCI members, thereby diluting the quantity and quality of Vacation Time available to them. As described below, RCI's strategy is to take premium Vacation Time and make it available to non-RCI members for cash rentals and other purposes.

26. RCI uses Vacation Time to earn rental income. Cendant Corporation, RCI's parent company, filed a 10k with the SEC in 2005 that reads in part, under the heading "Vacation Exchange": "Through our RCI subsidiary, the Vacation Network Group provides vacation exchange services to over three million owners of vacation ownership interests at more than 4,000 resorts in approximately 100 countries." Not coincidentally, that same 10k reads in part, under the heading "Vacation Rental": "Through RCI, our vacation rental business

also has relationships with approximately 4,000 affiliated resorts and over three million owners of vacation ownership interests. Most of our rental activity takes place in Europe, the United States and Mexico, although we have the ability to acquire and rent inventory in over 100 countries.”

27. RCI has at times admitted that it rents Vacation Time to non-RCI members, but claims the Vacation Time it rents consists only of Vacation Time that no Points Member would want or use.

28. In a number of timeshare forums frequented by Timeshare Interval owners and prospective owners, RCI has represented that the Timeshare Intervals deposited by RCI members are available exclusively for exchange unless and until they fall within the “Marketable Inventory” category, which refers to Vacation Time members historically do not want or use. RCI has represented, through its Director of Communications John R. Barrows, that Marketable Inventory is comprised of “last minute cancellations” and “weeks that no member will request, and no member will use,” and that “no RCI member’s right to a fair exchange is ever compromised by any RCI marketable inventory program.” Letter from John R. Barrows to The Timeshare Beat, <http://www.thetimesharebeat.com/2002/ts/feb/0215-03t.htm>. This is untrue: In 2004, while RCI’s exchange volume decreased by 2%, its combined points and rental

transaction volume increased by 18%. That is, while the pool of Vacation Time deposited into the RCI SPACEBANK® system slightly decreased, RCI's depletion of Vacation Time from the RCI SPACEBANK® system for the purpose of renting that Vacation Time dramatically increased.

29. RCI places Vacation Time, including premium Vacation Time, into Marketable Inventory for rental by non-RCI members. In some instances, Vacation Time from highly requested areas during popular times of travel goes straight to Marketable Inventory. RCI does not replenish the exchange inventory with comparable Vacation Time. RCI's rental program constitutes an unconscionable commercial practice. Further, RCI misrepresents and knowingly conceals, suppresses and omits material facts regarding the nature and extent of its rental program, and the attendant depletion of inventory from the RCI SPACEBANK® system, with the intent that members and prospective members will rely thereon.

30. In addition to renting Vacation Time, RCI secretly enters into "Marketable Vacation Time Agreements" with third parties ("Vendors") that grant the Vendors the right to purchase Vacation Time from RCI and sell that Vacation Time to the general public. RCI keeps the proceeds of all sales of Vacation Time to Vendors.

31. In order to conceal RCI's sale of Vacation Time to Vendors, RCI routinely prohibits Vendors from referring to RCI, directly or indirectly, in their communications with purchasers and prospective purchasers, using any RCI materials or otherwise associating themselves with, or in any way publicly identifying their relationship to, RCI.

32. On information and belief, Vendors offer or have offered Vacation Time through the following websites, among others: resortrip.com; activeinternational.com; eLeisurelink.com; bid4vacations.com; skyauctions.com; amexcondodirect.com; gettravelop.com; veteransholidays.com; holidaynetwork.com; and ebay.com. On information and belief, RCI also offers Vacation Time through its corporate affiliates, including Holiday Networks, Inc., which operates under the following trade names: Condo Rental Network, Elite Reservations, Holiday Network, Select Vacations, Snap Travel, and Triprewards Vacation Network.

33. RCI has maintained, and continues to maintain, a common, routine, and customary business practice of selling Vacation Time to Vendors for resale to the general public. This practice constitutes an unconscionable commercial practice. Further, RCI misrepresents and knowingly conceals, suppresses and omits material facts regarding the nature and extent of its sales of Vacation Time to Vendors, and the attendant depletion of inventory from the RCI SPACEBANK® system, with

the intent that members and prospective members will rely thereon.

