



THE VILLAGER

The Village at Izatys Association 2013



Izatys Resort Sold

Volume 1, Issue 1

June 2013

Inside this issue:

Izatys Sold	1
Dept of Commerce	2
Dept of Commerce, Cont.	3
Association/ Izatys differences	4

As many of you know, Izatys Resort has been bank run for the past 4 years. Recently The Village at Izatys has been notified that the bank has sold Izatys Resort to a company called Izatys Acquisition Group. The new owners are planning to have the Black-Brook and Sanctuary golf courses open this season. The rest of the resort which is the clubhouse, pools, and links lodge hotel will be closed for extensive renovations with the intentions of having a grand reopening May 2014. Renovations include re-roofing the clubhouse and hotel and updating both the interior and exterior of both buildings. Izatys Acquisition Group has scheduled the golf courses opening for June 29, 2013. The Izatys front desk and Pro Shop can be reached at 320-532-4574. The Marina is also open for gas, bait, slip rentals, and fishing launches and can be reached at 320-532-3225. Please check the Izatys website at www.izatys.com for the latest golf and fishing specials. The Village at Izatys Association is excited about the new owners and their plans to bring Izatys Resort back to its original splendor.

Congratulations to Izatys Acquisition Group on the purchase of the resort! The Village at Izatys Association supports your efforts and renovations and are looking forward to the grand reopening in May of 2014.



Commerce Department Exposes Fraudulent Timeshare Schemes

Fake addresses, telephone numbers, and licenses used to deceive consumers

SAINT PAUL, MN – The Minnesota Department of Commerce has uncovered eleven unlicensed sham companies targeting timeshare owners falsely claiming to be able to sell or rent their properties and scamming them into paying thousands of dollars in transaction costs that never result in a sale or rental of their properties. In every case, the company used a fake street address on their website and in the materials they provided to timeshare owners. The addresses either did not exist or were for buildings in which the sham company was not a tenant. In one instance, a company used fake Minnesota business registration and license documents to convince a timeshare owner of its legitimacy. The Commerce Department ordered the eleven sham companies to immediately halt their alleged illegal activity in Minnesota.

The investigation comes on the heels of a Minnesota Department of Commerce enforcement action in late 2012 against Renaissance Marketing for running an alleged “bait and switch” timeshare scheme that targeted consumers across the country. The initial investigation triggered further complaints about companies offering to sell or rent Minnesotans’ timeshares often using fake Minnesota addresses.

“The Department took swift and decisive action against these alleged schemes duping timeshares owners,” said Commerce Commissioner Mike Rothman. “These sham companies are preying on people desperate to sell their timeshares with the intent to scam and defraud them out of thousands of dollars.” The sham companies went by the names of: Global Properties Specialists, Integrated Escrow Services, Platinum Resort Services, ABS Consulting Company, World Transfer Title, Premium Properties Management, Net Management Group, Concord International Title, Continental Property Solutions, Twin Cities Property Advisors, and World Event Management.

Concord International Title, Platinum Resort Services, ABS Consulting Services, and World Transfer Title all used fake Minnesota addresses, while Net Management Group claimed to be based in Michigan and World Event Management claimed to be based in Colorado. Global Properties Specialists claimed an Arizona address but maintained it was affiliated with and used Integrated Escrow Services, which it represented had a Minnesota address. The Department’s repeated efforts to contact and obtain information from these companies by email, U.S. mail, and telephone calls went unanswered.

The Department’s investigation found that the scams all followed a similar pattern like the one used by Global Properties Specialists. Based on statements made by the scammed timeshare owner, Global Properties Specialists cold called the Michigan timeshare owner about selling their Costa Rica timeshare property and ultimately led the timeshare owner to believe that it had a buyer for the property. The timeshare owner reported that Global Properties Specialists further stated it would guarantee the sale of the owner’s interest in the property. Based on those representations, the timeshare owner agreed to wire cash in the amount of \$6,550, which Global Properties Specialists claimed was a necessary transaction fee for service. After wiring the initial payment, Global Properties Services advised the timeshare owner that an additional payment of \$11,790 was necessary to pay a 15% sales tax plus a 3% foreign investment tax. After they had wired the second payment, the timeshare owner was again contacted by Global Properties Specialists for yet another \$4,585 for a payment of a 7% commission. After making the third payment, the timeshare owner received an email from Global Properties Specialists stating that an additional payment of \$4,422 was necessary for a bank surcharge. The timeshare owner declined to make the final payment, after which Global Properties Specialists stopped answering the timeshare owner’s telephone calls and emails.

