UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA and STATE OF WISCONSIN,	)	
Plaintiffs,	)	
vs.	)	Case No. 4:22 CV 1243 JMB
CHRISTOPHER CARROLL,	)	
Defendant.	)	

MEMORANDUM and ORDER

Now pending before the Court is Plaintiffs United States of America's and State of Wisconsin's Motion for Summary Judgment against Defendant Christopher Carroll (Doc. 255). For the reasons set forth below, the Motion is **GRANTED**.

Introduction

In a Second Amended Complaint (Doc. 197), the United States of America and State of Wisconsin allege claims related to a purported scheme to fraudulently sell "bogus timeshare exit services" to consumers throughout the United States via direct mail and in person campaigns. The evidence reveals that each of the originally named Defendants were interrelated individuals, trusts, corporations, and sham companies that were part of a common enterprise engaged in bilking consumers out of $95,243,688.50. In particular, Defendants' representatives used high pressure tactics and false and misleading statements to induce individuals to pay them between $5,000 to over $80,000 in service fees for a release or exit of their timeshare obligations. Defendants then did not take meaningful or timely steps towards fulfilling a majority of their end of the bargain, failed to inform consumers that they could rescind their agreements without Defendants' assistance, and further denied consumers refunds when they or state officials complained. At the

center of this scheme and directing the foregoing was Christopher Carroll, the sole remaining Defendant.[1]

Accordingly, Plaintiffs are entitled to judgment on their claims that Defendants' actions are in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45 (Counts I and II) ("FTCA"), the federal Cooling-Off Rule, 16 C.F.R. § 429.1 (Count III), Wisconsin's Administrative Code for the Department of Agriculture, Trade and Consumer Protection, WIS. ADMIN. CODE ATCP §§ 127.44, 127.46, 127.72, 127.74 (Counts IV, V, and VI), and Wisconsin's Fraudulent Representations Law, WIS. STAT. § 100.18 (Count VII). Plaintiffs are further entitled to the remedies they seek, which shall be set forth in a separate Order.

Standard

Summary judgment is appropriate where "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). Under Rule 56, a party moving for summary judgment bears the burden of demonstrating that no genuine issue exists as to any material fact. See Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). A dispute is genuine "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party," and a fact is material if it "might affect the outcome of the suit under the governing law." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). Once the moving party discharges this burden, the non-moving party must set forth specific facts demonstrating that there is a dispute

[1] A total of twenty-one Defendants have been named in the pleadings. Of those Defendants, The Jake and Avery Irrevocable Trust Dated September 11, 2019 and The Maggie and Lucy Irrevocable Trust Dated September 11, 2019 were dismissed by operation of the April 9, 2024 Amended Complaint (Doc. 130); Timothy McFadden was dismissed without prejudice on May 2, 2024 pursuant to a Notice of Dismissal (Docs. 144 and 145); Defendants Scott Jackson and Eduardo Balderas were dismissed pursuant to July 8, 2025 Stipulated Orders (Docs. 241 and 242); Defendants George Reed and LouAnn Reed were dismissed pursuant to a September 4, 2025 Stipulated Order (Doc. 249); and, the remaining Defendants, who defaulted, were dismissed pursuant to a September 4, 2025 Stipulated Order (Doc. 250). Those Defendants are Consumer Law Protection, LLC, Consumer Rights Council, Premier Reservations Group, LLC, Resort Transfer Group, LLC, Square One Development Group, Inc., Square One Group, LLC, Timeshare Help Source, Resort Legal Service, LLC, Square One Corporate Offices, LLC, Farmington Allegiance, LLC, Mainline Partners, LLC, Kimberly Carroll, and Janet Sue Hackworth.

as to a genuine issue of material fact, not the "mere existence of some alleged factual dispute." Id. at 247. The non-moving party may not rest upon mere allegations or denials in the pleadings. Id. at 256. "Factual disputes that are irrelevant or unnecessary" will not preclude summary judgment. Id. at 248. In ruling on a motion for summary judgment, the court must construe all facts and evidence in the light most favorable to the non-movant, must refrain from making credibility determinations and weighing the evidence, and must draw all legitimate inferences in favor of the non-movant. Id. at 255.

Plaintiffs' Statement of Uncontroverted Material Facts

Federal Rule of Civil Procedure 56(c)(1)(A) requires a party to support its factual positions with citation to the record, including depositions and documents. In turn, Local Rule 4.01(E) requires a moving party to separately file its statement of uncontroverted and relevant facts that are supported by the record. All of Plaintiffs' 165 statements of uncontroverted facts are consistent with Rule 56 and Local Rule 4.01(E) and are generally supported by citation to the record (Doc. 265). Those records are likewise attached to the Plaintiffs' statements (Docs. 256, 257, and 258).

Local Rule 4.01(E) further provides that:

> Every memorandum in opposition [to a motion for summary judgment] must be accompanied by a document titled Response to Statement of Material Facts, which must be separately filed using the filing event "Response to Statement of Material Facts." The Response must set forth each relevant fact as to which the party contends a genuine issue exists. The facts in dispute shall be set forth with specific citation(s) to the record, where available, upon which the opposing party relies. The opposing party also shall note for all disputed facts the paragraph number from the moving party's Statement of Uncontroverted Material Facts. All matters set forth in the moving party's Statement of Uncontroverted Material Facts shall be deemed admitted for purposes of summary judgment unless specifically controverted by the opposing party.

