

SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE, WEST JUSTICE CENTER
DEPARTMENT W7

TRAVEL AMERICA, INC., A DELAWARE)	
CORPORATION, ET AL.,)	
)	
PLAINTIFFS,)	
)	
VS.)	CASE NO. 789743
)	
CAMP COAST TO COAST, INC., A DELAWARE)	
CORPORATION, ET AL.,)	
)	
DEFENDANTS.)	
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THE HONORABLE JOHN H. SMITH, JR., JUDGE PRESIDING

REPORTER'S TRANSCRIPT

JUNE 6, 2000

APPEARANCES:

FOR THE PLAINTIFFS: GERALD M. SHAW
 ATTORNEY AT LAW

TERRY M. MOSHENKO
ATTORNEY AT LAW

FOR THE DEFENDANTS: ALSCHULER, GROSSMAN, STEIN & KAHAN
 BY: MICHAEL A. SHERMAN, ESQ.
 CRAIG RUTENBERG, ESQ.

RUTAN & TUCKER
BY: IRA G. RIVIN, ESQ.

MICHAEL J. CHIARAVALLOTI, C.S.R. 6179
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1 WESTMINSTER, CALIFORNIA - TUESDAY, JUNE 6, 2000

2 MORNING SESSION

3 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN
4 COURT IN THE PRESENCE OF THE JURY:)

5 THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

6 THE JURY: GOOD MORNING.

7 THE COURT: WE HAVE LOST A JUROR. MISS DESOUZA IS
8 ILL. AND I TALKED TO HER. SOUNDED REALLY BAD. SHE'S
9 GOING TO THE DOCTOR AND HAS TO PROVIDE THE COURT WITH A
10 NOTE ATTESTING TO HER ILLNESS. SO OBVIOUSLY SHE'S OFF THE
11 CASE.

12 SO PERHAPS IF YOU ALL MOVE OVER ONE, THAT
13 WILL GIVE US A LITTLE MORE ROOM HERE.

14 JUROR NO. 18: THAT WOULD BE WONDERFUL.

15 (DISCUSSION HELD OFF THE RECORD.)

16 THE COURT: OKAY. EVERYBODY SET?

17 A JUROR: WHO KNOWS?

18 THE COURT: YOU TWO ARE HAVING TOO MUCH FUN.

19 JUROR NO. 18: YOU KNOW WHAT? MY FEET DON'T TOUCH
20 IN THE CHAIR.

21 THE COURT: FEET DON'T TOUCH?

22 JUROR NO. 18: I MEAN ON THE FLOOR. THEY DANGLE.
23 IS THAT A PROBLEM?

24 THE BAILIFF: SHOULD I TAKE THEM INTO CUSTODY NOW,
25 YOUR HONOR?

26 A JUROR: SHE DOESN'T GET OUT OF THIS EITHER.

1 (DISCUSSION HELD OFF THE RECORD.)

2 THE COURT: OH, ALSO OUR CLERK IS ILL. BUT SHE
3 SAID SHE'D MAKE IT IN IN ANOTHER 30 MINUTES OR SO. SHE WAS
4 UPCHUCKING ALL NIGHT SHE SAID.

5 A JUROR: WHAT HAPPENS, JUDGE, IF YOU'VE GOT IT?
6 YOU'RE THE CLOSEST THERE.

7 THE COURT: WELL, IF I GOT IT, DOESN'T MATTER. ONE
8 OF THE ATTORNEYS CAN TAKE MY PLACE.

9 OKAY. WE ALL SET?

10 MR. MOSHENKO: ONE MORE MINUTE, YOUR HONOR. THE
11 CONFERENCE IN CHAMBERS TOOK UP PART OF MY PREPARATION
12 TIME.

13 THE COURT: I'LL SHOW YOU THIS TIE.

14 (DISCUSSION HELD OFF THE RECORD.)

15 THE COURT: OKAY. LET'S GET TO WORK.

16 JUROR NO. 18: I THOUGHT WE WERE WAITING FOR
17 SOMEBODY.

18 THE COURT: NO.

19 MR. MOSHENKO: MR. SHAW IS GOING TO BE ARRIVING
20 LATE THIS MORNING.

21 A JUROR: HE'S BEEN UPCHUCKING ALL NIGHT TOO?

22 MR. MOSHENKO: HE DELIVERED IT.

23 (DISCUSSION HELD OFF THE RECORD.)

24 JAMES MICHAEL RANDALL,
25 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS UNDER
26 EVIDENCE CODE 776, HAVING BEEN PREVIOUSLY DULY SWORN, WAS

1 EXAMINED AND TESTIFIED AS FOLLOWS:

2 CROSS-EXAMINATION (CONTINUED)

3 BY MR. MOSHENKO: Q. GOOD MORNING, MR. RANDALL.

4 MR. RANDALL, I'VE CALLED THE MAILINGS IN THE
5 MANNER AND TIMING WHICH THEY CAME OUT AS A PREEMPTIVE
6 STRIKE.

7 DID ANYBODY TALK ABOUT WANTING TO STRIKE
8 FIRST BEFORE MR. NOVELLI HAD THE OPPORTUNITY TO COMMUNICATE
9 WITH HIS --

10 MR. SHERMAN: I'M GOING TO OBJECT TO THE
11 QUESTION. IT'S ARGUMENTATIVE, ALSO LACKS FOUNDATION AND
12 ASSUMES FACTS NOT IN EVIDENCE THAT THIS WAS A PREEMPTIVE
13 STRIKE.

14 THE COURT: OVERRULED.

15 THE WITNESS: NOT TO MY KNOWLEDGE, NO.

16 BY MR. MOSHENKO: Q. DID ANYBODY TALK IN THE
17 MEETINGS THAT WERE BEING HELD IN EARLY SEPTEMBER OF 1997
18 ABOUT THE NEED TO ACT QUICKLY?

19 A. YES.

20 Q. WAS THERE A SENSE THAT THESE LETTERS HAD TO
21 BE SENT OUT AS SOON AS POSSIBLE?

22 A. YES.

23 Q. WHO SUGGESTED THEY HAD TO BE SENT OUT AS
24 SOON AS POSSIBLE?

25 A. I'M PRETTY SURE THAT I INITIATED THE
26 SUGGESTION, BUT I'M NOT ABSOLUTELY CERTAIN.

1 Q. WHAT WAS THE REASON WHY THE MEMBERS COULDN'T
2 BE TOLD "YOUR MEMBERSHIP IS IN GOOD STANDING UNTIL THE END
3 OF DECEMBER" PURSUANT TO YOUR APPLICATION AND COAST'S
4 PRACTICES TO ALLOW "YOUR MEMBERSHIP TO REMAIN ANOTHER 12
5 MONTHS AFTER THAT SO THERE'S NO REASON TO BE CONCERNED"?

6 A. THE TIME FRAME THAT WAS INVOLVED -- WE DO
7 OUR RENEWAL SOLICITATIONS IN SEPTEMBER. WE HAD ALREADY
8 BEEN RECEIVING NUMEROUS PHONE CALLS. WE HAD EVEN RECEIVED
9 CORRESPONDENCE ASKING QUESTIONS ABOUT WHAT WAS GOING ON,
10 WHAT WAS THE STATUS OF DIFFERENT RESORTS THAT WERE
11 PERCEIVED TO BE IN BANKRUPTCY OR CLOSED.

12 OUR -- MY CONCERN WAS THAT THE MEMBERS WOULD
13 BE RECEIVING THE RENEWAL NOTICE FOR COAST TO COAST
14 WONDERING FOR THE UPCOMING CALENDAR YEAR -- WONDERING WHAT
15 NEEDED TO BE DONE, WHAT COULD THEY DO, WHAT SHOULD THEY
16 DO. I FELT THAT IT WAS IN THE BEST INTERESTS OF THE
17 MEMBERS THEMSELVES TO GET AS MUCH INFORMATION TO THEM AS
18 QUICKLY AS WE POSSIBLY COULD TO AT LEAST LET THEM KNOW THAT
19 THERE WAS NOT A HUGE CONCERN FOR THEM TO BE WORRIED ABOUT
20 "WHY IS COAST TO COAST SOLICITING US FOR RENEWAL?"

21 Q. SO WHAT'S THE ANSWER TO THE QUESTION OF WHY
22 DIDN'T -- IF YOU WANTED TO GET AS MUCH INFORMATION TO THEM
23 AS POSSIBLE, WHY DIDN'T COAST SAY, "FOLKS, NO REASON TO BE
24 CONCERNED; REGARDLESS, YOUR MEMBERSHIP IS" -- "IN COAST TO
25 COAST IS SAFE UNTIL THE END OF DECEMBER. AND AS A MATTER
26 OF PRACTICE, WE'D RENEW IT ANYWAY FOR ANOTHER 12 MONTHS; NO

1 REASON TO BE CONCERNED"?

2 A. I BELIEVE THAT WE DID THAT WITH THE LETTER
3 THAT WE SENT OUT.

4 MR. MOSHENKO: CAN YOU PUT UP A COPY OF THE
5 LETTER, EXHIBIT 1562. 1562. 1563. THE ONE THAT WAS
6 ADMITTED YESTERDAY. THAT'S FINE.

7 Q. ALL RIGHT. THIS IS A COPY OF A LETTER FROM
8 1563, AND IT REFERS TO YOUR COAST TO COAST HOME RESORT,
9 ABBEY'S ALPINE LAKES, AND A TRANSFER IS REFERRED TO AS
10 GOING TO MINING CAMP RESORT IN CREDE, COLORADO.

11 WHERE IN THAT LETTER DOES IT SAY TO THE
12 MEMBERS, "DON'T WORRY; YOUR COAST TO COAST MEMBERSHIP IS
13 SAFE REGARDLESS OF WHAT HAPPENS BECAUSE COAST'S AGREEMENT
14 PROVIDES THAT YOU ARE" -- "THAT YOUR MEMBERSHIP GOES TO
15 DECEMBER 31, AND THEN COAST'S PRACTICE AND POLICY IS TO
16 GIVE YOU ANOTHER FULL YEAR AFTER THAT TO DEAL WITH THE
17 SITUATION"?

18 A. I BELIEVE IT'S ADDRESSED IN THAT SECOND TO
19 LAST PARAGRAPH ABOUT RENEWING THEIR MEMBERSHIP FOR THE
20 UPCOMING YEAR.

21 MR. MOSHENKO: COULD WE PULL OFF THE SECOND TO THE
22 LAST PARAGRAPH, PLEASE.

23 Q. OKAY. REGARDLESS OF THE UNCERTAINTY OF THE
24 STATUS OF YOUR HOME RESORT, YOU CAN RENEW YOUR HOME
25 RESORT -- YOUR COAST TO COAST MEMBERSHIP FOR 1998 AND
26 CONTINUE TO ENJOY EXCELLENT HOSPITALITY.

1 ALL RIGHT. BUT, MR. RANDALL, UNDER THAT --
2 AS THE -- IN THE TENOR OF THE LETTER, THE WAY IT'S WRITTEN,
3 DOESN'T THAT LETTER -- ASK WE GO BACK TO THE ENTIRE LETTER,
4 PLEASE.

5 LET'S GO TO THE SECOND PARAGRAPH.

6 READING THE ENTIRE LETTER WHERE IT SAYS, WE
7 ARE PREPARED TO TAKE ACTION TO PRESERVE, PROTECT. WE HAVE
8 MADE ARRANGEMENTS TO HAVE YOUR COAST TO COAST MEMBERSHIP
9 TRANSFERRED. YOU WILL SOON BE HEARING FROM A
10 REPRESENTATIVE.

11 DOESN'T THAT SUGGEST THE NEED OF THE MEMBER
12 TO BE PROTECTED FROM SOMETHING, AND THEY CAN PROTECT
13 THEMSELVES BY ACTING QUICKLY, ET CETERA?

14 IN FACT, IT SAYS, WE -- WE ASK THAT YOU
15 NOTIFY COAST TO COAST AS SOON AS POSSIBLE, IN THE LAST
16 LINE, SO THAT YOU -- WE MAY TRANSFER YOUR COAST TO COAST
17 MEMBERSHIP TO THAT RESORT.

18 MR. SHERMAN: OBJECTION. IT'S NOT A QUESTION.

19 THE COURT: SUSTAINED.

20 BY MR. MOSHENKO: Q. DOESN'T THE LETTER SUGGEST
21 THAT THE -- TO THE MEMBERS THAT THEY NEED TO ACT AS SOON AS
22 POSSIBLE; THAT THERE'S SOMETHING THAT THEY SHOULD BE
23 PROTECTED FROM HAPPENING?

24 A. TO USE YOUR WORD, THE TENOR OF THE LETTER
25 TAKEN IN ITS ENTIRETY WAS MEANT TO LET THE RESORT -- THE
26 MEMBERS KNOW THAT IF THEY WANTED TO REMAIN WITH COAST TO

1 COAST, THEY NEEDED TO GET A NEW HOME RESORT THAT WAS
2 AFFILIATED WITH COAST TO COAST; THERE ARE OPTIONS AVAILABLE
3 TO THEM.

4 Q. ARE YOU DONE? WERE YOU FINISHED?

5 A. NO. I'M SORRY. I THOUGHT YOU WERE TAKING
6 THE PAUSE. I DIDN'T WANT TO KEEP SPEAKING.

7 Q. I'M SORRY. I WAS GETTING THE NEXT EXHIBIT.

8 A. THE WHOLE TENOR OF THE LETTER WAS DESIGNED
9 TO LET THE MEMBERS KNOW THAT IN ORDER TO PREVENT THEIR
10 COAST TO COAST BENEFITS FROM BEING INTERRUPTED, THE SOONER
11 THEY GOT A NEW COAST TO COAST HOME AFFILIATED RESORT, THE
12 BETTER WOULD BE FOR THEM TO PREVENT ANY KIND OF
13 DIFFICULTIES OR PROBLEMS WITH THEIR TRAVELING SCHEDULES.

14 Q. YOU REMEMBER THE 1995 LETTER THAT MR. RYMAN
15 TESTIFIED ABOUT THAT HE HAD SENT IN 1995 RELATING TO A
16 SIMILAR SITUATION WHERE A MEMBER WAS BEING TOLD THAT "YOU
17 CAN FIND ANOTHER RESORT; HERE OR TWO OR THREE OPTIONS"?
18 YOU REMEMBER THAT ONE?

19 A. PROVIDE ME A SPECIFIC, AND I WOULD BE ABLE
20 TO REMEMBER IT, YES.

21 MR. MOSHENKO: LET'S GET IT UP.

22 MR. SHERMAN: WHAT EXHIBIT NUMBER, PLEASE?

23 MR. MOSHENKO: 1575, I THINK. NUMBER 1575.

24 THAT'S NOT IT. I'LL COME BACK TO THAT WHEN
25 YOU FIND THE EXHIBIT.

26 Q. MR. RANDALL, YOU CAME TO A DEPOSITION IN

1 DECEMBER OF 1999 AND BROUGHT WITH YOU COPIES OF LISTS THAT
2 WERE PRESENTED AS LISTS OF THE PLAINTIFFS' MEMBERS WHO WERE
3 COAST TO COAST MEMBERS AS OF SEPTEMBER OF 1997.

4 DO YOU RECALL THAT?

5 A. YES.

6 MR. MOSHENKO: I'D LIKE TO TAKE A LOOK AT THOSE
7 LISTS.

8 MR. SHERMAN: YOUR HONOR, MAY I --

9 MR. MOSHENKO: REFERRING TO EXHIBIT 1810.

10 MR. SHERMAN: MAY I INQUIRE WHETHER 1810 IS THE
11 LIST THAT WE WERE PROVIDED?

12 MR. MOSHENKO: IT IS NOT.

13 MR. SHERMAN: OH, IT'S NOT. 1810.

14 MR. MOSHENKO: YES.

15 AND I BROUGHT THEM UP. I THINK THEY'RE IN
16 THIS BOOK RIGHT HERE. THAT'S WHAT I'LL BE WORKING WITH.

17 Q. WOULD YOU PLEASE JUST LOOK AT THE FIRST
18 LIST. IT'S 1810. AND THEN WE CAN NOTE THAT THERE ARE
19 SEQUENTIALLY EXHIBIT NUMBERS THAT ARE OTHER LISTS. BUT
20 LET'S START WITH 1810.

21 A. I HAVE THAT ONE.

22 Q. OKAY. HAVE YOU SEEN 1810 BEFORE?

23 A. VERY PROBABLY, YES.

24 Q. ISN'T 1810 A COPY OF THE LIST THAT YOU
25 BROUGHT TO YOUR DEPOSITION IN DECEMBER OF 1999 RESPONDING
26 TO A DEMAND THAT YOU PRODUCE LISTS OF PLAINTIFFS' MEMBERS

1 WHO WERE COAST TO COAST MEMBERS IN SEPTEMBER OF 1997?

2 A. I BELIEVE THAT IT IS, YES, SIR.

3 Q. OKAY. AND IS ALSO A COPY OF A LIST THAT YOU
4 TESTIFIED IN YOUR DEPOSITION WAS EITHER THE SAME LIST OR
5 SIMILAR TO THE LISTS THAT YOU -- "YOU" MEANING COAST TO
6 COAST -- GAVE TO THE COMPETITOR DEVELOPERS FOR THEIR USE IN
7 SIGNING UP NEW MEMBERS?

8 A. TO BE ABSOLUTELY CLEAR, IT WOULD HAVE BEEN A
9 LIST SIMILAR IN FORMAT.

10 Q. MAYBE NOT THE EXACT SAME LIST?

11 A. CORRECT.

12 Q. ALL RIGHT. MY RECALL IS THERE WAS A METHOD
13 OF TELLING THE DATE THAT THIS LIST WAS PRINTED. CAN YOU
14 REFRESH MY MEMORY ON HOW TO DO THAT?

15 A. NOT USED TO SEEING THESE LISTS IN THIS
16 FORM. USUALLY ON THIS COVER SHEET THERE IS A -- THERE'S
17 USUALLY OTHER INFORMATION ON HERE, NORMALLY OTHER
18 INFORMATION, AND THE DATE THAT IT'S RUN IS ACTUALLY PRINTED
19 ON THERE.

20 Q. ALL RIGHT. REGARDLESS, YOU WERE RUNNING
21 LISTS LIKE THIS AS OF SEPTEMBER, MID TO LATTER SEPTEMBER,
22 1997; RIGHT?

23 A. YES.

24 Q. AND, IN FACT, THE FIRST THING THAT WAS DONE
25 WHEN YOU RECEIVED A NOTIFICATION MR. NOVELLI WAS CHANGING
26 RECIPROCAL WAS A LIST OF EACH OF HIS AND EACH OF THE

1 THOUSAND ADVENTURES RESORTS MEMBERS WAS RUN, WASN'T IT?

2 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION
3 THAT THE NOTIFICATION WAS CHANGING RECIPIENTS.

4 THE COURT: OVERRULED.

5 THE WITNESS: I DON'T BELIEVE THAT IT WOULD HAVE
6 BEEN THE ABSOLUTE FIRST THING THAT WAS DONE, BUT IT WOULD
7 HAVE BEEN DONE BEFORE ANYTHING ELSE TOOK PLACE AS FAR AS
8 MAILINGS.

9 BY MR. MOSHENKO: Q. SO THE FIRST THING THAT WAS
10 DONE WAS WHAT?

11 A. I BELIEVE THE FIRST THING THAT WAS DONE WAS
12 TO DECIDE HOW BEST TO APPROACH THE NOTIFICATION OF THE
13 MEMBERS, WHAT NEEDED TO BE SAID TO THE MEMBERS.

14 Q. IN ESSENCE, TO HOLD A MEETING OF THE
15 MANAGEMENT PERSONNEL, DECIDE WHAT TO DO?

16 A. NOT DECIDE WHAT TO DO, BUT TO DECIDE HOW
17 BEST TO DO IT. THIS -- THIS WAS NOT SOMETHING THAT WE HAD
18 NOT DONE BEFORE. IT WAS SOMETHING THAT WE HAD NOT DONE TO
19 THIS LARGE OF A DEGREE BEFORE. SO IT WASN'T A MATTER OF
20 WHAT TO DO; IT WAS THE BEST WAY TO DO IT.

21 Q. SO YOU'RE SUGGESTING IT WAS ALREADY KNOWN TO
22 EVERYBODY INVOLVED THAT WHAT TO DO WOULD BE TO DO A MAILING
23 TO EACH OF THE MEMBERS IN SOME FORMAT OF THE WITHDRAWING
24 RESORTS, TALKING ABOUT TRANSFERRING RESORTS?

25 A. I'M NOT SURE I COMPLETELY UNDERSTAND THE
26 QUESTION, MR. MOSHENKO.

1 Q. ALL RIGHT. I SAID -- YOU HAD TO DECIDE WHAT
2 TO DO, AND YOU SAID -- NOT QUOTING -- NO, WE HAD TO DECIDE
3 HOW TO DO IT. WE ALREADY KNEW WHAT TO DO.

4 RIGHT?

5 A. THAT'S CORRECT.

6 Q. AND WHAT TO DO WAS TO SEND A LETTER TO
7 PEOPLE -- THE MEMBERS OF THE WITHDRAWING RESORTS THAT WERE
8 COAST TO COAST MEMBERS SAYING, "WE HAVE TRANSFERRED YOUR
9 MEMBERSHIP."

10 A. WE NEEDED TO NOTIFY THE MEMBERS THAT
11 SOMETHING WAS HAPPENING AND THAT THEY HAD OPTIONS IF THEY
12 WANTED TO CONTINUE TO BE A COAST TO COAST MEMBER.

13 Q. ALL RIGHT. AND NOW, THEN, TO DESCRIBE THOSE
14 OPTIONS TO THEM, YOU HAD TO IDENTIFY WHAT COAST WAS GOING
15 TO TELL THEM; CORRECT?

16 A. YES.

17 Q. OKAY. WHEN DID YOU COME TO THE CONCLUSION
18 COAST SHOULD TELL THEM THAT "WE HAVE MADE ARRANGEMENTS TO
19 TRANSFER YOUR COAST TO COAST HOME RESORT MEMBERSHIP TO
20 ANOTHER RESORT"?

21 A. AGAIN, THAT WASN'T A CONCLUSION THAT WE CAME
22 TO. THAT WAS A PROCESS THAT WE HAD ALREADY BEEN ENGAGED IN
23 IN OTHER SITUATIONS.

24 Q. YOU USE THE WORD "PROCESS." YOU MEAN THE
25 PROCESS OF INFORMING PEOPLE OF THE SITUATION, WHAT THEIR
26 OPTIONS ARE; ISN'T THAT WHAT YOU MEAN?

1 A. YES. THIS WASN'T THE FIRST TIME THAT A
2 RESORT HAD DISAFFILIATED FROM THE COAST TO COAST SYSTEM.
3 IT WASN'T THE FIRST TIME THAT WE HAD MADE NOTIFICATION TO
4 THE MEMBERS OF WHAT HAD TRANSPIRED AND WHAT THEIR OPTIONS
5 WERE. SO WE KNEW WHAT NEEDED TO BE DONE.

6 Q. OKAY. WELL, MR. RANDALL, I'M NOT TALKING
7 ABOUT THE GENERAL PROCESS. I'M TALKING ABOUT THE SPECIFIC
8 STATEMENT THAT WAS MADE, QUOTE, WE HAVE MADE ARRANGEMENTS
9 TO HAVE YOUR COAST TO COAST HOME RESORT MEMBERSHIP
10 TRANSFERRED TO -- AND THEN A NEW RESORT IS NAMED.

11 WHEN DID YOU CONCLUDE THAT THOSE WORDS
12 SHOULD BE SPOKEN IN THE LETTERS TO THE MEMBERS?

13 A. WHEN I WROTE THEM DOWN AND PRESENTED MY
14 DRAFT FOR STAFFING.

15 Q. WHO DID YOU PRESENT THE DRAFT TO?

16 A. I -- I'M GUESSING. I PROBABLY WOULD HAVE
17 GIVEN IT TO MR. EVERETT FIRST. I MIGHT HAVE GIVEN IT TO
18 MR. RYMAN FIRST, AND THEN HE WOULD HAVE STAFFED IT
19 THROUGH -- THROUGH TO GENE.

20 Q. WERE THERE CHANGES IN THE WORDING MADE
21 BETWEEN YOURSELF, RYMAN AND EVERETT, THE SPECIFIC WORDING
22 WE'RE TALKING ABOUT?

23 A. THERE -- THERE WERE CHANGES MADE TO THE
24 DRAFT THAT I PRESENTED, YES.

25 Q. OKAY. DID YOU USE A FORMER DRAFT OF A
26 FORMER LETTER AS A SORT OF A BEGINNING PLACE WHEN YOU

1 DRAFTED THAT LETTER?

2 A. YES.

3 Q. OKAY. AND IT WAS ONE OF THE LETTERS THAT
4 HAD BEEN USED BEFORE 1997 WHEN A MEMBER WAS INFORMED OF THE
5 PROCESS, TO USE YOUR PHRASE?

6 A. PROBABLY, YES.

7 Q. OKAY. SO WAS THE CHOICE OF WORDS "WE HAVE
8 MADE ARRANGEMENTS TO HAVE YOUR COAST TO COAST HOME RESORT
9 MEMBERSHIP TRANSFERRED TO A DIFFERENT RESORT" A DELIBERATE,
10 INTENTIONAL CHOICE OF WORDS?

11 A. I THINK SO, YES.

12 Q. DID ANYBODY TALK ABOUT THE POSSIBILITY THAT
13 THOSE WORDS MIGHT BE CONFUSING TO THE MEMBERS; THAT IS,
14 THAT THEY MIGHT NOT UNDERSTAND WHETHER COAST INTENDS TO
15 TRANSFER THEIR COAST TO COAST MEMBERSHIP OR THEIR HOME
16 RESORT MEMBERSHIP?

17 A. I CAN SAY THAT OVER THE YEARS THAT
18 CONVERSATION HAD BEEN HAD FROM NUMEROUS SOURCES, THE MEMBER
19 SERVICES REPRESENTATIVES, MEMBERS THEMSELVES, AND THEN JUST
20 AMONGST OUR OWN STAFF. THERE'S A FABLE ABOUT IT, BUT I
21 WON'T GO INTO THAT.

22 SOMETIMES TOO MUCH INFORMATION IS
23 CONFUSING. SOMETIMES TOO LITTLE INFORMATION IS
24 INSUFFICIENT. AND OVER THE NUMBER OF YEARS THAT THIS HAS
25 BEEN HAPPENING, I HAVE TRIED TO WHITTLE IT DOWN TO JUST THE
26 RIGHT AMOUNT OF INFORMATION.

1 CAN'T PLEASE ALL OF THE PEOPLE ALL OF THE
2 TIME, BUT I BELIEVE THAT THIS WAS AS CLEAR AS POSSIBLE TO
3 THE MAJORITY OF OUR MEMBERS THAT RECEIVED IT.

4 Q. I THINK YOU JUST ACKNOWLEDGED THAT THE
5 POTENTIAL FOR CONFUSION HAD BEEN DISCUSSED AMONG STAFF OVER
6 THE YEARS. IS THAT WHAT YOU'RE SAYING?

7 A. I WON'T SAY THE POTENTIAL. BUT THE INPUT
8 OF WHETHER SOMETHING WOULD BE CONFUSING OR WHETHER IT WOULD
9 NOT BE CONFUSING, IT'S A MATTER OF PERSPECTIVE. AND, YES,
10 THOSE DISCUSSIONS HAVE CONTRIBUTED TO THE EVOLUTION OF MY
11 WRITING OF A DRAFT OF A LETTER OF THIS NATURE.

12 Q. WELL, ALL RIGHT. DON'T YOU AGREE THAT THE
13 PHRASE "YOUR COAST TO COAST HOME RESORT MEMBERSHIP" IS
14 CONFUSING?

15 A. NO. I PERSONALLY DO NOT.

16 Q. WELL, YOU COULD HAVE SAID, "WE HAVE MADE
17 ARRANGEMENTS TO TRANSFER YOUR COAST TO COAST MEMBERSHIP."
18 THAT WOULD HAVE MEANT ONE THING; RIGHT?

19 A. I SUPPOSE SO, YES, SIR.

20 Q. AND YOU COULD HAVE SAID, "WE'VE MADE
21 ARRANGEMENTS TO TRANSFER YOUR HOME RESORT MEMBERSHIP," AND
22 THAT WOULD HAVE MEANT ANOTHER THING; RIGHT?

23 A. IT WOULD DEFINITELY HAVE MEANT ANOTHER
24 THING, AND I WOULD NOT HAVE SAID IT IN THOSE WORDS, THOUGH.

25 Q. SO YOU KIND OF SPLIT THE BABY AND SAID,
26 "WE'RE TRANSFERRING YOUR COAST HOME RESORT MEMBERSHIP," AND

1 YOU DIDN'T THINK THAT WAS CONFUSING?

2 A. NO. NOT TO THE MAJORITY OF THE MEMBERS, NO.

3 Q. DID YOU TAKE A SURVEY?

4 A. NO. PERSONAL INPUT.

5 Q. PERSONAL OPINION.

6 YOU USED THE TERM "COAST TO COAST

7 MEMBERSHIP" BY ITSELF IN THE LETTER LATER ON, DIDN'T YOU?

8 A. YES, SIR. I'LL TAKE --

9 MR. MOSHENKO: CAN YOU GET A COPY OF 1563 UP THERE,
10 PLEASE.

11 Q. SO YOU WERE AWARE IN SEPTEMBER OF 1998 OF
12 THE DISTINCTION IN USING THE TERMINOLOGY "COAST TO COAST
13 MEMBERSHIP" VERSUS "HOME RESORT MEMBERSHIP"?

14 A. I'VE BEEN AWARE OF THAT DISTINCTION FOR A
15 LONG TIME.

16 Q. AND, NEVERTHELESS, YOU ELECTED TO NOTIFY
17 THESE PEOPLE YOU WERE TRANSFERRING THEIR COAST TO COAST
18 HOME RESORT MEMBERSHIP?

19 A. WELL, YES.

20 Q. WHEN IN THE PROCESS OF THE DRAFTING OF THE
21 LETTER WERE THE LISTS THAT WE WERE REFERRING TO AS EXHIBIT
22 1810, 11, ET CETERA, PRINTED?

23 A. I WILL VENTURE THAT THEY WERE DONE, AS YOU
24 SAID EARLIER, THE LATTER PART OF SEPTEMBER, POSSIBLY THE
25 FIRST PART OF OCTOBER.

26 Q. AND SO BY PRINTING THE LISTS, YOU WERE ABLE

1 TO DETERMINE THE PRECISE NUMBER OF PEOPLE THAT HAD TO BE
2 MAILED TO; RIGHT?

3 A. YES.

4 MR. MOSHENKO: IT'S TOO LATE. THAT'S ALL RIGHT.

5 Q. WHY WERE THERE SOME LISTS PRINTED IN
6 SEPTEMBER, OTHER LISTS PRINTED IN OCTOBER, OTHER LISTS
7 PRINTED IN NOVEMBER IN CONNECTION WITH THIS PROCESS?

8 A. BECAUSE THERE WERE A LOT OF LISTS THAT
9 NEEDED TO BE PRINTED, AND THEY WERE DONE AS THE -- YOU
10 FINISH ONE SECTION, YOU MOVE TO THE NEXT SECTION. I DON'T
11 BELIEVE THAT IT WOULD HAVE BEEN A GOOD IDEA TO PRINT THEM
12 ALL, ALL AT THE SAME TIME, AND THEN TRY TO KEEP TRACK OF IT
13 BECAUSE THESE THINGS DO CHANGE.

14 MR. MOSHENKO: ALL RIGHT. YOUR HONOR, I'D LIKE TO
15 MOVE EXHIBIT 1810 IN EVIDENCE BASED ON THE FOUNDATION
16 THAT'S BEEN LAID.

17 I'D LIKE TO OFFER TO STIPULATE WITH COUNSEL
18 THAT THE REMAINING LISTS, WHICH ARE 1811 THROUGH AT LEAST
19 1839, GO IN WITHOUT THE NECESSITY OF HAVING TO -- TO
20 SATISFY ANOTHER 20 TO 30 FOUNDATIONS.

21 MR. SHERMAN: YOUR HONOR, I'M ALL FOR THE INTEREST
22 OF EFFICIENCY. BUT I'M NOT SURE WHAT "AT LEAST 1839
23 MEANS." MAYBE 50 OR 65?

24 I THINK THAT WHAT YOUR HONOR OUGHT TO DO IS
25 TAKE 1810 UNDER SUBMISSION SUBJECT TO ANY FOUNDATIONAL
26 OBJECTIONS THAT WE MAY HAVE -- THAT WE DO HAVE, AND WE CAN

1 DISCUSS THIS BEFORE THE START OF COURT SOME DAY.

2 THE COURT: I'LL TAKE 1810 PLUS THE OTHERS THAT
3 HE'S MENTIONED UNDER SUBMISSION.

4 MR. SHERMAN: OKAY. I JUST DON'T KNOW WHAT -- HE
5 SAID AT LEAST TILL 1839.

6 THE COURT: YOU'LL GET A CHANCE TO LOOK AT THEM.

7 MR. SHERMAN: OKAY. THOSE WILL ALL GET A CHANCE --

8 MR. MOSHENKO: YOUR HONOR, I WENT TO THE NEXT
9 VOLUME, AND THE NOTE THE LIST CONTINUES UP TO AND INCLUDING
10 1848. SO THAT WOULD BE MY OFFER.

11 THE COURT: ALL RIGHT.

12 MR. MOSHENKO: AND THE COURT MAY TAKE THOSE UNDER
13 SUBMISSION.

14 THE COURT: 1810 THROUGH 48 IS UNDER SUBMISSION.

15 BY MR. MOSHENKO: Q. NOW, IT'S TRUE, MR. RANDALL,
16 THAT THE MAILINGS THAT WERE DONE IN SEPTEMBER AND OCTOBER
17 RELATED TO MR. NOVELLI'S RESORTS AND THE THOUSAND
18 ADVENTURES RESORTS; RIGHT?

