Announcer: This is The Rich Dad Radio Show, the Good News and Bad News About Money. Here's Robert Kiyosaki.

Robert: Hello, hello, hello. Robert Kiyosaki on The Rich Dad Radio Show, the Good News and Bad News About Money. I'm here with my sweetheart Kim. And we have a very important show today. It's on this business called timeshares. And beneath it says, upfront, we don't recommend. We don't say buy, sell. And we don't trash too many things unless we don't like the person. I'll trash them then.

Robert: But anyway, this is a purely objective show about the business of timeshares. And we have our Rich Dad advisor, Tom Wheelwright, author of the book Tax-Free Wealth. And the reason I especially wanted to have Tom on here because as a CPA, and Tom has helped us make freaking millions of dollars in real estate. But Tom also owns a timeshare. I always thought that was interesting.

Robert: And then here we have Henri Moreau, and he is a timeshare specialist. He's a real estate broker for 17 years. So once again, Rich Dad is a purely educational show. We don't recommend. We don't make any commissions. We don't say anything, other than to educate people.

Robert: So, Tom... Anything you want to say first, Kim?

Kim: Well, this will be interesting because I don't know much about timeshares, and I'm interested to find out the pros and cons of timeshares. And of course, whenever talking about real estate, we have always have to talk about taxes. And there's a lot of new tax regulation coming down the pike. So always fascinated to hear from Tom because Tom loves reading the tax code. Tom loves studying what's coming down. And so I'm curious to, and anxious to, hear all the new regulations coming on, and how that affects timeshare. Something I'm really not familiar.

Robert: But also, technology's brought on Airbnb. And Kim and I have an Airbnb by default. But anyway, the businesses is all-around real estate. And real estate is our favorite subject. So Henri, please introduce yourself. And welcome to The Rich Dad Show.

Henri: Hey, thanks. It's really great to be with all of you. I've had the privilege of being a real estate broker for about 17 years. Our company is called Timeshare Properties, Inc. But our website is WMcredits.net. We transferred about 5,000 timeshares over those 17 years. We have an A+ rating with the BBB, and not one complaint in 17 years. And we're really proud of that. Every day, I just talked to people about timeshares, the good, the bad, the ugly. And I love what I do.

Henri: Timeshares is one of those things where, when you're done with it, it's like a boat, and you just want to sell it. You just cannot stand it anymore. And then those that sell it are very happy to sell. And those who buy, at least from us who are buying it 10% of the original costs, are really happy. So most of the days, I spent just make people really happy, whether they're buying or selling a timeshare. And that's really a fun thing to do.

Robert: Well, Kim and I have a boat. You can help us out there.

Kim: Actually, we are in the process of selling that boat.

Henri: So you know what I'm talking about.

Robert: And it really is true.

Kim: We know exactly what you're talking about.

Robert: It really is true, though. It really is true. The happiest day is when you buy it, and the happiest day is when you sell it.

Robert: So anyway, welcome, everybody, to the program. FYI is that I got interested in timeshare because Rich Dad had a hotel on the island of Kauai, and they took a run at it. We actually did the analysis of running as a regular hotel, or running as a timeshare. And the amount of money as a timeshare was staggering. Talk about leverage, holy-moly!

Kim: So the Kauai hotel, you were thinking of timesharing with your rich dad.

Robert: Yeah. It was about a six month project. We kept evaluating it and all this, and the money was tempting. But I was just talking before we went on air, the money is so staggering, but greed is good. And people jump in there and get greedy. Another way I was a part of a timeshare was I started working with a lot of people who sold timeshares because selling as a basic skill of being an entrepreneur.

Robert: And we met a lot of people who had to sell timeshare, and they were great to work with because they're ambitious. They lived and died by the sale and all this stuff. So it's always been an interesting industry for me. I've looked at buying a timeshare because it's really attractive. You can buy a timeshare in Hilo or Kona, but you can vacation in Spain. I said, "Boy, that's a good idea." It's really an attractive industry, lots of money, lots of leverage, but a lot of pitfalls also.