See also FED.R.CIV.P. 56(e). Carroll filed the separately titled document as required by the Local Rule. However, he did not comply with the rest of the Local Rule.

The Court notes that Carroll objects to and/or denies a vast majority of Plaintiffs' statements of uncontroverted material facts for a variety of reasons.[2] Certainly, a party can object that the material cited "cannot be presented in a form that would be admissible in evidence." Fed. R. Civ. P. 56(c)(2). The Rule presupposes that not all evidence presented on summary judgment is contemporaneously authenticated; just that it could and should be authenticated at trial. The Commentary to Rule 56 accordingly notes that "[t]he burden is on the proponent to show that the material is admissible as presented or to explain the admissible form that is *anticipated*." Fed.R.Civ.P. 56(c) advisory committee's note to 2010 amendment (emphasis added). Carroll's objection to the authenticity or admissibility of a variety of documents, however, is unhelpful. Plaintiffs have presented an affidavit attesting to the authenticity of the documents relied on in presenting various material facts (Doc. 256-1). Carroll only offers non-specific boilerplate objections that do nothing to demonstrate that the documents, some of which Carroll himself produced, cannot be authenticated. Carroll also appears to conflate authenticity with relevance. There appears to be no serious dispute that the documents presented by Plaintiffs can be appropriately authenticated at trial. As such, all of Carroll's authenticity and admissibility arguments are overruled (except as may be noted below) and the relevant documents and evidence shall be considered. These include, at least, Plaintiffs' statement of uncontroverted facts 7, 11, 23, 32-40, 57, 82, 106-110, 112-124, and 133-136.

The Court will also deem admitted all of Plaintiffs' statement of uncontroverted material facts that have not been called into question with Carroll's own citation to contrary evidence. See Local Rule 4.01(E). These include statements 1-7, 40, 105, 146, and 149-156. And, to the extent

[2] Carroll admits statements 30, 61, 64, and 130.

that Carroll objects to expert testimony (statements 141 and 142), such arguments have been waived (Doc. 282).

As to statements 8-10, 12-29, 31, 41-60, 62, 63, 65-104, 111, 125-129, 131-140, 143-145, 147, and 148, Carroll bases his objection on his affidavit, to wit:

> Defendant denies this averment as Defendant Carroll was not present during all of the presentations and/or marketing activities. Carroll was on leave of absence from various corporations and also the marketing was outsourced to Aston and Global. (*See* Affidavit of Christopher Carroll lns. 7-11)(*See* Deposition of Christopher Carroll pgs. 58 ln 12-16).

(Doc. 275, exemplar of response). In his affidavit, Carroll generally states that Plaintiffs' recitation of the facts is inaccurate, that he was not present during most presentations, that he was not involved in high pressure sales tactics, that other witnesses are untruthful, that he took a leave of absence from his companies (from May, 2020 to 2022), and that products sold by Defendants complied with the law (Doc. 274-3).

Prior to signing his affidavit, Carroll was deposed by Plaintiffs in this case on September 4, 2025 (Doc. 256-3).[3] When asked questions encompassing the allegations in this case, Carroll elected to assert his Fifth Amendment rights. As such, Carroll provided no meaningful testimony regarding his role in the timeshare exit businesses, how these businesses were conducted, or his participation in business activities. The statements in his later dated affidavit have not been subject to cross-examination.

Certainly, a party is free to invoke his Fifth Amendment rights in legal proceedings. Cerro Gordo Charity v. Fireman's Fund American Life Ins. Co., 819 F.2d 1471, 1480 (8th Cir. 1987).

[3] Carroll further argues, and has a provided a second affidavit, that he did not receive reasonable notice of his deposition (Doc. 274-4). Carroll has waived any such objection by failing to timely raise this argument either in the deposition as provided by Federal Rule of Civil Procedure 30(c)(2) or by filing a motion pursuant to Rule 30(d)(3). In any event, as Plaintiffs point out, Carroll received reasonable notice of his deposition. Carroll's objections to statements of uncontroverted fact 157-165 are accordingly without merit.

However, in a civil proceeding, unlike a criminal proceeding, silence can be used against a litigant. Baxter v. Palmigiano, 425 U.S. 308, 317-318 (1976); See, e.g., Pagel, Inc. v. S.E.C., 803 F.2d 942 (8th Cir. 1986) (finding that various factors allowed the commissioner to make an adverse inference on a refusal to testify); See also S.E.C. v. Brown, 579 F. Supp. 2d 1228, 1235 (D. Minn. 2008) ("Parties are free to invoke the Fifth Amendment in civil cases, but the court is equally free to draw adverse inferences from their failure to bring forward evidence in their defense"), aff'd, 658 F.3d 858 (8th Cir. 2011). Thus, where a party testifies on direct examination but invokes his Fifth Amendment rights on cross-examination, the Court may disregard the direct testimony. United States v. Baker, 721 F.2d 647, 650 (8th Cir. 1983); See also In re Edmond, 934 F.2d 1304, 1308-1309 (4th Cir. 1991) (approving the striking of a later dated affidavit after invocation of the Fifth Amendment in a deposition); U.S. v. $133,420.00 in U.S. Currency, 672 F.3d 629, 941 (9th Cir. 2012) (collecting cases).