34. On information and belief, RCI further decreases the pool of Vacation Time available for Points Members by allowing Vendors and other third parties to use Vacation Time in the promotion of other products sold by RCI affiliates. For example, in 2001, RCI began making Vacation Time available to real estate brokers affiliated with Cendant's subsidiary ERA Franchise Systems, Inc. ("ERA"). This program allows ERA brokers to receive discounted rates on the purchase of RCI Resort Vacation Certificates. Each certificate (valued up to \$1,500) entitles the recipient to a seven-night getaway at a RCI affiliated resort. These Vacation Certificates are touted as marketing tools for ERA's brokers. ERA asserts the Vacation Certificates can be used to recruit new sales associates, thank a relocation client, follow-up on a closing, or donate to a local fundraiser. RCI affiliates have also offered Vacation Time for free to induce the purchase of vacation cruises. RCI further uses Vacation Time as a form of employee compensation.

35. RCI's routine practice of using Vacation Time as employee compensation and allowing Vendors and other third parties to use Vacation Time for promotional purposes constitutes an unconscionable commercial practice. Further, RCI misrepresents and knowingly conceals, suppresses and omits material facts regarding the nature and extent of its practice of using Vacation Time as

employee compensation and allowing Vendors and other third parties to use Vacation Time for promotional purposes, and the attendant depletion of inventory from the RCI SPACEBANK® system, with the intent that members and prospective members will rely thereon.

36. Because RCI sells Vacation Time to Vendors for resale to the general public, rents Vacation Time, authorizes the use of Vacation Time in connection with its own and its affiliates' promotions, and provides Vacation Time to its employees and others, Points Members do not have access to a pool of Vacation Time comprised of all the Timeshare Intervals deposited for exchange by other RCI members, and are often unable to obtain comparable Vacation Time through the RCI SPACEBANK® system.

37. Because RCI sells Vacation Time to Vendors for resale to the general public, rents Vacation Time, authorizes the use of Vacation Time in connection with its own and its affiliates' promotions, and provides Vacation Time to its employees and others, Points Members do not obtain the benefit of their bargain in joining and/or participating in RCI Points and the value of Points Members' memberships in RCI Points is less than the value of the memberships as represented by RCI.

38. Because RCI sells Vacation Time to Vendors for resale to the

general public, rents Vacation Time, authorizes the use of Vacation Time in connection with its own and its affiliates' promotions, and provides Vacation Time to its employees and others, the value received by Points Members for the payment of Exchange Fees is less than the value of these fees as represented by RCI.

39. Because RCI sells Vacation Time to Vendors for resale to the general public, rents Vacation Time, authorizes the use of Vacation Time in connection with its own and its affiliates' promotions, and provides Vacation Time to its employees and others, the value of Points Members' Timeshare Intervals is less than the value of these Timeshare Intervals as represented by RCI.

40. RCI acquired Membership Fees, Exchange Fees, Vendor Fees, rental income, and other money by means of its conduct alleged in this pleading.

C. Plaintiff's Experience With RCI.

41. On May 3, 2004, Plaintiff signed a participation agreement with RCI for its RCI Points program, which was in conjunction with his purchase of a Timeshare Interval at the Sunset Ridge Resort in Pigeon Forge, Tennessee.

42. Subsequent thereto, Plaintiff made numerous attempts to use his RCI points for vacation time at various destinations offered by RCI. In most instances, Plaintiff made such attempts several months in advance, but was unable to book a

Vacation Interval at the resort or destination he preferred.

43. For example, Plaintiff made, *inter alia*, the following attempts to book Vacation Intervals through RCI by way of using his RCI Points:

- a) In 2005, Plaintiff attempted to book a trip to the Chicago, Illinois area three to four months in advance of his desired travel dates, but was told that nothing was available;
- b) In May of 2004, Plaintiff attempted to book a trip to any of the multiple locations in the Outer Banks of North Carolina, but was told that nothing was available;
- c) In August of 2004, Plaintiff attempted to book a trip to Mackinac Island, Michigan, one and one-half months in advance, but was told that nothing was available;
- d) In Spring of 2005, Plaintiff attempted to book a trip to Eureka, Arkansas, three months in advance, but was told that nothing was available;
- e) Plaintiff attempted to book a trip to Jackson Hole, Wyoming, but was told he needed to book his trip two years in advance; and
- f) Plaintiff attempted to book a trip to Rapid City, South Dakota, but was told he needed to book his trip one year in advance.

