

Get Out of Your Timeshare Week *Results Guaranteed*

Messages like the one above can be found all over the internet, television, radio, and social media. If you frequently visit timeshare websites, as we do, chances are that whenever you log on to the internet, you will immediately see a pop-up ad from a company promising to get you out of a timeshare contract. Timeshare exit companies are part of an overall trend evident to any television viewer. There are ads from companies promising to help people avoid paying delinquent taxes, ditch their credit card debt, and get rich through class action lawsuits. With its annual maintenance fee obligations, timeshare ownership is a natural target.

Timeshare exit companies are one of the critical issues facing the industry today, one that affects owners, developers, lenders, and attorneys. I receive the Google news feed for the subject "Timeshare" and it seems as though each day at least half the news items are about timeshare exit companies. They're either soliciting for business, being sued by someone, defrauding someone, or bashing the timeshare industry.

Who are these timeshare exit specialists, what do they do, and why is everyone so concerned about them? Some exit companies are mere scammers, who take fees from timeshare owners and take title to the interest in the name of a "Viking Ship" entity with no assets and no intention of paying maintenance fees. Some don't even bother with that fiction, merely taking the money and doing nothing.

Other companies advise owners to stop making loan and maintenance fee payments based upon a claim of misrepresentation, fraud, or duress. They provide clients with form letters to send to developers and lenders—sometimes the name of the client and the

resort are hand-written above blank lines in a form letter claiming generic grievances. Regardless of their content, the letters are important, for when a loan servicer receives notice that the customer is represented by an attorney, they must cease direct collection efforts.

The exit issue is not one of pure good versus pure evil. Exit companies have arisen and some have been very profitable because there is a significant pool of timeshare owners who would like to get out of their contracts. For some, it's merely a matter of buyer's remorse. For others, it was an unsatisfactory sales process or a perceived inability to use the product. A third group are the weary travelers, those who were happy owners at one point but no longer desire to use the property or pay maintenance fees.

The timeshare industry has taken a two-pronged approach. ARDA established a website called Responsible Exit (www.responsibleexit.com) that encourages consumers to contact their development company if they have a problem. "We understand that timeshare is a use product," said ARDA CEO Jason Gamel, "and that an owner's life circumstances can change." The purpose of the Responsible Exit initiative, said Gamel, is twofold—to provide owners with the knowledge and tools to make an informed decision about exiting their timeshare ownership as well as giving them the information to avoid

scams. "The best timeshare owner," he added, "is an educated one."

"If an offer sounds too good to be true," Gamel said, "it probably is." He warned consumers not to wire money to anyone asking for "taxes," "appraisal fees," or similar "services." "If someone contacts you and says they have an interested buyer for your timeshare week, that's a red flag. Hang up the phone immediately and don't give that person any of your confidential information." Likewise if anyone calls saying they represent ARDA or the organization's consumer advocate arm, ARDA-ROC. Neither organization makes unsolicited calls to owners.

The Responsible Exit site is well-constructed, extremely informative, and an excellent resource for timeshare owners looking to dispose of their timeshare interest. A number of large developers, including Wyndham, Marriott, and Hilton, have links on the site, and more developers are being added. Wyndham has its own site titled "Wyndham Cares." (<https://www.myclub-wyndham.com/mycw/owner-101/wyndham-cares>). The goal is to make the developer, rather than an exit company, the first point of contact. There's no guarantee that the consumer will be satisfied, but at least the company will have an opportunity to evaluate, engage, and educate.

Some timeshare developers have mounted a legal offensive based upon the claim that exit companies are committing a tortious interference with a valid contractual obligation—encouraging the consumer to breach a legally-binding contract without any legitimate basis for doing so.

A few large companies, notably Westgate, Holiday Inn, and Diamond Resorts, have filed suits against specific exit companies. One action resulted in the disbarment of



Attorney Catherine Claussen



ARDA CEO Jason Gamel

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Timeshare Exit Companies, (continued)

the principal by the State of Tennessee and others have been disruptive to the less-reputable exit firms.