Carroll cannot have both ways; he cannot refuse to answer relevant questions and then produce an affidavit in an attempt to broadly discredit Plaintiffs' evidence. As such, the Court will disregard Carroll's affidavit.[4] The court will also draw an adverse inference on Carroll's refusal to testify based on the independent and sufficient evidence of his culpability, as shall be set forth below. See Pagel, Inc., 803 F.2d at 946.

Even if the (brief) affidavit was considered, it does not refute a majority of Plaintiffs' statement of uncontroverted facts. "A properly supported motion for summary judgment is not defeated by self-serving affidavits." Conolly v. Clark, 457 F.3d 872, 876 (8th Cir. 2006). In his affidavit, Carroll makes broad statements regarding the veracity of evidence – such statements are

[4] Carroll has not explicitly waived the invocation of his rights at his deposition, nor has he agreed to be subject to cross-examination. As such, the Court cannot find, as Carroll seems to suggest, that he has withdrawn the privilege and will make himself subject to cross-examination. In any event, discovery is closed.

not substantive statements of fact. And, some of Carroll's responses are simply nonsensical (See responses to ¶ 17, 125, and 131, to highlight a few). Accordingly, Carroll's affidavit is insufficient to dispute the material facts presented by Plaintiffs. To the extent that Carroll may have appropriately responded the Plaintiffs' statements of uncontroverted material facts, with appropriate citations to the record, they will be addressed below out of an abundance of caution.

Uncontroverted Material Facts

In light of the foregoing, the evidence reveals the following facts.

In 2018, Defendants Chistopher Carroll and George Reed agreed to create a timeshare exit business together (Plaintiffs' statement of uncontroverted fact (PSUF) ¶ 1).[5] In furtherance of that plan, they set-up closely held companies and trusts which include the former Defendants Consumer Law Protection, LLC, Farmington Allegiance, LLC, Mainline Partners, LLC, Premier Reservations Group, LLC, Resort Transfer Group, LLC, Square One Group, LLC, The Jake and Avery Irrevocable Trust Dated September 11, 2019, The Maggie and Lucy Irrevocable Trust Dated September 11, 2019**,** and Timeshare Help Source (PSUF ¶ 2).[6] Carroll and Reed each owned a 50% stake in Defendants (PSUF ¶ 4; Pls' Ex. 13[7]). Carroll served as the owner, president, chief

[5] According to Wikipedia, a timeshare is:

> a property with a divided form of ownership or use rights. These properties are typically resort condominium units, in which multiple parties hold rights to use the property, and each owner of the same accommodation is allotted their period of time. Units may be sold as a partial ownership, lease, or "right to use," in which case the latter holds no claim to ownership of the property. The ownership of timeshare programs is varied, and has been changing over the decades.

WIKIPEDIA, https://en.wikipedia.org/wiki/Timeshare (last visited March 25, 2026).

[6] All Defendants, current and former with the exception of real persons sued individually, will be referred to collectively as Defendants. Specific Defendants, including individual Defendants, will be named where necessary. The Court acknowledges that not all named Defendants are listed in PSUF ¶ 2, including Consumer Rights Council, Resort Legal Service, LLC, Square One Corporate Offices, LLC, Square One Development Group, Inc., and Timeshare Help Source.

[7] This organizational chart, along with an ownership chart, was produced by Carroll (Doc. 256-1, ¶ 19; Doc. 256-4; Doc. 256-14).

executive officer, and manager of Defendants and had control of their bank accounts as a signatory (PSUF ¶¶ 5 and 6). In June, 2022, Reed sold his interest in Defendants to Carroll and had no further involvement in them (PSUF ¶ 7).

Under the name "Square One" and beginning in late 2018, Defendants began advertising, marketing, and selling timeshare exit services throughout the United States, including Wisconsin (PSUF ¶ 8). To promote their business, Defendants used a direct mail campaign wherein they mailed flyers to potential customers offering a free restaurant meal and gift card for attending a presentation on how to exit a timeshare commitment (PSUF ¶ 11, 14). The mailers did not inform consumers that Defendants were attempting to sell timeshare exit services (PSUF ¶ 12). Carroll directed the creation, modification, and distribution of the mailers (PSUF ¶ 13; Doc. 256-2, p. 90; Doc. 256-35; Doc. 256-36).[8]

Carroll also selected the locations of the presentations, which included hotel conference rooms, throughout the country including Missouri and Wisconsin (PSUF ¶¶ 14, 15). More than a dozen such presentations were held in Wisconsin with 114 consumers (PSUF ¶ 16). The presentations all followed the same general format, to wit:

> 1. Attendees would first provide information about themselves and their timeshares including name, purchase date, and cost (PSUF ¶ 18);
>
> 2. A representative of Defendants would then make a 20-to-40-minute oral presentation to attendees accompanied by a slide deck featuring various information and statements (PSUF ¶¶ 19 and 20);
>
> 3. After the group presentation, a different consultant would engage in a one-on-one conversations with attendees to "sell the services" (PSUF ¶ 27, Doc. 256-17, p. 22). During this conversation, consumers were presented with three options, keeping their timeshare, trading it in, or exiting their timeshare; and, they were presented with the costs of each option, the last of which was represented as the cheapest (PSUF ¶¶ 28 and 29).

[8] A number of Plaintiffs' statements of uncontroverted facts, like ¶¶ 13 and 15, rely on one or two emails from Carroll to others during the relevant time period. Plaintiffs use these singular emails, or email chains, to demonstrate that Carroll was in charge of and directly involved in various aspects of Defendants' timeshare exit campaign.