Kim: But I remember, the one timeshare we went to look at, and it was that deal. It was like, "You buy this timeshare, and you can have timeshares all over the world." And it was great. And so we started calling some of the people that had timeshares there with this company. And they're like, "Well, yeah. It's great. Except that they're always booked, and you can never get any time on any of them." So I was like, okay, that didn't work. So, Henri, what are some of the pros and cons?

Henri: People ask me all the time, are timeshares good? And I always ask the question right back to them, "Is marriage good?" Because in lots of way, timeshares are a marriage. When you're in a really good marriage, there's nothing closer to heaven. But when you're in a bad marriage, there's nothing closer to hell. And in lots of ways, timeshares are the exact same thing. When you own that really good timeshare, you love it. And when you own a bad timeshare, you really, really hate it and are in a bad spot. And honestly, Kim, it depends if you're in timeshare heaven or hell on how you bought it, and how you sell it. And when you get both of those right, I think you have a chance to be in timeshare heaven.

Henri: Now this week, for example, I had many different clients that were in either case. And many times I feel like I'm more of a timeshare therapist than I am a real estate broker. One of our clients who bought five years ago at a really low price on the resell market, called just to say thank you. They were vacation now four or five times a year. And their family was loving it. They were taking their kids and their kids' friends, and they were making memories. So they were in timeshare heaven.

Henri: At the same time, and I think you'll appreciate this, I had got a phone call from a lady named Christine, who is 62 years old, and she said, "Henri, I owe $115,000 on my timeshare. Can you help me?" Sixty-two years old. She's paying $3,000 a month in maintenance fees and her loan costs. So that's $36,000 a year. And over a 10-year period until our loans paid off, she will pay $360,000 for that timeshare that's worth $30,000. So two situations, two timeshares, some people in misery and some people in bliss at the exact same time.

Robert: Thank you. So, Tom, as a CPA and all of this, and you own a timeshare, are you in heaven or hell?

Tom: Henri, I'm one of those that bought the great timeshare. First of all, I think some of it depends on why you're buying the timeshare. I love the property. I love the location. It's just north of Kona on the big island of Hawaii. And it's run by Hilton, and Hilton does an amazing job. Absolutely. They are one of the best companies I've ever worked with from a customer standpoint. They're just absolutely amazing. And what I liked about it is it was a forced vacation.

Tom: So I actually was to a timeshare salesperson once, and they said that the profession that buys timeshares the most are accountants, which they find as an endorsement. But all it is is that we need a reason to take a vacation. Because, otherwise, we won't take a vacation.

Tom: I will say that I have rarely used my timeshare outside of my home property. So I thought that was very important. Plus in Hawaii, now from a tax standpoint, in Hawaii, it's a little different than some other timeshares. In Hawaii, it's actually a fee simple ownership, meaning you own an undivided interest in the real estate. It's very much like a tendency in common, Kim. If you really look at it that way. But on top of that, you have a membership so that you can go other places. I can actually use it at Hilton Hotels if I want to. I don't even have to use it at a timeshare.

Tom: And I did buy, by the way, Henri, so I have two weeks. And one of them I bought on the resale market, and I was very fortunate that in that resell, I still got Hilton points. Because that's not common, as I understand it. So I'm in timeshare bliss for sure. I love it.

Kim: So, Henri, would you-

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Tom: I love it.

Henri: Way to go, Tom.

Kim: So, Henri, would you, for people that don't know what exactly is a timeshare?

Henri: Yeah. Great question. It's the right to be able to use a resort for a certain period of time. Most timeshares go on a week schedule, so you'll buy a timeshare that for that particular or week. Week 1 through week 52 and you'll have access to those seven days. You'll pay one time for the use of that week forever. And then you have to pay what's called maintenance fees, which the resort uses to keep that resort nice and those last forever and ever and ever. So you have to weigh the two costs, the cost to purchase and then the costs to have ongoing maintenance fees.

Henri: And then some like Tom's system with Hilton, he has bought the right to use that Hilton at his home resort, but he also owns points that he can convert and he can use those points to stay at other Hilton properties, and I'm not sure if Tom has done that, he can exchange those points through other exchanges companies like RCI or Interval International that would give him 3 to 5,000 other resorts to choose from.