Every action generates a reaction, and the exit industry has been aggressively fighting any effort to regulate its activity. One executive charged that the timeshare industry has a plan to “deconstruct the exit industry, brick by brick, through lawsuits, lobbying legislators, plying politicians to do something they have been unable to do on their own—get rid of exit companies and lawyers who help consumers get out of timeshare contracts.” In Florida, HB 435, which would have regulated the activity of exit companies and, among other provisions, required that fees be placed in escrow until services were delivered, never reached the floor for a vote.

While each side attacks the other on a global basis, the lion’s share of the work involves dealing with individual cases. The *Chronicle* spoke with Catherine Claussen, Chief Legal Officer and SVP of Corporate Development for Zealandia Holding Company, Inc., the parent company of Festiva Development Group, Inc., about her company’s response to letters from exit companies. “For quite a while,” she said, “we didn’t have a problem with them. However, about 18 months ago we saw our portfolio begin to be impacted by the exit companies, and knew we had to address the issue.”

Claussen is the owner of a Festiva timeshare interest, and said she gets about 10 calls a week on her cell phone offering to get her out of it. “That’s a clear violation of Do Not Call legislation and the TCPA,” she said. “They don’t have permission to call me. They could be sued just for that, and the statutory penalties are significant.”

When Festiva receives a form letter from an exit company alleging generic complaints, they contact the company and request the details of the customers’ individual situation. In many cases, that puts an end to the issue, for the exit company has no intention of discussing the merits of any individual case. Festiva also asks to confirm that the company is actually the legal representative of the owner, which is what triggers the prohibition on communicating with the customer. “Often,” said Claussen, “they backpedal and say they don’t intend to represent the customer in litigation or arbitration—it’s just a power of attorney.” A perusal

of exit company websites indicates that several post disclaimers stating that their attorney represents the company, not individual timeshare owners. (As a side note, one such firm claimed that “We Physically Prove our Method.”) If the firm admits it is not the customer’s legal representative, the developer/servicer can resume contacting the customer directly.

If the firm does claim to represent the consumer, Festiva frequently invokes the arbitration clause in its consumer documents which, for consumers with a legitimate complaint, provides a forum where they can present their case. Under the contract, the arbitration hearing can be held either within a specified distance from the applicable sales center or from the consumer’s residence. “We’re holding the hearings close to the consumer’s residence,” Claussen said. “We think that’s more consumer-friendly, but the exit companies don’t like it, because if they actually follow through and show up, it involves travel and expense for them.” Their goal was to get paid to write a letter, not to perform actual work on behalf of their customers.

Festiva has prevailed in every arbitration hearing to date. “In almost all cases,” Claussen said, “the consumer doesn’t have any specific complaint. They just want to get out of the contract. It’s an unfortunate situation, as the people realize that not only are they not going to be let out of the contract as promised, they’ve also lost the money they paid the exit company.”

What if a consumer contacts Festiva directly and wants to get out of their contract? Claussen said that Festiva tries very hard to work with each customer on an individual basis to find a mutually acceptable solution. She added that Festiva plans to join ARDA’s Responsible Exit program.

ARDA’s Gamel strongly encourages developers to listen to their owners—including those who aren’t happy. “If consumers don’t feel you’re there to assist or advise them they have no choice but to seek other resources,” he said, “many of which don’t have their best interest in mind. If the consumer gets scammed, it hurts everyone.”

A long-term solution for the exit company problem is likely a combination of things. Taking legal action against the scammers and shutting them down is one facet. Educating consumers is a second strategy, and when those educated consumers contact the developer, the latter has

to be responsive. That doesn’t mean letting everyone out of their contract; it means accommodating hardships and legitimate concerns, teaching owners how to get the most usage out of their timeshare interest, or perhaps getting them into a product better suited to their needs.

Switching products can be dicey. “When you’re on the phone with someone,” said Claussen, “you have to be concerned about marketing and sales regulations. If your product is not registered in the state the person is calling from, you can’t sell them that product over the phone, even if they’re already a customer.”

Change is already occurring at the product development level. When the timeshare industry began over 40 years ago, one of its most attractive features was that ownership was “forever” and could be willed to heirs. Now the “forever” aspect has become one of the least appealing features of timeshare ownership. In response, we are seeing a variety of products that have a limited duration, some with “opt-out” or “opt-in” provisions, and some that are a hybrid of timeshare and travel club. The latter generally have lower price points, lower maintenance fees, and a finite term. The lower the price point, the less susceptible the owners will be to exit companies, since it doesn’t make a lot of sense to pay \$3,000 to potentially escape a \$6,000 obligation.