19 A. YES.

20 MR. MOSHENKO: OKAY. BEFORE I DO THAT, COULD I
21 LOOK AT -- PLEASE ASK THAT EXHIBIT 528 COME UP ON THE
22 SCREEN.

23 MR. SHERMAN: HAS 528 BEEN ADMITTED INTO
24 EVIDENCE?

25 YOUR HONOR, I MAY HAVE OVERLOOKED IT, BUT WE
26 WORKED WITH THE CLERK YESTERDAY TO PREPARE A LIST OF

1 DOCUMENTS THAT HAVE BEEN EITHER ADMITTED OR TAKEN UNDER
2 SUBMISSION, AND I DON'T SEE 528. I CAN'T FIND IT IN MY
3 BOOK HERE EITHER.

4 MR. MOSHENKO: LET ME PUT IT IN FRONT OF THE
5 WITNESS.

6 MR. SHERMAN: CAN I SEE IT FIRST?

7 MR. MOSHENKO: SURE. YOU CAN'T FIND 528?

8 MR. SHERMAN: NO. IT MAY BE THAT I JUST DON'T HAVE
9 IT, BUT I'D LIKE TO SEE IT.

10 MR. MOSHENKO: WHAT VOLUME IS THIS?

11 I'LL MOVE ON, YOUR HONOR.

12 Q. ALL RIGHT. YOU RECALL THAT MR. NOVELLI
13 CAUSED TO BE SENT IN EARLY SEPTEMBER A LETTER -- WANTED TO
14 PUT DEER RUN BACK IN. WE LOOKED AT IT YESTERDAY WITH YOU?

15 A. I RECALL THE LETTER, YES, SIR.

16 Q. OKAY. AND WHO PARTICIPATED IN THE
17 DISCUSSIONS THAT LED TO THE DECISION TO SAY, NO, YOU CAN'T
18 DO IT?

19 A. PROBABLY JUST GENE AND ROGER AND MYSELF.

20 Q. ALL RIGHT. AND WE UNDERSTOOD -- I THINK YOU
21 ALREADY TESTIFIED AS TO YOUR VIEW TO THE REASONS WHY IT WAS
22 NOT ALLOWED.

23 WHO -- WHO MADE THE DECISION TO INCLUDE IN
24 THE LETTER SAYING YOU CAN'T DO IT, THE STATEMENT THAT ALL
25 SEASONS RESORTS WILL BE REMOVED FROM THE COAST TO COAST
26 SYSTEM?

1 A. I BELIEVE THAT WAS MY DOING ALSO.

2 Q. OKAY. AND OF COURSE YOU GOT APPROVAL FROM
3 MANAGEMENT; RIGHT?

4 A. I DIDN'T GET OVERRULED.

5 Q. ACTUALLY YOU'RE MANAGEMENT?

6 A. YES.

7 Q. OKAY. I DIDN'T MEAN TO SLIGHT YOU.

8 A. NO OFFENSE TAKEN.

9 Q. ALL RIGHT. THE -- SO THE LETTER TELLING ALL
10 SEASONS RESORTS -- TELLING MR. NOVELLI "ALL SEASONS RESORTS
11 IS REMOVED FROM THE SYSTEM" WAS DRAFTED BY WHOM?

12 A. ME.

13 Q. NOW, ISN'T IT TRUE THAT EVEN BEFORE YOU
14 NOTIFIED MR. NOVELLI OF THE WITHDRAWAL OF ALL SEASONS
15 RESORTS, YOU HAD DRAFTED A LETTER TO ALL SEASONS RESORTS'
16 MEMBERS TELLING THEM THAT RAY NOVELLI HAD INSTRUCTED THAT
17 THEIR RESORTS BE REMOVED FROM THE COAST TO COAST SYSTEM?

18 (DISCUSSION HELD OFF THE RECORD.)

19 MR. SHERMAN: MAY I ASK, ARE THEY PUTTING UP A
20 DOCUMENT THAT'S BEEN ADMITTED AS AN EXHIBIT?

21 MR. MOSHENKO: WE'RE BRINGING UP, YOUR HONOR, THE
22 NOVEMBER 12, 1997, LETTER THAT'S BEEN ADMITTED INTO
23 EVIDENCE. IT'S THE LETTER REJECTING ALL SEASONS RESORTS.

24 MR. SHERMAN: OKAY. MAY I --

25 MR. MOSHENKO: THEN WE'RE GOING TO MOVE ON,
26 COUNSEL, TO A COPY OF A NOVEMBER 5, 1997, LETTER, TELLING

1 MEMBERS THAT ALL SEASONS RESORTS HAS BEEN REMOVED FROM THE
2 SYSTEM.

3 MR. SHERMAN: MAY I INQUIRE AS TO THE NUMBERS?

4 MR. MOSHENKO: OKAY. THE NUMBERS, MR. DURAN.

5 (DISCUSSION HELD OFF THE RECORD.)

6 MR. MOSHENKO: 1555 IS A NOVEMBER 12 LETTER. AND
7 1575 -- IS THAT RIGHT?

8 MR. DURAN: NO.

9 MR. MOSHENKO: NO?

10 AND 1563 INCLUDES THE NOVEMBER 5 LETTER.

11 THE COURT: I'M TOLD THERE ARE AT LEAST FIVE
12 LETTERS DATED NOVEMBER THE 5TH.

13 MR. MOSHENKO: ANYONE OF THEM WILL DO. THEY'RE ALL
14 THE SAME, EXCEPT FOR THE NAME OF THE RESORT.

15 THE COURT: ALL RIGHT.

16 MR. SHERMAN: MAY I LOOK AT THESE FIRST, YOUR
17 HONOR?

18 MR. MOSHENKO: SURE. I'D LIKE TO GET THEM IN FRONT
19 OF THE WITNESS TOO.

20 MR. SHERMAN: YOUR HONOR, WE HAVE NO OBJECTION WITH
21 RESPECT TO WOULD 1555 COMING INTO EVIDENCE. I'M NOT SURE
22 WHICH 1563 THEY HAVE IN MIND.

23 MR. MOSHENKO: ALL RIGHT. I'M GOING TO TELL YOU
24 RIGHT NOW.

25 MR. SHERMAN, I'M NOT SURE IF YOURS DO, BUT
26 THE COURT'S COPIES HAS PAPER-CLIPPED SECTIONS SEPARATING

1 THE OCTOBER, NOVEMBER, DECEMBER.

2 MR. SHERMAN: YES, WE'VE GOT ALL SORTS OF RUBBER
3 BANDS --

4 MR. MOSHENKO: WOULD YOU GO TO THE ONES THAT ARE
5 REFERENCING NOVEMBER 5.

6 THE LETTER THAT'S BEFORE THE WITNESS IS
7 1563, BATE STAMP 00365.

8 MR. SHERMAN: OKAY.

9 MR. MOSHENKO: AND THEN BEYOND THAT, I'M GOING TO
10 GO TO A DECEMBER LETTER WHICH IS TWO MORE DOWN IN THE
11 GROUP.

12 Q. WOULD YOU LOOK AT 1563, 00365, MR. RANDALL.

13 A. I HAVE IT HERE. THANK YOU.

14 Q. AND WHILE WE'RE AT IT, WHY DON'T YOU LOOK
15 AT -- TWO MORE LETTERS DOWN IN 1563, A LETTER DATED
16 DECEMBER, 1997.

17 A. OKAY.

18 Q. IS THAT WHAT YOURS HAS?

19 A. I'M THERE.

20 Q. YOU'RE THERE. OKAY.

21 NOW, NOVEMBER 5, 1997 --

22 MR. SHERMAN: YOUR HONOR, COULD WE JUST CONFIRM
23 THAT THE DECEMBER 1997 LETTER IS THE SAME ONE? I'VE GOT
24 ABOUT TWENTY 1997 LETTERS THAT --

25 MR. MOSHENKO: MINE SAYS "A.S.R. ORLANDO."

26 MR. SHERMAN: WELL, ALL SAY "A.S.R. ORLANDO."

1 MR. MOSHENKO: THEN THEY'RE ALL IDENTICAL.

2 MR. SHERMAN: NO, THEY'RE NOT. BECAUSE THE REAL
3 ISSUE IS WHAT RESORT THE COAST TO COAST MEMBERSHIP IS BEING
4 TRANSFERRED TO. THEY DO VARY.

5 MR. MOSHENKO: YOU'RE RIGHT.

6 ALL RIGHT. MINE HAS A.S.R. ORLANDO BEING
7 TRANSFERRED TO ELITE RESORTS AT OTTER SPRINGS, TRENTON,
8 FLORIDA.

9 THE WITNESS: MINE IS TRANSFERRED TO THREE FLAGS
10 R.V. RESORT, WILDWOOD, FLORIDA.

11 BY MR. MOSHENKO: Q. WELL, THEN LET'S USE YOURS,
12 THE THREE FLAGS ONE.

13 YOU FIND THAT?

14 IS THE NOVEMBER 5, 1997, LETTER, WHICH IS
15 BATE-STAMPED 0365 (SIC) AN AUTHENTIC COPY OF A DOCUMENT
16 THAT ROGER RYMAN SENT AROUND NOVEMBER 5?

17 A. I HAVE NO REASON TO BELIEVE IT'S NOT.

18 MR. MOSHENKO: OFFER IT INTO EVIDENCE, YOUR HONOR.

19 MR. SHERMAN: NO OBJECTION.

20 THE COURT: IT WILL BE SO RECEIVED.

21 (WHEREUPON EXHIBIT 1563-00365, NOVEMBER 5,
22 1997, LETTER FROM ROGER RYMAN, WAS RECEIVED IN EVIDENCE.)

23 MR. MOSHENKO: ALL RIGHT. PUT IT UP.

24 AND NOVEMBER 5.

25 AND COULD WE BLOW UP THE FIRST PARAGRAPH,
26 PLEASE.

1 Q. NOW, THIS IS SEVEN DAYS BEFORE YOU SENT
2 MR. NOVELLI A LETTER TELLING HIM THAT HIS ALL SEASONS
3 RESORTS WERE BEING REMOVED FROM THE SYSTEM; RIGHT?

4 A. WITHOUT SEEING THE LETTER, I DON'T KNOW.
5 BUT I'LL -- I HAVE NO REASON TO THINK YOU WOULDN'T --

6 MR. MOSHENKO: NOVEMBER. NOVEMBER 12 LETTER. WE
7 HAD IT. PUT IT UP NEXT TO IT.

8 EXHIBIT 1555. 1555.

9 Q. ALL RIGHT. NOW, ON 1555, THE NOVEMBER 12
10 LETTER STATES, WE RECEIVED YOUR LETTERS DATED AUGUST 27,
11 SEPTEMBER 3, REGARDING INFORMATION -- THE TERMINATION OF
12 AFFILIATION.

13 CAN YOU BLOW THIS UP? I DON'T KNOW WHERE
14 WE'LL END UP ON THE SCREEN.

15 OKAY. THAT WORKS. I HOPE. OKAY.

16 REGARDING THE TERMINATION OF AFFILIATION OF
17 16 RESORTS IN THE COAST TO COAST SYSTEM. THIS LETTER
18 SERVES AS ACKNOWLEDGEMENT OF THE TERMINATION OF ALL THOSE
19 RESORTS LISTED IN YOUR LETTER OF AUGUST 27, 1997.

20 TERMINATION INCLUDES DEER RUN,
21 NOTWITHSTANDING YOUR REQUEST IN THE SUBSEQUENT LETTER OF
22 SEPTEMBER 3 TO RESCIND THE TERMINATION OF DEER RUN AS A
23 COAST TO COAST AFFILIATED RESORT.

24 AND THEN THIS LETTER IS ALSO TO SERVE AS
25 NOTIFICATION OF TERMINATION OF THE AFFILIATION AGREEMENT OF
26 THE ALL SEASONS RESORTS AS WELL DUE TO THE DISSOLUTION OF

1 THAT SYSTEM OF RESORTS THROUGH BANKRUPTCY AND AUCTION
2 PROCEEDINGS.

3 AND THIS LETTER IS 12 DAYS AFTER LETTERS
4 WERE SENT TO THE COAST TO COAST MEMBERS RELATING TO ALL
5 SEASONS RESORTS' STATUS; CORRECT?

6 MR. SHERMAN: OBJECTION. MISSTATES THE DOCUMENT.
7 SEVEN DAYS.

8 MR. MOSHENKO: SEVEN DAYS. YES. THANK YOU.

9 THE WITNESS: YES.

10 BY MR. MOSHENKO: Q. OKAY. HAD A DECISION BEEN
11 MADE TO -- BEEN MADE TO REMOVE ALL SEASONS FROM COAST TO
12 COAST'S SYSTEM BEFORE THE NOVEMBER 5 LETTER WAS SENT?

13 A. I WOULD SAY YES.

14 Q. OKAY. WAS A DECISION MADE TO INFORM THE --
15 TO TRANSFER THE ALL SEASONS MEMBERS TO OTHER RESORTS --
16 THEIR HOME RESORT MEMBERSHIPS TO OTHER RESORTS AS YOU DID
17 WITH THE FIRST NATIONWIDE AND THOUSAND ADVENTURES RESORTS
18 AS OF NOVEMBER 5?

19 A. IF IT WASN'T CONSCIOUSLY MADE AT THAT TIME,
20 IT WAS VERY PROBABLY UNDERSTOOD THAT THAT WAS GOING TO TAKE
21 PLACE, YES.

22 Q. SO WAS IT AGAIN THE PROCESS OF DECIDING WHAT
23 TO DO AND -- NOT WHAT TO DO, BUT HOW TO DO IT?

24 A. HOW BEST TO ACCOMPLISH IT, YES, SIR.

25 MR. MOSHENKO: OKAY. SO COULD WE BLOW UP PARAGRAPH
26 1 OF THE ONE ON THE LEFT WHICH IS 1563-00365.

1 I DON'T KNOW IF YOU CAN GET THAT BIGGER.
2 CAN THEY GO ONE OVER THE OTHER AND BECOME EVEN BIGGER?

3 Q. YOU HEARD MR. RYMAN TESTIFIED THAT HE HAD
4 ACCESS TO CERTAIN BANKRUPTCY RECORDS RELATING TO ALL
5 SEASONS RESORTS BEFORE THE DECISION WAS MADE TO REMOVE ALL
6 SEASONS FROM THE SYSTEM?

7 A. I THINK IT WAS -- I DON'T THINK IT WAS
8 BANKRUPTCY RECORDS. THERE WERE DOCUMENTS THAT WE HAD
9 RECEIVED REGARDING THAT.

10 Q. DID YOU KNOW BY NOVEMBER 5 THAT THE ALL
11 SEASONS RESORTS HAD BEEN TAKEN OVER BY CERTAIN OTHER
12 NOVELLI-RELATED COMPANIES LIKE THE APOLLO GROUP, GUARDIAN
13 AND BARCLAY'S?

14 MR. SHERMAN: OBJECTION. ASSUMES FACTS NOT IN
15 EVIDENCE AND LACKS FOUNDATION.

16 THE COURT: SUSTAINED.

17 BY MR. MOSHENKO: Q. ALL RIGHT. HAD YOU HEARD
18 ANYTHING RELATING TO THE POSSIBILITY THAT MR. NOVELLI WAS
19 ACTING OR HAD ALREADY ACTED TO REAQUIRE THE ALL SEASONS --
20 TO MOVE THE ALL SEASONS RESORTS TO A DIFFERENT COMPANY?

21 A. I WAS NOT AWARE OF MR. NOVELLI'S ASSOCIATION
22 WITH THE APOLLO GROUP. I DID KNOW THAT THERE WERE OTHER
23 ORGANIZATIONS THAT WERE ATTEMPTING TO PURCHASE SOME OF
24 THOSE RESORTS AT THIS AUCTION THAT WAS GOING TO BE HELD.

25 AND I ALSO WAS AWARE THAT SOME OF THOSE
26 PROPERTIES WERE BEING REVERTED BACK TO THE PREVIOUS OWNERS

1 OR PUT INTO RECEIVERSHIP. SO I KNEW THAT THE ACTUAL
2 BREAKUP OF ALL SEASONS AS A SYSTEM AS IT EXISTED IN OUR
3 COAST TO COAST SYSTEM WAS DONE.

4 Q. DIDN'T YOU KNOW THAT ALL SEASONS RESORTS'
5 RESORTS, THAT IS, THE RESORTS WITHIN THE ALL SEASONS
6 RESORTS SYSTEM, HAD BEEN AT LEAST IN PART ACQUIRED BY
7 MR. NOVELLI'S COMPANIES TO BECOME A PART OF TRAVEL
8 AMERICA --

9 MR. SHERMAN: OBJECTION.

10 BY MR. MOSHENKO: Q. -- AS OF NOVEMBER 5, 1997?

11 MR. SHERMAN: OBJECTION. LACKS FOUNDATION.
12 ASSUMES FACTS NOT IN EVIDENCE.

13 THE COURT: SUSTAINED.

14 BY MR. MOSHENKO: Q. HAD YOU HEARD ANYTHING TO THE
15 EFFECT THAT MR. NOVELLI HAD ACQUIRED AN INTEREST OR HAD
16 ACQUIRED AND MOVED THE ALL SEASONS RESORTS OR SOME OF THEM
17 INTO TRAVEL AMERICA BY NOVEMBER 5?

18 A. YES.

19 Q. ALL RIGHT. AND, IN FACT, IT WAS TO STOP
20 THOSE OTHER RESORTS THAT HE REACQUIRED OR HE WAS -- THAT
21 YOU HEARD HE WAS MOVING INTO TRAVEL AMERICA FROM
22 PARTICIPATING IN THE COAST SYSTEM THAT YOU SENT THE LETTER
23 TERMINATING ALL SEASONS RESORTS' STATUS, WASN'T IT?

24 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION.
25 ASSUMES FACTS NOT IN EVIDENCE.

26 THE COURT: SUSTAINED.

1 MR. MOSHENKO: IT'S CROSS-EXAMINATION, YOUR HONOR.

2 THIS IS --

3 Q. WASN'T THE REASON THAT YOU ACTED TO TAKE THE
4 ALL SEASONS RESORTS OUT TO PREVENT MR. NOVELLI'S RESORTS
5 THAT WERE NOT INCLUDED IN THE PRIOR MAILINGS FROM
6 CONTINUING TO PARTICIPATE IN COAST TO COAST?

7 A. MR. MOSHENKO, I HONESTLY DO NOT UNDERSTAND
8 THE QUESTION.

9 Q. ALL RIGHT. I'LL SAY IT AGAIN.
10 WASN'T THE REASON WHY COAST TO COAST WROTE
11 THE "ALL SEASONS RESORTS IS TERMINATED" LETTER TO PREVENT
12 ANY RESORTS, OTHER THAN THOSE WHICH WERE REFERRED TO AS THE
13 16 THAT YOU TOOK OUT WITH YOUR LETTERS OF AUGUST 27TH -- TO
14 PREVENT RESORTS OTHER THAN THOSE FROM STAYING IN CAMP COAST
15 TO COAST?

16 A. I DON'T WANT TO ANSWER. I JUST DON'T HAVE A
17 FIRM GRASP ON WHAT THE QUESTION IS. I APOLOGIZE. IT'S
18 JUST NOT SINKING INTO ME.

19 Q. ALL RIGHT. I'LL TRY ONE MORE TIME. THANK
20 YOU.

21 YOU WROTE HIM A LETTER ON NOVEMBER 12
22 SAYING, "THIS" -- IN EFFECT, "THIS CONSTITUTES
23 ACKNOWLEDGEMENT OF YOUR REMOVING CERTAIN RESORTS FROM OUR
24 SYSTEM." SO FAR YOU GOT THAT?

25 A. ALL SEASONS RESORTS, YES.

26 Q. NO, NOT ALL SEASONS.

1 THIS CONSTITUTES AN ACKNOWLEDGEMENT OF YOUR
2 AUGUST 27 LETTER REMOVING -- AND THEN YOU SPECIFY WHAT
3 RESORTS WERE REMOVED BY THE AUGUST 27 LETTER. YOU REMEMBER
4 THAT?

5 A. YES.

6 Q. OKAY. AND ALSO REFERENCES THE ATTEMPT TO
7 PUT DEER RUN BACK IN. YOU REMEMBER THAT?

8 A. YES.

9 Q. AND IT SAYS, "THEY'RE GONE. WE'RE NOT
10 GOING TO LET DEER RUN BACK IN"; RIGHT?

11 A. WE ACKNOWLEDGED HIS REMOVAL OF THOSE
12 RESORTS, CORRECT.

13 Q. NOW, YOU KNEW WHEN THAT LETTER WAS DRAFTED
14 THAT THERE WERE OTHER RESORTS THAT MR. NOVELLI CONTROLLED
15 THAT HAD NOT BEEN INCLUDED IN THE GROUP THAT WAS WITHDRAWN
16 WHEN HE DECIDED TO CHANGE RECIPROCALS, DIDN'T YOU?

17 A. THAT WAS -- THE PROBLEM WAS I DIDN'T KNOW
18 THAT MR. NOVELLI WAS STILL CONTROLLING THOSE RESORTS.

19 Q. IT DIDN'T MATTER TO YOU WHETHER HE DID OR
20 DIDN'T; YOU WERE GOING TO TELL HIM IN YOUR LETTER, "THIS
21 ALSO SERVES AS A NOTIFICATION OF A TERMINATION OF ANY OF
22 THOSE RESORTS" SO THAT THERE'S NO WAY HE COULD HAVE ANY
23 RESORTS IN COAST TO COAST; RIGHT?

24 A. NO, SIR.

25 Q. YOU SAID IN YOUR NOVEMBER 5 LETTER THAT YOU
26 WERE GOING TO PRESERVE AND PROTECT THE MEMBERS OF THE COAST

1 TO COAST FAMILY.

2 DID YOU BELIEVE THAT BY THROWING ALL SEASONS
3 RESORTS OUT OF THE COAST SYSTEM, YOU WERE PRESERVING,
4 PROTECTING THE MEMBERS OF THE COAST TO COAST FAMILY?

5 A. OH, ABSOLUTELY. YOU'LL RECALL THAT
6 NOTIFICATION HAD ALREADY BEEN SENT TO ALL OF THOSE MEMBERS
7 THAT THEY DID NOT HAVE A MEMBERSHIP IN THE ALL SEASONS
8 RESORTS SYSTEM AT ALL.

9 MR. MOSHENKO: OKAY. LACKS FOUNDATION, YOUR
10 HONOR. OBJECTION. MOTION TO STRIKE.

11 THE COURT: OVERRULED.

12 BY MR. MOSHENKO: Q. YOU WERE AWARE THAT THOSE
13 LETTERS THAT YOU'RE REFERRING TO WERE SENT AFTER THE
14 MEMBERSHIPS BY ALL SEASONS HAD BEEN TRANSFERRED TO OTHER
15 OWNERS; CORRECT?

16 A. I DON'T BELIEVE SO, NO.

17 Q. WE'LL GET TO THAT.

18 COULD WE GO NOW TO THE -- DECEMBER, '97, THE
19 ONE THAT SAYS -- HE HAD, THE ONE THAT REFERRED TO THREE
20 FLAGS.

21 YOU HAVE THE THREE FLAGS DECEMBER, '97,
22 LETTER IN FRONT OF YOU?

23 A. YES.

24 Q. IS THAT AN AUTHENTIC COPY OF A DOCUMENT
25 WHICH YOU PREPARED AND MAILED IN DECEMBER OF 1997?

26 A. I HAVE NO REASON TO BELIEVE IT'S NOT.

1 Q. IT HAS YOUR SIGNATURE ON IT, DOESN'T IT?

2 A. YES.

3 MR. MOSHENKO: OKAY. OFFER IT INTO EVIDENCE, YOUR
4 HONOR.

5 MR. SHERMAN: NO OBJECTION TO THE ADMISSION OF THE
6 DECEMBER, '97, LETTER, ORLANDO THREE FLAGS RESORT, WILDWOOD
7 FLORIDA.

8 THE COURT: IT WILL BE RECEIVED.

9 (WHEREUPON THE EXHIBIT, A LETTER DATED
10 DECEMBER, '97, RE ORLANDO THREE FLAGS RESORT, WAS RECEIVED
11 IN EVIDENCE.)

12 MR. MOSHENKO: OKAY. CAN YOU PUT IT UP ON THE
13 SCREEN. BLOW UP THE FIRST PARAGRAPH.

14 Q. IT SAYS, AS YOU'RE PROBABLY AWARE, WE
15 RECEIVED NOTICE FROM RAY NOVELLI THAT YOUR COAST TO COAST
16 HOME RESORT, ORLANDO -- A.S.R.-ORLANDO HAS BEEN TAKEN OUT
17 OF THE COAST TO COAST SYSTEM.

18 NOW, THAT WAS A FALSE STATEMENT, WASN'T IT,
19 MR. RANDALL?

20 A. IT'S AN INACCURATE STATEMENT.

21 Q. AND IT WAS MIS- -- INTENDED TO MISLEAD THE
22 MEMBERS INTO BELIEVING THAT RAY NOVELLI TOOK A.S.R. OUT,
23 NOT COAST TO COAST TOOK A.S.R. OUT?

24 A. NO, THAT WAS NOT THE INTENTION OF THAT AT
25 ALL.

26 Q. IT DID MISLEAD THE MEMBERS INTO BELIEVING

1 THAT RAY NOVELLI DID IT, NOT COAST?

2 A. THAT'S A MATTER OF OPINION, I THINK.

3 Q. ALL RIGHT. AND THEN COULD WE GO TO THE NEXT
4 PARAGRAPH DOWN.

5 AND THIS LETTER IS ESSENTIALLY A DUPLICATE
6 OF THE OCTOBER LETTERS WHEN IT COMES TO THE LANGUAGE ABOUT
7 "WE HAVE TRANSFERRED YOUR COAST TO COAST HOME RESORT
8 MEMBERSHIP"; RIGHT?

9 MR. SHERMAN: OBJECTION. THAT MISSTATES THE TERMS
10 OF THE NOVEMBER 12 -- THE NOVEMBER 5 LETTER.

11 MR. MOSHENKO: I'M TALKING ABOUT THE OCTOBER, '97,
12 LETTERS, NOT THE NOVEMBER 5 LETTER.

13 THE WITNESS: I WILL SAY THAT IT'S PROBABLY A
14 PLAGIARISM OF MY EARLIER LETTER.

15 BY MR. MOSHENKO: Q. SO WE HAVE THE SAME ISSUES
16 HERE AS TO WHETHER THE MEMBERS WOULD BELIEVE THAT THEIR
17 COAST TO COAST MEMBERSHIP HAD BEEN TRANSFERRED OR WHETHER
18 THEIR COAST TO COAST HOME RESORTS MEMBERSHIPS HAD BEEN
19 TRANSFERRED.

20 DO YOU AGREE?

21 A. COULD YOU STATE THAT ONE MORE TIME, PLEASE?

22 Q. WE HAVE THE SAME ISSUE AS TO WHETHER THE
23 MEMBERS MIGHT HAVE BEEN CONFUSED ABOUT WHETHER THEIR COAST
24 TO COAST MEMBERSHIP HAD BEEN TRANSFERRED OR WHETHER THEIR
25 COAST TO COAST HOME RESORTS MEMBERSHIP HAD BEEN TRANSFERRED?

26 A. NO, I DON'T THINK THERE IS AT ALL. THESE

1 MEMBERS ARE RELATIVELY BRIGHT ABOUT THEIR MEMBERSHIP THAT
2 THEY HAVE. AND I BELIEVE THAT THEY DO UNDERSTAND THE HOME
3 RESORT MEMBERSHIP, COAST TO COAST MEMBERSHIP, AND A COAST
4 TO COAST HOME RESORT MEMBERSHIP.

5 Q. ISN'T IT A FACT THAT COAST TO COAST RECEIVED
6 CORRESPONDENCE FROM ATTORNEY GENERALS DESCRIBING COMPLAINTS
7 BY COAST TO COAST MEMBERS THAT THEIR COAST TO COAST
8 MEMBERSHIPS HAD BEEN TRANSFERRED AS A RESULT OF LETTERS
9 LIKE THIS ONE?

10 A. I'M NOT SURE THAT THAT'S EXACTLY WHAT
11 THOSE -- THAT CORRESPONDENCE DEALT WITH. BUT IT WAS
12 PROBABLY RELATED TO THE ISSUE OF MEMBERS BEING CONFUSED.

13 Q. ISN'T IT A FACT THAT COAST RECEIVES
14 TELEPHONE CALLS AND LETTERS, DOZENS AND DOZENS OF THEM,
15 FROM MEMBERS WHO HAVE DESCRIBED CONFUSION AS TO WHAT WAS
16 BEING TRANSFERRED?

17 A. I'M NOT SURE THAT IT WAS -- THEY WERE
18 CONFUSED ABOUT WHAT WAS BEING TRANSFERRED SO MUCH AS THEY
19 WERE CONFUSED AS TO WHY THEY WERE TRANSFERRED TO WHERE THEY
20 WERE TRANSFERRED.

21 MOST CASES THEY WOULD TELL US THAT THEY
22 ALREADY HAD ANOTHER HOME RESORT THAT WAS STILL IN THE
23 SYSTEM, AND THAT'S WHERE THEY WOULD PREFER TO GO.

24 MR. MOSHENKO: YOUR HONOR, WE'VE ARRIVED AT THE
25 PLACE WHERE I MENTIONED TO YOU YESTERDAY AS WE CLOSED THAT
26 I WANTED TO OFFER ALL OF THE EXHIBIT 1563 LETTERS INTO

1 EVIDENCE. AND MR. SHERMAN MENTIONED SOME OF THEM HAD
2 MARKINGS ON THEM. AND I'M WILLING TO AGREE THAT THE ONES
3 WITH MARKINGS MAY BE EXCLUDED.

4 THE COURT: NO OBJECTION TO THOSE WITHOUT MARKINGS?

5 MR. SHERMAN: NO OBJECTION TO EXCLUDING THOSE
6 WITH -- WITH THE MARKINGS. AND THE ONES THAT WERE SIGNED
7 BY MR. RANDALL WITHOUT MARKINGS WE'VE GOT NO PROBLEM WITH.

8 THE COURT: ALL RIGHT.

9 MR. MOSHENKO: BY "EXCLUDED," YOUR HONOR, I MEAN
10 EXCLUDED FROM THIS OFFERING. I'M NOT STIPULATING THAT THE
11 COURT SHOULD ORDER THAT THEY MAY NOT BE ADMITTED UNDER SOME
12 OTHER CIRCUMSTANCE.

13 THE COURT: ALL RIGHT.

14 THOSE WITHOUT MARKINGS HAVE BEEN ADMITTED.

15 (WHEREUPON EXHIBIT NO. 1563, LETTERS
16 (WITHOUT MARKINGS), WAS RECEIVED IN EVIDENCE.)

17 BY MR. MOSHENKO: Q. ALL RIGHT. NOW, MR. RANDALL,
18 YOU ALSO SENT -- "YOU" MEANS COAST TO COAST -- ALSO SENT
19 LETTERS TO ALL SEASONS RESORTS MEMBERS IN -- IN JANUARY;
20 CORRECT? OF '98, THAT IS?

21 A. I HAVE NO REASON TO BELIEVE THAT THAT'S NOT
22 TRUE.

23 Q. AND YOU ALSO SENT LETTERS TO COAST TO COAST
24 MEMBERS REGARDING ALL SEASONS RESORTS IN FEBRUARY OF 1998;
25 RIGHT?

26 A. YES.

1 Q. SAME KIND OF LETTERS AS THE ONES THAT ARE ON
2 THE BOARD, ON THE SCREEN, THAT WERE SENT IN DECEMBER;
3 RIGHT?

4 A. GENERALLY SPEAKING, YES.

5 Q. OKAY. NOW, DID YOU CONFER WITH ANYBODY AT
6 AFFINITY GROUP CONCERNING THE REMOVAL OF ALL SEASONS
7 RESORTS BEFORE YOU REMOVED ALL SEASONS RESORTS?

8 A. I WORK FOR GENE EVERETT, ROGER RYMAN AND
9 COAST TO COAST. I DON'T TALK TO AFFINITY GROUP PEOPLE
10 ABOUT COAST TO COAST BUSINESS AT ALL AT ANY TIME.

11 Q. TO YOUR KNOWLEDGE DID MR. RYMAN OR
12 MR. EVERETT CONFER WITH ANYBODY AT AFFINITY GROUP BEFORE
13 ALL SEASONS RESORTS WAS REMOVED FROM THE SYSTEM?

14 A. NOT TO MY KNOWLEDGE, NO.

15 Q. WHEN WAS IT THAT YOU WERE FIRST AWARE THAT
16 AFFINITY GROUP PERSONNEL WERE INCLUDED IN THE INFORMATION
17 LOOP AS TO WHAT WAS HAPPENING?

18 MR. SHERMAN: OBJECTION. TOTALLY LACKS
19 FOUNDATION. ASSUMES FACTS THAT ARE NOT IN EVIDENCE.

20 THE COURT: HE MAY ANSWER THE QUESTION IF HE
21 KNOWS. OVERRULED.

22 THE WITNESS: I DON'T KNOW.

23 BY MR. MOSHENKO: Q. WELL, WASN'T THERE A TIME
24 WHEN YOU BECAME AWARE THAT AFFINITY GROUP PEOPLE WERE AWARE
25 OF THIS MASS TRANSFER OF MEMBERS?

26 A. HAVING GONE THROUGH THIS TRIAL AND THE

1 PROCEEDINGS FOR IT, THERE WAS A TIME WHEN I BECAME AWARE
2 THAT THEY KNEW ABOUT IT. I COULDN'T PINPOINT THAT TO EVEN
3 A YEAR EXCEPT THAT IT WAS SOME TIME BETWEEN 1998 AND TODAY.