The Department’s investigation also found that the title company, Integrated Escrow Services, with

which Global Properties Specialists represented it work with to complete the sale, used a fake Minnesota address and had supplied an Oregon resident with a fake Minnesota real estate and driver's license, and a fake Minnesota business tax registration to bolster its credibility.

The Department worked with the Better Business Bureau of Minnesota and North Dakota in the investigation of these companies.

"Minnesotans need to exercise due diligence when selling their timeshares," said Commissioner Rothman. "These scams are becoming increasingly prevalent and sophisticated, and Minnesotans should check with the Department of Commerce to confirm the licenses of purported timeshare resellers. Further, those who are considering the initial purchase of timeshares need to educate themselves on the potential benefits and disadvantages of timeshare ownership."

The Commerce Department offers the following advice on selling and purchasing timeshares.

Timeshare Resale Scams

Timeshare reseller scams have multiplied over recent years and companies or individuals posing as resellers have scammed individuals out of thousands of dollars through false promises and upfront fees.

Always check with the Minnesota Department of Commerce to confirm the licensing claims of any reseller. Anyone selling timeshares in Minnesota must have a Minnesota real estate license.

1. Resellers identify timeshare owners through public databases and real estate records. An agent will cold call or mail materials to consumers offering resale terms that are often too good to be true. Be very cautious of high pressure sales tactics and offers requiring you to pay upfront fees. These tactics are a red flag the offer could be a scam.

2. A search of the caller's telephone number, address or reseller contact information on an internet search engine will quickly expose a fraudulent company. Do this before signing a contract or sending any money.

Resale values are generally a fraction of the original purchase price. Anyone offering a purchase price that sounds too good to be true is too good to be true.

Purchasing a Timeshare:

1. Compare the cost of purchasing and owning a timeshare with the cost of staying at a hotel room in the resort area you are considering. Be aware that timeshares carry additional fees, such as monthly maintenance, taxes, brokerage fees and finance charges.

2. Timeshares located outside the country do not carry the same consumer protections that otherwise might be available domestically.

3. Know your cancellation rights before you sign any contracts. If a right of rescission is not among the contract terms, ask that it be included in the final contract.

4. Use an escrow account controlled by a licensed third party if purchasing undeveloped property. If it is developed, visit and inspect it carefully prior to signing a contract.

5. Always consult with a real estate attorney prior to signing a contract.

6. Timeshares offered or sold to people in Minnesota must be registered with the Minnesota Department of Commerce. Call 651-296-6332 or 651-296-4973 to find out if the project is registered.

For complaints regarding timeshare sales, contact the Securities Registration and Enforcement Section send an e-mail to securities.commerce@state.mn.us



The distinction between Izatys Resort and The Village at Izatys remains to be a source of confusion for many of our owners. The Village at Izatys is a private association only. Your association maintains the timeshares, the grounds around the timeshares, and takes care of housekeeping. The timeshare clubhouse/check-in building houses the game room, workout room, theater room, and has scheduled arts and crafts, movie rentals, books, board games, lawn games, and cards to check out. The hours are Sunday-Thursday from 8am to 6pm and Friday-Saturday from 8am to 8pm.

Izatys Resort owns the clubhouse, bar, restaurant, golf courses, pools, part of the marina, tennis courts and hotel. As owners, you were sold with usage of the amenities of Izatys Resort. However, when the resort closes or sells and the amenities are not available it is beyond the control of the Association. We understand the frustrations of not having the amenities available but are looking forward to the renovations that the new owners are currently working on and the future of Izatys Resort.

As always, owners are more than welcome to contact the Association with any questions at 320-532-5121 or 800-980-5121.