While acknowledging the variety of ownership choices that have evolved in recent years, Gamel still believes there is still significant demand for a perpetual ownership product. Short-term offerings, he added, such as points packages, and rental programs, are ways for consumers to test drive timeshare before upgrading to a perpetual ownership interest. He noted earlier that an educated consumer is the best consumer, and nothing educates like experience.

There is no question that exit companies have caused delinquency and default rates to increase. It’s equally evident that the industry is tackling the issue with determination. Exit companies will continue to operate as long as they believe there is money to be made. If the industry becomes extinct, it will more likely be due to better customer service on the part of the developers rather than litigation or legislation. The *Chronicle* will keep its readers updated on the situation.



What's Next for Timeshare: Re-Positioning? The 2019 ARDA Conference

From April 7-11, 2019, Mark Raunikar, Tom Petrisko, and Bill Ryczek attended the 2019 ARDA World Convention at the Orlando Hilton. We did what we always do, holding numerous meetings with clients, prospects, vendors, etc. and talking about potential transactions and relationships. Our objectives at each ARDA conference are: (i) catch up with existing customers to learn what they're doing and how we might assist; (ii) find a new prospect or two, and; (iii) take the pulse of the timeshare industry and find out what general trends are affecting it. In Orlando, we think we accomplished all three objectives.

The 2019 ARDA gathering was a milestone in that it was the first convention since Jason Gamel was named president. Attendance appeared to be down from previous years, reflecting the industry consolidation that has reduced the number of large independent developers. Outgoing CEO Howard Nusbaum made his farewell appearance, and we learned that Howard's mother is an avid reader of the *Chronicle*, especially if her son is featured.

"I see this as a time of transition," said former ARDA Chairman Bert Blicher. "ARDA has a new president. RCI has a new president. Marriott has merged with ILG. I think we're going to see a new group of people and maybe a different group of structures." Both ARDA and RCI are living in a world very different from that of 10 or 20 years ago. Consolidation has shrunk ARDA's membership base and the proliferation of large multi-site operators has greatly impacted the role of RCI. The industry is no longer a collection of single-site resorts heavily reliant on the RCI and II exchange systems. Both exchange companies now administer points-based products (RCI Points and Interval Gold) and are heavily involved in the rental market.

The evolution of the industry is inevitable, but the big question is the nature of the changes; those who anticipate most accurately will prosper and those who don't will struggle. One possible scenario is an industry segregated into several groups, one of which would be the brands and perhaps a few large independent developers conducting business in the traditional fashion—building new inventory and selling timeshare interests. A second group of independents may sell products that encompass some limited duration feature and/or a travel



Mike Muldoon, CEO of Starpoint Resorts, a 16-year Colebrook customer, talks with Colebrook principal Mark Raunikar at the 2019 ARDA Conference. (Photo courtesy of ARDA)

component and utilize inventory from a variety of sources—other resorts, RCI and II, etc. Price points and maintenance fees associated with this product would be lower than for traditional timeshare. A third group selling packaged travel club products would compete for a very similar market, with even lower price points and maintenance fees. Some entities may devote most of their effort to acquiring management contracts. The final segment of the timeshare industry may be those seeking to re-position older product to another use.

The latter category is perhaps the most intriguing new development. Several Colebrook meetings were with people who are developing "re-positioning" plans. A number of 30- to 40-year-old legacy properties have reached the stage where timeshare ownership may not be their highest and best use. Some resorts have lost so many owners that they are no longer viable, while others are approaching their "sunset" date. Most timeshare regimes were established with a termination date, at which time the future direction of the property would be determined by a vote of the owners. If the timeshare regime is dissolved and the property is sold, the net proceeds are distributed among the remaining owners.

Most sunset dates were 40 years from formation, and when embarking on a new venture, little thought is given to what will happen that far in the future. But forty years has now passed,

and a number of resorts face difficult decisions over the next few years. The key issue is the value and viability of the resort as a going concern versus its value on the open market.