4 Q. BETWEEN JANUARY 1, 1998, AND TODAY?

5 A. SOME TIME IN 1998 AND TODAY.

6 Q. AND HOW DID YOU BECOME AWARE OF THAT?

7 A. THROUGH OSMOSIS. I MEAN, I DON'T KNOW THAT
8 THERE'S ANY PARTICULAR THING THAT STANDS OUT IN MY MIND,
9 "GOSH, I THINK THESE GUYS ARE AWARE OF WHAT WE'RE DOING
10 HERE NOW."

11 Q. WELL, WE'VE ALREADY ESTABLISHED THAT IN
12 ORDER TO DO THE MAILINGS, YOU WENT TO THE I.T. DEPARTMENT
13 THAT IS RUN FROM AFFINITY GROUP; CORRECT? TO GET THE NAMES
14 ON THE LIST?

15 A. OKAY.

16 Q. OKAY. THOSE WERE EMPLOYEES OF AFFINITY
17 GROUP THAT YOU WERE USING; RIGHT?

18 A. YES.

19 Q. WHERE WERE THE LETTERS PRINTED?

20 A. IN THE ADMINISTRATIVE SERVICES DEPARTMENT.

21 Q. IN THE AFFINITY GROUP OFFICE BUILDING IN
22 ENGLEWOOD, COLORADO; RIGHT?

23 A. YES.

24 Q. AND WASN'T THERE A TELEPHONE BANK SET UP, A
25 SPECIAL TELEPHONE BANK TO FIELD CALLS?

26 A. YES.

1 Q. AND WASN'T AFFINITY GROUP EQUIPMENT AND
2 PERSONNEL A PART OF THAT TELEPHONE BANK?

3 A. YES.

4 Q. AND WASN'T THE EQUIPMENT THAT WAS USED TO
5 SORT THE COAST TO COAST RESORT MEMBERS FROM THE AFFINITY
6 GROUP DATABASE EQUIPMENT THAT BELONGED TO AFFINITY GROUP?

7 A. I WILL PRESUME SO, YES.

8 Q. OKAY. AND YOU'RE NOT TELLING US YOU DON'T
9 THINK ANYBODY AT AFFINITY GROUP KNEW ABOUT THIS IN 1997,
10 ARE YOU?

11 A. I MIGHT NOT HAVE LISTENED TO YOUR QUESTION
12 CAREFULLY. BUT I THOUGHT YOU SAID AFFINITY GROUP
13 MANAGEMENT.

14 Q. OKAY. WELL, LET'S SEGREGATE MANAGEMENT FROM
15 OTHER EMPLOYEES.

16 YOU'RE NOT TELLING US THAT EMPLOYEES AT
17 AFFINITY GROUP WERE NOT AWARE OF IT?

18 A. NO. I CAN'T SAY THAT.

19 Q. OKAY. BUT YOU DON'T BELIEVE THAT ANY OF
20 THOSE EMPLOYEES TOLD ANY OF THE MANAGEMENT AT AFFINITY
21 GROUP OF WHAT WAS HAPPENING?

22 MR. SHERMAN: OBJECTION. CALLS FOR SPECULATION.
23 LACKS FOUNDATION.

24 THE COURT: SUSTAINED.

25 BY MR. MOSHENKO: Q. WELL, DO YOU BELIEVE THAT
26 ANYBODY TOLD?

1 MR. SHERMAN: OBJECTION. WHAT HE BELIEVES IS NOT
2 RELEVANT.

3 THE COURT: SUSTAINED.

4 BY MR. MOSHENKO: Q. WHEN THE REGIONAL DIRECTORS
5 TALKED TO THE RESORT OWNERS OUT IN THE FIELD, DID THEY TELL
6 THEM WHAT TO WRITE TO THE MEMBERS WHO WERE BEING
7 TRANSFERRED INTO THEIR RESORTS?

8 A. I DON'T HAVE ANY KNOWLEDGE OF WHAT THEY
9 TALKED TO THEM ABOUT.

10 Q. OKAY. ALL RIGHT. MR. RANDALL, YOU RECALL
11 THAT THE PLAINTIFFS IN THIS ACTION ASKED THE DEFENDANTS TO
12 PRODUCE WHAT WE REFERRED TO AS COMPUTER FILES THAT WERE
13 DESCRIBED IN THE DEPOSITION OF GENE EVERETT.

14 DO YOU RECALL WHAT I'M REFERRING TO?

15 A. YES.

16 Q. OKAY. WHAT WERE THOSE FILES THAT WERE BEING
17 REFERRED TO; CAN YOU TELL US?

18 A. OUR COMPUTER SYSTEM, WHICH IS CALLED THE VAX
19 SYSTEM, V-A-X, CONTAINS THE COMPUTER RECORDS FOR OUR RESORT
20 FILES AS WELL AS FOR OUR MEMBER FILES. THOSE ARE THE
21 COMPUTER FILES MAINTAINED IN THE -- THAT YOU'RE REFERRING
22 TO AS THE COMPUTER RECORDS OR THE COMPUTER FILES.

23 Q. AND THE COMPUTER SYSTEM, THE I.T. SYSTEM,
24 INCLUDES A SEPARATE FILE FOR EACH RESORT THAT IS AN
25 AFFILIATED RESORT WITH COAST TO COAST?

26 A. YES.

1 Q. OKAY. AND YOU DID PRODUCE FOR US THE
2 COMPUTER FILES THAT WERE DEMANDED FOR EACH OF THE
3 PLAINTIFFS' RESORTS; RIGHT?

4 A. TO THE VERY BEST OF MY ABILITY, YES, I DID.

5 MR. MOSHENKO: OKAY. COULD WE HAVE THE EXHIBIT
6 NUMBER, MR. DURAN.

7 MR. DURAN: 2172.

8 MR. MOSHENKO: 2172?

9 Q. WHAT DID YOU DO TO GET THOSE FILES PRINTED?

10 A. BROUGHT THAT PARTICULAR RESORT UP ON THE
11 SCREEN AND PRINTED THE SCREEN RECORD, PUSHED THE BUTTON
12 THAT SAYS "PRINT."

13 Q. ALL RIGHT. AND YOU BROUGHT WITH YOU TRUE
14 AND CORRECT COPIES OF EACH OF THE COMPUTER FILES THAT WERE
15 PLAINTIFFS' RESORTS' COMPUTER'S FILES?

16 A. I PROVIDED THEM.

17 MR. MOSHENKO: YOUR HONOR, THE HARD COPY WAS IN THE
18 BACK ROOM. I'D LIKE TO SHOW HIM ANOTHER COPY.

19 I'LL GIVE YOU ANOTHER COPY, COUNSEL.

20 AND WHEN WE GET THE ONE OUT FRONT, WE CAN
21 IDENTIFY THE NUMBER.

22 MR. SHERMAN: I'VE GOT A COPY. IT'S VERY THICK.
23 AND IF IT'S NOT WHAT WAS PRODUCED TO US WAY BACK WHEN, I'D
24 JUST AS SOON GO OFF OF WHAT I HAVE BEEN GOING ON.

25 MR. MOSHENKO: IT'S NOT WHAT WAS PRODUCED TO YOU?

26 MR. SHERMAN: YOUR HONOR, CAN I ASK THE COURT FOR

1 SOME GUIDANCE? WHAT SHOULD I DO NOW?

2 MR. MOSHENKO: IT WAS PRODUCED TO US, NOT TO THEM.

3 MR. SHERMAN: I'VE BEEN WORKING ON SOMETHING I'VE
4 HAD NOW FOR SIX WEEKS, AND THEY'VE SAID, "I'M GOING TO USE
5 THIS AS A TRIAL EXHIBIT." I'VE WORKED ON IT, RELIED ON
6 IT. NOW I'M BEING HANDED ANOTHER HUNDRED PAGES
7 BEING TOLD THAT WE'RE GOING TO DO SOMETHING WITH IT. I'D
8 LIKE TO GO OFF 2172 WHICH IS WHAT THE PARTIES --

9 MR. MOSHENKO: I'LL GO OFF 2172.

10 THE COURT: ALL RIGHT.

11 MR. MOSHENKO: IT'S NOT A PROBLEM.

12 Q. I ASK YOU TO LOOK AT 2172, MR. RANDALL.

13 A. THANK YOU, SIR.

14 PARDON ME, MR. MOSHENKO.

15 Q. I ASK YOU TO LOOK AT 2172.

16 A. GOT IT.

17 Q. I KNOW THIS IS AN UNFAIR QUESTION FOR ME TO
18 SAY. IS IT A CORRECT COPY OF WHAT YOU PRODUCED?

19 BUT I KNOW THAT YOUR COUNSEL HAS STUDIED IT
20 CAREFULLY, AND IF IT'S INCORRECT, HE'LL LET US KNOW.

21 SO DOES THIS APPEAR TO BE THE DOCUMENTS --
22 THE COMPUTER FILE DOCUMENTS THAT YOU PRODUCED?

23 MR. SHERMAN: YOUR HONOR, 2172, PAGES 8014 THROUGH
24 8018 ARE UNDER SUBMISSION. PAGES 8059 THROUGH 8063 ARE IN
25 EVIDENCE. AND I SEE NO REASON TO DEVIATE FROM THE FORMAT
26 THAT'S BEEN ESTABLISHED TAKING A FEW PAGES AT A TIME.

1 IF WHAT THEY WANT TO DO DURING A BREAK IS TO
2 DISCUSS TO REVIEW THIS AND SEE IF WE CAN'T STIPULATE TO
3 SOME FOUNDATIONAL FACTS, I'M HAPPY TO DO THAT. BUT --

4 MR. MOSHENKO: YOUR HONOR, WE HAVE DISCUSSED THIS
5 FOR DAYS IN CHAMBERS, AND THE REVIEW PROC- -- TIME FOR
6 REVIEW PROCESS HAS BEEN OVER THE LAST SEVERAL DAYS.

7 MR. SHERMAN: WE HAVE THEIR PURPORTED CHART. READY
8 FOR THE PURPORTED CHART. WE CAN DEAL WITH THE PURPORTED
9 CHART. I WOULD SUGGEST THAT THEY MOVE THEIR PURPORTED
10 COMPILATION OR CHART INTO EVIDENCE. WE HAVE DISCUSSED THE
11 COMPILATION.

12 BUT TO SUGGEST THAT I'VE GONE THROUGH ALL
13 THE 150 PAGES AND LOOKED AT THEM, YOU KNOW, I COULDN'T DO
14 THAT. I CAN'T REPRESENT THAT TO THE COURT.

15 MR. MOSHENKO: YOUR HONOR, COULD I SUGGEST WE TAKE
16 THE MORNING RECESS AND DISCUSS THIS?

17 THE COURT: ALL RIGHT. TAKE 20.

18 (RECESS TAKEN.)

19 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN
20 COURT IN THE PRESENCE OF THE JURY:)

21 THE COURT: YOU MAY PROCEED, COUNSEL.

22 MR. MOSHENKO: THANK YOU, YOUR HONOR.

23 Q. MR. RANDALL, I PUT EXHIBIT 519 IN FRONT OF
24 YOU.

25 A. IT SAYS 1552.

26 Q. AM I MISREADING IT? I'M REFERRING TO --

1 A. ONE OF US IS.

2 Q. YOU KNOW, YOU'RE RIGHT. THE TAG COVERS UP
3 PART OF THE NUMBER ON THE TAB.

4 SO I'M TALKING ABOUT -- EXCUSE ME, COUNSEL.
5 15 -- THIS BROWN -- 1551 AND 1552 IS WHAT I'M WORKING WITH.

6 MR. SHERMAN: OKAY.

7 BY MR. MOSHENKO: Q. THANK YOU FOR THAT --

8 A. THANK YOU.

9 Q. -- NOTIFICATION.

10 NOW, YOU'VE SEEN THOSE LETTERS BEFORE?

11 A. BEGINNING WITH 1550?

12 Q. BEGINNING WITH THE LETTER FROM THE OFFICE OF
13 THE ATTORNEY GENERAL DATED NOVEMBER 10, 1997.

14 A. I HAVE THAT ONE HERE. THAT'S THE MARINE
15 CORPS BIRTHDAY. EASILY REMEMBERED.

16 Q. WHAT, NOVEMBER 10 IS THE MARINE CORPS
17 BIRTHDAY?

18 A. YES, SIR.

19 Q. OKAY. IS 1 -- THAT'S 1550, NOVEMBER 10TH?

20 A. THAT'S 1551 ON THE SHEET THAT YOU HAVE.

21 Q. OKAY. 1551. YOU'VE SEEN THAT BEFORE?

22 A. YES, I HAVE.

23 Q. AND THE NEXT EXHIBIT FOLLOWING THAT, 1552,
24 IS THAT THE RESPONSE?

25 A. YES, IT IS.

26 Q. OKAY. AND YOU'VE SEEN THE RESPONSE BEFORE;

1 RIGHT?

2 A. YES, I HAVE.

3 Q. OKAY. THEY APPEAR TO BE TRUE AND CORRECT
4 COPIES OF THE -- TRUE AND CORRECT COPIES OF THE DOCUMENTS
5 FROM THE RECORDS OF COAST TO COAST RELATING TO THE ATTORNEY
6 GENERAL LETTER TO COAST TO COAST CONCERNING THE TRANSFER
7 LETTERS?

8 A. THE TRANSFER LETTERS APPARENTLY SENT TO THEM
9 BY HIDDEN COVE AND BREMEN LAKESIDE RESORT, YES.

10 MR. MOSHENKO: OKAY. I'D LIKE TO OFFER THEM BOTH
11 INTO EVIDENCE, YOUR HONOR.

12 MR. SHERMAN: NO OBJECTION.

13 THE COURT: THEY'LL BE SO RECEIVED.

14 (WHEREUPON EXHIBIT NOS. 1551 AND 1552 WERE
15 RECEIVED IN EVIDENCE.)

16 MR. MOSHENKO: OKAY. I'D LIKE TO HAVE THE ATTORNEY
17 GENERAL LETTER COME UP. AND YOU CAN BLOW UP THE BODY OF
18 IT.

19 Q. NOVEMBER 10, 1997. ALL RIGHT. THIS LETTER
20 STATES, IT'S BEEN CALLED TO MY ATTENTION BY A MEMBER OF
21 THOUSAND ADVENTURES, INC., RESORT THAT MEMBERS ARE BEING
22 CONTACTED BY LETTER AND TELEPHONE BY HIDDEN COVE AND BREMEN
23 LAKESIDE AND TOLD THAT COAST TO COAST HAS TRANSFERRED OR
24 CHANGED THEIR MEMBERSHIP -- MEMBERSHIPS TO THESE RESORTS.
25 ENCLOSED ARE COPIES OF SUCH LETTERS. I AM CONCERNED THAT
26 THESE CONSUMERS ARE POSSIBLY MISINFORMED, BECAUSE HIDDEN

1 COVE AND BREMEN LAKE RESORT APPEAR TO SOLICIT MEMBERS --
2 I'M SORRY -- SOLICIT CONSUMERS FOR NEW MEMBERSHIPS RATHER
3 THAN TRANSFER EXISTING MEMBERSHIPS.

4 I'D LIKE TO KNOW IF YOU ARE AWARE OF THESE
5 BUSINESSES -- THAT THESE BUSINESSES ARE USING COAST TO
6 COAST'S NAME TO SOLICIT NEW MEMBERS AND IF THIS IS BEING
7 DONE WITH YOUR AUTHORIZATION.

8 COAST WAS INFORMED BY THE ATTORNEY GENERAL
9 THAT THERE WAS CONFUSION OUT THERE RELATING TO WHETHER OR
10 NOT COAST HAD TRANSFERRED OR CHANGED THEIR MEMBERSHIP, THE
11 MEMBERS' MEMBERSHIPS, TO OTHER RESORTS; RIGHT?

12 A. THE ATTORNEY GENERAL IS SAYING THAT THE
13 CONCERN IS THAT THEY'RE POSSIBLY MISINFORMED.

14 Q. MISINFORMED BY BEING TOLD THAT COAST TO
15 COAST HAS TRANSFERRED OR CHANGED THEIR MEMBERSHIPS FROM ONE
16 RESORT TO ANOTHER. CORRECT?

17 A. YES. THAT'S WHAT IT SAYS.

18 Q. OKAY. AND SO IN NOVEMBER OF 1997 WHEN
19 ROGER RYMAN RECEIVED THIS LETTER AND COAST -- FROM THE
20 ATTORNEY GENERAL, AND COAST TO COAST LEARNED THAT THE
21 LANGUAGE IN THE OCTOBER LETTERS WERE BEING USED TO CONFUSE
22 OR MISINFORM CONSUMERS, OF COURSE YOU DECIDED TO CHANGE THE
23 LANGUAGE IN THE LETTER TO AVOID THAT FROM HAPPENING; RIGHT?

24 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION.
25 THIS DOES NOT REFER TO THE OCTOBER LETTERS.

26 THE COURT: SUSTAINED.

1 BY MR. MOSHENKO: Q. ALL RIGHT. ISN'T THIS A
2 REFERENCE TO SOMETHING THAT HAPPENED AS A RESULT OF A
3 THOUSAND ADVENTURES RESORT MEMBER BEING TOLD THAT COAST HAD
4 TRANSFERRED OR CHANGED THEIR MEMBERSHIPS?

5 MR. SHERMAN: OBJECTION. UNLESS THE WITNESS HAS
6 SOME INDEPENDENT KNOWLEDGE OF THIS INCIDENT, THE DOCUMENT,
7 EXHIBIT 1551, SPEAKS FOR ITSELF.

8 THE COURT: THE DOCUMENT SPEAKS FOR ITSELF.

9 BY MR. MOSHENKO: Q. AFTER RECEIVING THIS LETTER,
10 DID COAST DO ANYTHING TO CHANGE THE LANGUAGE OF THE LETTERS
11 THAT THEY SENT OUT TO ALL SEASONS RESORTS MEMBERS TO ENSURE
12 THAT THE INFORMATION IN THOSE LETTERS WOULD NOT BE USED TO
13 MISINFORM CONSUMERS?

14 A. I -- I DON'T KNOW. I DON'T THINK SO.
15 AGAIN, THE ATTORNEY GENERAL IS REFERRING -- THE WAY I READ
16 THAT LETTER, REFERRING TO THE LETTERS THAT THE MEMBER
17 RECEIVED FROM HIDDEN COVE AND BREMEN LAKE, NOT FROM COAST
18 TO COAST. SO I DON'T KNOW THAT IT WOULD -- WITHOUT SEEING
19 THE LETTERS THAT THE MEMBERS ACTUALLY SENT IN, I -- I WOULD
20 NOT BE COMFORTABLE SPEAKING TO THAT.

21 Q. DID IT EVER COME TO YOUR ATTENTION THAT
22 RESORT OWNERS BELIEVED THAT THE LETTERS THAT COAST TO COAST
23 HAD SENT TO THE MEMBERS HAD TRANSFERRED MEMBERSHIPS INTO
24 THEIR RESORTS?

25 A. NOT A RESORT MEMBERSHIP, NO.

26 Q. DO YOU HAVE SOME UNDERSTANDING OF WHAT THE

1 ATTORNEY GENERAL IS REFERRING TO WHEN HE TALKS ABOUT
2 TRANSFERRING EXISTING MEMBERSHIPS?

3 MR. SHERMAN: OBJECTION. THE DOCUMENT SPEAKS FOR
4 ITSELF.

5 THE COURT: SUSTAINED.

6 BY MR. MOSHENKO: Q. OKAY. ALL RIGHT. THIS IS
7 NOVEMBER 19, 1997. THIS IS MR. RYMAN'S RESPONSE TO THE
8 ATTORNEY GENERAL; CORRECT?

9 A. YES, SIR.

10 MR. MOSHENKO: ALL RIGHT. COULD YOU BLOW UP THE
11 DOCUMENT CONTENT, PLEASE.

12 Q. OKAY. THIS CORRESPONDENCE IS IN RESPONSE TO
13 YOUR LETTER OF NOVEMBER 10, 1997, RELATING TO COAST'S -- TO
14 COAST MEMBERS BEING CONFUSED ABOUT OUR TRANSFERRING THEIR
15 MEMBERSHIPS.

16 MR. RYMAN APPARENTLY UNDERSTOOD THAT THE
17 LETTER WAS REFERRING -- THE LETTER THAT HE WAS RESPONDING
18 TO WAS REFERRING TO COAST TO COAST BEING -- MEMBERS BEING
19 CONFUSED BY COAST TO COAST'S TRANSFERRING THEIR
20 MEMBERSHIPS.

21 DON'T YOU AGREE?

22 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION.
23 THE DOCUMENT SPEAKS FOR ITSELF.

24 THE COURT: THE DOCUMENT SPEAKS FOR ITSELF, COUNSEL.

25 MR. MOSHENKO: ALL RIGHT.

26 Q. OKAY. IN THE SECOND PARAGRAPH IT SAYS,

1 PRIOR TO COMMUNICATING WITH A MEMBER, WE CONFIRMED THAT A
2 NEW RESORT OWNER WILL ONLY CHANGE THE MEMBER'S ANNUAL
3 MAINTENANCE FEE ON TRANSFERS.

4 DO YOU HAVE SOME UNDERSTANDING WHY A
5 TRANSFER OF A COAST MEMBERSHIP COULD RESULT IN SOMETHING
6 OTHER THAN A CHANGE -- COULD RESULT IN A CHANGE IN
7 MAINTENANCE FEES, OR SOMETHING OTHER THAN CHANGE IN
8 MAINTENANCE FEES?

9 MR. SHERMAN: OBJECTION. "CHARGE."

10 MR. MOSHENKO: WHAT?

11 MR. SHERMAN: IT SAYS "CHARGE." IT'S NOT
12 "CHANGE." IT'S "CHARGE."

13 MR. MOSHENKO: IT SAYS, "CHARGE." THANK YOU,
14 MR. SHERMAN.

15 MR. SHERMAN: WELL --

16 BY MR. MOSHENKO: Q. PRIOR TO COMMUNICATING WITH
17 THE MEMBER, WE CONFIRMED THAT THE NEW RESORT OWNER WILL
18 ONLY CHARGE THE MEMBER ANNUAL MAINTENANCE FEES UPON
19 TRANSFER.

20 WHAT DOES THE CHANGE OF THE COAST TO COAST
21 MEMBERSHIP HAVE TO DO WITH CHARGING THE MAINTENANCE FEE BY
22 RESORT OWNERS?

23 A. IN ORDER FOR THE MEMBER TO GET A HOME PARK
24 CARD WITH THAT PARTICULAR RESORT, THEY HAVE TO BE A BONA
25 FIDE DUES-PAYING MEMBER OF THAT COAST TO COAST AFFILIATED
26 RESORT. SO THERE IS A FEE THAT THEY NEED TO PAY.

1 Q. THEY HAVE TO PAY A FEE ONLY IF THEY CHANGE
2 RESORT MEMBERSHIP, DON'T THEY?

3 A. YES. IF THEY DECIDE TO BECOME A MEMBER OF
4 THAT RESORT.

5 Q. CHANGING RESORT MEMBERSHIP HAS NOTHING TO DO
6 WITH CHANGING COAST TO COAST MEMBERSHIP; RIGHT?

7 A. CORRECT.

8 Q. AND IN THE BOTTOM PARAGRAPH, CONCURRENTLY WE
9 PROVIDE THE NAMES OF THOSE AFFECTED MEMBERS TO THE RESORTS
10 TO WHICH WE ARE TRANSFERRING THEM IN ORDER THAT THE RESORT
11 OWNER MIGHT COMMUNICATE WITH THE MEMBERS AND WELCOME THEM.

12 MR. RYMAN DIDN'T MEAN THERE WERE RESORTS TO
13 WHICH HE WAS TRANSFERRING MEMBERS, DID HE?

14 MR. SHERMAN: OBJECTION.

15 MR. MOSHENKO: DOCUMENT SPEAKS FOR ITSELF.

16 MR. SHERMAN: THE DOCUMENT SPEAKS FOR ITSELF.

17 THE COURT: SUSTAINED.

18 MR. MOSHENKO: OKAY. THANK YOU. I'M DONE WITH
19 THOSE.

20 WELL, YOUR HONOR, MOVING ONTO THE EXHIBIT
21 THAT I PRESENTED THIS MORNING, THIS MORNING BEFORE THE
22 BREAK.

23 THANK YOU. BASED ON THE FOUNDATION THAT'S
24 ALREADY BEEN LAID, I OFFER EXHIBIT 2172 INTO EVIDENCE.

25 I'D INDICATE FOR THE RECORD THAT FOUR PAGES
26 OF IT ARE ALREADY IN EVIDENCE. THOSE PAGES ARE BATE

1 STAMPED 07992 THROUGH 995, AND THEY NOW HAVE NEW BATES
2 STAMPS ON THEM THAT SAY 59 THROUGH 62.

3 MR. SHERMAN: OBJECTION. LACKS FOUNDATION.

4 THE COURT: OVERRULED.

5 BY MR. MOSHENKO: Q. YOU STILL HAVE THOSE IN
6 FRONT OF YOU, MR. RANDALL?

7 A. I DON'T KNOW.

8 Q. 2172.

9 A. NO. I DON'T BELIEVE I DO.

10 MR. SHERMAN: YOUR HONOR, MAY WE APPROACH?

11 THE COURT: YOU MAY.

12 (DISCUSSION HELD OFF THE RECORD.)

13 MR. SHERMAN: YOUR HONOR, WE RENEW OUR OBJECTION
14 THAT EXHIBIT 2172 LACKS FOUNDATION.

15 THE COURT: I'LL TAKE IT UNDER SUBMISSION.

16 BY MR. MOSHENKO: Q. ALL RIGHT. NOW, WHAT KIND OF
17 DATA IS KEPT IN THESE COMPUTER FILES, MR. RANDALL?

18 A. PERTINENT DATA RELATIVE TO THE PARTICULAR
19 RESORT STANDARD.

20 MR. MOSHENKO: ALL RIGHT. I'D LIKE TO PUT UP ON
21 THE SCREEN THE FIRST PAGE OF THE EXHIBIT, YOUR HONOR,
22 RELATING TO DELTA ISLE.

23 WHAT DO YOU NEED?

24 OKAY. COULD WE PLEASE BLOW UP THE TOP
25 PART.

26 Q. THIS IS SIMILAR TO AN EXHIBIT THAT WAS

1 PREVIOUSLY DISCUSSED WITH MR. RYMAN. THERE WE GO.

2 THIS IS THE FILE FOR DELTA ISLE; RIGHT?

3 MR. SHERMAN: OBJECTION. THIS IS THE EXACT SAME
4 EXHIBIT. THE TESTIMONY IS CUMULATIVE.

5 THE COURT: I'M GOING TO OVERRULE YOUR OBJECTION.

6 BY MR. MOSHENKO: Q. THIS RELATES TO THE DELTA
7 ISLE RESORT; CORRECT?

8 A. YES.

9 Q. AND AMONG OTHER THINGS, IT SHOWS -- IT MAKES
10 REFERENCE TO THE LOCATION OF THE RESORT; RIGHT?

11 A. YES.

12 Q. IT MENTIONS THE PARK MANAGER, BOB GUIRE, WHO
13 TESTIFIED HERE BEFORE?

14 A. YES.

15 Q. AND RAY NOVELLI, SALES MANAGER?

16 A. YES.

17 MR. MOSHENKO: COULD WE GO ON TO THE PAGE 3 -- I'M
18 SORRY -- PAGE 2 OF THAT EXHIBIT. AND BLOW UP THE TOP
19 PART.

20 Q. ALL RIGHT. AND NOW ON THE LOWER LEFT YOU
21 SEE WHERE IT SAYS, "IN OUT, SUSPENSION"; RIGHT?

22 A. YES.

23 Q. WHAT IS THAT A REFERENCE TO?

24 A. THE DATE THE RESORT -- WELL, I'M GOING TO
25 SAY THAT IT'S THE DATE THE RESORT CAME IN OR WENT OUT, OR
26 THE DATE IT WAS PLACED ON SUSPENSION.

1 Q. YES. S-U-S-P IS SUSPENSION.

2 ALL RIGHT. IN THIS CASE CAN YOU TELL US
3 WHEN DELTA ISLE FIRST BECAME AN AFFILIATED RESORT WITH CAMP
4 COAST TO COAST?

5 A. GOING TO THE FAR RIGHT-HAND SIDE AT THE VERY
6 BOTTOM, LINE NUMBER 40, ORIGINAL LICENSE DATE APPEARS TO BE
7 JULY 1, 1985.

8 Q. OKAY. AND THE FACT OF THE ORIGINAL LICENSE
9 DATE BEING ENTERED THERE SIGNIFIES THAT IN OR ABOUT JULY 1,
10 1995, COAST ENTERED INTO A CONTRACT WITH DELTA ISLE FOR IT
11 TO BECOME AN AFFILIATED RESORT --

12 MR. SHERMAN: OBJECTION. MISSTATES THE DOCUMENT.
13 JULY 1, 1985.

14 THE COURT: '85.

15 MR. MOSHENKO: '85, YES.

16 THE WITNESS: I BELIEVE I REMEMBER THE QUESTION.

17 YES.

18 BY MR. MOSHENKO: Q. OKAY. AND THEN THE FACT THAT
19 LINE 18 ON THE LEFT SAYS, "IN OUT DATE, 9-2-97," THAT'S THE
20 DATE THAT COAST TOOK DELTA ISLE OUT OF THE COAST SYSTEM; RIGHT?

21 A. THAT'S THE DATE THAT THE RESORT LEFT THE
22 COAST TO COAST SYSTEM, YES.

23 Q. ALL RIGHT. COAST CONSIDERED IT OUT
24 ESSENTIALLY THE DAY THAT IT RECEIVED THE LETTER FROM
25 MR. NOVELLI?

26 A. WITHOUT ACTUALLY SEEING WHEN WE RECEIVED THE

1 LETTER, I THINK THAT'S A PRETTY GOOD APPROXIMATION, YES.

2 Q. OKAY. LINE 19 SAYS, "IN OUT REASON,
3 VOLUNTARY"?

4 A. YES.

5 Q. VOLUNTARY WITHDRAWAL FROM THE COAST TO COAST
6 SYSTEM; RIGHT?

7 A. YES.

8 Q. WHICH THE RESORT OWNERS HAVE THE RIGHT TO DO;
9 RIGHT?

10 A. YES.

11 Q. NOW, YOU WOULDN'T HAVE TAKEN THEM OUT ON
12 SEPTEMBER 2 OF '97 IF THEY WEREN'T IN ON SEPTEMBER 1 OF
13 '97, WOULD YOU?

14 A. NO.

15 Q. IT SOUNDS -- KIND OF A SILLY QUESTION. BUT
16 IT'S COMMON SENSE.

17 IN ORDER TO BE -- TAKEN OUT OF THE COAST
18 SYSTEM, YOU HAVE TO BE IN FIRST; RIGHT?

19 A. CORRECT.

20 Q. AND YOU HAVE TO BE IN AS OF THE INSTANT
21 BEFORE YOU'RE TAKEN OUT; RIGHT?

22 A. YES.

23 Q. IN ORDER TO BE IN, YOU HAVE TO HAVE A
24 CONTRACT WITH COAST TO BE AN AFFILIATE; RIGHT?

25 A. YES.

26 MR. MOSHENKO: LET'S GO TO THE FOURTH PAGE.

1 MR. SHAW, I'M GOING TO NEED THE BOOKS.

2 THANK YOU.

3 OKAY. COULD YOU PUT IT UP, PLEASE, AND BLOW
4 IT UP.

5 Q. WHAT IS THE BOX -- WELL, I CALL IT A BOX --
6 THE RIGHT PORTION OF THE BOX THAT'S CUT OFF, AT THE BOTTOM
7 OF THE PAGE, IT HAS TYPING IN THE MIDDLE OF IT?

8 A. THE MEMORANDUM BOX.

9 Q. OKAY. AND MARY URIOSTE MADE THE MEMORANDUM
10 THERE -- MEMORANDA THERE?

11 A. MARY URIOSTE MADE THE MEMORANDUM DATED 13
12 OCTOBER, '97. THE JULY, '97, MEMO, I'M NOT SURE WHOSE
13 INITIALS "KP" ARE.

14 Q. AND MARY URIOSTE'S JOB WAS TO ACCURATELY
15 DESCRIBE WHAT SHE ACTUALLY DID IN THAT MEMORANDA BOX;
16 RIGHT?

17 A. TO MAKE A MEMORANDUM ABOUT WHAT WAS DONE,
18 YES.

19 Q. AND HER RESPONSIBILITY IS TO MAKE SURE THAT
20 THE MEMORANDUM IS ACCURATE AND NOT FALSE?

21 A. OKAY. YEAH.

22 Q. OKAY. OKAY. AND SO ON OCTOBER 13 SAID --
23 '97 -- SAYS, MASS TRANSFERRED MEMBERS TO PARK 272,
24 SYCAMORE, 157 PONDEROSA AND 822 RANCHO EL DORADO, MARY.

25 NOW, OCTOBER 13 WAS THE DATE THAT COAST
26 MASS-TRANSFERRED THE DELTA ISLE MEMBERS AWAY FROM DELTA

1 ISLE; RIGHT?

2 A. THAT'S THE DATE THAT WE TRANSFERRED THEIR
3 COAST TO COAST MEMBERSHIP TO THOSE THREE RESORTS LISTED ON
4 THERE.

5 Q. IT DOESN'T SAY "TRANSFERRED COAST TO COAST
6 MEMBERSHIP" THERE. IT SAYS "MASS-TRANSFERRED THE MEMBERS";
7 DOESN'T IT?