44. Since purchasing the Timeshare Interval, Plaintiff has repeatedly attempted to use his points with RCI. Plaintiff has never been able to exchange his points for a Timeshare Interval in or near the geographic location he requested, and when he accepted an alternative location offered by RCI, the accommodations were not comparable to his own unit at the Sunrise Ridge Resort that he deposited into the RCI SPACEBANK® system.

45. Since his initial contact with RCI to the present, RCI has never advised Plaintiff that RCI rents Vacation Time to the general public, sells Vacation Time to Vendors for resale to the general public, uses or authorizes the use of Vacation Time in the promotion of its and its affiliates' products, and uses or authorizes the use of Vacation Time as a form of employee compensation.

46. Plaintiff had no reason to expect that RCI would rent Vacation Time to the general public, sell Vacation time to Vendors for re-sale to third parties, use or authorize the use of Vacation Time in the promotion of its and its affiliates' products, and use or authorize the use of Vacation Time as a form of employee compensation.

47. Plaintiff acquired membership in RCI Points because RCI consistently and uniformly represented that he would be able to exchange his points for Timeshare Intervals, that the pool of Vacation Time existed solely for the use and benefit of RCI members, and that Vacation Time could be accessed solely through the RCI SPACEBANK® system.

48. Plaintiff retained and renewed his membership in RCI Points, and continued to pay annual maintenance fees because RCI affirmatively misrepresented that through the RCI SPACEBANK® system, he would be able to exchange his points towards Timeshare Intervals, that the pool of Vacation Time

existed solely for the use and benefit of RCI members, and that Vacation Time could be obtained solely through the RCI SPACEBANK® system.

49. Because RCI has reduced the pool of Vacation Time available for use, Plaintiff was unable to use the RCI SPACEBANK® system to exchange his points for any Timeshare Intervals that he wanted to use. Plaintiff's membership in RCI Points and the fees he paid RCI have provided little or no value to him.

50. Ultimately, Plaintiff deeded back his Timeshare Interval to Sunset Ridge Resort for \$0 on May 1, 2008.

51. Plaintiff would not have joined RCI Points, renewed his membership in RCI Points, or paid Exchange Fees or other fees to RCI, had he known of RCI's wrongful conduct as set forth herein.

TOLLING OF STATUTES OF LIMITATIONS

52. Through a continuing course of misrepresentations and omissions, RCI actively concealed from Points Members the existence of their causes of action against RCI, such that Points Members could not have, through reasonable diligence, discovered their causes of action against RCI. RCI had actual or constructive knowledge of the wrongful courses of action alleged in this pleading. Plaintiff and Class members were kept in ignorance of information essential to the pursuit of these claims, without any fault or lack of diligence on their part. Plaintiff and Class members did not discover the facts constituting RCI's unconscionable commercial practices until a date within the limitations period governing this action, and Plaintiff promptly exercised due diligence by filing this Complaint. As a result of RCI's concealment, Plaintiff and Class members are not at fault for failing to discover RCI's misconduct sooner, and had no actual or presumptive knowledge of the facts of RCI's misconduct to put them on notice. Plaintiff and Class members could not have reasonably discovered RCI's misrepresentations, material omissions and/or unconscionable commercial practices before the filing of this Complaint and, therefore, their claims accrued on the date this Complaint was filed, and any statutes of limitations were tolled until that time.

CLASS CERTIFICATION

53. This action is brought as a class action under Rule 23 of the Federal Rules of Civil Procedure, on behalf of all persons throughout the United States and its territories who are or were Resort Condominiums International, LLC's ("RCI") Points Members. Excluded from the Class are RCI and its officers and directors.

54. Membership in the Class is so numerous as to make it impractical to bring all Class members before the Court. The size of the Class is estimated to be in the millions.