The process of unwinding a timeshare property has a number of unpredictable twists and turns. Organization documents differ, and the percentage of owners needed to make a decision varies. Some require 100% approval, which is nearly impossible, and if the timeshare interests were sold 30 or 40 years ago, it is likely that there will be clouds on the title. Capital and substantial time and effort are required to clean up the title and put the resort in a position to be sold. Given the limited upside for the owners, they have little incentive to invest the time or capital. Someone needs to step up, and it is those people who think they have the skills to do so that we spoke with in Orlando.

Lena Combs, CPA, a partner with Withum, has extensive experience working with timeshare associations and is very aware of the issues facing smaller, older projects, many of which are self-managed. "Pride keeps a lot of them going," Combs said. "They think they can fix things, but sometimes they can't. A lot of resorts are surviving on rental income, and I wonder what will happen if there's a dip in the economy and that income declines."

It may take a natural disaster to shock a board into facing reality. "If a hurricane hits a resort that is already in disrepair," Combs said,

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2019 ARDA Conference, (continued)

“and there are no reserves and no cash, the only solution is a large special assessment, and that causes even more owner fallout.” She pointed to three projects that have been successfully unwound in recent years—one in North Conway, New Hampshire, one in Ocean City, Maryland, and a third in Beech Mountain, North Carolina.

Combs sees more re-purposing in the next few years. One potential strategy is combining resorts. “If you’ve got two resorts in the same area, with similar accommodations and amenities,” she said, “and each has a 50% delinquency rate, it might make sense to put all the owners in one resort and sell the other, especially if the resorts are located in a desirable geographic area.”

The few resorts that have been re-purposed have transitioned because of their poor financial condition. Hard numbers are difficult to come by, but it appears that most distributions have been a few hundred dollars per owner (at most). People who’ve owned for 30 or 40 years are often happy to get that and be released from

their obligation to pay maintenance fees. They may only have paid \$3-4,000 for their interval, and 40 vacations for that price are a bargain.

A second reason for a re-purpose is that some older resorts are situated on land that is so valuable that a sale of the property might generate a better return to the owners than investing in refurbishment. To our knowledge, we’ve yet to see the first of those.

Re-purposing is a relatively new and untested process, and at this point there are a number of risks, perhaps the foremost of which is getting approval from the owners; a 30-unit project has over 1,500 intervals. If the resort is having financial difficulty, the odds are that the HOA, or possibly a developer, owns a significant number of the intervals, which makes the process easier. Chasing down the outliers is time-consuming; there are invariably a few owners who can’t be located, some that have died, and there may be a couple of problematic souls who think that by threatening to hold out, they can get a big payday. “If the property was that valuable,”

Combs observed, “they probably wouldn’t be in this position.” In order to deal with unresolvable ownership problems, one can go to court and ask for a judge’s ruling, and Combs spoke of the possibility of holding some property interests in an “Unidentified Owners Trust” in case the missing should surface at some future date.

No one can say with any degree of certainty *how* the timeshare industry will evolve, but it certainly looks to us, as Bert Blicher says, that it *is* evolving. We continue to see the same type of opportunities we’ve seen in the past, but there are fewer independent developers selling traditional timeshare product. We’ve evolved into more HOA loans and have made a couple of loans secured by management contracts. We financed a branded project in Europe and were recently involved in the financing of “just-in-time” inventory for a major brand. It’s essential to change with the industry, but the key is to do so in a fashion and to a degree where we don’t bet too heavily on new concepts. Stay tuned.



Spirit of the West By Sharon Scott Wilson

Several years ago, after decades of building a first-class timeshare brand in Escondido, California, Welk Resorts gradually began to expand from its Southern California roots, with resorts in Branson, Cabo San Lucas, Lake Tahoe, Palm Springs, and most recently Breckenridge, Colorado. Welk’s Director of Construction George Jones observed, “The Welk Resorts properties all offer a common thread of amenities and features, but each is unique to the area they are located in.”

Take, for example, *Sirena del Mar*, a swank spot perched on the cliffs above Cabo with a view of the Sea of Cortez and the iconic El Arco rock formation. The design was in keeping with the context of neighboring villas of the well-to-do and their Spanish-influenced tiles and fountains.