8 A. IT'S A COAST TO COAST FILE. IT WOULD HAVE
9 NOTHING TO DO WITH ANYTHING OTHER THAN COAST TO COAST
10 MEMBERS.

11 MR. MOSHENKO: I WANT TO GO TO 1884, YOUR HONOR.

12 NO. I'M SORRY. I THINK WE NEED IT BACK
13 UP. I DON'T WANT TO LOSE IT.

14 OKAY. MR. SHAW, DOES HE HAVE 1884?

15 MR. DURAN: IT'S RIGHT HERE.

16 MR. MOSHENKO: I'LL LET MR. SHERMAN GET THERE.

17 MR. SHERMAN: I'M SORRY. IS THIS NEW EXHIBIT 1884
18 OR BATES PAGE NUMBER?

19 MR. MOSHENKO: IT'S A NEW EXHIBIT.

20 MR. SHERMAN: OKAY.

21 MR. MOSHENKO: IN FACT, WE WERE USING YOUR VERSION
22 OF THESE BECAUSE 1884 ONLY INCLUDED THE INDEXES.

23 IS THAT CORRECT, MR. SHERMAN?

24 MR. SHERMAN: YOU KNOW, I'VE GOT -- YOUR HONOR, I'M
25 GOT THE 25TH EDITION AND THE 26TH EDITION, BUT I DON'T
26 HAVE THE 24TH EDITION WITH ME.

1 MR. MOSHENKO: I'VE GOT THE 24TH EDITION RIGHT
2 HERE.

3 MR. SHERMAN: I'VE GOT THE 15TH EDITION, TOO.

4 BY MR. MOSHENKO: Q. I'LL HAND YOU THE 24TH
5 EDITION, AND DOES IT HAVE AN EXHIBIT NUMBER ON IT?

6 A. 1884.

7 Q. IT SAYS IT'S 1884.

8 YOU'RE FAMILIAR WITH THAT. THAT'S THE COAST
9 TO COAST DIRECTORY?

10 A. THIS IS THE CAMP COAST TO COAST DIRECTORY,
11 24TH EDITION, 1997.

12 Q. AND WE KNOW THAT COAST LISTS ALL OF ITS
13 AFFILIATED RESORTS IN THE DIRECTORY; CORRECT?

14 A. ALL OF THEM THAT ARE AFFILIATED AT THE TIME
15 IT GOES TO PUBLICATION, YES, SIR.

16 Q. AND COAST ASSIGNS RESORT NUMBERS TO EACH OF
17 THESE RESORTS; RIGHT?

18 A. YES.

19 Q. AND CAN YOU TELL ME WHAT THE RESORT NUMBER
20 IS FOR -- STRIKE THAT. LET ME -- ONE MORE QUESTION.

21 YOU'RE FAMILIAR WITH PAT BUTLER HAVING A
22 RESORT IN MEXICO CALLED "LA CANCHANILLA"?

23 A. YES.

24 Q. DID I SAY IT RIGHT?

25 A. I HAVE NO IDEA. I'M JUST REMEMBERING THE
26 CONVERSATION THAT WENT ON WHEN THIS CAME UP BEFORE.

1 Q. OKAY. AND HE -- THERE'S ALSO A GOOD
2 NEIGHBOR PARK DOWN IN MEXICO THAT HE HAS WITH -- CALLED
3 RANCHO EL DORADO?

4 A. YES.

5 Q. SO WE HAVE -- A TRANSFER WENT TO 822, RANCHO
6 EL DORADO, ACCORDING TO THE SCREEN. CAN YOU TELL US WHO
7 RESORT 822 IS? IS IT LA CACHANILLA, THE AFFILIATED RESORT,
8 OR IS IT THE GOOD NEIGHBOR PARK?

9 A. BASED ON WHAT YOU JUST TOLD ME, IF IT'S LA
10 CACHANILLA, THEN IT WOULD SAY "LA CACHANILLA, NUMBER 822."
11 BUT THE WAY THAT I HEARD THIS EXPLAINED LAST WEEK WAS THE
12 ENTIRE PROPERTY ITSELF, WHICH IS MADE UP OF THE TWO
13 DIFFERENT RESORTS --

14 MR. MOSHENKO: OBJECTION. NON-RESPONSIVE.

15 THE COURT: OVERRULED.

16 MR. MOSHENKO: ALL RIGHT.

17 THE WITNESS: WAS MADE UP OF TWO DIFFERENT
18 RESORTS. ONE IS A GOOD NEIGHBOR PARK, THE OTHER PARK BEING
19 THE COAST TO COAST PRIVATE MEMBERSHIP AFFILIATED RESORT.

20 BY MR. MOSHENKO: Q. MR. RANDALL, MY QUESTION IS,
21 WHAT IS 822 IN THE BOOK, RESORT 822 CALLED?

22 A. I DON'T KNOW. I'M HAVING A HARD TIME
23 GETTING TO THIS POINT HERE.

24 I DON'T KNOW.

25 Q. WHAT IS THE NUMBER THAT'S ASSIGNED TO LA
26 CACHANILLA?

1 A. I DON'T KNOW.

2 Q. ALL RIGHT. WE'LL COME AT IT AGAIN LATER.

3 A. OKAY.

4 Q. LET'S GO ON TO A COUPLE MORE JUST SO THE

5 JURY CAN UNDERSTAND WHAT'S FOUND IN THIS BOOK.

6 YOU MIND TURNING TO BATE STAMP NUMBER 006 AT

7 THE BOTTOM, WHICH I SHOW AS FIESTA CYPRESS RESORT?

8 A. I'M SORRY. WHICH DIRECTORY, OR BOOK AM I

9 IN?

10 Q. I APOLOGIZE. BACK TO 2172.

11 A. THAT'S THIS ONE?

12 Q. YES. IT'S THE COMPUTER FILES.

13 A. OKAY. AND IT'S -- WHAT WAS THE NUMBER

14 AGAIN?

15 Q. BATE STAMP 006, EXHIBIT 2172.

16 A. I'M THERE.

17 MR. SHERMAN: EXCUSE ME. CAN WE GET A -- MINE ARE

18 NOT MARKED SEQUENTIALLY. CAN I GET A BATES NUMBER?

19 MR. MOSHENKO: CCC 07999. IT'S THE FIFTH PAGE FROM

20 THE END.

21 MR. SHERMAN: THANK YOU.

22 MR. MOSHENKO: OKAY. THAT'S NOT IT.

23 AND BLOW IT UP, PLEASE.

24 Q. ALL RIGHT. THIS IS A FIRST NATIONWIDE

25 RESORT CALLED "FIESTA CYPRESS RESORT"; RIGHT?

26 A. YES.

1 Q. SHOWS RAY NOVELLI AS PRESIDENT?

2 A. YES.

3 Q. AND IT SHOWS A VOLUNTARY OUT DATE OF
4 SEPTEMBER 2, 1997, THE SAME AS DELTA ISLE; CORRECT?

5 A. YES.

6 Q. AND SO COAST TOOK THEM OUT AS A RESULT OF
7 THE LETTER ON SEPTEMBER 2; RIGHT?

8 A. YES.

9 Q. AND, AGAIN, YOU WOULDN'T HAVE TAKEN THIS OUT
10 IF IT WASN'T IN; RIGHT?

11 A. CORRECT.

12 Q. AND IT WOULDN'T HAVE BEEN AN AFFILIATED
13 RESORT IF IT DIDN'T HAVE A CONTRACT; RIGHT?

14 A. CORRECT.

15 Q. OKAY. CAN YOU TELL US WHAT DATE THIS RESORT
16 FIRST BECAME AFFILIATED WITH CAMP COAST TO COAST?

17 A. GOING TO THE BACK SCREEN, AGAIN, THAT FAR
18 RIGHT-HAND SIDE, LINE NUMBER 40, ORIGINAL LICENSE DATE,
19 MAY --

20 Q. PAGE 2. GO AHEAD.

21 A. MAY 2ND, 1994.

22 Q. OKAY. SO THIS RESORT FIRST CONTRACTED IN
23 MAY OF 1994; RIGHT?

24 A. YES.

25 MR. MOSHENKO: AND COULD YOU GO TO PAGE 4 OF IT.

26 ALL RIGHT. BLOW IT UP. 8002. TWO MORE.

1 TWO MORE PAGES.

2 THERE. BLOW THAT UP.

3 Q. AND MARY URIOSTE MASS-TRANSFERRED ALL OF THE
4 MEMBERS FROM THIS RESORT TO EMERALD COVE AND TO MEXICO ON
5 10-13-97; RIGHT?

6 A. YES.

7 Q. DON'T YOU AGREE WITH ME THAT MS. URIOSTE'S
8 DOCUMENTS IN THESE COMPUTER FILES WHAT WE SAW IN THE
9 PREVIOUS EXHIBIT, THAT SHE SPENT A MONTH AND A HALF
10 TRANSFERRING 34,000 MEMBERS TO OTHER RESORTS?

11 A. SO LONG AS YOU UNDERSTAND MARY URIOSTE
12 DIDN'T PHYSICALLY DO EACH ONE OF THOSE TRANSFERS HERSELF.
13 THE MEMBER SERVICE REPRESENTATIVES WERE INVOLVED.

14 BUT YES, IT TOOK A CERTAIN AMOUNT OF TIME TO
15 ACCOMPLISH.

16 Q. OKAY. NOW, ANOTHER THING THAT THESE
17 DOCUMENTS DO IS THEY GIVE A RATING AS TO THE QUALITY OF THE
18 RESORT; IS THAT CORRECT?

19 A. YES.

20 MR. MOSHENKO: AND, YOUR HONOR, WE'VE PREVIOUSLY
21 PROVIDED COUNSEL WITH A SUMMARY OF THE MATERIAL IN THIS
22 EXHIBIT AND DISCUSSED IT IN CHAMBERS.

23 AND I WOULD LIKE TO SUGGEST, YOUR HONOR,
24 THAT THE SUMMARY BE DESIGNATED AS EXHIBIT 2172-A.

25 MR. SHERMAN: OBJECTION. THE SUMMARY IS
26 MISLEADING.

1 THE COURT: APPROACH THE BENCH, PLEASE, GENTLEMEN.

2 (DISCUSSION HELD OFF THE RECORD.)

3 MR. MOSHENKO: ALL RIGHT. SO -- YOUR HONOR, THIS
4 IS NOW DESIGNATED AS EXHIBIT 2172, AND I OFFER IT INTO
5 EVIDENCE.

6 THE COURT: IT WILL BE RECEIVED.

7 MR. MOSHENKO: AS 2172-A. I'M SORRY.

8 (WHEREUPON EXHIBIT NO. 2172-A WAS RECEIVED
9 IN EVIDENCE.)

10 BY MR. MOSHENKO: Q. ALL RIGHT. MR. RANDALL, DID
11 YOU IN DECEMBER OF 1999 IN RESPONSE TO A PLAINTIFFS'
12 REQUEST FOR PRODUCTION PRODUCE TO THE PLAINTIFFS A DISK
13 WHICH WAS TAKEN FROM THE DATABASE IN THE I.T. DEPARTMENT IN
14 DENVER, COLORADO, WHICH INCLUDED ALL OF THE NAMES OF ALL OF
15 THE PLAINTIFFS WHO WERE COAST TO COAST -- PLAINTIFFS'
16 MEMBERS WHO WERE COAST TO COAST MEMBERS WHO HAD BEEN
17 TRANSFERRED FROM ONE RESORT TO ANOTHER AS OF A RESULT OF
18 THE MASS TRANSFER?

19 A. YES.

20 MR. MOSHENKO: OKAY. AND MAY I ASK THE EXHIBIT
21 NUMBER?

22 ALL RIGHT. THANK YOU. EXHIBIT NUMBER OF
23 THE DISK? 1808. RIGHT?

24 ALL RIGHT. YOUR HONOR, 1808 IS A HARD DISK
25 DESIGNATED IN THE EXHIBIT LIST. AND WE HAVE PRODUCED A
26 PRINTOUT OF THE CONTENTS OF 1808 TAKEN FROM THE DISK. AND

1 I'VE PROVIDED COUNSEL WITH A COPY OF THE PRINTOUT OF THE
2 CONTENTS.

3 I'M NOW GOING TO OFFER IT INTO EVIDENCE
4 BASED ON MY REPRESENTATION THAT THIS IS A PRINTOUT WHICH
5 ACCURATELY DESCRIBES WHAT IS ON THE HARD DISK.

6 I WILL REPRESENT TO THE COURT THE ONLY
7 CHANGE THAT WAS MADE IS THE NUMBERS WERE PAGINATED. OTHER
8 THAN THE PAGINATED CHANGES, THE DOCUMENT EXACTLY DEPICTS
9 WHAT'S IN THE HARD DISK. AND PURSUANT TO EVIDENCE CODE
10 1553, THIS PRINTED REPRESENTATION OF THE IMAGES STORED ON
11 THE VIDEO OR DIGITAL MEDIUM ARE PRESUMED TO BE ACCURATE.

12 SO I OFFER THEM INTO EVIDENCE AT THIS TIME.

13 MR. SHERMAN: YOUR HONOR, GIVEN THE EVIDENCE CODE
14 1553 PROFFER, MY OBJECTION AT THIS POINT IS JUST LIMITED TO
15 CONFIRMING THE ACCURACY OF COUNSEL'S STATEMENT. I HAVE NO
16 REASON TO DOUBT THE ACCURACY, BUT I CERTAINLY WANT THE
17 OPPORTUNITY. WE'VE GOT HUNDREDS OF PAGES. AND SO I'D ASK
18 THE COURT TO --

19 THE COURT: IT'S UNDER SUBMISSION.

20 MR. SHERMAN: -- TO TAKE IT UNDER SUBMISSION.

21 MR. MOSHENKO: IT'S UNDER SUBMISSION. THANK YOU.

22 WOULD THE COURT'S PLEASURE BE THAT WE MARK
23 THIS AS 1808-A? AND, IN FACT, THE DISK INCLUDES TWO
24 DIFFERENT FILES WHICH ON THE DISK ARE CALLED FILE 1 AND
25 FILE 2. I'D LIKE TO ASK THAT THEY BE MARKED 1808 -- 1808-A
26 AND 1808-B, THE FILE 1 BEING A AND THE FILE 2 BEING B.

1 MR. SHERMAN: I'D LIKE TO KNOW WHICH ONES ARE A OR
2 B OR 1 AND 2. I'VE GOT HUNDREDS OF PAGES, AND THEY'RE BOTH
3 MARKED 1808. I CAN'T TELL THE DIFFERENCE BETWEEN THE TWO.

4 MR. MOSHENKO: THE ANSWER IS FILE 1 HAS IN THE
5 LOWER RIGHT-HAND CORNER NUMBER 1 OF 252. AND FILE 2 HAS
6 THE NUMBER 1 OF 198.

7 MR. SHERMAN: OKAY. SO FILE 1, YOUR HONOR, WOULD
8 BE 1808-A, AND FILE 2 WOULD BE 1808-B.

9 THE COURT: OKAY.

10 BY MR. MOSHENKO: Q. LET ME GIVE YOU A SET,
11 MR. RANDALL.

12 A. I HAVE A SET, MR. MOSHENKO.

13 Q. OH, YOU DO. THANK YOU.

14 A. I'M PRETTY SURE IT'S THE SAME THING.

15 Q. OKAY.

16 A. NO MORE PAPER.

17 Q. THAT'S IT. YOU'VE GOT IT.

18 A. OKAY. THANKS.

19 Q. WOULD YOU LOOK AT 1808-A WHICH HAS THE PAGE
20 NUMBER 1 OF 252 IN THE LOWER RIGHT-HAND CORNER?

21 A. I HAVE IT.

22 Q. WE'LL JUST DO KIND OF AN OVERVIEW OF WHAT
23 THIS DOCUMENT INCLUDES. WE'LL BE ABLE TO SHOW IT -- OR
24 PORTIONS OF IT LATER.

25 ALL RIGHT. WHAT IS INCLUDED IN THE DOCUMENT
26 THAT'S IDENTIFIED AS 1808-A, FILE 1?

1 A. MEMBER IDENTIFICATION INFORMATION, COAST TO
2 COAST DUES INFORMATION, THE CURRENT HOME RESORT AND THE
3 PRIOR HOME RESORT, WHICH INFORMATION I WAS ASKED TO PRODUCE
4 BY YOU IN THE DISCOVERY PROCESS.

5 Q. TAKE THE FIRST THING THAT YOU SAID FIRST,
6 MEMBER IDENTIFICATION INFORMATION.

7 COAST ASSIGNS A MEMBER ID TO EACH MEMBER; RIGHT?

8 A. A COAST TO COAST MEMBER IDENTIFICATION
9 NUMBER, YES.

10 Q. OKAY. AND THEN THAT -- AND THEN COAST
11 CARRIES ON -- IN THE DATABASE, BASED ON THAT I.D. NUMBER,
12 THE NAME AND ADDRESS OF THE MEMBER AND TELEPHONE NUMBER,
13 THINGS LIKE THAT?

14 A. YES. IT'S INFORMATION THAT'S PULLED FROM
15 THE COAST TO COAST MEMBERSHIP APPLICATION THAT WE
16 COMPILE -- EXCUSE ME -- OUR LIST FROM.

17 Q. NOW, THIS PARTICULAR DOCUMENT DOESN'T
18 INCLUDE A STREET ADDRESS OR PHONE NUMBER, BUT YOU HAVE IT
19 IN THE DATABASE; RIGHT?

20 A. CORRECT.

21 Q. IT WAS LEFT OFF FOR BREVITY, FOR SAKE OF
22 BREVITY, OF THIS EXHIBIT?

23 MR. SHERMAN: I'M GOING TO OBJECT TO THE QUESTION
24 AS VAGUE AND AMBIGUOUS SINCE COUNSEL'S ALREADY SAID THAT
25 COUNSEL PRINTED THIS OFF OF A DISK.

26 BY MR. MOSHENKO: Q. YOU LEFT OFF THE DISK -- WHY

1 DIDN'T THE DISK INCLUDE THE ADDRESS AND PHONE NUMBER?

2 A. IN THAT I'M -- I NEEDED TO ASK YOU THAT. I
3 THOUGHT THAT THAT WAS PROVIDED. IF IT WAS NOT PROVIDED,
4 THEN IT WAS ONLY BECAUSE I WAS TRYING TO BE EXACT AND
5 EXPLICIT WITH WHAT YOU HAD ASKED IN THE PRODUCTION,
6 DOCUMENT PRODUCTION.

7 Q. ALL RIGHT. NOW, THE NEXT SECTION YOU SAID
8 WAS DUES INFORMATION.

9 WHAT DUES INFORMATION IS INCLUDED ON THE
10 LIST THAT COAST PRODUCED?

11 A. THE FIRST COLUMN TITLED "CURRENT YEAR" SHOWS
12 THE CURRENT YEAR THROUGH WHICH THE COAST TO COAST
13 MEMBERSHIP DUES ARE PAID.

14 Q. NEXT COLUMN?

15 A. I'M SORRY. THAT IS A CALENDAR YEAR BASIS.
16 1, JANUARY, THROUGH 31, DECEMBER.

17 Q. YEAR THROUGH WHICH DUES ARE PAID; RIGHT?

18 A. CORRECT.

19 Q. THOSE ARE COAST TO COAST DUES; RIGHT?

20 A. COAST TO COAST DUES, CORRECT.

21 Q. THEN THE NEXT COLUMN?

22 A. THE NEXT COLUMN IS TITLED -- I'M SORRY -- IS
23 TITLED "CURRENT AMOUNT."

24 Q. WHAT'S SHOWN THERE?

25 A. THAT REFLECTS THE DOLLAR AMOUNT RELATIVE TO
26 THE CURRENT YEAR.

1 Q. DOLLAR AMOUNT PAID?

2 A. OR NOT PAID, YES. YEAH. DOLLAR AMOUNT PAID.

3 Q. SO IF THIS YEAR SAYS 1999, AND SOME DOLLAR
4 AMOUNT IS SHOWN ON -- JUST SAY \$69, 69.95. WHAT'S THE
5 RELATIONSHIP BETWEEN THE NUMBER -- DOLLAR AMOUNT AND THE
6 YEAR?

7 A. THAT WOULD REFLECT THAT THEY'RE -- THE
8 MEMBERS' DUES ARE PAID THROUGH 31, DECEMBER, 1999, AND THAT
9 THAT AMOUNT WAS \$69.95.

10 Q. THAT MEMBER BEFORE DECEMBER 31 OF '99 PAID
11 DUES FOR THE YEAR DECEMBER -- THAT ENDED DECEMBER 31, 1999?

12 A. YES.

13 Q. OKAY. CAN YOU TELL WHICH YEAR THAT MEMBER
14 PAID THE MONEY IN, ACTUALLY PAID?

15 A. NO.

16 Q. WOULDN'T -- DIDN'T YOU TELL US THAT COAST
17 DUES ARE CURRENTLY 69.95?

18 A. YES.

19 Q. OKAY. THIS AMOUNT HAVING BEEN PAID FOR A
20 CURRENT YEAR, 1999, DOESN'T THAT TELL YOU THAT MEMBER PAID
21 IT AS A PART OF THE 1998 RENEWAL PROGRAM?

22 A. IT WAS THE 1999 RENEWAL SERIES THAT BEGAN IN
23 CALENDAR YEAR 1998.

24 Q. OKAY. SO EITHER IN LATTER 1998 OR SOME TIME
25 IN 1999, THIS MEMBER RENEWED AND PAID 69.95 FOR 1999?

26 A. YES.

1 Q. WHAT IF THERE'S A BIGGER NUMBER LIKE
2 \$119.95?

3 A. THAT WOULD NORMALLY BE INDICATIVE OF MORE
4 THAN ONE YEAR'S MEMBERSHIP DUES BEING PAID.

5 Q. COAST GIVES DISCOUNTS IF YOU PAY MORE THAN
6 ONE YEAR; RIGHT?

7 A. THAT'S A GOOD WAY TO SAY IT, YES.

8 Q. SO ALTHOUGH I KNOW YOU MAY NOT KNOW EXACTLY,
9 BUT THIS MIGHT BE INDICATIVE THAT TWO YEARS' WORTH OF
10 PAYMENTS WERE MADE AT ONE TIME, TWICE THE ANNUAL DUES
11 DISCOUNTED?

12 A. YES.

13 Q. OKAY. AND SO, THEN, IF THIS NUMBER HERE
14 WERE 2,000, THAT WOULD INDICATE THAT IN THE '98 RENEWAL
15 PERIOD, THE MEMBER PAID \$119 AND PAID FOR '99 AND 2000?

16 A. RIGHT. WHICH PROCESS BEGAN IN CALENDAR YEAR
17 1997, TO RENEW IN '98 AND '99.

18 Q. THIS SAID '99 WITH 119. HE RENEWED -- THE
19 MEMBER RENEWED IN '97 AND PAID FOR '98 AND '99 \$119
20 DOLLARS.

21 A. OKAY.

22 Q. IF IT SAYS 2000, HE PAID IT IN '98 FOR
23 '99 -- THE YEARS '99 AND 2000.

24 A. CORRECT.

25 Q. AND THEN THERE'S TWO MORE COLUMNS; WHAT ARE
26 THEY? UNDER DUES.

1 A. THE PRIOR YEAR. AND THE NEXT COLUMN, PRIOR
2 AMOUNT?

3 Q. OKAY. WHAT DO THOSE ENTRIES INDICATE?

4 A. THE PRIOR YEAR WAS THE PREVIOUS YEAR THROUGH
5 WHICH THE MEMBER PAID A RENEWAL FEE OR DID NOT PAY A
6 RENEWAL FEE.

7 Q. DOES THAT MEAN THE LAST TIME HE PAID?

8 A. YES.

9 Q. OR DOES THAT MEAN THE YEAR FOR WHICH HE PAID
10 THE LAST TIME?

11 A. WE'VE BEEN THROUGH THIS DRILL BEFORE. SO --
12 SAY IT ONE MORE TIME, PLEASE.

13 Q. LET'S GO TO AN EXAMPLE. IF IT SAYS, "1999,"
14 AND IT SAYS "59.95," WHAT DOES THAT MEAN?

15 A. THAT IN THE -- THE PRIOR YEAR BEING 1999,
16 THAT PERSON HAD RENEWED FOR 1999. THAT'S WHAT THAT
17 INDICATES.

18 Q. OKAY. I'M TELLING YOU WHY I'M CONFUSED.
19 DOESN'T THIS MEAN HE PAID 59.95 FOR THE YEAR
20 1999?

21 A. CORRECT.

22 Q. AND HE LIKELY PAID IT IN THE 1998 RENEWAL
23 CYCLE?

24 A. NO. IT WAS THE '99 RENEWAL CYCLE BUT THE
25 '98 CALENDAR YEAR.

26 Q. EXACTLY.

1 OKAY. IT'S HARD.

2 OKAY. NOW, WHAT IF IT SAYS ZERO, 1999?

3 A. HE DIDN'T RENEW FOR 1999.

4 Q. DOES THAT MEAN HE RENEWED FOR 1998?

5 A. IT DOESN'T MEAN THAT HE DID OR DID NOT RENEW
6 FOR 1998. THAT INFORMATION IS JUST NOT AVAILABLE ON THIS
7 REPORT.

8 Q. WELL, THAT'S WHERE I SAY, DOESN'T "PRIOR
9 YEAR" MEAN THE LAST YEAR THAT THE PERSON PAID OR DIDN'T PAY
10 MONEY, AS FAR AS COAST RECORDS?

11 A. SOLICITED FOR RENEWAL.

12 Q. WAS SOLICITED FOR RENEWAL?

13 A. SO HE WAS SOLICITED IN 1998 FOR THE -- FOR
14 THE MEMBERSHIP YEAR 1999. DID NOT RENEW FOR CALENDAR YEAR
15 1999. AND IF THAT WAS ATTACHED TO THE 69.95 -- I'M
16 SORRY -- THE 119.95 -- NEVER MIND. I WON'T GO THERE.

17 Q. I'M GOING TO GIVE YOU ANOTHER EXAMPLE THAT'S
18 GOING TO RUN THEM BOTH TOGETHER.

19 IT SAYS, 2000, 69.95; 1999, 69.95, SAME
20 PERSON. WHAT DOES THAT MEAN?

21 A. HE RENEWED HIS COAST TO COAST MEMBERSHIP FOR
22 THE CALENDAR YEAR 1999 AND HAS RENEWED HIS COAST TO COAST
23 MEMBERSHIP FOR CALENDAR YEAR 2000.

24 Q. SO FROM THIS EXHIBIT WE CAN TELL WHO IS A
25 CURRENT DUES-PAYING COAST TO COAST MEMBER IN THE YEARS
26 WHERE IT'S INDICATED HE'S PAID MONEY FOR -- I'M GOING TO

1 START AGAIN.

2 IF I WANT TO KNOW A MEMBER IS A MEMBER, A
3 CURRENT DUES-PAYING MEMBER FOR THE YEAR 2000, IT WOULD HAVE
4 TO SHOW THAT HE PAID MONEY IN 2000; RIGHT? UNDER "CURRENT
5 YEAR PAYMENT"?

6 A. IT WOULD HAVE TO SHOW THAT HE PAID MONEY FOR
7 HIS MEMBERSHIP YEAR 2000, YES.

8 Q. OKAY. AND TO DETERMINE IF HE PAID MONEY IN
9 1999 -- I MEAN -- SORRY -- FOR THE YEAR 1999, WE WOULD LOOK
10 TO SEE IF THERE'S AN ENTRY THAT SAYS, "PRIOR YEAR, 1999,"
11 WITH SOME MONEY?

12 A. RIGHT.

13 Q. SAME THING FOR 1998, "PRIOR YEAR, 1998,"
14 WITH SOME MONEY?

15 A. RIGHT.

16 Q. OKAY. SO PEOPLE WHO WERE A PART OF
17 MR. NOVELLI'S RESORTS AT SOME TIME IN 1997 ARE ALL NAMED IN
18 THESE EXHIBITS; RIGHT? 1808-A AND B?

19 A. YES.

20 Q. OKAY. AND YOU CAN TELL -- BY LOOKING TO SEE
21 WHO PAID MONEY FOR A '98 OR '99 OR 2000 MEMBERSHIP, YOU CAN
22 TELL THAT THAT PERSON STAYED WITH COAST PAST 1997; RIGHT?

23 A. I CAN TELL THAT THEIR MEMBERSHIP DUES WERE
24 EITHER PAID OR NOT PAID FOR THE PARTICULAR CALENDAR YEAR,
25 YES.

26 Q. I'M ASKING SOMETHING DIFFERENT THAN THAT,

1 SIR.

2 A. OKAY.

3 Q. IF IT SHOWS MONEY WAS PAID FOR THE YEAR 2000
4 OR 1999 OR 1998, THAT TELLS YOU THAT PERSON WAS A MEMBER OF
5 COAST TO COAST FOR EACH OF THOSE THREE YEARS; CORRECT?

6 A. YES.

7 Q. OKAY. NOW, THIS RELATES BACK TO THE ISSUE
8 OF WHEN MR. NOVELLI DECIDED TO CHANGE RECIPROCAL, THE
9 COAST TO COAST MEMBERS WOULD HAVE LOST THEIR COAST TO COAST
10 MEMBERSHIPS UNLESS THEY GOT A NEW HOME RESORT THAT ALLOWED
11 THEM TO STAY IN COAST TO COAST; RIGHT?

12 THEY WOULD HAVE LOST IT AS OF DECEMBER 31
13 UNLESS THEY GOT A NEW RESORT?

14 A. THEY WOULD HAVE LOST THEIR PRIVILEGES
15 THROUGH COAST TO COAST, YES.

16 Q. OKAY. SO IF THEY WERE RENEWED FOR 1998 AND
17 1999 AND 2000, THAT MEANS COAST'S DOCUMENTS DOCUMENT THE
18 FACT THAT THOSE MEMBERS, ACCORDING TO COAST, AT LEAST, WERE
19 CONSIDERED TO HAVE BEEN TRANSFERRED TO A NEW HOME RESORT?

20 A. I'M MISSING THE CONNECTION.

21 Q. A MEMBER OF MR. NOVELLI'S RESORTS WHO
22 MR. NOVELLI INTENDED TO MOVE TO R.P.I. WOULD HAVE LOST HIS
23 MEMBERSHIP IN COAST TO COAST BECAUSE THE NOVELLI RESORTS
24 WERE NO LONGER AFFILIATED; RIGHT?

25 A. THAT RISK WAS THERE, YES.

26 Q. OKAY. THAT MEMBER CANNOT CONTINUE TO BE A

1 MEMBER OF COAST TO COAST WITH HIS HOME RESORT HAVING
2 DISAFFILIATED UNLESS THAT MEMBER GETS A NEW HOME RESORT;
3 RIGHT?

4 A. CORRECT.

5 Q. OKAY. IF THESE PEOPLE ON THIS LIST PAID
6 MONEY FOR 1998, 1999, AND 2000, AND COAST TOOK THEIR MONEY,
7 THAT MEANS COAST EITHER TOOK THEIR MONEY WITHOUT A NEW HOME
8 RESORT OR TOOK THEIR MONEY BECAUSE THEY HAVE A NEW HOME
9 RESORT?

10 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION AND
11 ASSUMES FACTS NOT IN EVIDENCE.

12 THE COURT: OBJECTION IS SUSTAINED.

13 BY MR. MOSHENKO: Q. IF A MEMBER PAID MONEY FOR
14 1999, DOESN'T THAT INDICATE THAT COAST CONSIDERED THAT
15 MEMBER TO HAVE AN AFFILIATED HOME RESORT IN COAST?

16 A. YES.

17 Q. OKAY. SO EVERY MEMBER THAT WAS A NOVELLI
18 MEMBER, ALL THESE PEOPLE WHO COAST TOOK MONEY FROM IN 1998,
19 COAST CONSIDERED THEM TO HAVE A NEW HOME RESORT; RIGHT?

20 MR. SHERMAN: OBJECTION. LACKS FOUNDATION.
21 ASSUMES FACTS NOT IN EVIDENCE.

22 MR. MOSHENKO: IT'S CROSS-EXAMINATION, YOUR HONOR.

23 THE COURT: OVERRULED.

24 THE WITNESS: EVERY COAST TO COAST MEMBER WHO HAD
25 PAID THEIR MEMBERSHIP DUES WOULD HAVE BEEN ASSUMED,
26 PRESUMED TO HAVE AN AFFILIATED COAST TO COAST HOME RESORT

1 EITHER AT -- WELL, AT THE TIME THE DUES WERE PAID, YES.

2 BY MR. MOSHENKO: Q. OKAY. IF COAST TO COAST TOOK
3 THEIR MONEY FOR THE YEAR 1999, COAST ASSUMED OR PRESUMED
4 THAT THEY HAD A COAST TO COAST HOME RESORT, AN AFFILIATED
5 RESORT WITH COAST TO COAST FOR THE YEAR 1999?

6 A. WE DON'T TAKE THEIR MONEY. THEY'RE PAYING
7 US FOR A SERVICE. I'VE GOT A PROBLEM WITH THAT. BUT IN
8 ESSENCE, YES.

9 Q. OKAY. THEN, SAME POINT FOR THE YEAR 2000.
10 YOU WOULDN'T HAVE KEPT THE MONEY. YOU WOULD HAVE SENT IT
11 BACK AND SAID, "YOU DON'T HAVE A HOME RESORT; DON'T SEND US
12 YOUR MONEY," WOULD YOU -- WOULDN'T YOU?

13 A. YES.

14 Q. SO THE FACT THAT YOU KEPT THE MONEY AND
15 DIDN'T SEND IT BACK INDICATES THAT YOU CONSIDERED THEM TO
16 HAVE AT SOME POINT PRIOR TO 2000 TRANSFERRED THEIR
17 MEMBERSHIP FROM SOMEBODY -- FROM A -- THE DISAFFILIATED
18 RESORT TO AN AFFILIATED RESORT; RIGHT?