Carroll provided the content for the original slide deck and presentations and approved subsequent changes (PSUF ¶¶ 22, 23). He worked closely with the day-to-day heads of sales, Scott Jackson and Eduardo Balderas, and communicated directly with presenters with answers and feedback (PSUF ¶ 24, 25). Carroll personally attended presentations and gave presentations himself (PSUF ¶ 26).[9]

In presentation materials and during the above presentations, Defendants represented that:

1. They had been "providing solutions since 2005" and that they had been in business since 2005 (with "zero complaints");

2. That they were "A+ rated" by the Better Business Bureau (BBB);

3. That they partnered with, were accredited by, and were paid by the American Resort Development Association (ARDA);

4. That they were accredited by an "independent advocacy organization" called "Consumer Rights Council" (CRC). A logo stating as much was added to written material in June 2019 (Doc. 257-14). In that material, the CRC was represented as an "independent advocacy organization dedicated to helping timeshare owners who are looking to safely cancel or exit their timeshare . . . ." (Doc. 256-28, p. 11);

5. That the descendants and heirs of timeshare owners would be financially responsible for timeshare costs in perpetuity;

6. That timeshare owners could not exit their timeshare agreements by themselves; and

7. That Defendants would secure timeshare exits within 12-24 months and that they would provide a full refund of fees if that did not occur.

[9] In this statement, Plaintiffs refer to Carroll's December 16, 2021 deposition in a different case that was pending in the District Court for the Middle District of Florida (Pls. Ex. 12). The cited deposition page, 68, does not support this statement. However, if an adverse inference is applied, Carroll's refusal to answer the question, "did you ever do any of the presentations for Square One?" at his deposition in this case, supports this statement (Pls. Ex. 2, p. 20). In addition, Carroll does not directly refute this statement of fact in his affidavit. Instead, he obliquely states that he was not present at all the presentations (implying he was present at some), that he "only participated in a few presentations," that he was on a leave of absence from May, 2020 to 2022, that he "generally did not personally deliver these presentations, and that "marketing and exit services" was outsourced to a third party (Doc. 275, p. 11, ¶ 26). These statements either support ¶ 26 or do not refute the statement at all. As such, this statement of fact is accepted as true.

(PSUF ¶¶ 30, 32, 39, 40, 41, 47, 56, 57, 60, 64).[10] All of these statements were false or misleading.

The evidence reveals that:

1. Defendants did not offer timeshare exit services until 2018 (PSUF ¶ 31).

2. The BBB, serving the St. Louis region, suspended accreditation in December, 2018 (PSUF ¶ 33, Doc. 257-4). Carroll withdrew an application for accreditation in February, 2019 (PSUF ¶ 36). However, in May, 2019, Carroll was aware that presentations and slide decks still referred to an A+ accreditation from the BBB (PSUF ¶ 38, Doc. 256-48). And, in December 2021, Carroll directed employees to put the word "accredited" by the BBB logo on mailers (PSUF ¶ 37, Doc. 257-8).[11]

3. ARDA, which is a "nonprofit and nonpartisan trade association for the timeshare industry," did not contract with or retain any of Defendants to provide timeshare exit services to consumers (PSUF ¶ 42, Doc. 257-9). In January, 2019, ARDA directed Carroll to remove the notation that Defendants were accredited by ARDA from their website (PSUF ¶44, Doc. 257-10). ARDA subsequently emailed a cease-and-desist letter to Carroll in April, 2019 ((PSUF ¶ 45, Doc. 257-12).

4. CRC was a wholly made up organization, created by Carroll and Reed in June 2019, to give credibility to their scheme (PSUF ¶ 48).

5. At least one particular timeshare agreement for the Wyndham branded hotel company did not mandate that a timeshare be transferred to heirs (PSUF ¶ 58).

6. Consumers were able to exit their timeshares without Defendants' help by working directly with their resort (PSUF ¶ 62) or by selling them on the open market (PSUF ¶ 63).

7. Not all consumers were able to exit their timeshares within the 12-24 month period promised (PSUF ¶ 66). Defendants did not refund fees to consumers who

[10] Plaintiffs also assert that Defendants represented that timeshare maintenance costs would significantly increase year over year (PSUF ¶ 51-55). During the presentation, consumers were shown how their maintenance fees for their timeshares would increase over time on a "Maintenance fee – Inflation Calculator" (e.g. Doc. 256-28, p. 13). For example, on one such form, the form imposed a 7.1% inflation rate on an original annual maintenance fee of $1,700 such that in 10 years, the amount is listed as $25,275, in 20 years, the amount increases to $75,461, and in 30 years, the amount increases to $175,110 (Id.; PSUF ¶¶ 53 and 54). Plaintiffs argue that the amounts represented have no basis in reality and that they were just made up (PSUF ¶ 55). The evidence cited, however, does not support ¶ 55. Instead, that evidence supports the notion that Defendants' employees were never given a formal manner in which to calculate how much to charge consumers, it was "up to the sales representative's discretion" (Doc. 256-17, pp. 26-27). And, Carroll only testified, see FN 9, supra, that maintenance fees increased over time. Certainly the rate of inflation and projected increase appear excessive, but there is no actual cited evidence that it was erroneous. As noted above, Carroll does not provide any specific evidence refuting this statement.