55. Plaintiff's claims are typical of those of the Class, all of whom have suffered harm due to RCI's uniform course of conduct.

56. There are numerous and substantial questions of law and fact common to members of the Class that control this litigation and predominate over any individual issues pursuant to Rule 23(b)(3). These common issues include, *inter alia*:

- a) Whether RCI engaged in deceptive business practices in connection with its advertising of RCI Points;
- b) Whether RCI engaged in unconscionable commercial practices in connection with its performance of RCI Points;
- c) Whether RCI developed and implemented a coordinated and uniform marketing strategy designed to create and maintain the false impression among Plaintiff and the Class that access to Vacation Time deposited by RCI members is completely or almost completely limited to RCI members;

- d) Whether RCI developed and implemented an unconscionable, coordinated, and uniform operating strategy designed to make Vacation Time routinely available to persons other than RCI members, thereby decreasing the quality and quantity of Vacation Time available to Plaintiff and Class members;
- e) Whether RCI knowingly misrepresented, concealed, suppressed or omitted from Plaintiff and the Class facts material to Plaintiff's and the Class' purchasing decisions in connection with the sale or advertisement of RCI Points or RCI's subsequent performance of RCI Points with the intent that Plaintiff and the Class would rely upon such concealment, suppression or omission to purchase a Timeshare Interval, purchase membership in RCI Points, maintain membership in RCI Points, pay Exchange Fees to RCI, and pay other fees to RCI;
- f) Whether RCI has engaged either directly or indirectly in the business of a real estate broker without being licensed to do so;
- g) Whether RCI's uniform marketing strategy and operation of RCI Points violate the New Jersey Consumer Fraud Act and other various consumer fraud acts across the nation;
- h) Whether Plaintiff and the Class suffered ascertainable losses as a proximate result of RCI's affirmative acts and knowing concealment, suppression or omission of material facts, or RCI's engagement in the business of a real estate broker without being licensed so to do; and
- i) Whether RCI acquired money by means of conduct declared unlawful by N.J.S.A. 56:8-2.

57. RCI's conduct is such that it is appropriate that there be final injunctive relief to enjoin its conduct with respect to the Class as a whole pursuant to Rule 23(b)(2).

58. A class action is the appropriate method for the fair and efficient adjudication of this controversy for the following reasons:

- a) Without a class action, the Class will continue to suffer damage, RCI's violations of the law or laws will continue without remedy, and RCI will continue to enjoy the fruits and proceeds of its unlawful misconduct;
- b) Given (i) the substantive complexity of this litigation; (ii) the size of individual Class members' claims; and (iii) the limited resources of Class members, few, if any, Class members could afford to seek legal redress individually for the wrongs RCI has committed against them;
- c) This action will foster an orderly and expeditious administration of Class members' claims, economies of time, effort and expense, and uniformity of decision; and
- d) Inferences and presumptions of materiality and reliance are available to obtain class-wide determinations of those elements within Class members' claims, as are accepted methodologies for class-wide proof of losses and damages; alternatively, upon adjudication of RCI's liability, the Court can efficiently determine the claims of individual Class members; and this action presents no difficulty that would impede the Court's management of it as a class action, and a class action is the best, if not the only, available means by which members of the Class can seek legal redress for the harm caused them by RCI.

CLAIMS FOR RELIEF

COUNT I

VIOLATIONS OF CONSUMER PROTECTION LAWS

59. Plaintiff re-alleges paragraphs 1 through 58 as if fully set forth herein.

60. This is a claim for violations of the New Jersey Consumer Fraud Act, N.J.S.A. § 56:8-1, *et seq.*, and those other state consumer protection statutes which are in all material respects similar to it.

61. Section 56:8-2 of the New Jersey Consumer Fraud Act, provides, in pertinent part:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing, concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby, is declared to be an unlawful practice; provided, however, that nothing herein contained shall apply to the owner or publisher of newspapers, magazines, publications or printed matter wherein such advertisement appears, or to the owner or operator of a radio or television station which disseminates such advertisement when the owner,

publisher, or operator has no knowledge of the intent, design or purpose of the advertiser.