19 A. YES.

20 Q. DID COAST KEEP ANY MONEY OF ANY MEMBERS WHO
21 DIDN'T NOTIFY COAST THAT THEY HAD A NEW HOME RESORT?

22 MR. SHERMAN: OBJECTION. THAT QUESTION LACKS
23 FOUNDATION. IS VAGUE AND AMBIGUOUS.

24 THE COURT: OVERRULED. I'LL ALLOW IT.

25 THE WITNESS: CAN YOU SAY IT ONE MORE TIME, PLEASE.

26 BY MR. MOSHENKO: Q. DID COAST KEEP THE MONEY FROM

1 ANY MEMBERS WITHOUT FINDING OUT IF THEY HAD A NEW HOME
2 RESORT?

3 A. WITHOUT HAVING IT ABSOLUTELY VERIFIED THAT
4 THEY WERE IN GOOD STANDING WITH THE HOME RESORT? I MEAN,
5 THEY -- AS WE JUST STATED, WE ALREADY PRESUMED THAT THEY
6 HAVE A HOME RESORT. SO WE NEED TO BE TOLD THAT THEY DON'T
7 HAVE A HOME RESORT IN ORDER FOR US TO CANCEL THEIR COAST TO
8 COAST MEMBERSHIP.

9 SO I'M NOT -- I'M NOT FOLLOWING CLEARLY WITH
10 YOU.

11 Q. IS THAT HOW -- IS THAT HOW THE "YOU MUST
12 HAVE A HOME RESORT" RULE WORKS? COAST PRESUMES IT UNTIL
13 THE MEMBER SAYS, "I DON'T HAVE ONE"?

14 A. UNTIL THE DEVELOPER TELLS US THEY DON'T HAVE
15 ONE. AND IN SOME CASES, YES, IF THE MEMBER TELLS US THEY
16 DON'T HAVE ONE. BUT ALL WE'RE CANCELING IS THEIR COAST TO
17 COAST MEMBERSHIP. AND, YES, WE DO TAKE THE WORD OF OUR
18 MEMBERS, AND WE DO TAKE THE WORD OF OUR DEVELOPERS WHEN
19 THEY TELL US THAT.

20 Q. WHEN YOU TOOK -- YOU GOT THE WORD FROM
21 MR. NOVELLI THAT THESE MEMBERS DON'T HAVE A HOME RESORT
22 ANYMORE. SO WHAT INFORMATION DID YOU HAVE TO CHANGE THAT?

23 MR. SHERMAN: OBJECTION. THAT CALLS FOR A LEGAL
24 CONCLUSION.

25 THE COURT: OVERRULED.

26 THE WITNESS: THEIR HOME RESORT IS SEPARATE FROM

1 THEIR COAST TO COAST HOME RESORT MEMBERSHIP STATUS OR
2 ASSIGNMENT, IF YOU WILL.

3 WHEN WE MADE THE TRANSFER OF THE COAST TO
4 COAST HOME RESORT MEMBERSHIP, THE LETTERS THAT WE SENT OUT,
5 THE OPTIONS THAT WE AFFORDED THE MEMBERS, THEY HAD A HOME
6 RESORT IN THE COAST TO COAST SYSTEM AT THAT TIME, UNLESS WE
7 WERE NOTIFIED THAT IT WAS A DIFFERENT HOME RESORT OR THAT
8 THEY DIDN'T WANT TO BE THERE AT ALL; OR THE DEVELOPER CAME
9 IN AND SAID AT SOME POINT IN TIME, "THESE PEOPLE ARE NOT
10 MEMBERS AT MY RESORT. THEREFORE, PLEASE CANCEL THEIR COAST
11 TO COAST MEMBERSHIP."

12 BY MR. MOSHENKO: Q. YOU -- COAST DECIDED THAT ALL
13 IT NEEDED AS FAR AS THE HOME RESORT -- "MUST HAVE A HOME
14 RESORT" RULE TO BE COMPLIED WITH WAS COAST WOULD SEND A
15 LETTER SAYING "WE HAVE MADE ARRANGEMENTS TO TRANSFER YOU,"
16 AND THAT WOULD SATISFY THE RULE?

17 A. WHICH RULE?

18 Q. THE RULE YOU CAN'T BE A COAST MEMBER WITHOUT
19 A HOME RESORT.

20 A. GOING BACK TO THE LETTERS THAT WERE SENT OUT
21 AND THE INFORMATION THAT WAS PROVIDED TO THE MEMBERS FOR
22 THE SAKE OF ANSWERING YOUR QUESTION, YES.

23 Q. COAST REALLY DIDN'T CARE IF THE MEMBERS HAD
24 A HOME RESORT OR NOT, SO LONG AS COAST COULD COLLECT THE
25 DUES, DID IT?

26 A. NO. THAT'S NOT TRUE.

1 Q. SO WHAT DID YOU DO TO PROVE THAT YOU CARED
2 THAT THEY DID HAVE A HOME RESORT?

3 A. WE PROVIDED THEM THE OPTIONS TO STAY WITH
4 COAST TO COAST BY AFFILIATING WITH ANOTHER HOME RESORT,
5 GIVING THEM THE EXTENDED PERIOD OF TIME TO ALLOW THEM TO
6 MAKE UP THEIR MIND, OR TO JUST SAY, "NO, I DON'T WANT TO
7 PLAY ANYMORE. CANCEL MY MEMBERSHIP."

8 Q. HOW DID PROVIDING THEM THE OPTIONS CONFIRM
9 TO YOU THEY HAD A NEW HOME RESORT?

10 A. ACTUALLY PROVIDING THEM THE OPTION DID NOT
11 CONFIRM THAT THEY DID OR DID NOT HAVE A PHYSICALLY -- A
12 PHYSICAL NEW HOME RESORT FOR COAST TO COAST PURPOSES. IT
13 DID NOT DO THAT.

14 Q. SO WHAT DID COAST DO TO CONFIRM THAT THE
15 "YOU MUST HAVE A HOME RESORT" RULE WAS COMPLIED WITH?

16 A. THE SAME THING THAT WE WOULD ALWAYS DO,
17 WHICH IS TO PRESUME THAT UNLESS WE ARE TOLD OTHERWISE, THE
18 MEMBER DOES IN FACT HAVE A HOME RESORT.

19 Q. OKAY. I'M -- MAY BE GOING IN A CIRCLE. BUT
20 YOU WERE TOLD OTHERWISE. YOU WERE TOLD BY MR. NOVELLI THAT
21 HIS RESORTS WERE DISAFFILIATING, DIDN'T YOU?

22 MR. SHERMAN: OBJECTION.

23 THE WITNESS: BUT HE DID NOT --

24 MR. SHERMAN: OBJECTION. CALLS FOR A LEGAL
25 CONCLUSION. ASSUMES FACTS NOT IN EVIDENCE. AND LACKS
26 FOUNDATION.

1 THE COURT: SUSTAINED.

2 MR. MOSHENKO: YOUR HONOR, IF IT PLEASES THE COURT,
3 THIS WOULD BE A NICE TIME TO BREAK FOR LUNCH.

4 THE COURT: ALL RIGHT. SEE YOU ALL AT 1:30.

5 (WHEREUPON THE COURT WAS IN RECESS UNTIL
6 1:30 P.M. OF THE SAME DAY.)

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1 WESTMINSTER, CALIFORNIA - TUESDAY, JUNE 6, 2000

2 AFTERNOON SESSION

3 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN
4 COURT IN THE PRESENCE OF THE JURY:)

5 THE COURT: GOOD AFTERNOON, LADIES AND GENTLEMEN.

6 THE JURY: GOOD AFTERNOON, YOUR HONOR.

7 JUROR NO. 18: YES.

8 THE COURT: YOUR FEET DON'T TOUCH THE GROUND.

9 JUROR NO. 18: WE SWITCHED CHAIRS. AND THAT WAS SO
10 NICE. THANK YOU. I APPRECIATE IT.

11 THE COURT: 2:15 IS THE CUTOFF DATE FOR THE PRESENT
12 EXAMINATION.

13 MR. MOSHENKO: VERY WELL. THANK YOU.

14 CROSS-EXAMINATION (CONTINUED)

15 BY MR. MOSHENKO: Q. ALL RIGHT. MR. RANDALL, WHEN
16 WE STOPPED WE HAD BEEN TALKING ABOUT THE INFORMATION -- OH,
17 I GUESS YOUR EXHIBIT IS -- ON EXHIBIT 1808-A. AND WE
18 TALKED ABOUT THE SECTION THAT SAYS, "DUES INFORMATION."
19 OKAY?

20 I'M GOING TO ERASE THERE, AND I WANT TO GO
21 ONTO THE THIRD SECTION THAT YOU SAID WAS TRANSFER
22 INFORMATION.

23 IS THAT CORRECT?

24 A. IT HAS THE CURRENT PARK INFORMATION.

25 Q. CURRENT PARK AND WHAT ELSE?

26 A. IT'S THE CURRENT PARK NUMBER AND THEN THE

1 CURRENT PARK NAME, THE CURRENT PARK NUMBER BEING A
2 REFERENCE TO THE NUMBER COAST TO COAST ASSIGNS TO A RESORT
3 WHEN IT AFFILIATES.

4 Q. ACTUALLY THE NUMBER'S HERE, AND THEN THE
5 NAME OF THE CURRENT PARK.

6 WHAT'S THE CURRENT PARK?

7 A. THAT IS THE RESORT -- HOME RESORT ASSIGNMENT
8 FOR COAST TO COAST PURPOSES THAT OUR RECORDS SHOW THAT
9 MEMBER AS BEING AT.

10 Q. OKAY. BEFORE THE BREAK WE TALKED ABOUT HOW
11 DID COAST CONFIRM THAT THE PERSON HAD THAT HOME RESORT --
12 MEMBERSHIP IN THAT HOME RESORT.

13 YOU'RE TALKING ABOUT THAT'S THE PARK THAT
14 COAST DECIDED THEY WERE USING AS THEIR HOME RESORT WITHOUT
15 CONFIRMING IT?

16 A. FOR THE -- FOR THE PURPOSES OF THIS
17 DOCUMENT, IT IS THE RESORT TO WHICH COAST TO COAST
18 TRANSFERRED THE MEMBER'S HOME RESORT, COAST TO COAST HOME
19 RESORT MEMBERSHIP TO.

20 Q. AND IT'S THE RESORT THAT COAST CONSIDERED
21 THAT MEMBER'S HOME RESORT AS OF THE TIME THE LIST WAS
22 PRINTED; RIGHT?

23 A. YES, SIR.

24 Q. OKAY. AND THE NEXT IS PRIOR PARK; RIGHT?

25 A. YES. AND IN THE SAME ORDER, THE PARK NUMBER
26 AND THEN THE PARK NAME.

1 Q. ALL RIGHT. AND THAT'S THE TRANSFERRED-FROM
2 PARK; AND THIS IS THE TRANSFERRED-TO PARK?

3 A. YES.

4 Q. OKAY. AND SO TO USE A HYPOTHETICAL, WHICH
5 IS -- I'M SURE WE CAN FIND IN HERE SOMEWHERE, IF WE HAD
6 DELTA ISLE, IT WOULD HAVE A NUMBER WHICH IS THE NUMBER OF
7 THE DELTA ISLE RESORT, COAST NUMBER; RIGHT?

8 A. YES.

9 Q. AND IF THAT MEMBER WAS TRANSFERRED IN
10 OCTOBER OF '97 TO RANCHO EL DORADO IN MEXICO, THAT WOULD
11 SHOW THERE?

12 A. AS THE CURRENT PARK, CORRECT.

13 Q. AND THAT RESORT NUMBER THAT COAST ASSIGNED
14 TO IT WOULD BE THERE?

15 A. YES.

16 Q. OKAY. AND SO NOW BY ADDING UP ALL OF THE
17 TRANSFERS THAT SHOW FROM DELTA TO RANCHO, WE COULD
18 DETERMINE HOW MANY MEMBERS GOT MOVED FROM DELTA TO RANCHO;
19 RIGHT?

20 A. YES.

21 Q. OKAY. AND WE COULD ALSO DETERMINE HOW MANY
22 MEMBERS ON THE LIST COAST WAS SHOWING AS HAVING RANCHO EL
23 DORADO AS THEIR HOME RESORT AS OF DECEMBER, 1999?

24 A. YES.

25 Q. ONE LAST QUESTION ABOUT THIS.

26 DO YOU KNOW WHY THERE WERE TWO FILES, TWO

1 GROUPS IN THE DISK?

2 A. YES, I DO.

3 Q. WHY?

4 A. ONE FILE WAS -- EXCUSE ME -- WHAT WE
5 REFERRED TO AS OUR CURRENT MEMBER FILE. THE OTHER FILE IS
6 WHAT WE REFER TO AS THE CANCELED MEMBER FILE.

7 Q. ALL RIGHT. AND WHICH ONE WAS WHICH; WHICH
8 OF THE TWO WAS WHICH?

9 A. I'M -- I'M GOING TO HAVE TO GUESS. BUT I
10 BELIEVE THAT IT WOULD HAVE BEEN -- IT'S THE ONE THAT HAS 1
11 OF 198 PAGES.

12 Q. IS WHICH?

13 A. THE CANCELED FILE. THE ONE THAT YOU AND I
14 HAVE BEEN WORKING WITH WAS THE CURRENT MEMBER FILE WHICH IS
15 1 OF 252 PAGES.

16 Q. DO YOU HAVE A PEN?

17 COULD I ASK YOUR HONOR THAT HE WRITE
18 "CANCELED" AND "CURRENT" ON THE TOP OF EACH OF THESE
19 EXHIBITS SO WE CAN KEEP THEM STRAIGHT?

20 HERE. YOU CAN USE MY PEN.

21 A. THANK YOU. (INDICATING).

22 Q. THANK YOU.

23 MR. SHERMAN: YOUR HONOR, COULD WE JUST GET
24 CLARIFICATION WHICH ONE --

25 MR. MOSHENKO: CORRECT.

26 THE ONE THAT WAS MARKED -- THAT HAD THE

1 PAGE -- PAGE NUMBER 1 OF 252 IN THE LOWER RIGHT-HAND CORNER
2 WHICH IS A, I BELIEVE, WAS MARKED "CURRENT."

3 THE ONE THAT HAD THE PAGINATION 1 OF 198 IN
4 THE LOWER RIGHT-HAND CORNER OF THE FIRST PAGE WAS MARKED
5 "CANCELED."

6 Q. OKAY. WHAT DOES "CURRENT" AND "CANCELED"
7 MEAN?

8 A. AT THE TIME OF THE LIST BEING RUN, THE
9 MEMBERS SHOWING ON THE CURRENT FILE --

10 Q. GO AHEAD. I'M SORRY.

11 A. THE MEMBERS THAT WERE -- THE MEMBERS THAT
12 WERE SHOWING ON THE LIST MARKED "CURRENT FILE" WERE
13 CONSIDERED TO BE EITHER HAVING THEIR DUES PAID THROUGH THE
14 CURRENT YEAR OR BEYOND, OR WERE STILL IN THE RENEWAL CYCLE
15 AND HAD NOT YET COME TO THE END OF THE CALENDAR YEAR.

16 Q. AND THE "CANCELED"? WHAT DOES THAT MEAN?

17 A. THE CANCELED LIST IS MADE UP OF ALL OF THOSE
18 COAST TO COAST MEMBERS WHO HAVE EITHER GONE PAST THE TWO
19 RENEWAL YEAR CYCLES WITHOUT RENEWING OR HAVE IN SOME OTHER
20 FASHION NOTIFIED US THAT THEY NO LONGER WANT TO HAVE THEIR
21 COAST TO COAST MEMBERSHIP IN EFFECT; OR WE HAVE BEEN
22 NOTIFIED BY A RESORT THAT THOSE MEMBERS' COAST TO COAST
23 MEMBERSHIPS NEED TO BE CANCELED.

24 Q. DID CANCELED MEMBERS WHO WERE SHOWN ON THIS
25 RUN THAT WAS DONE IN DECEMBER OF 1999 HAVE PRIVILEGES,
26 COAST TO COAST PRIVILEGES, AS OF DECEMBER OF 1999?

1 A. ON THE CANCELED LIST?

2 Q. YES.

3 A. NO. THEY DID NOT.

4 Q. CAN YOU TELL WHEN THEY STOPPED HAVING THEIR
5 PRIVILEGES?

6 A. NOT FROM WHAT YOU HAVE HERE ON THE LIST THAT
7 I DID PROVIDE YOU. I BELIEVE THAT THERE WERE REASONS
8 ASSOCIATED WITH THEM AS WELL, BUT THEY'RE NOT ON HERE.
9 THERE IS A REASON CODE FOR THE MEMBERS, AND I BELIEVE
10 THERE'S A DATE ASSOCIATED WITH THAT REASON AS WELL.

11 Q. OKAY. WELL, MR. RANDALL, I'M INFORMED THAT
12 THIS IS AN EXACT PRINTOUT OF EXACTLY WHAT WAS ON THE DISK.

13 ARE YOU REFERRING TO SOME OTHER DOCUMENT
14 WHEN YOU SAY YOU GAVE US INFORMATION THAT SHOWED REASONS?

15 A. I DON'T KNOW THAT IT'S ANOTHER DOCUMENT, BUT
16 IN THE PRODUCTION YOU HAD ASKED ME TO PRODUCE A LIST THAT
17 INCLUDED TELEPHONE NUMBERS. SO I WENT BACK TO THE I.T.
18 DEPARTMENT, PRODUCED THIS SAME LIST ALL OVER AGAIN, AND
19 ALSO WENT AHEAD AND INCLUDED THE CANCELED MEMBERS LIST AS
20 WELL.

21 Q. ALL RIGHT. DO YOU RECALL THAT IN YOUR
22 DEPOSITION IN MARCH OF 19 -- NO -- 2000, THAT YOU BROUGHT A
23 NEW LIST WITH YOU?

24 A. I THINK IT WAS IN FEBRUARY?

25 Q. YOU BROUGHT -- IN THE YEAR 2000 YOU WERE
26 DEPOSED AGAIN, VOLUME III?

1 A. RIGHT. AND, YES, I DID BRING THE -- THE
2 LIST THAT I WAS JUST TALKING ABOUT. I BROUGHT IT -- IT WAS
3 PRODUCED PRIOR TO THAT DEPOSITION.

4 Q. VOLUME III WAS TAKEN ON APRIL 20 OF 2000. I
5 GUESS WE'RE BOTH WRONG.

6 ARE YOU TALKING ABOUT --

7 A. I'M SORRY. I THOUGHT YOU MEANT THE VOLUME
8 II DEPOSITION WHICH I THINK IS WHEN I PRODUCED -- NO. I'M
9 SURE IT'S WHEN I PRODUCED THE SECOND LISTING.

10 Q. REGARDLESS, IN THE YEAR 2000 YOU PRODUCED A
11 SECOND VERSION OF 1808 WITH SOME CHANGES MADE; RIGHT?

12 A. YES.

13 Q. OKAY. WHAT WERE THE CHANGES?

14 A. THE CANCELED LIST, PRIMARILY --
15 NOTWITHSTANDING THE CHANGES THAT I ALREADY DISCUSSED. THE
16 PRIMARY CHANGES WERE THAT ON 1 JANUARY, 2000, THAT SECOND
17 RENEWAL CYCLE FOR 1998 EXPIRED MEMBERSHIPS, THOSE MEMBERS
18 WHO HAD NOT RENEWED ON THAT SECOND CONSECUTIVE RENEWAL
19 CYCLE WERE -- TO USE OUR INTERNAL TERM -- WERE ROLLED OVER
20 TO THE CANCELED FILE.

21 MR. MOSHENKO: YOUR HONOR, EXHIBIT 2171 IS THE ZIP
22 DRIVE THAT INCLUDES THE SECOND LIST. AND WHAT I'M GOING TO
23 DO IS OFFER IT INTO EVIDENCE BUT ASK THE COURT TO TAKE IT
24 UNDER SUBMISSION SO THAT COUNSEL AND I CAN DETERMINE
25 WHETHER WE HAVE A DISAGREEMENT WHETHER THE ZIP IS THE
26 ACTUAL ZIP THAT MR. --

1 MR. SHERMAN: YOUR HONOR, CAN I INQUIRE?

2 IS COUNSEL PLANNING ON DOING SOMETHING WITH
3 THIS ZIP DRIVE NOW AS FAR AS THE JURY IS CONCERNED?

4 MR. MOSHENKO: JUST ASK SOME QUESTIONS ABOUT IT.
5 THAT'S ALL.

6 MR. SHERMAN: OKAY. WE AGREE THAT IT MAY BE TAKEN
7 UNDER SUBMISSION.

8 THE COURT: ALL RIGHT.

9 MR. SHERMAN: SUBJECT TO OUR OBJECTIONS.

10 BY MR. MOSHENKO: Q. SO NOW YOU INDICATED THE
11 DIFFERENCE BETWEEN THE LIST OF MEMBERS TRANSFERRED THAT YOU
12 GAVE ME IN 1999 AND THE ONE THAT YOU GAVE ME IN 2000 WAS
13 THAT SOME OF THE MEMBERS THAT WERE SHOWN AS CURRENT IN 1999
14 WERE ROLLED OVER AND FLIPPED OVER TO THE CANCELED SIDE;
15 RIGHT?

16 A. YES.

17 Q. AND THOSE MEMBERS THAT THAT APPLIED TO WERE
18 MEMBERS THAT HAD NOT RENEWED THEIR MEMBERSHIP WITH COAST TO
19 COAST THROUGH TWO REAL CYCLES; RIGHT?

20 A. YES.

21 Q. WHICH TWO RENEWAL CYCLES WERE YOU REFERRING
22 TO?

23 A. I'M PRETTY SURE IT WOULD HAVE BEEN 1998:
24 THEY HAD NOT RENEWED IN 1998, AND THEY HAD NOT RENEWED FOR
25 1999. THEN ON 1 JANUARY, 2000, THEY WERE ROLLED OVER TO
26 THE CANCELED FILE.

1 Q. NOW, TO THE EXTENT THAT THOSE MEMBERS --
2 ACTUALLY, ALL THESE PEOPLE WERE FORMER -- WERE MEMBERS OF
3 THE PLAINTIFFS' RESORTS IN 1997; RIGHT?

4 A. I BELIEVE SO, YES.

5 Q. OKAY. SO THESE ROLLED-OVERS THAT YOU'VE
6 JUST IDENTIFIED THAT WERE CANCELED IN 2000 HAD BEEN GIVEN
7 THE 199 -- LET'S SEE, THE -- MR. NOVELLI'S DECISION TO
8 CHANGE RECIPROCAL CAME IN THE FALL OF '97.

9 YOU WERE IN THE '98 RENEWAL CYCLE IN THE
10 FALL OF '97?

11 A. CORRECT.

12 Q. OKAY. SO THOSE PERSONS WHO WERE BEING ASKED
13 OR ALLOWED TO RENEW FOR '98 REMAINED ON THE CURRENT LIST
14 IN -- THROUGHOUT ALL OF '98 WHETHER THEY RENEWED OR NOT?

15 A. CORRECT.

16 Q. AND THEN THOSE SAME PERSONS WERE SENT A
17 RENEWAL PACKAGE TO RENEW AGAIN FOR 1999 IN THE FALL OF 1998?

18 A. RIGHT. WE GIVE THEM TWO SOLICITATIONS, AND
19 THEN THEY'RE PRETTY MUCH LEFT ALONE.

20 Q. AND, HYPOTHETICALLY, MEMBER JOHN SMITH
21 DIDN'T RENEW IN THE FALL OF 1998 FOR 1999, HE CONTINUED TO
22 BE A CURRENT COAST TO COAST MEMBER THROUGHOUT THE ENTIRE
23 CALENDAR YEAR OF 1999?

24 A. HE WAS CARRIED ON OUR CURRENT ROLLS, YES.

25 Q. AND IT WASN'T UNTIL THE YEAR 2000 THAT THAT
26 MEMBER'S CURRENT STATUS WAS CHANGED TO CANCELED?

1 A. YES.

2 Q. OKAY. NOW, GOING BACK TO 1808-A WHICH IS
3 THE CURRENT LIST, EACH OF THOSE MEMBERS THAT ARE SHOWN ON
4 THAT LIST I GUESS WE'VE SAID WERE CURRENT AS OF 1999 WHEN
5 YOU PRINTED THE LIST?

6 A. WE'RE TALKING ABOUT THE ONE I HAVE IN FRONT
7 OF ME NOW.

8 Q. YES.

9 A. YES.

10 Q. THE CURRENT LIST WAS CURRENT AS OF DECEMBER
11 OF 1999?

12 A. YES.

13 Q. AND EACH OF THOSE MEMBERS WERE, AS FAR AS
14 COAST WAS CONCERNED, STILL MEMBERS WHO HAD A HOME RESORT,
15 AND THE NAME OF THE HOME RESORT WAS IDENTIFIED AS THE
16 CURRENT PARK; RIGHT?

17 A. YES.

18 Q. SO IN MY EXAMPLE OF RANCHO EL DORADO, WHEN
19 WE FOUND A NAME OF A MEMBER WITH A CURRENT PARK, RANCHO EL
20 DORADO ON THE 1999 LIST, AS FAR AS COAST WAS CONCERNED,
21 THAT PERSON HAD A MEMBERSHIP WITH PATRICK BUTLER'S RANCHO
22 EL DORADO RESORT?

23 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION AND
24 ASSUMES FACTS NOT IN EVIDENCE.

25 THE COURT: OVERRULED.

26 THE WITNESS: IT FITS -- YES.

1 BY MR. MOSHENKO: Q. DO YOU HAVE ANY IDEA HOW MANY
2 PEOPLE THERE WERE ON YOUR CURRENT LIST THAT WERE SHOWN AS
3 HAVING A MEMBERSHIP WITH RANCHO EL DORADO RESORT AS OF
4 DECEMBER OF 1999?

5 A. NO, I DON'T.

6 Q. DO YOU KNOW HOW MANY PEOPLE EVER -- DO YOU
7 HAVE ANY IDEA OF HOW MANY OF THESE PEOPLE EVER HAD A
8 MEMBERSHIP WITH RANCHO EL DORADO REGARDLESS OF THE YEAR?

9 A. NO, I DO NOT.

10 Q. IF I'M A CURRENT COAST TO COAST MEMBER, WHAT
11 DOES THAT GET ME; WHAT BENEFITS DOES THAT GET ME?

12 A. USE TO THE -- USE OF THE COAST TO COAST
13 RECIPROCAL SYSTEM, MAGAZINE, OFFERINGS FOR DISCOUNTED TYPES
14 OF ANCILLARY PRODUCTS, PRESTIGE.

15 Q. OKAY. SO LET'S TAKE A PERSON WHO WAS
16 AMONGST THE PLAINTIFFS' MEMBERSHIP IN 1997, AND COAST SENT
17 THEM A RENEWAL PACKAGE IN THE FALL OF 1997. AND THAT
18 PERSON MAY OR MAY NOT HAVE SENT BACK THE PACKAGE.
19 REGARDLESS, HE WAS CONSIDERED CURRENT IN 1998?

20 A. IF THE PACKAGE -- IF THE RENEWAL
21 SOLICITATION WAS RETURNED AND IT WAS ACCOMPANIED WITH
22 RENEWAL FUNDS, THEY WOULD BE RENEWED. IF IT WAS RETURNED
23 AND A MEMBER HAD ANNOTATED THEY WANTED TO BE CANCELED, THEN
24 THEY WOULD BE CANCELED. IF THEY DIDN'T SEND IT BACK AT
25 ALL, THEN WHAT YOU JUST STATED WOULD BE APPLIED, YES.

26 Q. THROUGH THE YEAR 1998, THE MEMBER HAS

1 BENEFITS?

2 A. THE MEMBER WOULD HAVE THE OPPORTUNITY TO USE
3 THOSE BENEFITS PROVIDED THAT THEY HAVE A HOME PARK CARD TO
4 GAIN ACCESS TO THE RECIPROCAL USE SYSTEM.

5 Q. WHAT IS IT THEY GET FROM COAST TO COAST THAT
6 SHOWS THE WORLD THAT THEY'RE A COAST TO COAST MEMBER?

7 A. WELL, A RENEWED MEMBER GETS A COAST TO COAST
8 MEMBERSHIP ID CARD.

9 Q. DOES THAT CARD CANCEL AUTOMATICALLY UNLESS
10 HE RENEWS AGAIN?

11 A. NO. THE CARDS ARE -- WELL, THE CARDS ARE
12 FOR A PARTICULAR CALENDAR YEAR. SO THERE'S NOT -- THEY
13 EXPIRE AT THE END OF THE CALENDAR YEAR. SO, I GUESS, YES,
14 THEY HAVE A SELF-CANCELLATION ON THEM.

15 Q. SO TAKE OUR HYPOTHETICAL MEMBER WHO DIDN'T
16 SEND BACK THE RENEWAL IN 1997 BUT COAST CONTINUED TO GIVE
17 THAT MEMBER THE OPPORTUNITY TO HAVE BENEFITS IN 1998, ARE
18 YOU SAYING THAT THAT MEMBER COULDN'T EXERCISE THE
19 OPPORTUNITY UNLESS IT PAID THAT -- THAT MEMBER PAID COAST
20 MONEY AND GOT A NEW CARD?

21 A. I'M NOT -- I'M NOT SURE I FOLLOW THE
22 QUESTION.

23 SOME OF THE BENEFITS ARE -- ARE SPLIT UP.
24 WE WOULD CONTINUE TO PROVIDE THE COAST TO COAST MAGAZINE,
25 BUT THE MEMBERS WOULD NOT RECEIVE THEIR DIRECTORIES UNTIL
26 THEY HAD ACTUALLY PAID THEIR RENEWAL FEES FOR THAT YEAR.

1 Q. YOU KNOW AS A MATTER OF PRACTICE OUT THERE
2 IN THE RESORT WORLD, WHEN THE PEOPLE GO OUT AND COME INTO A
3 RESORT AND SAY, "I WANT TO STAY AT DISCOUNTED RATES BECAUSE
4 I'M A COAST TO COAST MEMBER," THAT THEY ARE NOT ALWAYS
5 REQUIRED TO PRESENT THEIR CARD?

6 MR. SHERMAN: OBJECTION. LACKS FOUNDATION.

7 THE COURT: OVERRULED.

8 THE WITNESS: I -- I -- I KNOW THAT THAT HAPPENS,
9 YES, SIR.

10 BY MR. MOSHENKO: Q. AND ALSO YOU KNOW THAT CARDS
11 CAN BE PRESENTED AND RESORT OWNERS DON'T ALWAYS CHECK THE
12 YEAR; THAT HAPPENS, DOESN'T IT?

13 A. IT'S PRETTY HARD TO OVERLOOK. BUT, YES.

14 Q. WHY DIDN'T COAST WRITE LETTERS TO THE
15 RESORTS THAT HAD TRANSFERRED MEMBERS TO SAY, "HERE'S A LIST
16 OF" -- REMEMBER HOW COAST USED TO SEND LISTS TO RESORT
17 OWNERS AND SAY, "TELL US IF THESE PEOPLE ARE CURRENT RESORT
18 OWNERS" -- OR "CURRENT RESORT MEMBERS"?

19 A. YES.

20 Q. WHY DIDN'T COAST DO THAT IN 1999 AND 1998;
21 "HERE'S A LIST OF PEOPLE WE TRANSFERRED TO YOU. TELL US IF
22 THEY'RE CURRENT RESORT MEMBERS"?

23 A. IF I WERE TO TAKE A STAB AT IT, IT'S
24 PRIMARILY WE NEED THE COOPERATION OF THE RESORT TO TELL US
25 THOSE THINGS. THE STAFFING THAT -- THAT I HAVE TO DO THAT
26 AND THE EXPENSE FOR DOING THAT CAN BE PROHIBITIVE.

1 Q. IT WOULDN'T BE BECAUSE COAST DIDN'T WANT TO
2 LEARN THAT THESE PEOPLE NEVER SIGNED UP?

3 A. NO. I DON'T THINK THAT WOULD BE A REASON.

4 MR. MOSHENKO: ALL RIGHT, YOUR HONOR. I DON'T
5 HAVE ANY FURTHER QUESTIONS.

6 THE COURT: THANK YOU.

7 THE WITNESS: MR. MOSHENKO, I'M SORRY. THE RUBBER
8 BAND FOR THIS THING WAS -- I'D HATE FOR --

9 MR. MOSHENKO: YOU DESTROYED MY RUBBER BAND?

10 THE WITNESS: WELL, IT FELL OFF ON THE STUFF YOU
11 TOOK.

12 MR. MOSHENKO: I'LL GET ONE RIGHT HERE.

13 MAY I?

14 THE REPORTER: SURE.

15 THE COURT: PROCEED, COUNSEL.

16 MR. SHERMAN: THANK YOU, YOUR HONOR.

17 REDIRECT EXAMINATION

18 BY MR. SHERMAN: Q. GOOD AFTERNOON, MR. RANDALL.

19 A. GOOD AFTERNOON.

20 Q. MR. RANDALL, LET ME START BY HAVING PUT UP
21 ON THE BOARD EXHIBIT 39, THE PULL-OUT LETTER THAT
22 MR. NOVELLI SENT.

23 DO YOU HAVE THAT IN FRONT OF YOU? DO YOU
24 SEE THAT?

25 A. I CAN SEE IT, YES.

26 Q. OKAY. AND LET'S, IF WE COULD, EXPAND THE

1 LAST SENTENCE OF THE FIRST PARAGRAPH.

2 IN ORDER TO AVOID ANY CONFUSION CONCERNING
3 THE RESORTS INVOLVED IN THIS NOTIFICATION, THE FOLLOWING IS
4 A LIST OF THE RESORTS THAT ARE TO BE REMOVED FROM COAST TO
5 COAST AFFILIATION ROLLS.

6 DO YOU SEE THAT?

7 A. YES. I DO.

8 Q. AND DO YOU RECALL PLAINTIFFS' LAWYER ASKING
9 YOU QUESTIONS ON THE SUBJECT OF WHEN YOU UNDERSTOOD OR WHEN
10 YOU BELIEVED -- WHEN YOU THOUGHT THE PULL-OUT WAS GOING TO
11 BECOME EFFECTIVE?

