

Seven Club Class holiday companies wound-up by Insolvency Service

Seven connected companies, which mis-sold membership of a concierge holiday scheme to the public while ostensibly conducting meetings to propose action against timeshare deals, have been wound up in the public interest by the High Court in London,

The order to wind up the companies, five of which were registered in Seychelles and two in the UK, followed an investigation by the Company Investigations team of the Insolvency Service in London.

The Secretary of State for Business, Innovation and Skills petitioned to wind up all the companies, collectively known as Club Class, as they were all intimately involved in the marketing of the scheme in the UK.

One of the English companies, Bridge View Consultants Ltd sold the Club Class product to the public in the UK at meetings which were ostensibly arranged to address people who had been mis-sold timeshares.

At these meetings, timeshare owners were encouraged to sign up to a group action against the timeshare industry to be conducted by an organisation called International Timeshare Refund Action (ITRA).

The court heard that instead, the ITRA presentation became a Club Class presentation in which consumers were informed there was a "one-off" opportunity for them to irrevocably relinquish their timeshares in part-payment for the substantial cost of the Club Class membership, which ranged from around £7,000 to £15,000. Consumers were unaware in advance that this was the true purpose of the meeting.

During the meetings, some lasting up to six hours, consumers were put under immense pressure to exchange their timeshares, which they were told were essentially worthless, but could be set off against the cost of their holiday club membership.

Consumers were also told that their timeshare liabilities would continue in perpetuity and pass to their heirs. The principal inducement was that the Club Class group would arrange for the release of the consumer from these onerous liabilities by effecting transfer or other means. Cash-backs were also offered as another sales promotional tool.

In fact, consumers' timeshares were simply returned to the resort owner and no real efforts were made to assume their liability. As a result, consumers continued to receive maintenance demands from the resort owners. A representative of the Seychelles companies, Dennis Gilson, admitted in court that because of the onerous terms that had to be complied with to receive a

cash payment, the cash-back offers were the equivalent of a spot-the-ball competition.

In making the winding-up orders, the Court found that in addition to the mis-selling and lack of commercial probity which generated a significant volume of complaints, there was a lack of transparency within the operations of the companies. The companies' officers also failed to co-operate with the investigation.

Commenting on the case, David Hill an Investigation Supervisor with The Insolvency Service said;

"These companies were set up with the aim of duping consumers, who in some cases had already suffered from unfair timeshare deals, by using slick patter for what was in reality the selling of an illusion. There was nothing investors could gain from paying to these companies.

"This action shows that The Insolvency Service will investigate and close down companies set up to scam the public"

Ends

NOTES TO EDITORS

1. Details of the seven companies wound up are as follows: UK - Club Class Concierge Ltd and Bridge View Consultants Ltd. Their registered office is 9 Wimpole Street, London, W1G 9SR.
2. Seychelles – Club Class Concierge plc, Club Class International plc, Club Class Holdings Ltd, Club Class Corporation plc and Club Class plc. Their registered legal address, since registration, has been situated at 2FI Allied Bldg, Annex Francis Rachel St Victoria, Mahe, Seychelles.
3. The petitions to wind up the companies were presented in the High Court on 31 August 2011 under the provisions of section 124A of the Insolvency Act 1986 following confidential enquiries by Company Investigations under section 447 of the Companies Act 1985, as amended.
4. Company Investigations, part of the Insolvency Service, carries out confidential enquiries on behalf of the Secretary of State for Business, Innovation & Skills (BIS).
5. The Insolvency Service administers the insolvency regime investigating all compulsory liquidations and individual insolvencies (bankruptcies) through the Official Receiver to establish why they became insolvent. The Service also authorises and regulates the insolvency profession; deals with disqualification of directors in corporate failures; assesses and pays statutory entitlement to redundancy payments when an employer cannot or will not pay employees; provides banking and investment services for bankruptcy and liquidation estate funds; and advises ministers and other government departments on insolvency law and practice. Further information about the work of The Insolvency Service is available from www.bis.gov.uk/insolvency

6. All public enquiries concerning the affairs of the companies should be made to: The Official Receiver, Public Interest Unit, 4 Abbey Orchard Street, London, SW1P 2HT. Telephone: 0207 637 1110 Email: piu.or@insolvency.gsi.gov.uk

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