Henri: So, if you use it correctly, there's massive flexibility and the ability to be able to travel, really all over the world. Hilton is a really good property because has some of the highest trading power, which means he is able to give away his Hilton and get other likeminded or higher minded resorts for again, places all over the world.

Robert: Wow. Any comments on that, Tom?

Tom: Yeah. I mean, I love it. For example, they have a property in Tuscany. They have properties in the UK. They have a lot of properties and they are high end properties. I mean, these are not your low end properties. My cost basis is like practically nothing. I think for two weeks, I probably paid $35,000 for two weeks in that Hilton, which would be probably three, four times that if you bought it today, I think. So it was a good buy for me and the maintenance fees are... I pay about $200 a night is basically what I'm paying, but for a $600 a night condo.

Tom: So basically the purchase price pays down the annual. And if you use it every year, the other thing I like about it is that sometimes if I can't use it, I'll give it away. And there's nothing... And that's actually how I learned to like timeshares. One of my clients gave me a week, actually a couple of weeks in Kona, downtown Kona on the beach. And I'm going, this is awesome. This is absolutely fantastic. I was just, I mean, he couldn't use it. He gave it away and I find that some of the best things I've ever done is give away weeks at the timeshare.

Kim: So Tom, let me ask is what you're talking about in a lot of commonalities in the real estate world. You got to buy it right, you got to get the right terms, it's management is key. What about the taxes? How do taxes compare on a timeshare?

Tom: Yeah, so again, that's very different. So depending on whether it's a fee simple ownership or whether it's just a membership. So a membership there's... Like on mine, I get to deduct my real estate taxes because I own the real estate. Whereas if it were membership, you would not. Now, the other thing of course is if you use it for business, then it's going to be deductible whether or not it's a membership or whether it's real estate. So that's really one of the keys from a tax standpoint is just make sure you're using it for business and then it's deductible.

Robert: Henri? Comments.

Henri: I agree with Tom a hundred percent.

Robert: Oh god. This is a timeshare sales pitch here.

Henri: [crosstalk 00:12:57].

Kim: This is an infomercial.

Henri: Tom and I should hang out together.

Robert: Let's go to Tuscany.

Henri: I like Tom.

Henri: One of the ways that I actually started it is I bought my first timeshare on the resale market and we talk about that a little bit later. Tom alluded to it very quickly. And then for a period of three years, I would buy a timeshare. I would strip out the points or the credits, and I would give those points a way to people that needed a vacation, whether it's a husband and wife or kids. And I've probably given away 30 different weeks to people that are going on a honeymoon and need a cheap place to go or inexpensive, I should say, place to go.

Henri: So I love being able to give a away what I call the gift of rest. And I don't know if there's a more important gift nowadays for people to just be able to get away, take a breath, unwind, reset, and get back to what's most important to them after having a period of just rest and relaxation. It really does change you to be able to take that breather and go back and be who you are really made to be.

Tom: You know, Henri, you, you mentioned the flexibility, which is something I like, but at least with my timeshare and I'm sure they're not all like this, if I don't use it one year, I can carry those points over and I can use it the next year and I can push or I can give it away or I can convert it Hilton points where I can use at a hotel. So to me, the flexibility is a key in what you're buying. Like you say, Kim, any real estate, a lot of what you've got to pay attention to in the contract are the terms, right? It's not just the actual real estate itself, but it's actually the terms of the real estate. And I think that's something very important to be looking for in a timeshare.

Robert: So when we come back, this is very... Right now, we sound like a timeshare pitch.

Kim: We do.

Kim: I want to hear about the other side.

Robert: I want to hear it.

Robert: When we come back-

Kim: The bad side.

Robert: So when we come back we'll talk about the stupid mistakes that stupid people make because it's brilliant. I still remember so many times getting sucked into those timeshare presentations.

Kim: Sales pitches. Yeah.

Robert: And they're really enticing. They're really, really exciting. But given that I don't know much, and I don't like to read the contract, it's best I don't buy anything.

Robert: So when we come back, we'll be talking more about what the bad side of timeshare is. We've heard about the good side and we'll be right back.