Welk’s latest venture in Colorado is underway and follows a similar pattern. “The Ranahan in Breckenridge is no exception,” Jones said, “and maybe takes that idea one step further to really

embrace the spirit of the west and of Breckenridge itself to create a unique experience for the guests of Welk Resorts.” In the world of cowboys in the Nineteenth Century Old West, a ranahan was a top ranch hand. In Welk’s concept, rough-hewn wood and leather-bound appointments evoke a nod, albeit a very luxurious one, back to a day when rustic was more than just a word; it was a way of life. Welk Resorts designers created a vision of

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The Conrad Companies Celebrate Their 30th Anniversary

In 1989, Keith Richenbacher was managing the San Diego office of Travelers Acceptance Company, which financed and collected consumer loans. He'd been with the company for ten years, had worked his way up in the organization, but realized that Travelers' two senior executives were not leaving anytime soon. One day, Keith invited John Page, who managed all of the company's computer operations, to lunch and asked John if he was interested in joining him to start their own company. "He went to the bathroom," Keith recalled, "threw up, came back, and said yes.

The two had \$1,500 in cash, not enough to start a full-fledged finance company, so initially they just performed collection work. In 1990, with the profits of the first year, John and Keith established Conrad Acceptance Company which, with Conrad Credit, comprise The Conrad Companies.

When Keith left college, about the last thing he expected to do was run a finance company. He completed a bachelor's degree in psychology at Ohio State University in three years and took a job in Reno, Nevada teaching sign language to chimpanzees, which enabled him to attend graduate school for free.

After three years, the chimps were communicating like humans, spreading salacious gossip and engaging in acrimonious political debates. Keith was ready to move on; he relocated to San Diego and took a job as a loan collector for Travelers. During the succeeding years, he managed

offices in San Diego, Vancouver, British Columbia, and Portland, Oregon. He learned the finance trade, was getting a little impatient, and when one large client promised him their business if he went on his own, Keith decided to make the leap.

"It probably wasn't the smartest thing to do," Richenbacher said recently. "I had two children aged four and five, and we only had \$1,500 in capital. I was giving up a steady paycheck and all my benefits." But it worked. Travelers was the post-flood Noah's Ark of the collection/finance industry, as in groups of two—one marketer and one operations person—several people left Travelers and founded successful finance companies.

Keith was very familiar with the campground industry and timeshare, though similar, seemed more "glamorous." Conrad became quite active in the industry, primarily servicing portfolios and collecting defaulted loans. Keith was very engaged with ARDA and served as a Trustee for many years. Eventually, the company's involvement in timeshare declined and they concentrated on buying and servicing consumer receivables in industries like educational seminars, dating services, and the like. To finance their purchases, Conrad has had a line of credit at Colebrook since 2004.

More than a decade ago, Conrad purchased receivables from a Florida for-profit school for special needs students called Teachers Hands Academy. The school failed, its problems exacerbated when two severe storms damaged the school

property. The owners used funds that were supposed to repay Conrad to repair the school and, when the insurance proceeds were received, used those funds as well. When Teachers Hands had additional problems, Conrad wound up purchasing it at a bankruptcy auction. "My second day there," Keith recalled, "I called John [Page] and said, 'We're going to run a school.'" Although Keith didn't say, Page may have had the same reaction he had when Keith asked him to start the company.

For two years, Keith spent about 75 percent of his time commuting from California to Florida to resuscitate the institution. Enrollment had declined to less than 150 and there were \$1 million in claims that remained unresolved. The largest was an IRS lien. After Keith worked out a repayment schedule, paid all the taxes, and was paying large amounts of penalties and interest, he said to the IRS agent, "C'mon. We've paid all the taxes. We're not the ones who didn't pay them in the first place. This is a school for special needs kids. Wouldn't the money be better spent on them than on interest and penalties?" "I'll never forget his response," Richenbacher related. "He said, 'You would think that would matter, wouldn't you?'" It didn't.

