FILED

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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF ILLINOIS
EAST ST. LOUIS OFFICE

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ILLINOIS

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	Criminal No. 14-30127-NJR
vs.	)	
	)	Title 18 United States Code
ELPENIKE EDDY-ALDAVA,	)	Section 1349
	)	
Defendant.	)	
	)	

INDICTMENT

THE GRAND JURY CHARGES:

I. Introductory Statement

1. Beginning on or about the 5th day of December 2006, and continuing until on or about the 24th day of January 2012, in Bond, Clinton, Fayette, Franklin, Madison, Monroe, Richland, St. Clair, and Williamson Counties, within the Southern District of Illinois and elsewhere, the defendant, doing business as Vacation Max, Showcase Resorts, Timeshare Resale Advantage, LLC, TRA Las Vegas, LLC, Corporate Getaways, and Executive Vacations ("Vacation Max companies") conducted a telemarketing timeshare resale scheme targeting timeshare owners throughout the United States, Canada, and elsewhere.

2. The Vacation Max companies falsely represented or implied that they had found buyers for the consumers' timeshare interests and solicited fees of up to several thousand dollars from each consumer in purported pre-paid closing costs and related

expenses. The purported sales did not occur, promised closings did not take place, and, except for a very small number of sales at bargain basement prices, the companies did not successfully sell any consumer's timeshare interest. A substantial portion of the fees paid to Vacation Max companies by customers were distributed to individual telemarketers; the balance was kept by the company.

3. Between January 1, 2007 and approximately January 24, 2012, the Vacation Max companies collected approximately $11 million and victimized over 3,020 consumers in all fifty states. They victimized at least 12 consumers in at least nine of the thirty-eight (38) counties comprising the Southern District of Illinois.

II. The Scheme

4. Showcase Resorts, Vacation Max, Timeshare Resale Advantage, LLC, TRA Las Vegas, LLC, Corporate Getaways, and Executive Vacations engaged in a scam intended to deceive consumers into believing there was a market for timeshare resale and that these timeshare resale companies had corporate entities or individuals interested in buying timeshares.[1]

5. The established, proven, and highly successful sales pitch that was used by the telemarketers contained material misrepresentations of fact and misleading statements to prospective customers, including the following:

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[1] As used in this indictment, "timeshare" refers to a type of fractional interest in real estate in which the owner has the right to occupy particular premises for a specified period of time. What constitutes a "timeshare" depends upon the law of the state in which the real estate is located.

A. Telemarketers falsely represented or implied that their companies had received substantial interest in the customer's timeshare. In most cases they falsely represented or implied that they were working with a corporation interested in acquiring timeshare units in the timeshare owner's particular resort.

B. Telemarketers falsely represented or implied that a sale would occur or that a closing was scheduled or would be concluded on the property in the near future, often sixty to ninety days hence.

C. Telemarketers falsely represented or implied that the fees they solicited were for deed and title searches, document preparation, and for similar expenses.

D. Telemarketing agents called "updaters" provided false information to complaining clients who called to check on the status of the promised sale of their timeshare unit. They variously represented to clients that additional units were being added to the consumer's timeshare in the "corporate block," otherwise misrepresented or deceptively implied that the companies indeed had an offer or buyer for the property, and offered various made up excuses as to why the closing had not taken place on their timeshare units as promised and represented.

6. ELPENIKE EDDY-ALDAVA utilized sales scripts that, in the circumstances in which they were used, created an appearance which was false and deceptive and calculated to induce a false belief as to the true facts.

7. In connection with the transactions described herein, ELPENIKE EDDY-ALDAVA, engaged in a scheme involving deceit and trickery in order to gain an unfair and dishonest advantage over victims located in the Southern District of Illinois, throughout the United States, Canada, and elsewhere.

COUNT I - Conspiracy
18 U.S.C. § 1349

1. From on or about December 5, 2006, and continuing through at least the 24th day of January, 2012, in the counties of Bond, Clinton, Fayette, Franklin, Madison, Monroe, Richland, St. Clair, and Williamson Counties, within the Southern District of Illinois and elsewhere,

ELPENIKE EDDY-ALDAVA,

did knowingly and willfully combine, conspire, confederate and agree with others to commit certain offenses against the United States, as follows:

A. To devise a scheme and artifice to defraud and to obtain money and property by means of false pretenses, representations, and promises, and for the purpose of executing the scheme, and attempting so to do, to knowingly cause to be sent and delivered by the United States Postal Service and by commercial interstate carrier, mail matter and other documents to and from residents of the United States, including residents of the Southern District of Illinois and to other residents of other countries, and to and from the offices, virtual offices and mail drops of the Vacation Max companies in the States of Nevada, Michigan and Delaware, and elsewhere, in violation of Title 18, United States Code, Section 1341.

B. To devise a scheme and artifice to defraud and to obtain money and property by means of false pretenses, representations, and promises, and for the purpose of executing the scheme, and attempting so to do, to knowingly cause to be transmitted by means of wire and radio communication in interstate and foreign commerce, interstate

telephone calls, credit card transactions, electronic fund transfers, and signs and signals, to and from cell phones belonging to and used by and on behalf of the Vacation Max companies in the State of Nevada, and elsewhere, including to and from residents of the Southern District of Illinois, in violation of Title 18, United States Code, Section 1343.

2. In furtherance of and as a foreseeable consequence of the conspiracy, Showcase Resorts, Vacation Max, Timeshare Advantage, LLC, TRA Las Vegas, LLC, Corporate Getaways, and Executive Vacations and their telemarketers caused contracts and other documents to be transmitted by U.S. Mail and by commercial interstate carrier to the Southern District of Illinois.

3. In furtherance of and as a foreseeable consequence of the conspiracy, Showcase Resorts, Vacation Max, Timeshare Advantage, LLC, TRA Las Vegas, LLC, Corporate Getaways, and Executive Vacations and their telemarketers caused interstate telephone calls to be made to the Southern District of Illinois.

All in violation of Title 18, United States Code, Section 1349.

The offense occurred in connection with the conduct of telemarketing, in violation of the SCAMS Act, punishable under Title 18, United States Code, Section 2326(1).

A TRUE BILL

[redacted]

FOREPERSON

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