Robert: Welcome back. Robert Kiyosaki, the Rich Dad Radio Show, the good news and bad news about money. Today is a very special project. It's about vacations and enjoying life. It's about timeshares. And it's a very interesting subject. I've heard pros, cons, good, bad. And anyway, it's been a good program. So we talked about the good. It's all exciting. Now we're going to find out about the bad. Anything?

Kim: Yeah. We're going to find out about some of the pitfalls because there are pros and cons to every real estate deal out there. And so if I could ask Henri, you were talking about the 62 year old woman who had this disaster of a timeshare. What happened in turn and what didn't she see or what mistakes was she making?

Henri: Right. You know, she made the cardinal mistake, the biggest pitfall, the worst thing that you can do when buying a timeshare and that's she bought her timeshare brand new from the developer. Now in your book, Robert, you talk about when you buy a car and you buy it off the showroom floor, it's worth 25% about less as soon as you drive it off the lot. When you buy a timeshare from a developer, it's worth between 90% and 95% less instantly, immediately.

Robert: Wow.

Kim: 90 to 95?

Henri: At 95%.

Kim: Holy mackerel.

Robert: So it's like buying a new Ferrari. I pay, let's say, $100,000. I drive off, it's worth $40,000. We can't resell it right away in all that.

Tom: Be like worth $5,000.

Kim: Yeah, no.

Robert: No, not a Ferrari. Come on [crosstalk 00:16:53].

Tom: Not a Ferrari, but a timeshare, right?

Kim: But a timeshare.

Tom: That's what you're saying, right, Henri?

Kim: Wow.

Henri: So Kim, what you were talking about is you'd go to these meetings and it is exciting. You have someone like Tom, who's talking about timeshares and how amazing it is. You need a forced vacation. You want to take your kids, you want to develop memories, you need a break. And this high powered, very, very wise, smart salespeople, they tell you all the things that you want to hear and are very good things. And you didn't plan on spending $60,000. You didn't plan on having 15% interest, but at the end of that two or three hours, you walk away like Christine did, and now she has this massive debt that she can never, ever recover from. She really, Kim, has two different options. She can just keep paying for the next 10 years, $360,000 or she could just say, forget it, get out of the timeshare, quit paying, and then it'll become a foreclosure. And basically what happens at that point she'll get massive credit...

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Henri: And basically what happens at that point, she'll get massive credit collection agencies after her, and then eventually they will just foreclose on it. And then she'll have about seven years of a totally trashed credit score and have to try to rebuild that. But that's what people do when they haven't done any research, and it's funny people research to buy a car, to buy a house, to send your kids to college, but yet to buy a timeshare in one split-second someone could make or break their financial future. So that is a pitfall and people have to be very, very careful.

Kim: So, Tom, do you see any other options for Christine?

Tom: Boy she's in trouble. She really is. When she does take it, she gets a loss. Okay. If she can call an investment [inaudible 00:18:54], the worst thing is this probably a vacation home and she probably doesn't get a loss at all because it's probably personal. If she's made these mistakes, she's also probably also made the mistake that this is not investment property, it's not set up as investment property rather it's a personal vacation property. And so when she gets out, she wouldn't get any tax benefit for getting out of it.

Robert: So Henry, your company is called www.wmcredits.net, www.wmcreditscredits.net. Do people contact you if they're in trouble like that?

Henri: I would say I probably get a call like that three or four times a week, Robert. The other day, I got a call from an old client named Doug who had actually purchased from me many years ago and on a whim about a month ago, he went to a timeshare presentation without his wife because he wanted to gift her, bless her and them with a lifetime of more vacations. So he came home and told his wife that he had spent $60,000 on this timeshare. And he told me and you could hear the tears coming from the other end of the phone, that she was so mad, so angry at him, felt that she could no longer trust him because he made a decision without her that put them in financial peril times. Seriously, they don't have the money to spend $60,000 at 15% in a timeshare.

Kim: 15%. is that typical?

Henri: That's pretty typical, correct.

Kim: Wow. Wow.

Robert: What's 15% mean?

Kim: Interest rate on their loan.

Tom: You'd think usury laws would prevent that.

Kim: Yeah.