[11] Carroll's control of Defendants in December 2021 directly contradicts his self-serving assertion that he was on a leave of absence from May 2020 to 2022.

were not exited from their timeshares within this time period and Carroll directed employees to ignore at least one complaint about the slow pace (PSUF ¶ 67).

In addition to the above false and/or misleading statements, Defendants engaged in tactics that pressured consumers to sign up for their services (PSUF ¶ 86). For example, some presentations and sales pitches lasted for hours; some married consumers were not permitted to talk privately about the services; some where directed to fill out credit card applications when they indicated they could not afford the services (PSUF ¶ 81-83). Consumers were told that they could only sign up for services at the presentations or lose the opportunity entirely (PSUF ¶ 84). Consumers were not allowed to review agreements at home prior to signing (PSUF ¶ 85).

When a consumer agreed to purchase Defendants' timeshare exit services, they signed an agreement called the Timeshare Termination Agreement (TTA) (PSUF ¶ 68). The 2018-2021 version of the TTA, including those used for Wisconsin consumers,[12] did not indicate that the consumer could cancel the agreement within three business days or some other time period (cooling off rule) (PSUF ¶ 71). Defendants entered into 3,662 TTAs which contained an express no cancellation clause (PSUF ¶ 73). Defendants did not furnish consumers with a cancelation notice form (PSUF ¶ 74). Defendants did not inform consumers of their right to cancel during oral presentations and communication (PSUF ¶ 77). Defendant did not include the required cooling off rule language until June 2021 (PSUF 74). Even after 2021, Defendants did not provide cooling off rule notices or provide language required by Wisconsin's Direct Marketing Rule (PSUF ¶ 75-76). Defendants' representatives actively discouraged cancellation requests within 3 days of signing the TTA, some at Carroll's direction (PSUF ¶ 78 and 80).

To support their claims, Plaintiffs have provided the declarations of a variety of consumers from throughout the country. The declarations provide substantially the same information:

[12] One such contract was signed by a resident of Cuba City, Wisconsin on July 29, 2020 (Doc. 257-30).

Consumers received a flyer in the mail about how to exit their timeshare. The individual or couple were interested in exiting their timeshares because they didn't use them, and/or they were getting expensive. They arrived at a hotel conference room and were given a 20 to 40 minute presentation. They were asked (and provided) personal information about themselves and their timeshares. They were told that their timeshares would cost an exorbitant amount over the years and that their heirs would be saddled with the increasing costs but that they could exit their time share for a fraction of that amount if they signed an agreement with Defendants. They were told that they would be able to exit their time share within months. Various other representations were made including some or all of the representations set forth above. They signed an agreement that had an express no cancellation clause. No meaningful action was taken to exit them out of their timeshares. They asked for a refund. A refund was refused. They still own timeshares that Defendants had agreed to provide exit services for and they generally have not been given a refund of the thousands of dollars they paid to Defendants. (Doc. 256-25, Mark Henderson from Georgia who lost $10,000; Doc. 256-26, Michael W. Batz from Missouri who lost $17,556.00; Doc. 256-27, Regina Behler from New York who lost $5,243.68; Doc. 256-28, Laura Carder from Missouri who was successfully able to reverse $10,001.16 in credit charges for Defendants' fee; Doc. 256-30, Patricia Vettorino from South Carolina who lost $6,067.00; Doc. 256-31, Diane Sanderlin of Alaska who lost $15,001.00; Doc. 256-32, Lupe A. Noel from Florida who tried but failed to reverse a $32,001.00 credit card charge for Defendants' fee; Doc. 256-31, Richard B. Case from Pennsylvania who successfully cancelled their agreement with Defendants; Doc. 256-42, Elizabeth Drahozal from Iowa who lost $9,481.00; Doc. 256-51, Paul Stembler of Minnesota who was successfully able to reverse a $11,365.03 credit card charge for Defendants' fee). Each declaration

specifies the particular tactics that were used to pressure them into signing agreements with Defendants; while not set forth in detail, they are incorporated herein.

Defendants enrolled 11,044 consumers in its exit services programs despite knowing that they would be unsuccessful in exiting them from their timeshares (PSUF ¶¶ 72, 93). Defendants generally were unable to fulfill the promise to exit consumers from timeshares within the promised time period for a variety of reasons (PSUF ¶¶ 87, 88). Some resort/hotels only worked directly with consumers to exit their timeshares and not through third parties like Defendants (PSUF ¶¶ 89, 90).[13] Some consumers with timeshare mortgages were wholly unable to exit their timeshares through Defendants' services (PSUF ¶ 92). Defendants were understaffed, having only 12 people working on obtaining timeshare exits (PSUF ¶ 100). At the direction of Carroll, Defendants were unable to, for example, spend more than $1200 to exit a person from their timeshare, even though consumers were charged in excess of that amount (PSUF ¶ 96-97). Carroll also refused requests to hire more employees (PSUF ¶ 101). Defendants only were able to exit 19% of the consumers who signed up for their services (PSUF ¶ 99). Defendants did not attempt to exit 40% of the consumers who signed up for their services (PSUF ¶ 99).