12 A. YES.

13 Q. AND DID YOU SEE THIS -- THIS EXHIBIT 39 SOME
14 TIME IN THE LATE AUGUST OR EARLY SEPTEMBER TIME FRAME?

15 A. YES.

16 Q. AND YOU READ IT?

17 A. YES.

18 Q. OKAY. WHEN YOU READ THE LETTER AND WHEN YOU
19 READ THAT SENTENCE, WHAT DID YOU THINK ON THE SUBJECT OF
20 WHEN THE PULL-OUT WAS GOING TO BECOME EFFECTIVE?

21 A. IT SOUNDED TO ME AS THOUGH THAT THE PULL-OUT
22 WAS TO BE EFFECTIVE IMMEDIATELY, IN MY MIND.

23 Q. NOW, DO YOU RECALL MR. MOSHENKO OPENING UP
24 THIS MORNING TALKING ABOUT THIS SO-CALLED PREEMPTIVE
25 STRIKE? DO YOU RECALL THAT PHRASE?

26 A. I DO.

1 Q. DID COAST RESPOND TO THIS PULL-OUT LETTER
2 WITH WHAT YOU BELIEVED AT THE TIME WAS A PREEMPTIVE STRIKE?

3 A. NO.

4 Q. LET ME PLACE BEFORE YOU ONE OF THE EXHIBITS
5 THAT WAS ON PLAINTIFFS' TRIAL EXHIBIT LIST IN THIS CASE,
6 EXHIBIT 2150. IT'S BATES NUMBER IS AGI 1784. AND ACTUALLY
7 I'LL GIVE YOU BOTH 1784 AND 1781.

8 MAY I APPROACH?

9 DO YOU RECOGNIZE THIS PORTION OF
10 PLAINTIFFS' TRIAL EXHIBIT 2150, NAMELY, AGI 1781 AND 1784?

11 A. YES. I DO.

12 Q. AND WHAT ARE THESE TWO PAGES?

13 A. THE FIRST PAGE IS A LETTER FROM A MEMBER,
14 LESLIE J. FLOYD AND MARY FREEBORN FLOYD, BASICALLY TELLING
15 US THAT SINCE THEIR HOME BASE AT RED RIVER RANCH HAS
16 WITHDRAWN FROM THE COAST NETWORK. THEY'VE MADE
17 ARRANGEMENTS TO TRANSFER THEIR MEMBERSHIP TO TIMBERON
18 TRAILS WHERE THEY ALSO OWN PROPERTY, AND THEY ARE LETTING
19 US KNOW THAT -- EXCUSE ME -- LETTING US KNOW THAT THEY
20 WANTED US TO REFLECT THE CHANGE IN THEIR AFFILIATION FROM
21 RED RIVER RANCH TO TIMBERON TRAILS.

22 THE SECOND PAGE IS ALSO LESLIE FLOYD. IT'S
23 ADDRESSED TO LESLIE FLOYD FROM TRAVEL AMERICA, POST OFFICE
24 BOX 19509 IN IRVINE, CALIFORNIA EXPLAINING THE TRAVEL
25 AMERICA PROGRAM TO MR. FLOYD, OFFERING HIM R.P.I.
26 MEMBERSHIP AND MEMBERSHIP IN TRAVEL AMERICA.

1 Q. NOW, MR. RANDALL, AS PART OF YOUR DUTIES AS
2 THE DIRECTOR OF OPERATIONS OF CAMP COAST TO COAST, DO YOU
3 TRY TO STAY ABREAST OF INCOMING MAIL FROM MEMBERS AND
4 COMMUNICATIONS FROM MEMBERS?

5 A. YES, I DO. AND A LOT OF IT IS BROUGHT TO MY
6 ATTENTION BY THE MEMBER SERVICE REPRESENTATIVES.

7 Q. AND THESE TWO DOCUMENTS THAT WERE ON
8 PLAINTIFFS' TRIAL EXHIBIT LIST, THE 2150, 1781 AND 1784,
9 WAS THAT PART OF THE MAIL THAT COAST WAS RECEIVING?

10 A. OH, YES.

11 MR. MOSHENKO: OBJECTION. LACKS FOUNDATION.
12 PERSONAL KNOWLEDGE.

13 THE COURT: OVERRULED.

14 MR. SHERMAN: OKAY. I'D LIKE TO MOVE IT INTO
15 EVIDENCE, YOUR HONOR, EXHIBIT 2150, THOSE TWO PAGES.

16 MR. MOSHENKO: MAY WE APPROACH, YOUR HONOR?

17 THE COURT: YOU MAY.

18 (DISCUSSION HELD OFF THE RECORD.)

19 BY MR. SHERMAN: Q. LET'S PUT UP ON THE BOARD THE
20 EXHIBIT 2150, PAGES 1781 AND 1784, THE TRANSMITTALS FROM
21 THE FLOYDS.

22 THE FIRST PAGE, THIS IS THE LETTER THAT YOU
23 WERE REFERRING TO AT FIRST, MR. RANDALL?

24 A. YES, IT IS.

25 Q. ALL RIGHT. SO FROM THE FLOYDS TO COAST TO
26 COAST, JANUARY 31, '98.

1 AND THEY'RE ATTACHING CERTAIN INFORMATION;
2 IS THAT RIGHT?

3 A. YES.

4 Q. OKAY. NOW, LET'S TURN TO THE NEXT PAGE.

5 THE NEXT PAGE YOU'LL SEE AN ADDRESS,
6 ADDRESSEE THERE, LESLIE FLOYD, FT. WORTH, TEXAS?

7 A. YES.

8 Q. AND YOU SEE THAT DATE THERE ON THE
9 RIGHT-HAND SIDE?

10 A. YES. I DO.

11 Q. THAT'S AUGUST 27, 1997; RIGHT?

12 A. YES, IT IS.

13 Q. OKAY. NOW, LET'S GO TO THE MASTHEAD ON THIS
14 LETTER.

15 AND IF YOU COULD, TRY TO EXPAND THAT A
16 LITTLE BIT, MIKE, SO -- EXCUSE ME.

17 NO. NO. ON THE VERY TOP. FLAG OF THE
18 UNITED STATES?

19 TRAVEL AMERICA, YOU SEE THAT?

20 A. YES.

21 Q. OKAY. NOW, LET'S GO INTO THE LETTER
22 ITSELF.

23 THIS IS A LETTER BEING SENT -- THAT YOU
24 BELIEVED AT THE TIME WAS BEING SENT TO THE FLOYDS?

25 A. YES.

26 Q. OKAY. WE ARE PROUD TO ANNOUNCE THAT THE

1 RECIPROCAL AGREEMENT BETWEEN THOUSAND ADVENTURES, ALL
2 SEASONS, FIRST NATIONWIDE AND CUTTY'S IS NOW IN PLACE.
3 THIS WILL RESULT IN A NEW RECIPROCAL RESORT SYSTEM NAMED
4 "TRAVEL AMERICA." YOU ARE AUTOMATICALLY ENROLLED AS A
5 MEMBER WITH NO PURCHASE REQUIREMENTS AND NO ADDITIONAL
6 DUES.

7 NOW, I WANT TO STOP RIGHT THERE.

8 AND IF WE CAN, MIKE, WHY DON'T YOU PUT UP ON
9 THE SPLIT SCREEN EXHIBIT 39.

10 OKAY. SO WE'VE GOT EXHIBIT 39. THAT'S AN
11 AUGUST 27 LETTER, TOO; RIGHT?

12 A. YES, IT IS.

13 Q. OKAY. AND YOU UNDERSTOOD WHEN YOU GOT THAT
14 LETTER THAT ON AUGUST 27 MR. NOVELLI AND MR. VOPNFORD WERE
15 SENDING COAST TO COAST NOTICE THAT THEY WERE PULLING OUT?

16 MR. MOSHENKO: OBJECTION. THE QUESTION IS
17 UNCERTAIN AS TO WHICH LETTER HE IS REFERRING TO WHEN HE
18 SAYS "WHEN YOU GOT THAT LETTER." DO YOU MEAN THIS JANUARY
19 31 LETTER OR --

20 MR. SHERMAN: EXHIBIT 39.

21 MR. MOSHENKO: -- OR 27?

22 MR. SHERMAN: EXHIBIT 39.

23 THE COURT: HE'S CLARIFIED IT.

24 MR. MOSHENKO: OKAY.

25 THE WITNESS: WHEN I RECEIVED THE LETTER THAT'S ON
26 THE BOTTOM OF THE SCREEN, THAT'S WHEN I UNDERSTOOD THEY

1 WERE PULLING THOSE RESORTS OUT OF THE SYSTEM AT THAT TIME,
2 YES.

3 BY MR. SHERMAN: Q. OKAY. NOW, AT SOME POINT
4 LATER -- I'M NOT TRYING TO HOLD YOU TO A SPECIFIC DATE,
5 UNLESS OF COURSE YOU HAVE A SPECIFIC DATE. BUT AT SOMETIME
6 LATER IN 1997 OR 1998, DID YOU LEARN ABOUT SOME EFFORT
7 BEING UNDERTAKEN BY A COMPANY CALLED "TRAVEL AMERICA" TO
8 FORM A RECIPROCAL NETWORK?

9 A. YES.

10 Q. ARE DOCUMENTS SUCH AS THE ONE ON TOP THE
11 KIND OF INFORMATION THAT CAUSED YOU TO LEARN THAT?

12 A. YES. THAT PLUS THE NEWS AND VIEWS WHICH I
13 THINK WAS IN JANUARY AS WELL.

14 Q. OKAY. BUT THIS DOCUMENT, THE TOP ONE, IS
15 DATED AUGUST 27, 1997, BEING SENT TO THIS LESLIE FLOYD
16 TELLING THEM ABOUT THE FORMATION OF THIS NETWORK?

17 A. YES.

18 Q. OKAY. WHAT I'D LIKE TO DO IS LET'S GO TO --
19 BY THE WAY, THE TOP DOCUMENT, DID YOU EVER SEE THE BACK
20 SIDE OF THAT FORM OF DOCUMENT?

21 A. I'M PRETTY SURE THAT I DID. I DON'T HAVE A
22 CLEAR RECOLLECTION OF WHAT WAS CONTAINED ON IT, BUT I THINK
23 IT WAS JUST A LITTLE BIT MORE DETAILED INFORMATION ABOUT
24 TRAVEL AMERICA AND THE BENEFITS, PRIVILEGES.

25 Q. OKAY. LET'S GO TO EXHIBIT 1888-0005 AND
26 0006.

1 MAY I APPROACH, YOUR HONOR?

2 THE COURT: YOU MAY.

3 BY MR. SHERMAN: Q. NOW, CAN I ASK YOU TO JUST DO
4 A LITTLE COMPARISON FOR THE JURY, MR. RANDALL.

5 LOOKING AT THE FIRST PAGE OF 1888-005,
6 THAT'S THE ONE THAT HAS PTE -- PLAINTIFFS' TRIAL EXHIBIT --
7 17401 IN THE LOWER RIGHT-HAND CORNER?

8 A. YES.

9 Q. LOOKING AT THE FRONT PAGE OF THAT DOCUMENT,
10 AND COMPARING IT TO THIS LETTER THAT YOU GOT SENT TO YOU BY
11 LESLIE FLOYD, THAT AUGUST 27 LETTER, YOU SEE ANY
12 SIMILARITIES BETWEEN THOSE DOCUMENTS?

13 A. YES.

14 Q. NOW -- NOW, OTHER THAN THE FACT THAT
15 LESLIE FLOYD'S GOT A CARD FILLED IN, AN R.P.I. CARD WITH A
16 NAME PRINTED "LESLIE FLOYD," AND TRAVEL AMERICA'S GOT A
17 CARD PRINTED IN, LESLIE FLOYD, AND THERE'S AN ADDRESS IN
18 THE UPPER LEFT-HAND CORNER, LESLIE FLOYD, ARE THERE ANY
19 OTHER DIFFERENCES BETWEEN THESE DOCUMENTS? OF COURSE THE
20 DATE.

21 A. WELL, THE ONE THAT YOU JUST NOW GAVE ME
22 APPEARS TO BE A REDUCED-IN-SIZE COPY OF THE ONE TO
23 LESLIE FLOYD, AND UNDERNEATH THE PORTION WHERE THERE IS
24 APPARENTLY THE R.P.I. MEMBERSHIP CARD AND THE TRAVEL
25 AMERICA MEMBERSHIP CARD, ON THE ONE THAT YOU JUST GAVE ME,
26 THERE IS ALSO WHAT APPEARS TO BE AN INVOICE FOR THE MEMBER

1 TO COMPLETE, ENCLOSE THE MEMBERSHIP FEE AND RETURN TO
2 TRAVEL AMERICA.

3 Q. LET'S GO TO THE SECOND PAGE OF EXHIBIT 1888,
4 THE ONE I JUST HANDED YOU.

5 HAVE YOU SEEN THAT SECOND PAGE BEFORE?

6 A. I VERY PROBABLY HAD, YES.

7 Q. AND WHEN YOU SAY YOU VERY PROBABLY HAVE,
8 WHAT IS IT ABOUT IT THAT MAKES YOU BELIEVE THAT YOU VERY
9 PROBABLY HAVE?

10 A. BECAUSE THIS IS THE CONTINUATION OF THE
11 DISCUSSION OF WHAT THE TRAVEL AMERICA SYSTEM'S ABOUT, THE
12 FACT OF THE R.P.I. MEMBERSHIP. THE PART THAT STUCK IN MY
13 MIND WAS AS ITS EXCLUSIVE RECIPROCAL SYSTEM PROVIDER.

14 Q. OKAY. SO NOW, DID YOU SEE THESE FORMS OF
15 TRAVEL AMERICA/R.P.I. COMMUNICATIONS IN EITHER THE FALL OF
16 '97 OR EARLY 1998?

17 A. YEAH. IT WOULD HAVE BEEN IN THAT TIME
18 FRAME, YES.

19 MR. SHERMAN: OKAY. I'D LIKE TO MOVE EXHIBIT
20 1888-0005 AND 0006 INTO EVIDENCE.

21 MR. MOSHENKO: IS THIS TWO-PAGE DOCUMENT 05 AND 6?

22 MR. SHERMAN: THAT IS CORRECT.

23 MR. MOSHENKO: NO OBJECTION.

24 THE COURT: DOCUMENT WILL BE RECEIVED.

25 (WHEREUPON EXHIBIT NOS. 1888-0005, 0006, RE
26 FLOYDS, WERE RECEIVED IN EVIDENCE.)

1 MR. SHERMAN: OKAY. WHAT I'D LIKE TO DO IS LET'S
2 PUT -- LET'S PUT UP ON THE BOARD, MR. HAHN, THE SECOND PAGE
3 OF EXHIBIT 2150, AND LET'S PUT UP ALSO ON THE BOARD RIGHT
4 NEXT TO IT THE FIRST PAGE OF EXHIBIT 1888-0005.

5 OKAY. MAYBE YOU COULD BLOW THAT UP. AND IF
6 YOU COULD EXPAND THE PARAGRAPH RIGHT WHERE YOU -- WHOOPS.
7 CAN'T DO THAT, HUH?

8 Q. OKAY. WITH THESE TWO DOCUMENTS ON THE
9 BOARD, MR. RANDALL, WAS THIS BASICALLY, IN EFFECT, THE
10 FRONT AND BACK OF THE FORMS THAT YOU WERE SEEING?

11 A. I'M -- I'M SORRY. WHAT ARE YOU ASKING ME?

12 Q. OKAY. THE TOP ONE IS THE PORTION OF THE
13 DOCUMENT TO LESLIE FLOYD. DO YOU SEE THAT?

14 A. OKAY.

15 Q. DO YOU HAVE THAT IN FRONT OF YOU?

16 A. YES.

17 Q. OKAY. THE BOTTOM ONE IS THE FORM OF
18 DOCUMENT THAT YOU RECALL PROBABLY SEEING WHILE AT COAST IN
19 LATE '97 OR EARLY '98 TIME FRAME; IS THAT RIGHT?

20 A. YES.

21 Q. OKAY. DO THESE GO TOGETHER? DID THEY GO
22 TOGETHER IN YOUR MIND BACK THEN?

23 A. IN WHAT FASHION?

24 MR. MOSHENKO: OBJECTION. UNCERTAIN AS TO "BACK
25 THEN." THE TOP ONE WASN'T RECEIVED UNTIL 1998.

26 MR. SHERMAN: WE'RE TALKING ABOUT FORMS, YOUR

1 HONOR. THAT'S ALL WE'RE TALKING ABOUT.

2 THE COURT: ALL RIGHT.

3 BY MR. SHERMAN: Q. DID YOU UNDERSTAND THESE
4 DOCUMENTS TO BE FORMS OF DOCUMENTS TO BASICALLY TYPE
5 SOMEONE'S NAME ON IT AND BASICALLY SEND IT OUT TO
6 SOMEBODY?

7 A. OH, YES.

8 Q. ALL RIGHT. LET'S START WITH THE TOP, AND
9 THEN LET'S GO TO THE BOTTOM.

10 IT SAYS AT THE TOP -- I'M READING FROM THE
11 LAST PARAGRAPH THERE, THE TRAVEL AMERICA -- TRAVEL AMERICA
12 SYSTEM OF RESORTS IS TAILORED TO OFFER YOU RESORTS DESIGNED
13 TO MEET AS MANY OF YOUR INDIVIDUAL USAGE PREFERENCES AS
14 POSSIBLE. WE'VE LEARNED A LOT FROM MEMBERS OVER THE YEARS
15 AND BELIEVE THAT TRAVEL AMERICA WILL PROVIDE YOU WITH
16 EXCELLENT SERVICE, NUMEROUS AND VARIED ACTIVITIES, AND THE
17 MOST STABLE OPPORTUNITY FOR YOU TO ENJOY YOUR RECREATIONAL
18 DOLLARS.

19 NOW, LET'S GO ON. THIS IS ON THE BACK SIDE
20 OF THE FORM, AS YOU UNDERSTOOD IT, IN THAT TIME FRAME;
21 RIGHT?

22 AND BY "TIME FRAME," I MEAN LATE '97, EARLY
23 '98.

24 A. WHEN YOU'RE SAYING THE BACK SIDE OF THE
25 FORM, IT'S GOT ME CONFUSED, MR. SHERMAN. I APOLOGIZE.
26 THIS ONE HAS NO BACK SIDE. THIS ONE IS REDUCED. AND IF

1 YOU'RE SAYING THAT THAT'S WHERE THE BACK SIDE WAS, I
2 DON'T -- I'M HAVING A HARD TIME FOLLOWING YOU THERE.

3 Q. OKAY. AND I SEE WHY. BECAUSE I'VE GOT THE
4 TWO FIRST PAGES.

5 OH, WELL. I MADE A MISTAKE. SO LET'S GO --
6 THE BOTTOM ONE, THE SECOND PAGE. THANK YOU FOR BRINGING
7 THAT TO MY ATTENTION.

8 OKAY. IS THIS THE BACK SIDE OF WHAT YOU
9 UNDERSTOOD TO BE THE FORM THAT THE LESLIE FLOYDS -- THAT
10 THE LESLIE FLOYDS OF THE WORLD WERE RECEIVING DATED AUGUST
11 27, 1997?

12 MR. MOSHENKO: CALLS FOR SPECULATION, YOUR HONOR.

13 THE COURT: OVERRULED.

14 THE WITNESS: THIS WOULD BE THE BACK SIDE OF THE
15 FORM THAT I WAS ALLUDING TO IN THE BEGINNING OF THE
16 CONVERSATION, YES.

17 BY MR. SHERMAN: Q. OKAY. OKAY. AND, AGAIN, WITH
18 MY APOLOGIES, THE BACK SIDE BEGINS WITH -- COULD WE EXPAND
19 THAT, PLEASE.

20 YOUR TRAVEL AMERICA MEMBERSHIP CARD IS
21 ENCLOSED, AND THERE IS NO NEW MEMBERSHIP REQUIRED FOR
22 YOU TO PURCHASE. ALSO ENCLOSED IS A COMPLIMENTARY
23 SIX-MONTH FREE MEMBERSHIP INTO RESORT PARKS INTERNATIONAL
24 WITH YOUR R.P.I. MEMBERSHIP CARD -- WITH YOUR R.P.I.
25 MEMBERSHIP CARD. RETURN THE ENCLOSED R.P.I. PREPAID
26 POSTCARD TO RECEIVE YOUR FREE R.P.I. DIRECTORY. THIS WILL

1 ALLOW YOU TO VISIT OVER 350 RECIPROCAL RESORTS ACROSS THE
2 COUNTRY INCLUDING NACO RESORTS.

3 AND IT GOES ON TO SAY, TRAVEL AMERICA HAS
4 SELECTED RESORT PARKS INTERNATIONAL AS ITS EXCLUSIVE
5 RECIPROCAL SYSTEM PROVIDER, AND THEN IT GOES ON.

6 DO YOU SEE THAT?

7 A. OH, YES. I DO.

8 Q. ALL RIGHT. GOING BACK TO THE AGI 1781, THAT
9 PAGE FROM 12150, THAT'S THE -- THE FRONT PAGE OF THAT FORM
10 AS YOU UNDERSTOOD IT?

11 A. 1781 IS THE LETTER FROM THE FLOYDS.

12 Q. I'M SORRY. 1784 I MEANT TO SAY.

13 A. YES.

14 Q. OKAY. SO THAT'S THE FRONT SIDE OF THE
15 FORM.

16 LET'S GO BACK TO THAT, PLEASE, MIKE.

17 OKAY. AND SO DID THERE COME A POINT IN
18 TIME -- IF YOU COULD EXPAND THE FIRST PARAGRAPH.

19 DID THERE COME A POINT IN TIME WHERE YOU
20 LEARNED THAT TRAVEL AMERICA WAS ANNOUNCING TO THE PUBLIC
21 THAT IT HAD FORMED A RECIPROCAL AGREEMENT WITH THOUSAND
22 ADVENTURES, ALL SEASONS, FIRST NATIONWIDE AND CUTTY'S?

23 A. WELL, I MADE THE ASSUMPTION THAT, YEAH, THEY
24 WERE MAKING THAT ANNOUNCEMENT TO THE FORMER MEMBERS OF
25 THOSE ORGANIZATIONS LISTED IN THERE. I DIDN'T THINK ABOUT
26 THE GENERAL PUBLIC AT ALL.

1 Q. OKAY.

2 A. BUT MAKES SENSE, I SUPPOSE.

3 Q. AND WHEN YOU STARTED TO LEARN MORE ABOUT THE
4 NOVELLI PULL-OUT, DID YOU LEARN WHETHER R.P.I. HAD BEEN
5 CHOSEN AS THE EXCLUSIVE RECIPROCAL PROVIDER?

6 A. BASED ON THE FACT THAT IT SAYS THAT ON THIS
7 DOCUMENT, YES.

8 Q. AND -- AND WHEN -- LET ME SKIP FORWARD A
9 LITTLE BIT. YOU DID SEND OUT SOME LETTERS TO COAST MEMBERS
10 IN OCTOBER OF 1997 INFORMING COAST MEMBERS OF THEIR
11 MEMBERSHIP OPTIONS; IS THAT RIGHT?

12 A. YES.

13 Q. WAS THERE ANYTHING PREEMPTIVE ABOUT THAT?

14 A. I DON'T BELIEVE SO, NO.

15 Q. AND WHY DON'T YOU BELIEVE THAT?

16 A. IT WAS A MATTER OF COURSE THAT WE DO, THAT
17 COAST TO COAST DOES ALL THE TIME. AND HAVING GAINED
18 KNOWLEDGE OF THE FACT THAT THEY WERE PRETTY MUCH GONE
19 ALREADY BEFORE WE EVEN HAD A CHANCE TO SEND THE LETTERS
20 OUT, I DON'T KNOW THAT THERE WOULD HAVE BEEN ANYTHING
21 PREEMPTIVE ABOUT OUR ACTIONS.

22 Q. SO WAS COAST TO COAST GETTING THE JUMP ON
23 TRAVEL AMERICA BY SENDING LETTERS OUT TO ITS MEMBERS IN
24 OCTOBER, NOVEMBER OR DECEMBER?

25 A. I'M SORRY. WE WERE GETTING A WHAT?

26 Q. WAS COAST TO COAST GETTING A JUMP ON TRAVEL

1 AMERICA OR R.P.I. BY SENDING LETTERS OUT IN OCTOBER OR
2 NOVEMBER OR DECEMBER?

3 A. NO.

4 Q. NOW, YOU WERE HERE WHEN MR. -- WHEN
5 MR. RYMAN WAS ASKED SOME QUESTIONS ON THE SUBJECT OF
6 WHETHER MR. NOVELLI INTENDED TO OR DIDN'T INTEND TO PULL
7 THE ALL SEASONS PARKS OUT OF THE COAST NETWORK; RIGHT?

8 A. YES.

9 Q. IN FACT, YOU WERE ASKED SOME OF THOSE SAME
10 QUESTIONS?

11 A. I BELIEVE SO, YES.

12 Q. DID YOU EVER COME TO FORM ANY BELIEF IN THE
13 LATE '97 OR EARLY '98 TIME FRAME THAT THAT'S EXACTLY WHAT
14 MR. NOVELLI WANTED TO DO WAS TO PULL THE ALL SEASONS PARKS
15 OUT?

16 A. YEAH. THERE WAS NEVER A QUESTION IN MY MIND
17 ABOUT THAT.

18 Q. AND WHEN TRAVEL AMERICA WRITES IN THIS FORM
19 THAT THEY'RE -- THAT THEY ARE -- THAT THEY ARE SENDING A
20 COMPLIMENTARY SIX-MONTH FREE MEMBERSHIP IN R.P.I., AND THAT
21 TRAVEL AMERICA HAS SELECTED R.P.I. AS ITS EXCLUSIVE
22 RECIPROCAL SYSTEM PROVIDER, WHAT DID YOU UNDERSTAND THOSE
23 KINDS OF STATEMENTS TO MEAN AS IMPLIED TO ALL SEASONS?

24 A. THAT THE ALL SEASONS -- WELL, FIRST OF ALL,
25 IT IMPLIED TO ME THAT SOMEHOW OR OTHER ALL SEASONS WAS
26 BEING TOUTED AS STILL BEING AN OPERATING SYSTEM OF RESORTS,

1 WHICH I DID NOT BELIEVE TO BE TRUE. AND SECONDLY, EVEN IF
2 IT WAS OR WHATEVER THOSE RESORTS WERE THAT WERE IN THE
3 POSSESSION OF MR. NOVELLI THROUGH HIS OTHER COMPANIES, THEY
4 WERE STILL NOT GOING TO BE A PART OF THE COAST TO COAST
5 SYSTEM.

6 Q. THAT WASN'T VERY DIFFICULT FOR YOU TO
7 FIGURE OUT, WAS IT?

8 A. NO, IT WAS NOT.

9 Q. NOW, YOU'VE BEEN ASKED A LOT OF QUESTIONS
10 ABOUT MR. NOVELLI'S OR PLAINTIFFS' 34,000 MEMBERS BY
11 PLAINTIFFS' STORY.

12 DO YOU RECALL THAT?

13 A. YES.

14 Q. HAVE YOU EVER CONSIDERED WHETHER PLAINTIFFS
15 IN THIS CASE OR MR. NOVELLI HAS EVER HAD ANY -- ANY
16 ENTITLEMENT TO SAY THAT THEY'VE GOT 34,000 MEMBERS?

17 A. I DON'T BELIEVE THAT ALL 34,000 OF THOSE
18 MEMBERS ON THERE ARE PLAINTIFFS' MEMBERS OF THEIR HOME
19 RESORTS, NO.

20 Q. WHY DO YOU SAY THAT?

21 MR. SHAW: YOUR HONOR, AN OBJECTION. CALLS FOR A
22 LEGAL CONCLUSION AS TO ENTITLEMENT IS CONCERNED, AND
23 THERE'S NO FOUNDATION LAID.

24 MR. SHERMAN: I JUST WANT TO KNOW WHAT HE KNOWS.

25 THE COURT: TALKING ABOUT MEMBERS, ARE WE NOT?

26 MR. SHERMAN: YEAH. TALKING ABOUT MEMBERS.

1 MR. SHAW: TALKING ABOUT PLAINTIFFS' ENTITLEMENT.
2 THAT WAS A WORD THAT WAS USED.

3 MR. SHERMAN: I'LL REPHRASE.

4 THE COURT: THANK YOU.

5 BY MR. SHERMAN: Q. WHAT HAS LED YOU TO BELIEVE
6 THAT PLAINTIFFS' DON'T HAVE 34,000 MEMBERS?

7 A. A LOT OF THE MEMBERS REFERRED TO IN THE
8 34,000 WERE MEMBERS OF THOUSAND ADVENTURES, INCORPORATED,
9 RESORTS WHICH, TO THE BEST OF MY KNOWLEDGE, PLAINTIFF
10 DOESN'T HAVE ALL OF THOSE RESORTS. ALL OF THOSE RESORTS
11 ARE NOT PLAINTIFFS'.

12 Q. NOW, YOU WERE ORIGINALLY NAMED AS A
13 DEFENDANT IN THIS LAWSUIT, WEREN'T YOU?

14 A. YES.

15 Q. AND PLAINTIFFS DROPPED YOU AS A DEFENDANT;
16 RIGHT?

17 A. YES.

18 Q. DID YOU HAVE TO PAY ANYTHING?

19 MR. SHAW: YOUR HONOR, I'LL OBJECT AND LIKE TO BE
20 SEEN AT THE SIDE BAR RATHER THAN GIVE A SPEECH.

21 THE COURT: NO. THE OBJECTION IS SUSTAINED.

22 BY MR. SHERMAN: Q. YOU WERE -- YOU WERE ACCUSED
23 BY PLAINTIFFS OF DOING ALL SORTS OF WRONGFUL THINGS; IS
24 THAT RIGHT?

25 MR. SHAW: YOUR HONOR, SAME OBJECTION.

26 THE COURT: SUSTAINED.

1 BY MR. SHERMAN: Q. LET'S TURN TO A LITTLE BIT OF
2 THE BACKGROUND, MR. RANDALL.

3 HOW LONG -- YOU WERE IN THE MARINES FOR HOW
4 LONG?

5 A. TWENTY-THREE YEARS.

6 Q. WHEN DID YOU ENLIST?

7 A. SEPTEMBER, 1967.

8 Q. AND, BRIEFLY, WHAT WERE YOUR VARIOUS
9 POSITIONS IN THE MARINE CORPS, SOME OF THE MORE MEMORABLE
10 ONES?

11 A. INFANTRYMAN, VIETNAM. FROM VIETNAM I WENT
12 TO THE MARINE BARRACKS AT 8TH & I WHICH IS A CEREMONIAL
13 MARINE POST.

14 Q. 8TH & I IS WHERE?

15 A. WASHINGTON D.C.

16 Q. SO WHAT WERE YOU DOING THERE?

17 A. CEREMONIAL MARINES. WE DID PARADES AT THE
18 BARRACKS THEMSELVES. AND THIS IS USUALLY IN THE
19 SUMMERTIME. DID THE PARADES AT THE IWO JIMA MEMORIAL AT
20 THE ARLINGTON NATIONAL CEMETERY, THE BURIAL SERVICES FOR
21 MILITARY INTERNMENT. I SPENT MY LAST FEW MONTHS AT 8TH &
22 I.

23 I WAS TRANSFERRED UP TO CAMP DAVID IN THE
24 CATOCTIN NATIONAL FOREST, THE PRESIDENTIAL RETREAT. AND
25 THEN I REENLISTED, WENT TO TUCSON, ARIZONA FOR -- IT'S
26 RESERVE DUTY. IT'S -- THEY HAVE AN ACTIVE DUTY STAFF THAT

1 ASSISTS IN THE INSTRUCTION OF MARINE CORPS RESERVES. FROM
2 THERE I DID A TOUR IN OKINAWA. CAME BACK TO WASHINGTON
3 D.C. IN AN ADMINISTRATIVE BILLET. I THINK I DID TWO TOURS
4 THERE, AND THEN I WENT TO HAWAII.

5 Q. NOW, IN 1990 -- THAT'S WHEN YOU BEGAN
6 WORKING WITH COAST?

7 A. AFTER I RETIRED FROM THE MARINE CORPS, YES.
8 I RETURNED TO THE CONTINENTAL UNITED STATES AND TRIED
9 BEING MR. MOM FOR A WHILE. MY WIFE DIDN'T THINK THAT WAS
10 WORKING OUT WELL. SO IT WAS TIME FOR ME TO BECOME
11 GAINFULLY EMPLOYED.

12 Q. AND WHO WAS YOUR -- WHO HIRED YOU AT COAST?

13 A. ROGER RYMAN DID.

14 Q. YOU LIKE RIDING MOTORCYCLES; IS THAT RIGHT?

15 A. YES.

16 Q. SOMETIMES MOTORCYCLES HAVEN'T LIKED YOU?

17 A. NO. THAT'S NOT TRUE. IT'S THE CAR THAT DID
18 NOT LIKE ME.

19 Q. IS THAT WHAT HAPPENED TO YOUR LEG?

20 A. YES.

21 Q. WHEN DID IT HAPPEN?

22 A. MARCH, 1997.

23 Q. AND YOU WERE HOSPITALIZED?

24 A. YES. I WAS.

25 Q. DID IT -- OBVIOUSLY WHEN YOU WERE
26 HOSPITALIZED YOU WEREN'T AT COAST.

1 DID IT HAVE SOME IMPACT AS FAR AS THE TIME
2 YOU WERE ABLE TO DEVOTE TO YOUR DUTIES AT COAST?

3 A. IT WAS SUPPOSED TO, YEAH. THE -- I -- I HAD
4 ALREADY PUT A LOT OF EFFORT AND TIME INTO THE RALLY, MEMBER
5 RALLY FOR THAT YEAR, WHICH WAS HELD DOWN HERE AT DEL MAR.
6 AND IT WAS A PRETTY HARD THING TO LET GO OF BECAUSE IT'S A
7 LOT OF ENERGY. IT'S A LOT OF FUN. AND THE DOCTOR COULDN'T
8 FIX MY LEG FAST ENOUGH TO LET ME GO TO THE RALLY. SO I HAD
9 TO GIVE MY POSITION AWAY TO SOMEBODY ELSE WHO FILLED IN
10 WHICH WAS NICE.