62. Section 56:8-2.11 of the New Jersey Consumer Fraud Act further provides:

Any person violating the provisions of the within act shall be liable for a refund of all moneys acquired by means of any practice declared herein to be unlawful.

63. Plaintiff and other Class members are “consumers” or “persons,” as defined and construed under N.J.S.A. § 56:8–1(d), and other states’ Consumer Protection Laws.

64. RCI’s conduct as alleged herein occurred in the course of trade or commerce.

65. In connection with the sale or advertisement of RCI Points and RCI’s subsequent performance of RCI Points, RCI performed the following affirmative acts that constitute unconscionable commercial practices, deception, and misrepresentations, and knowingly concealed, suppressed, or omitted the following material facts with the intent that Plaintiff would rely on such concealment, suppression or omission:

- a) Falsely represented, expressly and implicitly, directly and through intermediaries, in direct mail promotional materials, in timeshare sales meetings, internet communications, telephonic communications and through other public and private communications, that access to Vacation Time is completely or almost completely limited to RCI members and that Points Members are able to

exchange their points for Timeshare Intervals around the world;

- b) Failed to disclose that RCI rents Vacation Time to the general public, sells Vacation Time to Vendors for resale to the general public, uses or authorizes the use of Vacation Time in the promotion of its and its affiliates' products and uses or authorizes the use of Vacation Time as a form of employee compensation;
- c) Engaged either directly or indirectly in the business of a real estate broker without being licensed to do so;
- d) Sold Vacation Time to Vendors for resale to the general public;
- e) Rented Vacation Time to the general public; and
- f) Used or authorized the use of Vacation Time in its own and its affiliates' promotion of other products.

66. RCI had no intent to, and did not, limit access to Vacation Time completely or almost completely to RCI members.

67. RCI's affirmative acts, knowing suppression, omission or concealment of material facts and other conduct set forth in this pleading were conducted with the intent that Plaintiff would rely thereon, purchase membership in RCI Points, maintain membership in RCI Points, pay maintenance fees, pay Exchange Fees to RCI, and pay other fees to RCI.

68. RCI's affirmative misrepresentations and acts, knowing suppression, omission, or concealment of material facts, and other conduct set forth in this

pleading, constitute regulatory violations, including, among others, violation of laws prohibiting persons, firms and corporations from engaging either directly or indirectly in the business of a real estate broker without being licensed to do so.

69. RCI's unlawful conduct, including its affirmative acts, its knowing suppression, omission or concealment of material facts, and its regulatory violations, proximately caused Plaintiff to sustain ascertainable losses because, *inter alia*, the actual amount paid by Plaintiff for membership in RCI Points is more than the actual value of Plaintiff's membership in RCI Points as represented by RCI, and because Plaintiff paid Exchange Fees for the right to book Vacation Intervals using RCI Points as represented by RCI, but was prohibited from fully and completely utilizing the service for which he paid due to RCI's unlawful business practices..

70. RCI's affirmative acts, knowing suppression, omission or concealment of material facts, and other conduct set forth in this pleading, are unlawful practices within the meaning of N.J.S.A. 56:8-2.

71. By reason of the foregoing, RCI is liable to Plaintiff and other Class members in an amount to be proved at trial, including, but not limited to, the reduced value of his RCI Points memberships and the corresponding RCI points, treble damages, attorneys' fees and litigation expenses or other penalties as may be appropriate under applicable law.

COUNT II

**BREACH OF IMPLIED COVENANT
OF GOOD FAITH AND FAIR DEALING**

72. Plaintiff re-alleges paragraphs 1 through 71 as if fully set forth herein.

73. Plaintiff entered into a contract with RCI in connection with Plaintiff's memberships in RCI Points. RCI sets forth the terms and conditions that ostensibly govern the relationship between Plaintiff and RCI in the RCI Directory of Resorts and in RCI's publication ENDLESS VACATION. The Terms and Conditions, which appear in small print, purport to permit RCI to change the terms and conditions of the contracts unilaterally without prior notice and without consent of Points Members. RCI purports to provide notice of its unilateral changes to the terms and conditions on its website or in RCI's ENDLESS VACATION publication, which RCI sells to its members.