Henri: Most banks won't finance a timeshare because here's the deal. If someone doesn't pay that timeshare bill, the bank doesn't get the interest to that timeshare, the timeshare company does. And so they'll finance it on their own at a really high rate.

Tom: So Henry, most timeshares are not fee simple ownership?

Henri: It depends on which ones that you're buying. So Marriott, you would actually own a deed to, for example, a Marriott property. You do for Hilton. But there's other timeshares like a Diamond, World Mark, Wyndham, you are basically buying just the right to use points for forever. Basically you pay forever for this timeshare until you stop paying the maintenance fees. And for Doug, it was devastating. He got off the end on the phone with me and he basically said, Henry, because of this one decision, I don't think our marriage is going to work. So Kim, these are real stories and we've talked about the good, you asked for the bad. These are really bad situations that I hear probably three or four times every single week.

Tom: So let me ask a question, Henry, so that $60,000 timeshare, either that one or the one that Christine had, what would that sell for on the used market?

Henri: It would sell for about $6,000. Christine's would sell for 30,000. Doug's would sell for 6,000. So 60 to 6,000 as soon as [crosstalk 00:22:15].

Kim: 90%.

Robert: Wow.

Kim: Geez. So what other pitfalls, what other like terms of the contract, what other pitfalls should people be aware of?

Henri: So the other pitfall I think is really important is what the maintenance fees are. And I'm just shocked when people spend all this money to actually buy the timeshare and then they really don't know or research what the maintenance fees are. The average maintenance fee across the board is about a thousand dollars per year for a normal timeshare. But there are some, Tom mentioned his is more than that. There's some timeshares would be two or $3,000 a year. And what you're hoping for is that the use that you get is more than what it would cost to actually rent that same property. Exactly as Tom is doing. Go ahead, Tom.

Tom: I'm curious Henry, how has Airbnb affected your business in the timeshare business? I would think, I mean, to me, if you're not absolutely sure, man, I want to be here all the time. It seems to me like Airbnb would be a great alternative.

Henri: It's interesting. Great question by the way. I think it's helped and it's harmed. I think it's actually helped my business because I can tell people now, hey, you know what, if you can't go on vacation this year, just put your timeshare on Airbnb. And for a lot of our clients, they are now buying more points and more timeshares because they're making more on Airbnb then there maintenance fees.

Kim: That's smart.

Robert: That's amazing.

Henri: So some could take the maintenance fees that they would normally pay for four weeks of use, rent it out on Airbnb for two weeks and they have two weeks free to use their timeshare for their maintenance fee. So in that way I think it's really helping. Also, I find that the fees that air Airbnb or VRBO both, you charge in addition to just taking the vacation all the fees that they put in are oftentimes way higher than the maintenance fees that you would pay in a timeshare.

Robert: Henry, before we get running, running short on time here. So you go, you buy and sell, right? I mean, somebody is in trouble, you'll pick it up and then you'll resell it for them.

Henri: Yes.

Robert: So could you explain how your services work?

Henri: Yeah, so we specialize in a timeshare called World Mark by Wyndham. It's a points based system, although I can help anybody through any timeshare. So if anybody needs help, regardless if it's World Mark by Wyndham, feel free to give me a call or email me. So we will offer to buy their timeshare and pay them within 120 days. And then I take the timeshare that's now in my name and I pay maintenance fees on it. So I want to try to sell it as fast as I can, to be honest with you. And then I sell it to somebody else. And it's usually somebody that's gone to a presentation and was offered the same type of program for $50,000. I offer it to them for $5,000. So again, it's one of the situations where everybody wins.

Kim: So is one of the golden rules never to buy from a slick presentation?

Henri: Never buy retail, always buy resell.

Kim: Okay. That's a good rule.

Robert: We have that boat when we go.

Kim: We were kind of Airbnbin it with the boat.

Robert: Tom, any tax advice or any other advice for people when they consider it? Because it's vacation, it's attractive, it's sexy. You know what I mean?