11 BUT I SPENT A LOT OF TIME ON THE TELEPHONE
12 PROVIDING WHAT I THOUGHT WAS MY TWO CENTS' WORTH. AND THEN
13 THE STAFF -- ACTUALLY THE STAFF ITSELF IN THE OFFICE IN
14 ENGLEWOOD GAVE ME A LOT OF ASSISTANCE IN KEEPING UP WHAT
15 WAS GOING ON, EVEN THOUGH I WAS NOT PHYSICALLY THERE TO DO
16 IT.

17 I TRIED TO CONDUCT AS MUCH BUSINESS AS I
18 COULD FROM -- FROM THE HOSPITAL FOR NO OTHER REASON THAN TO
19 JUST TO STAY IN TOUCH. AND PEOPLE WHO WORK WITH ME AND FOR
20 ME ARE EXCEPTIONAL PEOPLE.

21 Q. MR. RANDALL, TELL US ONE MORE TIME, WHEN
22 COAST TRANSFERRED THE COAST MEMBERS, COAST MEMBERSHIP, WHAT
23 DID COAST DO?

24 A. WE PLACED THE COAST TO COAST HOME RESORT
25 MEMBERSHIP WITH ANOTHER AFFILIATED COAST TO COAST RESORT SO
26 THAT THE MEMBERS WOULD HAVE THE OPPORTUNITY TO CONTINUE TO

1 BE A MEMBER OF COAST TO COAST IF THAT'S WHAT THEY WANTED TO
2 DO.

3 Q. NOW, IF THE COAST MEMBER CONFIRMED HIS OR
4 HER MEMBERSHIP AT THIS NEW RESORT, DID IT MEAN THAT THE
5 COAST MEMBER WAS OUT OF THE NOVELLI RESORT?

6 A. NO.

7 Q. IF THE COAST MEMBER COMMUNICATED BACK TO
8 COAST SAYING THAT, YOU KNOW, THEY'VE GOT ANOTHER
9 MEMBERSHIP, DOES THAT MEAN THAT THAT COAST MEMBER'S OUT OF
10 THE NOVELLI RESORT?

11 A. NOT NECESSARILY, NO.

12 Q. AND IF THE COAST MEMBER NEVER GOT BACK TO
13 YOU AT ALL, DOES THAT MEAN THAT THE MEMBER IS OUT OF THE
14 NOVELLI RESORT?

15 A. NO.

16 Q. YOU'VE REFERENCED OPTIONS THAT MEMBERS HAD
17 AFTER THEY RECEIVED THE LETTERS IN THE FALL OF '97. DO YOU
18 RECALL THAT GENERAL CONCEPT OF OPTIONS?

19 A. YES.

20 Q. HOW DO YOU KNOW THAT MEMBERS UNDERSTOOD THAT
21 THEY HAD OPTIONS?

22 MR. MOSHENKO: CALLS FOR SPECULATION AND HEARSAY,
23 YOUR HONOR.

24 MR. SHERMAN: IF HE KNOWS.

25 THE COURT: OVERRULED. I'LL ALLOW HIM TO ANSWER.

26 THE WITNESS: THE LETTER, I BELIEVE, SPELLS OUT

1 WHAT THEIR OPTIONS ARE, INFORMS THEM OF WHAT THEY CAN DO,
2 IF THEY WANT TO REMAIN A MEMBER OF COAST TO COAST.

3 BY MR. SHERMAN: Q. DID YOU GET COMMUNICATIONS
4 BACK FROM COAST MEMBERS TAKING ADVANTAGE OF DIFFERENT
5 OPTIONS?

6 MR. MOSHENKO: YOUR HONOR, CAN WE APPROACH?

7 THE COURT: YOU MAY.

8 (DISCUSSION HELD OFF THE RECORD.)

9 BY MR. SHERMAN: Q. LET'S STAY ON THE SUBJECT OF
10 COMMUNICATIONS THAT COAST RECEIVED BACK FROM ITS MEMBERS.

11 LET ME SHOW YOU A DOCUMENT, EXHIBIT
12 949-317.

13 MAY I APPROACH?

14 THE COURT: YOU MAY.

15 BY MR. SHERMAN: Q. IS THIS A LETTER THAT COAST
16 RECEIVED FROM A MEMBER WHICH MADE YOU BELIEVE THAT THE
17 MEMBER UNDERSTOOD THE MEMBER HAD OPTIONS?

18 A. I BELIEVE IT IS, YES.

19 MR. SHERMAN: I'D LIKE TO MOVE INTO EVIDENCE
20 EXHIBIT 949-317.

21 MR. MOSHENKO: NO OBJECTION, YOUR HONOR.

22 THE COURT: 949-317 --

23 MR. SHERMAN: MAY I PUT IT ON THE BOARD, PLEASE?

24 THE COURT: -- DEEMED ADMITTED.

25 (WHEREUPON EXHIBIT NO. 949-317, LETTER FROM
26 MEMBER, WAS RECEIVED IN EVIDENCE.)

1 BY MR. SHERMAN: Q. MARCH 15, BATES NUMBER 08726,
2 MARCH 15, 1998, DEAR SIR, I AM HEREBY REQUESTING TRANSFER
3 OF OUR HOME RESORT PARK TO SHILO IN MONROE, LOUISIANA,
4 BECAUSE ALL SEASONS, HONEYBROOK, PENNSYLVANIA, IS NO LONGER
5 ASSOCIATED WITH C TO C, COAST TO COAST.

6 YOU HAD SENT A LETTER SUGGESTING WE TRANSFER
7 TO SOMEWHERE IN NEW JERSEY. HOWEVER, WE HAD ALREADY SENT
8 DUES AND TRANSFER PAPERS TO SHILO BY THAT TIME.

9 SINCERELY -- AND THIS IS THEIR MEMBER NUMBER
10 THEY PUT IN THE LOWER LEFT-HAND CORNER; IS THAT RIGHT?

11 A. YES.

12 Q. AND DID YOU RECEIVE OTHER WRITTEN
13 COMMUNICATIONS FROM MEMBERS LEADING YOU TO CONCLUDE THAT
14 MEMBERS UNDERSTOOD FULL WELL THEY HAD OPTIONS?

15 A. YES.

16 Q. LET ME SHOW YOU SOME OTHERS, EXHIBIT 949-287
17 AND 288, BATES NUMBER 08697.

18 MAY I APPROACH?

19 I WANT YOU TO TAKE A LOOK AT THE SECOND PAGE
20 OF THIS DOCUMENT, MR. RANDALL.

21 IS EXHIBIT 949-288 ONE OF THOSE TYPES OF
22 COMMUNICATIONS?

23 A. FROM A COAST TO COAST MEMBER TO US, YES.

24 MR. SHERMAN: AND I'D LIKE TO MOVE EXHIBIT 949-288
25 INTO EVIDENCE.

26 MR. MOSHENKO: ONE MOMENT, YOUR HONOR.

1 NO OBJECTION, YOUR HONOR.

2 MR. SHERMAN: OKAY. LET'S PUT --

3 THE COURT: DEEMED ADMITTED, 949-288.

4 (WHEREUPON EXHIBIT NO. 949-288, MEMBER
5 LETTER, WAS RECEIVED IN EVIDENCE.)

6 BY MR. SHERMAN: Q. ALL RIGHT. LET'S READ THIS
7 ONE TOGETHER. MAY 11, 1998, FROM JOHN J. DURNIL,
8 D-U-R-N-I-L, TO COAST TO COAST.

9 I AM A MEMBER OF -- GENTLEMEN, I AM A MEMBER
10 OF COAST TO COAST AND WAS A MEMBER OF ALL SEASONS, AND MY
11 HOME PARK WAS ALL SEASONS ORLANDO IN CLERMONT, FLORIDA.
12 ALL SEASONS WENT BANKRUPT, AND YOU FOLKS ASSIGNED ME TO
13 COLBY WOODS RESORT IN SILVER SPRINGS, FLORIDA. I LIVE IN
14 PENSACOLA, FLORIDA. AND GULF PINES FAMILY RESORT, NUMBER
15 568, IN MILTON, FLORIDA IS MUCH CLOSER TO MY HOME AND MORE
16 CONVENIENT.

17 SO WERE THERE SOME MEMBERS THAT WROTE YOU
18 BACK SAYING THEY WANT TO GO TO ANOTHER RESORT, MR. RANDALL?

19 A. YES, THERE WERE.

20 Q. I HAVE APPLIED FOR MEMBERSHIP THERE AND HAVE
21 BEEN ACCEPTED IN THEIR C.C.R. MEMBERSHIP PLAN.

22 DID YOU GET OTHER LETTERS FROM MEMBERS
23 INDICATING THAT THEY UNDERSTOOD THAT THEY HAD OPTIONS IN
24 HOW TO RESPOND TO COAST'S LETTERS IN THE FALL OF '97?

25 A. I'M SURE THAT WE DID, YES.

26 Q. LET ME SHOW YOU ANOTHER ONE, EXHIBIT

1 949-940.

2 THE COURT: WHAT WAS THAT NUMBER, 949 WHAT?

3 MR. SHERMAN: 940.

4 MAY I APPROACH, YOUR HONOR?

5 Q. IS THIS ONE OF THE OTHER LETTERS THAT YOU
6 RECEIVED THAT INDICATED THAT MEMBERS UNDERSTOOD THAT THEY
7 HAD OPTIONS?

8 A. YES.

9 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-940 INTO
10 EVIDENCE.

11 MR. MOSHENKO: MAY I HAVE A MOMENT TO READ IT, YOUR
12 HONOR?

13 YOUR HONOR, COULD THE COURT TAKE IT UNDER
14 SUBMISSION SO WE CAN DISCUSS IT? THERE'S -- WE CAN DISCUSS
15 IT NOW. I OBJECT TO IT.

16 THE COURT: APPROACH.

17 (DISCUSSION HELD OFF THE RECORD.)

18 MR. SHERMAN: LET'S PUT EXHIBIT 949-940 ON THE
19 BOARD.

20 MR. MOSHENKO: I'D LIKE TO PUT MY OBJECTION ON THE
21 RECORD.

22 THE OBJECTION IS THAT THE EXHIBIT IS
23 IRRELEVANT IN PART BECAUSE IT REFERS TO EVENTS THAT HAVE
24 NOTHING TO DO WITH THE PLAINTIFFS AND OCCURRED BEFORE THE
25 PLAINTIFFS --

26 MR. SHERMAN: AND WE DISAGREE.

1 THE COURT: THAT CAN BE CLARIFIED.

2 BY MR. SHERMAN: Q. NOW, THIS IS FROM ETHEL RUGG;
3 IS THAT IT, MR. RANDALL?

4 A. THAT APPEARS TO BE THE NAME AT THE BOTTOM,
5 YES.

6 Q. RIGHT. AND MISS RUGG IS WRITING TO COAST TO
7 COAST, DEAR SIR, ACCORDING TO A CONVERSATION WITH YOUR
8 REPRESENTATIVE, I WAS TO NOTIFY YOU. I ALSO BELONG TO
9 ANOTHER OF YOUR GROUP OF COAST TO COAST MEMBERS. WE WERE
10 FORMERLY WITH HENDRIX ACRES, THEN SYCAMORE SPRINGS, AND THE
11 THOUSAND ADVENTURES GROUP. THIS ADDED UP TO AROUND
12 \$7,500. AND AT PRESENT I FEEL RIPPED OFF AS THIS WAS TO
13 ASSURE ME OF LIFETIME MEMBERSHIP FOR ME AND MY CHILDREN
14 WITH NO MORE YEARLY ASSESSMENTS.

15 HOWEVER, WE OWN PROPERTY WITH SUGAR VALLEY
16 LAKES AT MOUND CITY, KANSAS. I CALLED THEM, AND THEY
17 ASSURED ME THEY ARE A MEMBER OF YOUR COAST TO COAST GROUP.
18 WOULD YOU TRANSFER MY MEMBERSHIP HOME RESORT TO THIS SUGAR
19 VALLEY LAKES GROUP.

20 SO THIS, THEN, IS ANOTHER ONE OF THE LETTERS
21 YOU RECEIVED FROM MEMBERS INDICATING THAT THEY'RE NOT
22 CONFUSED; IS THAT RIGHT?

23 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT. THE
24 DOCUMENT SPEAKS FOR ITSELF.

25 THE COURT: SUSTAINED.

26 BY MR. SHERMAN: Q. HAVE YOU EVER HEARD -- STRIKE

1 THAT.

2 TO YOUR KNOWLEDGE ARE THERE -- HAD THERE
3 BEEN COAST MEMBERS WHO HAVE ALSO PARTICIPATED IN MEMBERSHIP
4 PROGRAMS WITH RESORT PARKS INTERNATIONAL, TWO MEMBERSHIPS
5 WITH RECIPROCAL ORGANIZATIONS AT THE SAME TIME?

6 A. ARE YOU SAYING THOUGH WERE A MEMBER OF COAST
7 TO COAST AS WELL AS R.P.I.?

8 Q. RIGHT.

9 A. YES.

10 Q. AND IS THIS SOMETHING THAT HAPPENS ONCE IN A
11 BLUE MOON, OR IS IT SOMETHING THAT YOU'VE HEARD ABOUT OR
12 KNOW ABOUT?

13 A. IT'S NOT ANYTHING UNCOMMON.

14 Q. AND WHY IS THAT?

15 A. THE MEMBERS WANT TO GET AS MUCH USAGE AS
16 THEY CAN POSSIBLY GET TO THE GREATEST EXTENT THEY CAN GET
17 IT.

18 Q. AND STAYING ON THE SUBJECT OF THE OPTIONS,
19 DID MEMBERS SEND YOU MORE LETTERS INDICATING THAT THEY HAD
20 OPTIONS?

21 A. I'M NOT SURE. COULD YOU CLARIFY THAT,
22 PLEASE.

23 Q. SURE.

24 IN RESPONSE TO THE LETTERS THAT WERE SENT IN
25 THE FALL OF 1997, DID YOU GET MORE COMMUNICATIONS, WRITTEN
26 COMMUNICATIONS, FROM MEMBERS TO THE EFFECT THAT THEY HAD

1 OPTIONS?

2 MR. MOSHENKO: OBJECTION. THAT QUESTION IS
3 ARGUMENTATIVE. THE FACT IS NOT IN EVIDENCE BECAUSE THE
4 PHRASE THAT THEY HAD OPTIONS IS NOT IN ANY OF THE PRIOR
5 LETTERS. IT ASSUMES FACTS NOT IN EVIDENCE.

6 MR. SHERMAN: I'M NOT ARGUING WITH MY OWN WITNESS,
7 YOUR HONOR.

8 THE COURT: OVERRULED.

9 THE WITNESS: YES. WE RECEIVED LETTERS INDICATING
10 TO US THE MEMBERS KNEW THEY HAD OTHER OPTIONS.

11 BY MR. SHERMAN: Q. LET ME SHOW YOU EXHIBIT
12 949-908.

13 MAY I APPROACH?

14 IS THIS A LETTER THAT COAST RECEIVED FROM
15 ONE OF ITS MEMBERS?

16 A. YES.

17 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-908 INTO
18 EVIDENCE.

19 MR. MOSHENKO: YOUR HONOR, THE OBJECTION IS IT'S
20 IRRELEVANT. IT'S DATED PRIOR TO THE CORRESPONDENCE THAT
21 COUNSEL IS DISCUSSING THAT MR. RANDALL SENT OUT. THERE'S
22 NO POSSIBLE WAY THIS LETTER COULD BE RESPONSIVE TO ANY
23 UNDERSTANDING RELATING TO THE LETTER THAT COUNSEL IS USING
24 IT FOR.

25 MR. SHERMAN: THE ISSUE IS ONE OF MEMBERS'
26 INTELLIGENCE AND UNDERSTANDING THAT THEY HAVE OPTIONS.

1 THE COURT: I'M GOING TO ALLOW IT, COUNSEL.

2 (WHEREUPON EXHIBIT NO. 949-908, SEPTEMBER 3,
3 1997, LETTER, WAS RECEIVED IN EVIDENCE.)

4 BY MR. SHERMAN: Q. NOW, THIS IS A LETTER,
5 SEPTEMBER 3, 1997, FROM BILL AND WANDA ZIMMERMAN.

6 WE WERE INFORMED THIS WEEKEND THAT OUR HOME
7 PARK, HONEYBROOK ALL SEASONS, WAS CLOSING AS OF SEPTEMBER
8 15 AS ARE PROBABLY THE ENTIRE ALL SEASONS RESORTS -- OR
9 EXCUSE ME -- THE WHOLE ALL SEASONS RESORTS.

10 THEREFORE, AS WE ARE ALSO MEMBERS OF 5-STAR
11 FAMILY PARKS, WE WOULD LIKE TO TRANSFER OUR COAST TO COAST
12 MEMBERSHIP.

13 COAST RECEIVED LETTERS LIKE THIS; IS THAT
14 RIGHT?

15 A. YES.

16 Q. DID COAST RECEIVE COMMUNICATIONS LIKE THIS
17 ONE AFTER THE COLLAPSE OF ALL SEASONS RESORTS?

18 A. YES.

19 Q. NOW, I'D LIKE TO GO BACK TO A QUESTION THAT
20 MR. MOSHENKO ASKED OF YOU YESTERDAY ON PAGE 2601, LINES 1
21 THROUGH 6, IF WE CAN PUT THAT UP ON THE SCREEN HERE.

22 QUESTION IS, "OKAY. NOW, SO IF YOU WANTED
23 TO TRANSFER -- YOU CAN'T TRANSFER THIS CONTRACT, COULD
24 YOU?"

25 YOU RECALL MR. MOSHENKO WAS -- HE HAD
26 THAT -- HE USED THE DRAWING WE HAD WITH MR. RYMAN OF

1 THURSDAY OF LAST WEEK?

2 A. I REMEMBER THE HOUSE OF CONTRACTS, YES.

3 Q. OKAY. AND YOU RECALL MR. MOSHENKO POINTING
4 TO THE HOME RESORT CONTRACT BETWEEN THE MEMBER AND THE
5 NOVELLI RESORT?

6 A. YES.

7 Q. OKAY. "NOW, IF YOU WANTED TO TRANSFER --
8 WELL, YOU CAN'T TRANSFER THIS CONTRACT, COULD YOU?"

9 AND YOUR ANSWER WAS "NO."

10 "QUESTION, YOU HAVE NO RIGHT TO TRANSFER THE
11 CONTRACT THAT THE MEMBER HAS WITH THE RESORT; RIGHT?

12 "ANSWER, NO, YOU DO NOT."

13 NOW, LET ME ASK YOU THESE QUESTIONS AGAIN

14 JUST LIKE MR. MOSHENKO ASKED THEM TO YOU YESTERDAY.

15 YOU COULDN'T TRANSFER THAT CONTRACT, COULD
16 YOU?

17 A. NO.

18 Q. YOU HAD NO RIGHT TO TRANSFER THE CONTRACT
19 THAT THE MEMBER HAD WITH THE RESORT; RIGHT?

20 A. THAT IS CORRECT.

21 Q. SO YOUR ANSWERS TODAY ARE THE SAME IN
22 RESPONSE TO MY QUESTIONS AS THEY WERE TO MR. MOSHENKO'S?

23 A. YES.

24 Q. DID COAST TRANSFER THE HOME RESORT
25 MEMBERSHIP?

26 A. NO.

1 Q. DID COAST PRETEND TO TRANSFER THE HOME
2 RESORT MEMBERSHIP?

3 A. NO.

4 Q. DID COAST EVER TRY TO TRANSFER THE HOME
5 RESORT MEMBERSHIP?

6 A. NO.

7 Q. DID COAST INTERFERE WITH THE HOME RESORT
8 MEMBERSHIP?

9 A. I DON'T BELIEVE THAT WE DID, NO.

10 Q. I'M GOING TO MOVE TO THE SUBJECT OF CERTAIN
11 OF THE COAST MEMBERS WHO WERE MEMBERS OF DELTA ISLE THAT
12 WERE MOVED DOWN TO THE EL CACHANILLA AFFILIATED PARK OR
13 RANCHO EL DORADO.

14 HAVE YOU LOOKED AT ANY OF THE RECORDS THAT
15 HAVE BEEN PRODUCED IN THIS CASE TO TRY TO FIGURE OUT WHERE
16 SOME OF THESE FOLKS ACTUALLY LIVED WHO HAD THEIR COAST HOME
17 RESORT MEMBERSHIP OF RECORD TRANSFERRED?

18 A. YES, I HAVE.

19 Q. AND WHAT DO YOU KNOW ABOUT THAT?

20 A. THAT THEY ARE FROM ALL OVER THE COUNTRY.

21 Q. YOU MEAN THEY JUST DON'T ALL LIVE IN
22 SACRAMENTO?

23 A. NO.

24 Q. WHERE DO THEY LIVE?

25 A. ARIZONA, NEW MEXICO, CONNECTICUT, IDAHO,
26 UTAH, CALIFORNIA. THERE ARE SOME TO COME TO MIND.

1 Q. MR. RANDALL, IS THERE SOME RULE THAT SAYS
2 YOUR HOME RESORT HAS TO BE WHERE YOUR HOME HOME IS, LIKE
3 YOUR REAL HOME WHERE YOU LIVE?

4 A. OH, NO. NO. NO.

5 Q. IS THERE ANY RELATIONSHIP BETWEEN THE TWO?

6 A. THERE COULD BE. BUT THAT'S NOT A
7 DISTINCTION THAT'S MADE.

8 Q. SO IS THERE ANY RULE THAT SAYS THAT YOUR
9 HOME RESORT HAS TO BE WITHIN A CERTAIN MILEAGE DISTANCE
10 FROM WHERE YOU LIVE?

11 A. NO.

12 Q. SO YOU COULD HAVE A MEMBER OF, FOR EXAMPLE,
13 DELTA ISLE WHO LIVED IN ARIZONA?

14 A. YES.

15 Q. AND WHAT'S THIS 500-MILE RULE ALL ABOUT THAT
16 PLAINTIFFS' LAWYER WAS ASKING YOU ABOUT?

17 A. THE 500-MILE RULE IS A MARKETING RULE THAT
18 TELLS THE RESORT DEVELOPERS -- EXCUSE ME -- THAT IN THE
19 MARKETING OF MEMBERSHIPS IN THEIR RESORTS, IF THEY WANT TO
20 USE THE COAST TO COAST NAME, LOGO AND MATERIALS, THEY CAN'T
21 USE COAST TO COAST WITH THEIR RESORT OUTSIDE OF 500 MILES
22 OF THE LOCATION OF THE RESORT. THAT DOESN'T HAVE ANYTHING
23 TO DO WITH WHERE THE MEMBER LIVES.

24 Q. SO IT'S AN ADVERTISING/MARKETING ISSUE?

25 A. YES. FOR COAST TO COAST ONLY. THE RESORT
26 DEVELOPER CAN MARKET WHEREVER HE WANTS, HOWEVER HE WANTS;

1 SO LONG AS HE IS NOT USING COAST TO COAST, WE CAN'T DO
2 ANYTHING ABOUT HOW THEY DO IT OR ANYTHING ELSE. WE CAN
3 ONLY CONTROL THEIR USE OF COAST TO COAST.

4 Q. SO LET ME GIVE YOU AN EXAMPLE.
5 IF AN R.V.'ER WHO LIVES IN ILLINOIS OR
6 CONNECTICUT IS UP IN LAKE TAHOE OVER THE SUMMER 75 MILES OR
7 SO FROM THE SACRAMENTO DELTA, AND THERE'S A DELTA ISLE
8 OFF-SITE SALES OFFICE, CAN THAT CONNECTICUT R.V.'ER JOIN UP
9 WITH DELTA ISLE IN LAKE TAHOE?

10 A. IF THAT'S WHERE THEY WANT TO BE, YES.

11 Q. AND CAN THEY PURCHASE A COAST MEMBERSHIP AT
12 THAT TIME IF THAT'S WHAT THEY WANT TO DO?

13 A. YES, THEY CAN.

14 Q. WHAT ABOUT PLAINTIFFS' OWN MEMBERS?
15 PLAINTIFFS CLAIM TO HAVE SOME RESORTS IN THE STATE OF
16 FLORIDA; IS THAT RIGHT?

17 A. I BELIEVE SO, YES.

18 Q. AND IN YOUR EXPERIENCE, ARE ALL THE PEOPLE
19 WHO USE THE FLORIDA RESORTS, PLAINTIFFS' FLORIDA RESORTS,
20 RESIDENTS OF FLORIDA?

21 A. NO.

22 Q. YOU'VE GOT SNOWBIRDS; IS THAT RIGHT?

23 A. YES. THAT'S THE TERM USED.

24 Q. NOW, GIVEN THE FACT THAT "HOME RESORT"
25 DOESN'T MEAN IT'S NEAR YOUR HOME NECESSARILY, WHY DO
26 PEOPLE -- WHY WOULD PEOPLE WANT A HOME RESORT? WHAT'S THE

1 BENEFIT OF A HOME RESORT?

2 A. NORMALLY IT'S -- THEY CAN USE IT FOR LONGER
3 PERIODS OF TIME.

4 Q. WHAT DO YOU MEAN BY THAT?

5 A. IN A RECIPROCAL USE SYSTEM, A VISITOR TO ONE
6 OF THE RESORTS NORMALLY CAN ONLY STAY A MAXIMUM OF SEVEN
7 DAYS AT A TIME. FOR COAST TO COAST SYSTEM, IT'S A MAXIMUM
8 MAXIMUM OF SEVEN DAYS AT A TIME.

9 IF THAT RESORT IS YOUR HOME RESORT, YOU CAN
10 STAY 14 DAYS, 30 DAYS AT A TIME, DEPENDING ON WHAT TYPE OF
11 MEMBERSHIP YOU HAD PURCHASED, WHAT KIND OF USAGE YOU CAN
12 HAVE AT YOUR HOME RESORT.

13 Q. AND IS IT THE CASE -- WHAT IS THE CASE OF
14 THE PAYMENT THAT A HOME RESORT MEMBER NEEDS TO MAKE AT HIS
15 OR HER HOME RESORT FOR EACH DAY THEY'RE STAYING THERE; IS
16 THERE GENERALLY A CHARGE?

17 A. I DON'T THINK SO, NO. IT'S USUALLY A PART
18 OF THE MEMBERSHIP THAT THE PERSON PURCHASES.

19 Q. SO TAKING THE SNOWBIRD EXAMPLE, THE COUPLE
20 WHO LIVE IN NEW YORK STATE AND WANT TO GO DOWN TO ORLANDO
21 IN THE COLD WINTER MONTHS, IF THEY'VE GOT A HOME RESORT IN
22 ORLANDO, AND THAT'S WHERE THEIR DESIGNATED HOME RESORT IS,
23 DO THEY GET MORE TIME IN ORLANDO; IS THAT THE THEORY?

24 A. THAT WOULD BE THE THEORY, YES.

25 Q. NOW, IF YOU'RE NOT A HOME RESORT TO A
26 MEMBER, YOU'RE A HOSTING RESORT; IS THAT HOW IT WORKS IN

1 THE RECIPROCAL SYSTEM?

2 A. YES.

3 Q. AND THE RESORTS THAT HAVE TO HOST MEMBERS
4 WHO ARE NOT HOME RESORT MEMBERS, THEY'RE HOSTING THE
5 RECIPROCAL MEMBERS; IS THAT HOW IT WORKS?

6 A. YES.

7 Q. IS THAT SOME HUGE BURDEN TO THOSE RESORTS IN
8 YOUR EXPERIENCE?

9 A. I DON'T THINK THAT IT SHOULD BE, NO.

10 Q. AND WHY DO YOU SAY THAT?

11 A. THEIR MEMBERS ARE OUT USING THE OTHER
12 RESORTS IN THE SYSTEM. THEY RECEIVE MONETARY COMPENSATION
13 FROM COAST TO COAST.

14 Q. DO THEY RECEIVE MONETARY COMPENSATION FROM
15 THE MEMBER -- FROM THE PEOPLE THAT ARE STAYING THERE?

16 A. NOT DIRECTLY. WELL, YEAH, I SUPPOSE THEY
17 COULD, DEPENDING ON THE DIFFERENT TYPES OF ACTIVITIES THAT
18 ARE HAPPENING AT THE RESORT: PARTIES, EVENTS, BARBECUES,
19 THINGS LIKE THAT. IF THERE'S A CHARGE FOR IT, THAT COULD
20 COME DIRECTLY FROM THE MEMBER.

21 Q. BUT ON THE PAYMENT FROM COAST, WHAT'S THAT
22 ALL ABOUT, TO THE RESORT THAT'S HOSTING RECIPROCAL MEMBERS?

23 A. IT'S -- WE'VE HAD SO MANY TITLES FOR IT.
24 IT'S A HOSTING REMUNERATION.

25 Q. HOW MUCH?

26 A. THE MEMBER PRESENTS AN ACCOMMODATION CARD AS

1 THE MEANS OF ACCESS TO THE RESORT. IT COSTS THE MEMBER \$6
2 FOR THE CARD. THEY TURN IN THE CARD. THE RESORT RETURNS
3 THE CARD TO US. AND WE REMUNERATE \$5 BACK TO THE RESORT
4 FOR THAT ONE-NIGHT STAY.

5 Q. OKAY. LET ME STOP YOU RIGHT THERE, BECAUSE
6 A MOMENT AGO I WAS ASKING YOU ABOUT PAYMENTS TO THE RESORT,
7 AND YOU WERE TALKING ABOUT PAYMENTS TO COAST. LET'S SEE IF
8 WE COULD JUST TRACE THE FLOW REAL QUICK.

9 THE RECIPROCAL MEMBER PAYS COAST 6 BUCKS FOR
10 A CARD, TURNS THE CARD IN, AND COAST GIVES THE HOSTING
11 RESORT 5 OF THE 6?

12 A. RIGHT. THE ACCOMMODATION CARD IS WHAT THEY
13 USE TO SPEND THE NIGHT.

14 Q. OKAY. SO JUST IN TERMS OF DOLLARS, THEN, A
15 HOSTING RESORT GETS, WHAT, 5 BUCKS A NIGHT FOR EVERY NIGHT
16 A PERSON STAYS THERE?

17 A. YEAH. YES.

18 Q. AND THAT'S IF THEY'RE IN THE RECIPROCAL
19 SYSTEM, THE \$5?

20 A. YES.

21 Q. OKAY. SO LET'S JUST, THEN, PUT THIS IN
22 CONTEXT.

23 MR. JONES IS NOT -- MR. JONES IS A MEMBER OF
24 THE COAST SYSTEM, MEMBER OF THE COAST NETWORK, BUT IS NOT A
25 MEMBER OF THE ORLANDO PARK. THAT'S NOT HIS HOME PARK. HE
26 WANTS TO GO DOWN AND GO TO DISNEYWORLD FOR TWO WEEKS OVER

1 CHRISTMAS, STAYS AT DISNEYWORLD, THE ORLANDO PARK FOR TWO
2 WEEKS. HE'S PAID HOW MUCH FOR THAT? FORGET ABOUT THE
3 BARBECUES AND EVERYTHING ELSE.

4 A. WELL, JUST FOR CLARIFICATION, YOU WOULD HAVE
5 A HARD TIME STAYING TWO WEEKS IN A ROW, BUT -- AS A
6 RECIPROCAL VISITOR. BUT --

7 Q. LET'S CALL IT JULY, THEN. HE GOES TO
8 ORLANDO IN JULY. HE COULD PROBABLY GET IN THEN.

9 A. SEVEN DAYS WOULD BE THE MAXIMUM. BUT IT'S
10 FIVE TIMES SEVEN NIGHTS.

11 Q. OKAY. SO FOR ONE WEEK'S STAY, THIS RESORT,
12 AS FAR AS MR. JONES IS CONCERNED -- NOT THE HOME RESORT FOR
13 MR. JONES -- THIS HOME RESORT'S GOTTEN \$35?

14 A. YES.

15 Q. AND IF YOU COMPARE THAT TO THE YEARLY DUES
16 THAT MR. JOHN Q. PUBLIC IS PAYING BECAUSE
17 MR. JOHN Q. PUBLIC HAPPENS TO HAVE ORLANDO AS HIS HOME
18 RESORT, THE PUBLICS ARE PAYING HOW MUCH IN YEARLY DUES
19 APPROXIMATELY?

20 A. THE PUBLIC? THE PUBLIC DIDN'T PAY --

21 Q. LET ME TAKE MR. DURAN. MR. DURAN. WE'LL
22 USE THAT AS AN EXAMPLE. HIS HOME PARK IS ORLANDO. HOW
23 MUCH IS HE PAYING IN YEARLY DUES?

24 A. 200 TO \$300.

25 Q. OKAY. SO FOR ONE WEEK, IF YOU'RE NOT A
26 MEMBER OF ORLANDO, MR. JONES HAS PAID 15 PERCENT OR SO OF

1 WHAT MR. DURAN WOULD HAVE PAID IN HIS YEARLY DUES; IS THAT
2 RIGHT?

3 A. I'LL ACCEPT YOUR MATH, YES.

4 Q. SO IS IT -- IS IT -- FROM YOUR STANDPOINT,
5 FROM COAST'S STANDPOINT, IS HOSTING MEMBERS A DECENT
6 ECONOMIC PROPOSITION FOR RESORTS?

7 A. YES.

8 THE COURT: LET'S TAKE OUR AFTERNOON BREAK.

9 TAKE 20.

10 (RECESS TAKEN.)

11 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN
12 COURT IN THE PRESENCE OF THE JURY:)

13 THE COURT: AFTERNOON.

14 PROCEED, COUNSEL.

15 BY MR. SHERMAN: Q. MR. RANDALL, I'D LIKE TO PUT
16 UP ON THE BOARD THREE DIFFERENT TYPES OF CONTRACTS,
17 AFFILIATION AGREEMENTS, THAT HAVE ALREADY BEEN SHOWN AND
18 ADMITTED INTO EVIDENCE, IF WE CAN DO THAT. EXHIBIT 51,
19 EXHIBIT 245 AND EXHIBIT 5.

