Financial Adviser Dave Ramsey Sued for $150 Million in Class-Action Lawsuit

Bestselling author, financial adviser and radio personality Dave Ramsey is being sued by a former group of fans over timeshare exit advice.

A group of 17 former listeners of Ramsey filed a class-action lawsuit in the U.S. District Court for Western Washington alleging Ramsey was paid upwards of $30 million to promote the Timeshare Exit Team between 2015 and 2021.

This endorsement led to TET reportedly collecting $200 million from its customer base, many of whom were listeners to Ramsey's radio show.

The listeners claim that TET would be able to free them from undesirable timeshare commitments, often at a price tag around $5,000 per client, but that TET did not deliver the advertised services.

TET allegedly offered a money-back guarantee if its clients were unable to resolve their timeshare issues.

Ramsey has been consistent on his stance against timeshares, saying they are "one of the biggest scams on the market."

As reported by Religion News Service, "the lawsuit alleges that Ramsey, Timeshare Exit Team and Happy Hour Media Group, a marketing firm with ties to Brandon Reed, one of the founders of Timeshare Exit Team, violated the Washington Consumer Protection Act by defrauding customers, committed 'negligent malpresentation' and were guilty of 'unjust enrichment' and conspiracy."

Ramsey endorsed TET on his radio show after being unable to find other companies that would be able to help his listeners get out of their timeshare contracts.

“I never could find anything until I found this company called Timeshare Exit Team,” Ramsey said. “About three years ago, we started endorsing them, and I’ve had so much fun [angering] the timeshare people.”

Shortly after Ramsey’s endorsement, the Washington state attorney general alleged that TET was engaged in scamming its customer base and was not delivering on its promises of freeing customers from their timeshare obligations.

Instead, the company was accused of taking the customers’ money, then “giving them the runaround.”

This case was eventually settled in 2021 via a consent decree the day before Dave Ramsey’s deposition was to take place.

The class-action lawsuit has the chance of ballooning upwards of 10,000 potential plaintiffs, consisting of “All individuals who, during the applicable statute of limitations, paid money to Reed Hein and Time Share Exit Team for the purpose of obtaining an “exit” from their timeshare obligations after being exposed to, and/or in reliance on, the statements and other representations made by Dave Ramsey, and The Lampo Group.”

“During the period Dave Ramsey was promoting Reed Hein’s scheme, customers referred to Reed Hein by Defendants paid Reed Hein in excess of $70 million in fees for timeshare ‘exit,'” the complaint reads. “Ramsey never returned any of the tens of millions of dollars Reed Hein and Happy Hour Media Group paid him from his own listeners’ hard-earned money. Instead, Ramsey has chosen to profit from his listeners’ money.”

During the 2021 allegations, Ramsey remained resolute about his innocence amidst accusations from what he referred to as "bogus government officials."

"Bring it," Ramsey said. "You have done poked the wrong bear." {eoa}

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