Tom: Yeah, I would say a couple of things. First of all, there are times when you want to own that within a business or a limited liability company. That's how I own mine. I don't own mine personally. And it's on the deed that I don't own it personally and they always wonder so who's this so-and-so when I go in. I have to explain I'm the owner because I know that's unusual, but that I own it that way for a couple of reasons. One is I think there is some asset protection issues, which Garrett Sutton can talk about sometime, but also from a tax standpoint, if you are using it for business, it's much easier to show business use when your business owns the timeshare, as opposed to when you're just getting reimbursed or something. It's a pretty tough argument that this is used for business if you're not really doing business while you're at your timeshare.

Robert: Okay.

Kim: Do most people Henry buy it in their own personal name?

Henri: Most of them do. I would say what Tom is doing is very wise, but very rare.

Kim: But anybody could do that Tom, right?

Tom: Anybody could do it.

Kim: Anybody should put it in for asset protection alone. Yeah.

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Kim: ... should put it in, for asset protection alone. Yeah.

Robert: So, Henry, I've gone to those presentations. They're really fun. So you're saying don't do that.

Henri: I would say to be very careful. Most people aren't like you, Robert, because people can't say no. You're probably better at saying no.

Robert: Oh, Kim says no.

Kim: No, he's not. He's not.

Robert: Kim says no. I don't say that.

Tom: That's why I'm shocked, Robert-

Kim: He's not good at saying no.

Tom: ... that you don't own five timeshares. That just shocks me.

Henri: But what happens is people go because they get the free jet ski rentals. Or if then in Hawaii, they get a free $200 luau, and it ropes them in. They hear how great it is. And then pretty soon, they walk out 30 or $40,000 less money.

Kim: I have to say this, too, Henry, and this is advice I would give to somebody. Because when we asked the questions about the finances and expenses, "Oh, we'll have to get back to you on that." They were not forthcoming with it. They were not.

Henri: Right. Yes.

Robert: Yeah. When you said that guy was crying on the phone because his wife was angry at him, that was me.

Kim: And they don't give you much time to get out of it, do they, once you sign it? How much time do you have until you can-

Henri: Most states will give you seven to 10 days to get out of it. And you have to send a written notice to, usually, some address, it's very small print in the back of the contract. But if you don't send it by that amount of time, you're pretty much stuck. Their lawyers are really good about writing up those contracts.

Henri: And if someone ever does need to cancel within that timeframe, I always encourage them to send the letter return receipt requested certified so the timeshare company can't say, "We never got it." Because they've been known to do that, unfortunately.

Kim: So obviously your friend did not cancel in time. He was surprising his wife.

Henri: Correct.

Robert: So final words, Tom?

Tom: So to me, I think a lot of that's come up is asking the right questions. Ask the right question about the timeshare. Ask yourself the right questions about, is this something that 20 years from now, because this is not a short term purchase, 20 years from now, do I still see myself using it? And I've been using mine for 20 years. So if you say, "Yeah, this is some place I can come. There's different things to do. I just love this."

Tom: And I would also see suggest vacation in that location a couple of times before-

Kim: Good idea.

Tom: ... you buy that timeshare to make sure. Okay, the first time, it's always romantic. It's always awesome. The second time, it's still pretty good. By the third time, you either know this is the place for you or this is not the place for you.

Tom: And I know for me, for example, when I see that moon-like surface that I'm coming into in Kona when we're landing, I'm going, "I'm home." And that's how I feel. I feel like I'm home when I fly in there. So that's the feeling I think you want to have.

Tom: And then the other thing is, I think Henry's got some really good ideas here that buying used is can be good. I would say there are some down sides to buying used. For example, on mine, if you bought mine used, you would not get the Hilton points. You would only get the timeshare. You would not get the Hilton. The Hilton doesn't transfer, the timeshare does. So you do have to be very careful about the terms, about what you really get, about what the payments are. All of those things are very, very important.

Robert: Okay. Thank you. And, Henry, final words? By the way, Tom's website is www.wealthability, wealthability.com. His book is Tax-Free Wealth. He's our personal advisor. He's made us millions of dollars without paying taxes.

Robert: So, Henry, final words?