74. Plaintiff performed his obligations under the contract and has paid all Exchange Fees, Membership Fees and other fees purportedly owed to RCI.

75. Plaintiff's contract with RCI contains an implied covenant of good faith and fair dealing prohibiting RCI from doing anything that will destroy or injure Plaintiff's rights to the fruits of the contract and the benefit of the bargain or frustrate Plaintiff's expectations and the fundamental purpose of the contract.

76. RCI's improper reduction of the Vacation Time available to Points Members through the RCI SPACEBANK® system in the manners alleged herein was intended to and did frustrate Plaintiff's expectations and thwarts the fundamental purpose of the contract—securing access to Vacation Time.

77. Strictly limiting RCI's ability to rent or otherwise dispose of Vacation Time, a limitation RCI does not recognize or honor, is necessary to give efficacy to the contract between Plaintiff and RCI.

78. RCI reduced and continues to reduce the pool of Vacation Time available to Points Members in an arbitrary, unreasonable, and capricious manner.

79. RCI's bad faith performance of its purported contract with Plaintiff is the result of RCI's improper conduct as alleged herein, including the advancement of the business interests of RCI and its affiliates to the detriment and at the expense of Plaintiff and Class members.

80. RCI acted in bad faith when it destroyed or injured Plaintiff's rights to use his RCI Points and when it performed the contract with Plaintiff, because RCI performed the contract in a manner calculated to enrich itself and its affiliates by improperly using Vacation Time to reduce the value of Points Members' memberships.

81. RCI's systematic reduction of the pool of Vacation Time available for use was beyond the expectations of Plaintiff at the formation of the contract. Plaintiff

did not reasonably expect that RCI would rent or otherwise dispose of Vacation Time so as to destroy the benefit of his bargain. RCI engaged in this bad faith performance for illegitimate motives, i.e., to enrich itself through the rental and sale of Vacation Time.

COUNT III

BREACH OF FIDUCIARY DUTY

82. Plaintiff realleges Paragraphs 1 through 81 as if fully set forth herein.

83. In consideration for Exchange Fees paid by Plaintiff, RCI agreed to or offered to negotiate the exchange of RCI Points for Vacation Time, or assisted in or directed the procuring of prospects or the negotiation or closing of transactions that did or were contemplated to result in the exchange of RCI Points for Vacation Time.

84. RCI owed a fiduciary duty to Plaintiff in connection with the exchange of RCI Points for Vacation Time, because RCI engaged in the business of a real estate broker on behalf of Plaintiff when it agreed to, or offered or attempted to negotiate the exchange of Plaintiff's RCI Points for Vacation Time, or assisted in or directed the procuring of prospects or the negotiation or closing of transactions that did or were contemplated to result in the exchange of RCI Points for Vacation Time.

85. RCI breached its fiduciary duty to Plaintiff by engaging in the affirmative acts, omissions and regulatory violations as alleged herein.

86. RCI's breach of fiduciary duty proximately caused Plaintiff to suffer the pecuniary losses as alleged herein.

87. RCI's affirmative acts, omissions and regulatory violations as alleged herein, which harmed Plaintiff, were engaged in by RCI with actual malice or with a wanton and willful disregard of Plaintiff's rights, and RCI could foresee and in fact did foresee that Plaintiff might be harmed by its conduct as alleged herein.

88. RCI knew of or recklessly disregarded the serious economic hardship that Plaintiff was likely to suffer as a direct result of its conduct as alleged herein.

89. Upon learning that its conduct as alleged herein would likely cause harm to Plaintiff, RCI nonetheless continued to engage in said conduct, deny and conceal said conduct, and continues to engage in said conduct to this date.

90. RCI has received and continues to receive substantial profits from its affirmative acts, omissions and regulatory violations as alleged herein.

COUNT IV

UNJUST ENRICHMENT

91. Plaintiff realleges Paragraphs 1 through 58 as if fully set forth herein, and alleges this Count in the alternative.

92. RCI has benefited from its practice of skimming Timeshare Intervals from the RCI SPACEBANK® system and directly renting the Timeshare Intervals or assigning the rights to Vendors who, in turn, rent the Timeshare Intervals to the general public.