The State of Alaska's Department of Law's Consumer Protection Unit began investigating Defendants (and Carroll) for violations of Alaska's consumer protection laws (PSUF ¶¶ 102-108). As a result, and pursuant to a consent decree, Carroll was broadly enjoined from selling or attempting to sell any goods and services in Alaska individually or through companies (PSUF ¶ 106; Doc. 257-40). Similar actions were taken by the State of Missouri (PSUF ¶¶ 107-108). Defendants were also sued by two timeshare companies, Bluegreen Vacations Unlimited and Wyndham Vacation Resorts, Inc., for making false or misleading statements and unfair and

[13] Defendants impersonated consumers in order to exit timeshares directly thought the resorts/hotel (PSUF ¶ 94).

deceptive trade practices (PSUF ¶¶ 109-111). The BBB advised caution to consumers with respect to Defendants after receiving many complaints (PSUF ¶¶ 112-115). Carroll was aware of all of the above. In order to mitigate the negative effects consumer complaints and distance themselves from a negative BBB assessment, Carroll and Reed rebranded their scheme from Square One Group to Consumer Law Protection to Timeshare Help Sources, and finally to Resort Legal Services (PSUF ¶¶ 119-124).

Defendants and Carroll were aware of and discussed consumer complaints, of which there were at least 732 (PSUF ¶ 125-126). Carroll was particularly aware of disgruntled consumers referencing the cooling-off period (of which he had knowledge), state law, the FTC, and hiring a lawyer (PSUF ¶¶ 127-129, 132). Carroll was also informed by employees that the contracts signed by consumers were not consistent with federal and state law and actively refused to make them consistent with state and federal law (PSUF ¶ 133, 135). Indeed, Carroll refused to provide refunds to consumers who attempted to cancel their contracts consistent with state and federal law (PSUF ¶ 138).

In total, Defendants were paid $95,243,688.50 by consumers (PSUF ¶ 140). The average consumer paid Defendants between $12,421 and $13,776 (PSUF ¶ 141). Only 0.1% of these consumers received a refund from Defendants (PSUF ¶ 142). Carroll was solely responsible for approving refunds:

> We're not refunding this. No refund will be done without my approval. I am the only person who can approve a refund. So everyone will be clear, if a refund is given without my approval, it will result in termination. This shouldn't be coming up again.

(Doc. 258-6, p. 2).[14] Refunds were not honored based on cooling off rules or if Defendants were unable to fulfill their end of the bargain (PSUF ¶ 144).

During the course of the scheme, Carroll made a number of "owner draws" from Defendants' bank accounts, totaling $2,369,354.29 by June 30, 2022 (PSUF ¶¶ 146-148). The money was used to start a trucking business in 2021 that subsequently bought real property in Bourbon, Missouri, buildings, and trucking equipment (PSUF ¶ 149-152).[15]

Discussion

The statements made at the timeshare exit presentations and in written material were not true or were at least misleading. Defendants' representatives engaged in various questionable and pressurizing tactics designed to compel consumers to engage their timeshare exit services without having the opportunity to fully consider the offer. Defendants failed to follow through with promises to help consumers exit their timeshare agreements. Defendants failed to inform consumers of their rights, including the right to cancel their contract. When questioned about cancellation, Defendants bullied or cajoled consumers into giving up their rights. The masterminds of all of these actions were Carroll and Reed. However, Carroll's control and dominion over Defendants' sale practices and activities directly led to the violation of state and federal law and regulations. Accordingly, Plaintiffs are entitled to judgment as a matter of law.

I. Federal Claims

Carroll's actions are in violation of Section 5 of the FTCA, 15 U.S.C. § 45 (Counts I and II) and the federal Cooling-Off Rule, 16 C.F.R. § 429.1 (Count III). The FTCA declares unlawful "unfair or deceptive acts or practices in or affecting commerce." 15 U.S.C. § 45(a)(1); See Arthur

[14] This email, like others, was sent during a time, October 1, 2020, when Carroll indicates that he was on a leave of absence.

[15] See *United States v. Christopher Lee Carroll*, 4:21-cr-532-SEP.

Murray Studio of Washington, Inc. v. F.T.C., 458 F.2d 622 (5th Cir. 1972) (finding it an unfair practice to use high pressure tactics, "cajolery," and coercion to "induce unwary members of the public" to enter into exorbitantly priced dance contracts). As a remedial statute, the FTCA is construed broadly. Federal Trade Commission v. AT&T Mobility LLC, 883 F.3d 848, 854 (9th Cir. 2018). "The aim of the law is to stamp out unfair business practices and businesses which persist in practicing them." Slough v. F.T.C., 396 F.2d 870, 872 (5th Cir. 1968).

In order to prevail on their FTCA claims, Plaintiffs must prove that there was a material representation likely to mislead a reasonable consumer (deceptive act or practice). Federal Trade Commission v. On Point Capital Partners, LLC, 17 F.4th 1066, 1079 (11th Cir. 2021); F.T.C. v. E.M.A. Nationwide, Inc., 767 F.3d 622, 630-631 (6th Cir. 2014). "Express product claims are presumed to be material." F.T.C. v. Pantron I Corp., 33 F.3d 1088, 1095-1096 (9th Cir. 1994). As are claims that provide "'information that is important to consumers and, hence, likely to affect their choice of, or conduct regarding, a product.'" F.T.C. v. Cyberspace.Com, LLC, 453 F.3d 1196, 1201 (9th Cir. 2006) (quoting In the matter of Cliffdale Associates, Inc., 103 F.T.C. 110, 165, 1984 WL 565319 (1984)). Claims can mislead the consumer if they are false or if they lack a "reasonable basis for asserting that the message was true." Pantron I Corp, 33 F.3d at 1096 (quotation marks and citation omitted). "In determining whether an advertiser has satisfied the reasonable basis requirement, the Commission or court must first determine what level of substantiation the advertiser is required to have for his advertising claims. Then, the adjudicator must determine whether the advertiser possessed that level of substantiation." Id. A reasonable consumer is one who has a reasonable interpretation or reaction based on the circumstances. Cliffdale Associates, Inc., 1984 WL 565319 at * 46-47. Plaintiffs need not prove that Caroll acted with intent to defraud or deceive, Beneficial Corp. v. F.T.C., 542 F.2d 611, 617 (3rd Cir. 1976)