Over the next several years, the school's name was changed to The Conrad Academy, the image problems of the old school were eliminated, and enrollment has increased to nearly 500 students. Under Conrad's sound

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Merry Christmas from the Conrad Companies



Conrad owners Keith Richenbacher (left) and John Page

Conrad 30th, (continued)

fiscal management, the institution that was losing money is now profitable, and student outcomes are much improved. "We spend our lives extracting money from people [in the collection business]," said Richenbacher, "and this is a way to give something back."

Keith is also a devoted Rotarian, serving as chapter president in 2014-15. The motto of Rotary International is "Service Above Self" but Keith's service has not been without reward; he met his wife Charito at an international Rotary convention in Australia and has also used his Rotary connections to recruit a number of Conrad employees.

No story about Keith Richenbacher is complete without reference to the Christmas decorations with which he used to bedeck his Escondido residence, an exercise that landed him on HGTV. At its peak, the display encompassed 72,000 bulbs, and cannot be imagined without viewing a photo. The author saw the display in all its glory many years ago and can report that even pictures do not do justice to its magnificence.

Each December 1 at 6:00 p.m., Keith invited friends, relatives, and neighbors for the grand unveiling and lighting. Food was served and four large speakers fastened to the roof played Christmas carols. One year, things went wrong. "I flipped the switch," Keith said, "and the house started to pulsate. It would get bright, and then dim. Then the pine tree next to the house caught fire." A call to 911 brought several fire engines to the scene, and there was no serious damage. "We literally melted the power lines," Richenbacher recalled. The neighbors' main concern was that the San Diego Chargers' game was in progress when their televisions went black.

Conrad's main business is not running schools or creating spectacular Christmas displays. Thirty years of successful operations bear testimony to the ability of Keith Richenbacher and John Page to run a finance company. Keith is usually front and center, while John remains in the background, making certain that programs are running, information is processed, and the company is operating smoothly. Conrad's relationship with Colebrook is now 15 years old, and the trust that has developed between the two organizations enables us to conduct business quickly and efficiently. We wish them another 30 years of success.



Welk Resorts, (continued)

what this masterful cowboy's cabin might have been like if there had been a melding of untamed wilderness and the height of opulence.

The concept of the Ranahan was to blend what is special about the location with the pampering that distinguishes all the Welk projects. "Properties and projects such as these," Jones added, "are best served by discovering what is unique about a place and time and using that to enhance the design, feel and atmosphere of that particular project to make it unique."

The property lies along Breckenridge's Blue River, directly across from a state preserve. Work on Phase One began last June and will result in 7 standard and 30 lock-off two-bedroom villas with a total of 67 keys ready for occupancy in the fourth quarter of this year. At completion, the resort will have 123 keys, and will be sold as part of the Welk Vacation Club, which will allow members to enjoy vacations at any of the various Welk locations.

Many owners, however, may never wish to leave their home resort. "It is always a pleasure walking the site and being able to see the wild life that passes by just on the other side of our beaver dam," Jones says, "seemingly in a com-

pletely different world. It is very serene and adds to the nature feel of the resort."

Jones explains that Welk decided to build a project in Breckenridge after evaluating where owners wanted to travel. "If they aren't using their points within the Welk system, where are they exchanging to? Where do they want to go? We noticed that our owners love traveling to locations that provide great summer and winter opportunities. Breckenridge was identified as a location that would meet the needs of our owners, and we were able to identify a property that was well-suited for the purpose."

Colebrook Financial Company had been providing financing to Welk for the past ten years. When Colebrook partners visit The Ranahan as part of their due diligence, they might be able to squeeze in a little fly fishing in summer or skiing in winter. It appears that at least two visits a year are called for, don't you think?



Sharon Scott Wilson, RRP, is Publisher of *Resort Trades*, *Golf Course Trades* magazines and an eNewsletter, *Resort Trades Weekly*.



Bj Kelly named Senior Vice President of Operations at Global Exchange Development Corp.

Bettejean "Bj" Kelly, who has been with the company since 2008, has been named Senior Vice President of Operations for Resort Vacations, the sales and marketing arm of Global Exchange Development Corp. Those of us who've worked with her over the years would probably give her the job title, "The Person You Call When You Need to Get Something Done NOW." CEO Rick Sargent is bursting with ideas; Bj is the person who converts those ideas into smoothly functioning operations.