93. It would be unjust for RCI to retain the benefit of its practice of skimming Timeshare Intervals from the RCI SPACEBANK® system.

94. The funds and profits derived directly and indirectly by RCI from its practice of skimming Timeshare Intervals from the RCI SPACEBANK® system should be deemed held in constructive trust for Plaintiff and Class members.

95. RCI should disgorge the funds and profits it derived directly and indirectly from its practice of skimming Timeshare Intervals from the RCI SPACEBANK® system.

96. RCI will be unjustly enriched if it is allowed to retain such funds, and each Class member is entitled to an amount equal to the amount each Class member enriched RCI and for which RCI has been unjustly enriched.

97. By reason of the foregoing, Plaintiff lacks an adequate remedy at law.

98. By reason of the foregoing, RCI is liable to disgorge to Plaintiff and the other members of the Class the amount by which each Class member enriched RCI and for which RCI has been unjustly enriched.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, requests that the Court enter an order of judgment against RCI, including the following:

- a. certification of the action as a class action pursuant to Rule 23(b)(1), (2) and (3) of the Federal Rules of Civil Procedure, and appointment of Plaintiff as Class Representative and Plaintiff's counsel of record as Class Counsel;
- b. a declaration that RCI engages in the business of a real estate broker without being licensed to do so;
- c. an order providing injunctive relief to enjoin the conduct about which Plaintiff complains;
- d. an order declaring that RCI's unconscionable commercial practices, misrepresentations, omissions and other conduct as alleged herein violate the New Jersey Consumer Fraud Act;
- e. reimbursement of ascertainable losses in the amount of monies paid by way of Plaintiff's and the Class' memberships in RCI Points, monies paid to maintain and renew their memberships in RCI Points, monies paid for Exchange Fees to RCI, and other fees paid to RCI;
- f. actual damages, statutory damages, punitive or treble damages, and such other relief as provided by the statutes cited herein;
- g. a return of all monies unjustly retained by RCI as a result of its conduct as alleged herein;
- h. pre-judgment and post-judgment interest on such monetary relief;
- i. the costs of bringing this suit, including reasonable attorneys' fees; and

- j. such other relief to which Plaintiff and the members of the Class may be entitled at law or in equity.

DEMAND FOR JURY TRIAL

Plaintiff requests a jury trial on any and all counts for which trial by jury is permitted.

Dated: January 26, 2009

Anton Glenz, individually and on behalf
of all others similarly situated,

By: 

Philip A. Tortoreti, Esq.
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CIVIL COVER SHEET

JS 44 (Rev. 12/07, NJ 5/08)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS
 Anton Glenz

(b) County of Residence of First Listed Plaintiff Lincoln County, MO

(c) Attorney's (Firm Name, Address, Telephone Number and Email Address)
 Philip Tortoreti
 Wilentz, Goldman & Spitzer
 90 Woodbridge Center Drive
 Woodbridge, New Jersey 07095

DEFENDANTS
 RCI, LLC, formerly known as Resort Condominiums International, LLC, a New Jersey corporation. **+**

County of Residence of First Listed Defendant Morris County, NJ

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

1 U.S. Government Plaintiff

2 U.S. Government Defendant

3 Federal Question (U.S. Government Not a Party)

4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4
Citizen of Another State	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	
			IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions		

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding

2 Removed from State Court

3 Remanded from Appellate Court

4 Reinstated or Reopened

5 Transferred from another district (specify)

6 Multidistrict Litigation

7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332

Brief description of cause:

VII. REQUESTED IN COMPLAINT:


CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMANDS In excess of \$5,000,000

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) (See instructions): JUDGE _____ DOCKET NUMBER _____

Explanation: 1/27/09

DATE: 1/27/09 SIGNATURE OF ATTORNEY OF RECORD: 

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553
Brief Description: Unauthorized reception of cable service

VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. Related Cases. This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases. Provide a brief explanation of why the cases are related.

Date and Attorney Signature. Date and sign the civil cover sheet.