("An intent to deceive is not an element of a deceptive advertising charge under [15 U.S.C. § 45]"); and, there is no requirement of that each consumer relied on the misleading statements. See Federal Trade Commission v. American Screening, LLC, 105 F.4th 1098, 1102-3 (8th Cir. 2024) ("We explained that the FTC merely had to show that the misrepresentations or omissions were of a kind that reasonable and prudent purchasers rely on, that they were widely disseminated, and that injured consumers actually purchased the defendant's products."); F.T.C. v. Figgie Intern. Inc., 994 F.2d 595, 605-606 (9th Cir. 1993) ("A presumption of actual reliance arises once the Commission has proved that the defendant made material misrepresentations, that they were widely disseminated, and that consumers purchased the defendant's product.").

Defendants made a number of material representations. In their mailers and slideshow presentation, they expressly represented that they had an A+ rating with the BBB, that they were affiliated, employed, or partnered with ARDA, and/or that they were "accredited" by CRC. Each of these assertions were designed to bolster their credibility and provide a sheen of respectability and competence. These statements were actually relied on by consumers. None of these statements had any basis in fact and were false. Defendants also made misleading representations – that timeshare owners' heirs would be saddled with timeshare costs which would rise substantially, that timeshare owners could not exit their timeshares without Defendants' assistance, and that Defendants would be able to secure timeshare exits within 12-24 months or provide a refund. Defendants could not substantiate any of these claims because each claim would have been dependent on each individual timeshare agreement and no such consideration was given at presentations or in written material or contracts. Reasonable consumers were misled by Defendant's misrepresentations as demonstrated by the numerous affidavits provided by Plaintiffs

highlighting these representations as reasons why they engaged Defendants' services. Accordingly, Plaintiffs are entitled to judgment on Count I.

Defendants also engaged in unfair acts and practices. An act or practice is unfair if it "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition." 15 U.S.C. § 45(n); Federal Trade Commission v. Corpay, Inc., 164 F.4th 807, 839-840 (11th Cir. 2026) (noting that the standard is framed in the negative – a practice cannot be unfair unless these factors are shown). Defendants' act caused substantial injury by bilking consumers out of money without exiting them from their timeshares and without providing the promised refund; the injuries were not wholly avoidable in light of Defendants' high pressure tactics; and, Defendants' actions were not countervailed by benefits to consumers or competition. It is undisputed that Defendants' employees used various tactics to cajole consumers into signing contracts for timeshare exit services. Defendants held consumers captive by refusing them the ability to confer privately about the offers; by telling consumers that they must sign immediately or else forfeit the benefits of exiting their timeshares; that their heirs will be saddled with rising timeshare costs; some sales pitches lasted hours; and, some consumers were signed up for new credit cards when they expressed the inability to pay for Defendants' services, among other things. There is further no showing that the injury suffered by consumers was outweighed by any benefit to consumers or competition. As noted above, Defendants' were not successful in exiting a majority of consumers from their timeshares, that even if they were successful it was for a fraction of what they charged. Defendants' practices were demonstrably unfair. Accordingly, Plaintiffs are entitled to judgment on Count II.

Federal regulations further provide that it is, in part, an "unfair or deceptive act or practice" for a seller to fail to provide a buyer, of goods worth at least $130.00 and at a location other than the merchant's regular place of business, a contract, receipt, notice, and oral communication informing the buyer of the right to cancel the transaction within three business days. 16 C.F.R. § 429.1(a-i) (so called cooling-off rule); 15 U.S.C. § 57a(d)(3). As indicated above, the express no cancellation clauses failed to provide notice that consumers had 3 days to cancel the contracts. There is no indication in the record that Defendants provided consumers with a cooling off rule notice or form. Defendants did not orally inform consumers of the cooling off rule. When some consumers attempted to exercise the rule, they were not provided refunds. Indeed, the evidence reveals that consumers were actively discouraged from cancelling. Accordingly, Plaintiffs are entitled to judgment on Count III.[16]

In light of corporate liability, Plaintiffs can show individual liability by demonstrating that "the individual defendants participated directly in the practices or acts or had authority to control them" by, for example, active involvement in the business, making policy, or acting as a corporate officer. See F.T.C. v. Amy Travel Service, Inc., 875 F.2d 564, 573 (7th Cir. 1989), overruled on other grounds by Federal Trade Commission v. Credit Bureau Center, LLC, 937 F.3d 764, 767 (7th Cir. 2019); Federal Trade Commission v. Moses, 913 F.3d 297, 306-307 (2nd Cir. 2019). Thus, an individual can be liable if he:

> (1) participated directly in the deceptive practices *or* had authority to control those practices, and
>
> (2) had or should have had knowledge of the deceptive practices.