Kelly entered the timeshare industry in 1984 with Winners Circle Resorts, the iconic Southern California organization founded by timeshare pioneer Jim Watkins. Winners Circle developed The Carlsbad Inn, San Clemente Cove, Gaslamp Plaza Suites, the Del Mar Inn, and others, but their signature project was perhaps L'Auberge Del Mar, located in downtown Del Mar's historic district.

L'Auberge was constructed on the site of the old Del Mar Inn, once a hangout for celebrities like Lucille Ball and Desi Arnaz, Bing Crosby, and Jimmy Durante. The Inn burned down, and it was Jim Watkins' dream to build a top-flight resort

on the site. Many Del Mar city officials didn't share Watkins' dream and were determined to prevent him from doing so. Kelly was one of the key people working to get the approvals, and she likened the experience to "getting the hotel elected as if it were a candidate for office."

The effort was successful and the resort was "elected." Bj was involved in the construction and all aspects of L'Auberge other than sales and marketing. In 1990, she was married at the resort. A local newspaper noted that a number of Del Mar officials were in attendance and said, "[A]lthough everyone loves the Inn now that it's a reality, there was a time when some of the powers-to-be in Del Mar didn't want Watkins to build it. The reason it was fitting that Bj got married in the hotel is because she was the driving force behind Watkins' campaign to get the hotel approved by the city."



Anyone with the determination to take on a city to build her wedding venue is a woman not to be trifled with. Congratulations and best wishes to Bj on her promotion.



Colebrook Customer Invents the Fribble



Friendly Restaurants are a Northeast tradition. Founded in Massachusetts in 1935, the chain peaked at 500 locations stretching down the Eastern Seaboard to Florida. Friendly's is known for its simple comfort food, its ice cream, and perhaps most famously for its signature milk shake.

American youth were in rebellion in the mid-'60s, rock groups were taking outrageous names, and in the spirit of the times, Friendly's christened its shake the "Awful-Awful." Perhaps the chain did some market research that showed "Awful-Awful" had some shortcomings, but in any event, it launched a contest among its customers to select a new name. At that time, Bert Blicher, the developer of Blue Water Resort and owner of Timeshare Acquisitions, Fidelity Resales, and Timeshares Only, was a callow 16-year-old student at Windsor Mountain Preparatory School in Lenox, Massachusetts, not that

far from Friendly's corporate headquarters.

Bert submitted the name "Fribble." It doesn't appear there was a significant amount of deliberation in the selection; he recently admitted it was his roommate's idea. But "Fribble" was the winning entry, Bert pocketed a \$50 prize, and to this day, that is the name of the Friendly Restaurant milk shake. Let's lift our Fribbles in a toast to Bert Blicher!





Colebrook Surpasses One Billion Dollars in Loan Volume

During January 2003, its first month of operations, Colebrook funded a total of \$181,000 in loans. At that rate, it would have taken us 460 years to reach a billion dollars, and we knew we had to pick up the pace. Thanks to the terrific client base we've assembled over the years, our volume increased, and at 9:54 a.m. EDT on May 1, 2019, we passed the billion-dollar mark.

The advance that put us over the top was made to Global Exchange Development Company, a Colebrook customer for the past ten years. To celebrate the occasion, Colebrook principals Mark Raunikar and Bill Ryczek treated Global CEO Rick Sargent to dinner at Carbone in the Aria Resort and Casino in Las Vegas, Rick's hometown.



Mark Raunikar, Rick Sargent, and Bill Ryczek celebrating the event at Carbone.

We at Colebrook want to thank *all* of our customers for their patronage over the past 16 years, and our banks for providing us with the lion's share of the money. We look forward to doing business with you for many years to come.

Note: They say there are no truly new ideas, and that is the case with the billion-dollar bill pictured above. In 1973, glam rocker Alice Cooper and his band issued an album titled *Billion Dollar Babies*. Publicity for the release featured them in the center of a billion-dollar bill. It didn't take much alteration to transform the Alice Cooper band into the Colebrook principals. Thanks to the *Chronicle's* graphic artist, Dave Wolfram, for the rendition.