Henri: A couple final words. We've talked about buying the timeshare. We haven't really talked about selling one. So timeshares probably have the reputation for the most scams in any industry worldwide. So if you're going to sell your timeshare, the biggest scam is, number one, people contact you out of the blue. You immediately know it's a scam. And the second thing is, don't ever, ever, ever send money upfront to a company or a marketing agency to get out of your timeshare. Once you send that money as the seller, you will never see that money ever, ever again.

Henri: So a timeshare broker or an organization should only get paid once they perform. Don't ever send them money upfront until that money is in escrow in a normal trust real estate account.

Robert: So this is Henry Moreau, M-O-R-E-A-U. His website is www.WIMcredits.net. So I want to thank the two of you. This has been very informative.

Kim: This is good. I learned a lot. Yeah, I learned a lot. This was fantastic. Wonderful.

Robert: Final words, Kim, on this?

Kim: Well, there's so many ways to do real estate, and this is another option for people. It will work for some, it won't work for others. But I think the most important takeaway here is you've really got to do your homework. I love the idea, Tom, of vacationing there a few time., Look at the numbers. Ask the tough questions. Really understand what you're getting into.

Robert: Yeah. Anyway, thank you for both, Henry and Tom, and thank you all for listening to The Rich Dad Company. Have a good vacation.

Robert: And when we come back, we'll have final words on real estate, timeshares, and vacation. We were right back.

Robert: Welcome back. Robert Kiyosaki, The Rich Dad Radio Show. The good news and bad news about timeshare. And the really good and ugly about the whole thing. Any words, Kim?

Kim: No, it was great. It was really informative of because I didn't know much about timeshares and how they operate. And one of the biggest takeaways is you buy from a developer, and your value of your property drops 90 to 95% once you sign that paper. What kind of investment is that?

Robert: I think Henry is going to be swamped with calls.

Kim: I think so. Oh, and maybe more with people wanting to get out than wanting to get in.

Robert: I should have talked to him earlier on this whole thing.

Kim: Yeah.

Robert: What'd you think, Sara?

Sara: Well, same as Kim. The numbers are shocking. If 90%, what investment do you sign, and you lose 90% of your money?

Robert: I can find one.

Sara: You would think that that's insane.

Kim: I know you can find one.

Sara: Yeah, you could. We've learned. But I thought this was a super informative episode, and I love the conversation. And we obviously have two experts who love timeshares, but were open and transparent about the pitfalls. And I think that's what this show's all about. So I was really happy with it.

Kim: I think, too, Henry maybe took a big takeaway, is that everybody that buys a timeshare should not put it in their personal name. This is one thing we teach for all types of real estate, is you put it into an entity like an LLC. Because that gives you asset protection. So if somebody came and sued you, they could take your timeshare.

Sara: Yeah. That was a very good point.

Kim: That's really important for-

Sara: Yeah.

Robert: And that's why we have Garrett Sutton as part of our team. You have to have a really good team, especially in today's world. But it was a fantastic show. I got excited. I'm going to go call Henry and go find a timeshare.

Sara: I remember, so just a quick story back, I was 22. I was working at Scottsdale Fashion Square in retail, and Marriott had a timeshare table setting out front. So every day-

Kim: I remember that.

Sara: ... I watched people, "Oh, we're opening this new timeshare. You have to come." And the guy would pitch me every day. I'm like, "Do you realize, first of all, I make $30,000 a year." It was funny. So that's my only timeshare experience, was being hassled every day.

Kim: Yeah. And the other reason I liked Tom's point about should vacation there, because the one we looked at was up in Sedona, remember?

Robert: Yeah.

Kim: And we don't even go to Sedona, and we're only an hour and a half away. And we don't go there.

Robert: But we own a hotel in Sedona.

Kim: We own a hotel there.

Robert: And we still don't go there.

Kim: So you can get so wrapped up in that sales pitch. Oh my goodness.

Sara: Because they sell relaxation and vacation. You want it. Here I am, exhausted retail worker. I'm like, "Yes, I would really enjoy a vacation." So yeah, you can get sucked in.

Kim: Yeah. It was really, really interesting. The pros and cons, it was fascinating.

Robert: It was a great show. So thank you all for listening to The Rich Dad Radio Show. Thanks to Tom Wheelwright and Henry Moreau. Thanks for listening to The Rich Dad Show.