F.T.C. v. Ross, 743 F.3d 886, 892 (4th Cir. 2014). As to the second prong, Plaintiffs can show that "the individual had actual knowledge of the deceptive conduct, was recklessly indifferent to

[16] Carroll offers no meaningful argument as to the cooling off rule.

its deceptiveness, or had an awareness of a high probability of deceptiveness and intentionally avoided learning the truth." Id.

The uncontroverted evidence reveals that Carroll was personally involved and the mastermind of Defendants' unfair and deceptive business practices. See Am. Screening, LLC, 105 F.4th at 1106. As set forth above, Carroll was the owner, chief executive officer, and manager of the interrelated companies and trusts. He was responsible for hiring staff, had access to all of the businesses' bank accounts, and actively managed the operations of the businesses and its employees. He played an active role in creating, editing, marketing, and promoting the mail campaign, and, in some instances, participating directly in deceptive presentations to consumers. He had the final say on refunds, the inclusion of the deceptive logos and statements in mailings, and the applicability of rules and regulations (and whether Defendnats would follow those rules and regulations including the cooling off rule). He was made directly aware of the unfair and deceptive practices through both the actions of the Alaska and Missouri attorneys general, the notifications from ADRA and the BBB, and through active complaints of consumers (in addition to his own experience in the timeshare business). See F.T.C. v. Accusearch Inc., 570 F.3d 1187, 1195 (10th Cir. 2009) ("Indeed, condemnation of a practice in criminal or civil statutes may well mark that practice as 'unfair.'"). Even if Carroll stepped back from an active role in the businesses (which the evidence reveals he did not), he was an active director of the above practices from 2018 to 2021 and after Reed's departure in 2022. F.T.C. v. World Media Brokers, 415 F.3d 758, 764 (7th Cir. 2005) ("Whether he personally made misrepresentations is irrelevant so long as the FTC has shown that he had authority to control the corporations' deceptive practices."). As such, Carroll is jointly and severally liable for Defendants' conduct.[17] Id.; 15 U.S.C. 57b.

[17] In reaching this conclusion, the Court has considered Carroll's arguments that he cannot be individually liable. These arguments, however, misconstrue the uncontroverted material facts.

II. State of Wisconsin Claims

Wisconsin's Deceptive Trade Practices Act further provides that "no person . . . with intent to sell . . . any . . . service . . . shall . . . publish . . . an advertisement . . . [that] contains . . . any assertion, representation or statement of fact which is untrue, deceptive or misleading." WIS. STAT. § 100.18; See generally Weaver v. Champion Petfoods USA, Inc., 3 F.4th 927, 934-935 (7th Cir. 2021) (Count VII). The Wisconsin's Administrative Code further provides for certain disclosures, prohibits certain harassing or intimidating sales tactics, and mandates disclosure of a right to cancel, in certain door-to-door, mail, or other transactions. WIS. ADMIN. CODE ATCP § 127.44, 127.46, 127.72, 127.74 127 (Count IV, V, and VI). Wisconsin law mirrors the FTCA and the federal cooling off rule. It is undisputed that Defendants sent mailers and conducted at least 16 presentations in Wisconsin using the same deceptive and unfair practices as set forth above. It makes little difference if Carroll did not "give any presentations in Wisconsin" because it is uncontroverted that he controlled and exercised authority over all of Defendants' operations (Doc. 274, p. 30). It is further undisputed that none of the contracts used in or for Wisconsin citizens contained either a clause outlining the cooling off rule, provided notification of such a rule, or gave oral or other notification of the rule. As such, Plaintiffs are entitled to judgment on these Counts against Carroll for the same reasons set forth above.

In coming to these conclusions, the Court has considered argument that Carroll makes in response to summary judgment. Those arguments are wholly without merit. Carroll makes many arguments that have already been rejected by this Court in prior memoranda and orders (Docs. 68, 114, 188). Indeed, Carroll sets forth, verbatim, arguments that have already been specifically rejected by this Court (See Doc. 55, pp. 5-7 and Doc. 274, pp. 28-30). As the above evidence demonstrates, Carroll controlled and operated all of the Defendants' actions in every state that they

were active. Carroll provides no specific evidence that would contravene Plaintiffs' statement of uncontroverted facts. Indeed, even if Carroll's affidavit were considered, it only offers vague statements about a leave of absence and the involvement of third parties. Carroll's arguments regarding Plaintiffs' experts are untimely and unsupported. Carrolls' arguments that the evidence is "inadmissible or improper" or that witnesses are untruthful or disgruntled are wholly without merit. The fact that Defendants may have been successful in exiting some consumers from their timeshares would not inform any trier of fact as to whether they used unfair and deceptive practices to cajole consumers into using their services. Instead, the overwhelming evidence reveals that Carroll was the mastermind of Defendants' operation, that he personally profited from Defendants' unfair and deceptive acts and practices, and that Plaintiffs are entitled to judgment as a matter of law.

Conclusion

For the foregoing reasons, Plaintiffs United States of America's and State of Wisconsin's Motion for Summary Judgment against Defendant Christopher Carroll (Doc. 255) is **GRANTED**. A Order setting forth remedies along with a judgment shall be filed by separate docket entry. Upon entry of same, the Clerk of Court is **DIRECTED** to close this matter.

/s/ John M. Bodenhausen
JOHN M. BODENHAUSEN
UNITED STATES MAGISTRATE JUDGE

Dated this 30th day of March, 2026