20 NOW, 51, THAT WAS THE ONE THAT MR. NOVELLI
21 SIGNED BACK IN 1988; DO YOU RECALL THAT ONE?

22 A. YES.

23 Q. AND THEN LET ME JUMP DOWN TO EXHIBIT 5.

24 EXHIBIT 5, YOU'VE SEEN THE CONTRACT SIGNED
25 BY MR. NOVELLI AND HIS BROTHER-IN-LAW, THE FOUR DIFFERENT
26 CONTRACTS WITH THAT LANGUAGE?

1 A. YES.

2 Q. OKAY. AND THOSE ARE THE CONTRACTS IN THE
3 '94, '95, '96 TIME FRAME?

4 A. I BELIEVE SO, YES.

5 Q. NOW, HAVE YOU EVER SEEN ANY CONTRACT SIGNED
6 BY MR. NOVELLI OR ANY OF HIS RESORTS WITH THAT MIDDLE
7 LANGUAGE?

8 A. NO.

9 Q. SO MR. NOVELLI SIGNED LISTS OF MEMBERS OF
10 COAST COMPILED BY COAST; SUCH APPLICATIONS ARE THE SOLE
11 PROPERTY -- THAT'S EXHIBIT 51?

12 A. YES.

13 Q. AND ALSO SIGNED THE -- HIM AND HIS
14 BROTHER-IN-LAW SIGNED THE FOUR CONTRACTS -- SAY LIST THE
15 MEMBER OF COAST COMPILED BY COAST FROM SUCH APPLICATIONS
16 ARE THE PROPERTY OF COAST FOR ALL PURPOSES?

17 A. YES.

18 Q. THE MIDDLE ONE, EXHIBIT 245, THAT'S THE ONE
19 THAT YOU WERE SHOWN THAT HAD THAT FEBRUARY, 1990, EDITION
20 DATE?

21 A. IT WAS 2/90, YES.

22 Q. 2/90.

23 AND THAT 2/90 FORM, THAT WAS REVISED AGAIN,
24 WASN'T IT?

25 A. YES.

26 Q. NOW, THE LAST -- THE LAST ONE, THE EXHIBIT

1 5, THE ONE THAT WE'VE GOT THE FOUR DIFFERENT SIGNED
2 CONTRACTS, SEE THAT PHRASE, "FOR ENHANCEMENT OF THE COAST
3 MEMBERSHIP"?

4 A. YES.

5 Q. IS THE PHRASE "ENHANCEMENT" AS USED IN THAT
6 LAST CONTRACT A WORD OF RESTRICTION?

7 MR. MOSHENKO: OBJECTION. CALLS FOR A LEGAL
8 CONCLUSION.

9 THE COURT: THE WORD WHAT?

10 BY MR. SHERMAN: Q. IS THE PHRASE "FOR ENHANCEMENT
11 OF THE COAST MEMBERSHIP," WAS THAT SOMETHING YOU UNDERSTOOD
12 WHILE PERFORMING YOUR DUTIES AT COAST AS BEING SOME
13 RESTRICTION OR LIMITATION?

14 A. NO. THE EXACT OPPOSITE I BELIEVE IS WHAT
15 ENHANCEMENT WOULD BE. IT'S TOTALLY NOT RESTRICTED.

16 Q. YOU'VE BEEN ASKED A LOT OF QUESTIONS ABOUT
17 THE SUBJECT OF -- OF WHETHER COAST HAS THE ABILITY TO
18 IDENTIFY PEOPLE, MEMBERS, WHO ARE NOT CURRENT ON THEIR HOME
19 MEMBERSHIP DUES. YOU'VE BEEN ASKED A LOT OF QUESTIONS
20 ABOUT HOW COAST DEALS WITH THOSE PEOPLE ONCE THEY LEARN
21 ABOUT THEM. DO YOU RECALL THAT?

22 A. OH, YES, I DO.

23 Q. OKAY. I WANT TO ASK YOU A COUPLE MORE
24 QUESTIONS ON THAT.

25 LET'S FIRST FOCUS ON THE ISSUE OF LOCATING
26 SOMEONE WHO IS NOT PAYING HIS OR HER HOME MEMBERSHIP DUES

1 BUT, NONETHELESS, IS CURRENT ON THEIR COAST DUES.

2 HOW DOES COAST LOCATE THOSE PEOPLE?

3 A. NORMALLY THOSE PEOPLE ARE BROUGHT TO OUR
4 ATTENTION BY THE DEVELOPERS THEMSELVES OR THEIR
5 REPRESENTATIVES, WHOEVER IT IS THAT HANDLES THEIR
6 MEMBERSHIP PORTION OF THEIR RESORT. WHATEVER THEIR BILLING
7 CYCLE IS, HOWEVER LONG THAT TAKES, AT SOME POINT IN TIME
8 THE RESORT SAYS, "OKAY, THIS PERSON IS NOT PAYING. THEY'RE
9 NO LONGER IN GOOD STANDING WITH OUR RESORT." AND THEY
10 WOULD NOTIFY US TO EITHER PLACE THAT PERSON'S COAST TO
11 COAST MEMBERSHIP ON HOLD SO THAT THEY CAN'T CONTINUE TO USE
12 THE RECIPROCAL USE SYSTEM, OR THEY WOULD TELL US THAT THE
13 MEMBER NEEDS TO BE CANCELED, OR THAT THEY'RE CANCELING THE
14 MEMBER'S CONTRACT, AND WE NEED TO CANCEL THEIR COAST TO
15 COAST MEMBERSHIP AS WELL.

16 Q. SO ONE THING IS, WORKS OFF OF THE COAST
17 MEMBERSHIP LISTS?

18 A. YES. THAT'S ONE WAY.

19 Q. OKAY. NOW, I KNOW THAT IN THE EARLY '90'S,
20 COAST WOULD SEND OUT THE COAST MEMBERSHIP LISTS TO ALL OF
21 ITS AFFILIATED RESORTS YEARLY; IS THAT RIGHT?

22 TWICE A YEAR?

23 A. RIGHT. WE SEND IT OUT SEMIANNUALLY.

24 Q. RIGHT.

25 AND YOU MENTIONED EARLIER THAT YOU'RE NOW
26 SENDING IT TO ABOUT 40 PERCENT OF THE AFFILIATED RESORTS?

1 MR. MOSHENKO: OBJECTION. MISSTATES THE PRIOR
2 TESTIMONY.

3 BY MR. SHERMAN: Q. WELL, ARE YOU SENDING IT TO 40
4 PERCENT OF THE AFFILIATED RESORTS?

5 A. I WOULD SAY THAT THAT WOULD STILL BE A
6 PRETTY ACCURATE NUMBER. OF ALL OF THE AFFILIATED RESORTS,
7 40 PERCENT OF THEM ARE CALLING US AND ASKING FOR A LISTING
8 OF THE COAST TO COAST MEMBERS AT THEIR RESORT.

9 Q. NOW, YOU KEEP ON TALKING ABOUT 40 PERCENT OF
10 ALL THE DEVELOPERS OR ALL THE AFFILIATED RESORTS. LET'S
11 SEE IF WE CAN DIG A LITTLE DEEPER HERE.

12 LET'S TALK ABOUT ORPHAN SITUATIONS WHEN
13 AN -- IF AN AFFILIATED RESORT IS GETTING SOME ORPHAN
14 MEMBERS. IN THOSE INSTANCES, IS YOUR EXPERIENCE THAT YOU
15 STILL GET ABOUT A 40-PERCENT RATE OF REQUEST TO SEE THE
16 COAST MEMBERSHIP LISTS?

17 A. NO. I DON'T -- NO. THE 40 PERCENT DOESN'T
18 APPLY TO THE 40 PERCENT. THE PEOPLE THAT WE WOULD PROVIDE
19 COAST TO COAST MEMBERS TO FOR -- FOR THEM TO SOLICIT TO
20 BECOME A MEMBER AT THAT RESORT AS AN AFFILIATED COAST
21 RESORT, I WOULD THINK THAT PROBABLY ALMOST ALL OF THEM
22 WOULD ASK FOR A LIST.

23 Q. AND WHY DO YOU SAY THAT?

24 A. THEY WOULD WANT TO, FIRST OF ALL, KEEP TRACK
25 OF -- TO MAKE SURE THAT THE PEOPLE THAT WE SHOW AS MEMBERS
26 OF THEIR RESORT ARE MEMBERS OF THEIR RESORT. IF THOSE

1 PEOPLE HAVE TOLD US THEY WERE ALREADY A MEMBER OF SOME
2 OTHER RESORT AND WE EFFECTED THAT TRANSFER, THEY WOULDN'T
3 SHOW UP ON THAT PERSON'S LIST ANYMORE. SO THEY WOULD HAVE
4 NO REASON TO CONTINUE TO ASK THE PERSON TO BECOME A MEMBER
5 AT THEIR RESORT.

6 Q. LET'S JUST TALK ABOUT THE REAL WORLD
7 ECONOMICS OF THIS.

8 ARE THEIR INCENTIVES, ECONOMIC INCENTIVES,
9 FOR AFFILIATE RESORT DEVELOPERS WHO HAVE TAKEN IN ORPHANS
10 TO WANT TO SEE COAST'S LISTS FROM YOUR PERSPECTIVE?

11 A. YEAH. I THINK THERE IS.

12 Q. AND WHY DO YOU SAY THAT?

13 A. BECAUSE THEY WOULD WANT TO HAVE THAT MEMBER
14 ACTIVELY PARTICIPATING IN THEIR RESORT AND PAYING THEM A
15 MAINTENANCE FEE.

16 Q. NOW, YOU ALSO USED THE PHRASE WHEN YOU WERE
17 BEING ASKED QUESTIONS BY PLAINTIFFS' LAWYER ABOUT SHARED
18 RESPONSIBILITY AS FAR AS CHECKING FOR PEOPLE WHO ARE NOT
19 CURRENT ON THEIR DUES, THEIR HOME RESORT DUES.

20 WHAT DO YOU MEAN BY "SHARED RESPONSIBILITY"
21 IN THIS CONTEXT?

22 A. WE -- WE DON'T REALLY HAVE ACCESS TO THE
23 RESORTS' RECORDS TO SEE WHO IS CURRENT WITH DUES, WHO IS
24 NOT CURRENT WITH DUES. GENERALLY SPEAKING, I DON'T THINK
25 THAT THE RESORTS WOULD WANT US TO COME OUT AND SAY, "WE
26 WANT TO AUDIT YOUR BOOKS" OR WHATEVER.

1 SO THE ONUS IS REALLY UPON THEM TO TELL US
2 WHEN SOMEBODY IS NOT ELIGIBLE TO CONTINUE TO RECEIVE THEIR
3 COAST TO COAST BENEFITS.

4 Q. BUT IN THE REAL WORLD, HOW DOES IT WORK? I
5 MEAN, YOU WERE HERE WHEN MR. BROCKLEY THE TWO SPRINGS PARK
6 WAS TESTIFYING ABOUT HOW HE'D EVEN LET ME GO IN THERE, BUT
7 HE WOULD CHARGE ME MORE. YOU REMEMBER THAT?

8 A. I REMEMBER THAT.

9 Q. OKAY. SO LET'S TALK ABOUT THE REAL WORLD.
10 HOW DOES IT WORK IN THE REAL WORLD, THIS
11 CONCEPT OF SHARED RESPONSIBILITY WITH THE DEVELOPER AND THE
12 CHECKING PROCESS AND COAST?

13 A. IF A MEMBER GOES TO A RESORT AND THEY WANT
14 TO USE THEIR COAST TO COAST MEMBERSHIP TO -- TO GET INTO
15 THE RESORT AT THIS REDUCED RATE FOR SAYING THERE, THEY NEED
16 TO SHOW PROOF OF THEIR COAST TO COAST ELIGIBILITY. THEY
17 NEED TO SHOW PROOF THAT THEY ARE A MEMBER IN GOOD STANDING
18 AT AN AFFILIATED COAST TO COAST RESORT.

19 Q. AND HOW DO YOU SHOW THAT YOU'RE A MEMBER IN
20 GOOD STANDING AT THE AFFILIATED COAST TO COAST RESORT?

21 A. YOU HAVE A HOME PARK ID CARD.

22 Q. AND THIS HOME PARK ID CARD, IS THIS
23 SOMETHING THAT YOU JUST GET ONCE, AND YOU JUST SHOW IT
24 FOREVER?

25 A. WHATEVER THE PARTICULAR RESORT'S BILLING
26 CYCLE IS, WHEN THAT MEMBER HAS PAID THEIR DUES, THEY WOULD

1 GET A CURRENT HOME PARK ID CARD.

2 Q. YOU MEAN, I CAN'T JUST GO IN THERE AND WAVE
3 SOME CARD AND -- THE RESORT, DEVELOPERS WOULD CHECK TO SEE
4 IF IT'S CURRENT; IS THAT THE WAY IT'S SUPPOSED TO WORK IN
5 THE REAL WORLD?

6 A. THAT'S THE WAY IT'S SUPPOSED TO WORK, YES.

7 Q. AND SO I COME IN AND I SHOW THEM A HOME
8 RESORT CARD THAT'S A COUPLE YEARS OLD. WHAT IS THE RESORT
9 DEVELOPER SUPPOSED TO DO?

10 A. HE'S NOT SUPPOSED TO LET THEM IN ON THEIR
11 COAST TO COAST MEMBERSHIP.

12 Q. DO YOU SOMETIMES GET CALLS FROM DEVELOPERS
13 ALERTING YOU TO PEOPLE WHO ARE TRYING TO USE THEIR CURRENT
14 COAST MEMBERSHIP WITH AN EXPIRED OR PAST-DUE HOME RESORT
15 MEMBERSHIP?

16 A. FROM TIME TO TIME, YES, WE GET THOSE KINDS
17 OF PHONE CALLS.

18 Q. AND WHAT DO YOU DO THEN?

19 A. NORMALLY WE WILL, FIRST OF ALL, BRING UP THE
20 MEMBER SCREEN. I'M NOT ABSOLUTELY CERTAIN IF A PHONE CALL
21 IS MADE OR NOT. BUT USUALLY A LETTER IS GENERATED THAT AT
22 LEAST LETS THE MEMBER KNOW THAT WITHOUT A VALID HOME PARK
23 ID CARD, THE RECIPROCAL USE SYSTEM ISN'T AVAILABLE TO
24 THEM.

25 IF THERE IS SOME KIND OF A QUESTION OR A
26 PROBLEM THAT THEY THINK EXISTS WITH THEM AND THEIR HOME

1 RESORT, THEY NEED TO CONTACT THE HOME RESORT AND CLEAR IT
2 UP; OTHERWISE, THEY'RE NOT GOING TO BE ABLE TO USE THE
3 COAST TO COAST SYSTEM.

4 Q. NOW, YOU WERE ASKED A LOT OF QUESTIONS ABOUT
5 WHETHER COAST WOULD JUST AS SOON -- MY WORDS -- SWEEP ALL
6 THIS UNDER THE RUG AND, SAY, JUST TAKE THE DUES.

7 IS THAT THE MESSAGE THAT'S BEEN COMMUNICATED
8 TO YOU, THAT THAT'S THE WAY COAST DOES IT?

9 A. OH, I THINK THAT WAS WHAT WAS CONVEYED AS A
10 POSSIBILITY THAT WE WOULD WANT TO DO THAT. BUT THAT'S NOT
11 THE CASE AT ALL.

12 Q. WHY DO YOU SAY THAT?

13 A. THE SYSTEM WON'T WORK -- THE SYSTEM WON'T
14 WORK IF SOMEBODY -- IF THE DEVELOPERS DON'T PROVIDE ACCESS
15 TO THE MEMBERS. AND IF THERE'S PEOPLE WONDERING ABOUT
16 FREELY USING THE SYSTEM AND NOBODY'S -- NONE OF THE
17 DEVELOPERS WHO ARE THE PEOPLE WHO ARE PROVIDING THAT
18 SERVICE ARE GAINING OR RECEIVING ANY REVENUE FROM IT,
19 THEY'RE JUST NOT GOING TO PARTICIPATE. IT WOULD BE
20 SENSELESS.

21 Q. LET'S TALK ABOUT THIS ANTI-RAIDING RULE.
22 WHAT IS RAIDING?

23 A. YOU ZOOM IN SOMEWHERE, PILLAGE, LOOT AND
24 PLUNDER, AND RUN OUT AGAIN.

25 Q. AND IN THE WORLD OF RECIPROCAL NETWORK
26 SYSTEMS, WHAT IS ANTI-RAIDING?

1 A. THE ANTI-RAIDING RULE IS TO PREVENT ONE
2 AFFILIATED RESORT FROM RAIDING THE MEMBERSHIP BASE TAKING
3 MEMBERS FROM ANOTHER AFFILIATED RESORT'S MEMBERSHIP BASE
4 THROUGH THE INDUCEMENT OF COAST TO COAST GOING ALONG WITH
5 THE NEW MEMBERSHIP. IT'S USUALLY DONE, "GEE, WHY DO YOU
6 WANT TO PAY RESORT A 4-, \$500 OR 3- OR \$400 IN A
7 MAINTENANCE FEE? WHY DON'T YOU JUST COME ON OVER TO MY
8 PARK. WE'LL ONLY CHARGE \$150, AND YOU CAN HAVE YOUR COAST
9 TO COAST MEMBERSHIP HERE AS WELL." THAT WOULD BE
10 CONSIDERED RAIDING SOMEBODY ELSE'S MEMBERSHIP BASE.

11 Q. YOU CAN HAVE YOUR COAST TO COAST MEMBERSHIP
12 AS WELL. THAT IMPLIES THAT THEY COULD HAVE HAD THEIR COAST
13 MEMBERSHIP AT THE PARK THEY WERE AT, RESORT A, OR THEY
14 WOULD HAVE IT AT THIS OTHER PARK; IS THAT RIGHT?

15 A. YES. THE RAIDING PART OF IT IS WHETHER
16 SOMEBODY'S ALREADY TRYING TO TAKE A COAST TO COAST MEMBER
17 FROM A COAST TO COAST AFFILIATED RESORT WITH THE INDUCEMENT
18 OF STILL KEEPING THEIR COAST TO COAST MEMBERSHIP AT THIS
19 OTHER RESORT AND BASICALLY GETTING OUT OF THEIR CONTRACT AT
20 THE OTHER RESORT.

21 Q. WELL, LET'S TALK ABOUT THE ISSUE OF THE
22 ANTI-RAIDING RULE AS IT ARISES IN ORPHAN PROGRAMS AS
23 PLAINTIFFS' LAWYER WAS TRYING TO DRAW THAT CONNECTION.

24 DOES THE ANTI-RAIDING RULE HAVE ANY
25 APPLICABILITY TO A SITUATION WHERE YOU'VE GOT A RESORT
26 THAT'S DISAFFILIATED AND YOU'VE GOT ORPHANS?

1 A. NO. THE ANTI-RAIDING IS BETWEEN AFFILIATED
2 RESORTS.

3 Q. AND SO DEFINITIONALLY, IF YOU'VE GOT A
4 DISAFFILIATION WITH AN ORPHAN SITUATION, THEN YOU DON'T
5 HAVE TWO AFFILIATED RESORTS; IS THAT YOUR POINT?

6 A. BINGO.

7 Q. DOES THE ANTI-RAIDING RULE EXIST IN THE
8 CONTEXT OF A COAST MEMBER HAVING MULTIPLE HOME PARK
9 MEMBERSHIPS OR HOME RESORT MEMBERSHIPS?

10 A. THERE CAN BE ONLY ONE. THE -- THEY CAN HAVE
11 AS MANY MEMBERSHIPS IN RESORTS AS THEY WANT TO, THE MEMBERS
12 BEING THE "THEY." FOR COAST TO COAST PURPOSES, THEY HAVE
13 ONLY ONE HOME RESORT ASSIGNED THEM.

14 Q. NOW, I'D LIKE TO TALK ABOUT TRANSFERS --
15 THIS WAS ANOTHER TOPIC THAT YOU WERE ASKED QUESTIONS
16 ABOUT -- TRANSFERS OF COAST MEMBERSHIPS BETWEEN OR AMONG
17 COAST-AFFILIATED PARKS.

18 AND YOU WERE ASKED A LOT OF QUESTIONS ABOUT
19 THIS THREE-SIGNATURE RULE?

20 A. YES.

21 Q. LET'S TALK ABOUT WHERE THERE'S BEEN A
22 DISAFFILIATION, AN ORPHAN SITUATION.

23 DOES COAST REQUIRE THREE SIGNATURES IN THOSE
24 SITUATIONS?

25 A. NO.

26 Q. WHY NOT?

1 A. THEY'RE -- THERE'S NO REASON TO SEEK RELEASE
2 FROM THE RESORT THAT IS NO LONGER A PART OF THE SYSTEM.
3 IT'S THE MEMBER'S OPTION. THE MEMBER HAS THE OPTION. IF
4 HE WANTS TO STAY IN COAST TO COAST, HE CAN GET INTO ANOTHER
5 COAST TO COAST AFFILIATED RESORT. AND IT HAS ABSOLUTELY
6 NOTHING TO DO WITH HIS STATUS IN THE RESORT THAT IS NOT IN
7 THE COAST TO COAST SYSTEM. THERE'S NO IMPACT THERE AT
8 ALL. HE CAN'T HAVE COAST TO COAST IF THAT'S THE ONLY
9 MEMBERSHIP THAT HE HAS.

10 Q. NOW, YOU'VE HEARD THE PHRASE USED BY
11 PLAINTIFF'S LAWYER THAT THE ORPHAN PROGRAM IS JUST A
12 GIVEAWAY. DID YOU HEAR THAT QUESTION, A QUESTION LIKE THAT
13 ASKED OF YOU YESTERDAY?

14 A. YES, I DID.

15 Q. ARE ORPHAN PROGRAMS DESIGNED TO ACT AS
16 GIVEAWAY PROGRAMS?

17 A. NO, IT'S NOT. DEPENDING ON WHAT THE MEMBER
18 PAID FOR THE ORIGINAL HOME RESORT, THAT -- THAT SHOULD BE
19 SUFFICIENT. YOU KNOW, \$2,000, 8,000, 5,000, THAT SHOULD BE
20 SUFFICIENT. AND I DON'T THINK THAT THERE IS A GIVEAWAY BY
21 PROVIDING THAT PERSON THE OPPORTUNITY TO BE A MEMBER OF
22 ANOTHER RESORT WITHOUT CHARGING THAT SAME FEE ALL OVER
23 AGAIN.

24 AS A MATTER OF FACT, THE REGIONAL DIRECTORS
25 TRY TO DETERMINE FROM A RESORT DEVELOPER BEFORE THEY WILL
26 PARTICIPATE IN THE ORPHAN PROGRAM IF THEY'RE GOING TO MAKE

1 THEM SOME KIND OF A SPECIAL OFFER SO THAT THEY DON'T HAVE
2 TO INCUR THAT FEE ALL OVER AGAIN.

3 Q. IS THIS JUST BASICALLY, THEN, A FAIRNESS
4 ISSUE?

5 A. AS FAR AS I'M CONCERNED, IT IS, YES.

6 Q. AND WHAT ABOUT THE LETTERS SENT IN THE FALL
7 OF '97; YOU WERE ASKED A LOT OF QUESTIONS ON THE SUBJECT
8 OF -- WERE YOU SENDING THESE LETTERS TO FRIGHTEN PEOPLE?
9 DO YOU RECALL THOSE KINDS OF QUESTIONS?

10 A. I DO, YES.

11 Q. YOU WERE SENDING THESE LETTERS TO FRIGHTEN
12 PEOPLE TO GET THEM TO MOVE QUICK; RIGHT? THOSE WERE THE
13 QUESTIONS?

14 A. YES.

15 Q. WAS THAT YOUR GOAL?

16 A. NO. I'D PUT A PICTURE OF MYSELF ON THE
17 LETTERS IF THAT WAS MY GOAL, TO FRIGHTEN PEOPLE.

18 Q. WELL, LET'S TALK SOME MORE ABOUT -- ABOUT
19 SOME OF THE COMMUNICATIONS THAT YOU GOT BACK FROM -- FROM
20 COAST MEMBERS WHO GOT THESE LETTERS THAT DIDN'T HAVE YOUR
21 PICTURES ON THEM.

22 I WANT TO ASK YOU SOME QUESTIONS ABOUT
23 COMMUNICATIONS THAT YOU RECEIVED BACK FROM MEMBERS ON THE
24 SUBJECT OF R.P.I. VERSUS COAST.

25 DO YOU UNDERSTAND?

26 A. OKAY.

1 Q. AND WITHOUT REPLAYING ALL YOUR TESTIMONY ON
2 THIS, YOUR OPINION -- I THINK YOU MADE IT REAL CLEAR TO THE
3 MEMBERS OF THE JURY. IT WAS YOUR OPINION THAT YOU DIDN'T
4 THINK THAT R.P.I. WAS AS GOOD A PROGRAM AS COAST.

5 IS THAT BASICALLY YOUR VIEW?

6 A. YES, IT IS.

7 Q. HAVE YOU HEARD THAT FROM MEMBERS?

8 A. YES, I HAVE.

9 Q. LET ME SHOW YOU A LETTER, EXHIBIT 949-337 TO
10 339, BATES NUMBER 08746 TO 08748.

11 MAY I APPROACH?

12 THE COURT: YOU MAY.

13 BY MR. SHERMAN: Q. THE FIRST PAGE OF THIS IS ONE
14 OF THOSE COAST INTERNAL FORMS; IS THAT RIGHT?

15 A. YES.

16 Q. AND YOU'LL SEE AT THE TOP ON THE FIRST PAGE,
17 "MEMBER NAME, AUGUST LANIER." DO YOU SEE THAT?

18 A. YES. I DO.

19 Q. AND THEN THE LAST PAGE, PAGE 08748, IS THAT
20 A WRITTEN COMMUNICATION THAT COAST RECEIVED AFTER YOU
21 STARTED SENDING OUT THE LETTERS TO COAST MEMBERS?

22 A. YES. IT'S DATED FEBRUARY, '98. FEBRUARY
23 20TH, '98.

24 MR. SHERMAN: I WOULD LIKE TO MOVE EXHIBIT 949-337
25 TO 339 INTO EVIDENCE.

26 MR. MOSHENKO: NO OBJECTION, YOUR HONOR.

1 THE COURT: THANK YOU. IT WILL BE DEEMED RECEIVED.

2 (WHEREUPON EXHIBIT NO. 949-337, MEMBER
3 LETTER, WAS RECEIVED IN EVIDENCE.)

4 MR. SHERMAN: JUST THE LETTER, PLEASE, IF YOU WOULD
5 PUT THAT UP.

6 Q. THIS IS THE THIRD PAGE, MR. RANDALL; IS THAT
7 RIGHT?

8 A. YES.

9 Q. THAT WE'VE GOT UP ON THE BOARD?

10 SO FEBRUARY 20, 1998, AUGUST LANIER WRITES
11 TO COAST, THIS LETTER IS NOTIFICATION STATEMENT FOR
12 AUGUST S. LANIER IN LULLING, LOUISIANA. I'VE CHANGED MY
13 HOME PARK FROM SCENIC TRAILS TO OKEECHOBEE LANDINGS,
14 FLORIDA. THE REASON FOR TRANSFER, SCENIC TRAILS,
15 MISSISSIPPI, CHANGED OVER TO R.P.I. SYSTEM NO LONGER BEING
16 ASSOCIATED WITH COAST TO COAST SYSTEM. I'M GOING TO STAY
17 WITH COAST TO COAST, NOT R.P.I.

18 SO THIS IS -- THIS IS A LETTER FROM ONE OF
19 THE COAST MEMBERS WHO DOESN'T WANT R.P.I.?

20 A. THAT SEEMS PRETTY CLEAR HERE, YES.

21 Q. AND DID YOU GET OTHER LETTERS LIKE THAT?

22 A. I'M SURE WE DID, YES.

23 Q. AND YOU'RE NOT SITTING HERE TELLING THE
24 LADIES AND GENTLEMEN OF THE JURY THAT YOU COULD PROVE 15
25 DIFFERENT WAYS THAT COAST IS BETTER THAN R.P.I.; IS THAT
26 WHAT YOU'RE SAYING?

1 LETTER, WAS RECEIVED IN EVIDENCE.)

2 BY MR. SHERMAN: Q. ALL RIGHT. LET'S PUT THE
3 FIRST PAGE UP.

4 THIS IS A LETTER FROM ROBERT MOORE DATED
5 APRIL 22, 1998.

6 COAST TO COAST, TO THE TRANSFER COORDINATOR,
7 REFERENCE TELEPHONE CONVERSATION WITH NICKI ON APRIL 21,
8 1998.

9 BE ADVISED MY HOME PARK MEMBERSHIP WITH
10 A.R.A. WAS TERMINATED DUE TO THEIR GOING BANKRUPT.

11 LET ME JUST STOP YOU RIGHT THERE,
12 MR. RANDALL.

13 A.R.A., HAVE YOU HEARD THAT REFERRED TO AS A
14 PARK, ADVENTURE RESORTS AMERICA?

15 A. YES.

16 Q. ONE OF THE PLAINTIFFS IN THIS CASE?

17 A. I BELIEVE THEY ARE, YES.

18 Q. SO BE ADVISED MY HOME PARK MEMBERSHIP WITH
19 A.R.A. WAS TERMINATED DUE TO THEIR GOING BANKRUPT AND
20 TRANSFERRED TO TRAVEL AMERICA WHICH IS NOT AFFILIATED WITH
21 COAST TO COAST. THEY URGED US TO GO WITH R.P.I., BUT WE
22 WANT TO STAY WITH CAMP COAST TO COAST. WE RECEIVED AN
23 OFFER TO JOIN ELITE AT SALT SPRINGS, BUT WE DECIDED TO JOIN
24 JELLYSTONE PARK AT -- HELSKELL?

25 A. HELSKELL.

26 Q. HELSKELL. HELSKELL, TENNESSEE AND BECAME

1 MEMBERS THERE ON APRIL 2, 1998.

2 I HOPE THIS SATISFIES YOUR REQUIREMENTS.

3 YOUR HONOR, I HAVE TO SHOW THE SECOND PAGE
4 OF THIS EXHIBIT. IT'S BEEN ADMITTED INTO EVIDENCE. IT'S
5 KIND OF CUTE.

6 (INDICATING). ANYWAY, SO MUCH FOR
7 JELLYSTONE.

8 AND YOU RECEIVED OTHER LETTERS FROM COAST
9 MEMBERS SAYING, IN EFFECT, I DON'T WANT R.P.I. I PREFER
10 COAST?

11 A. CORRECT.

12 Q. LET ME SHOW YOU ANOTHER ONE OF THOSE,
13 EXHIBIT 949-854, BATES NUMBER 9266.

14 MAY I APPROACH?

15 IS THIS A LETTER THAT COAST RECEIVED FROM A
16 COAST MEMBER ON THE SUBJECT OF THESE TRANSFER LETTERS?

17 A. I WOULD BELIEVE IT WAS RELATED TO THE
18 TRANSFER LETTER, YES, AND IT IS A COAST TO COAST MEMBER.

19 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-854 INTO
20 EVIDENCE.

21 MR. MOSHENKO: NO OBJECTION.

22 THE COURT: IT WILL BE RECEIVED.

23 (WHEREUPON EXHIBIT NO. 949-854, MEMBER
24 LETTER, WAS RECEIVED IN EVIDENCE.)

25 BY MR. SHERMAN: Q. THIS ONE WAS SENT BY IT
26 APPEARS THE RENAYS TO COAST TO COAST, MARY URIOSTE.

1 DEAR MISS URIOSTE, REGARDING YOUR LETTER --
2 CAN YOU TELL IF IT'S NOVEMBER OR DECEMBER? IT'S ONE OR THE
3 OTHER. DECEMBER?

4 A. DECEMBER.

5 Q. WE'LL GO WITH DECEMBER. DECEMBER 24, 1997,
6 PLEASE BE ADVISED THAT WE ARE REQUESTING A TRANSFER OF
7 MEMBER FROM A.R.A. -- THAT'S THAT SAME ADVENTURE RESORTS OF
8 AMERICA, THE PLAINTIFFS IN THIS CASE; IS THAT RIGHT?

9 A. YES.

10 Q. TO SOUTHERN TRAILS INN --

11 A. UMUDILLA.

12 Q. EXACTLY HOW IT'S SPELLED -- FOR THE
13 FOLLOWING REASONS: ONE, WE WERE ADVISED BY A.R.A. THAT
14 THEY ARE -- THAT THEY WERE NO LONGER AFFILIATED WITH THEM
15 DUE TO CHANGE OF OWNERSHIP.

16 DID YOU EVER LEARN THAT A.R.A. HAD A CHANGE
17 OF OWNERSHIP AT SOME POINT IN TIME?

18 A. YEAH. IT STRIKES MY MEMORY, IN MY OPINION
19 ANYWAY, IT WAS SOMETHING OF A COMPLICATED OR
20 OUT-OF-THE-ORDINARY CHANGE IN THE OWNERSHIP, THE WAY THAT
21 IT TOOK PLACE.

22 Q. AND THEN THEY GO ON TO SAY, WE TRIED CALLING
23 THEIR 800 TELEPHONE SEVERAL TIMES FOR MORE INFORMATION, BUT
24 ALL WE GOT WAS A RUN-AROUND AND NO DEFINITE RESPONSE AS TO
25 WHERE OUR MEMBERSHIP WAS BEING TRANSFERRED. WE FINALLY
26 RECEIVED A NEWSLETTER, PARENS, AFTER WE DECIDED TO JOIN

1 SOUTHERN TRAILS, CLOSE PARENS, THAT THEY WERE NO LONGER
2 AFFILIATED WITH COAST TO COAST AND HAD JOINED R.P.I.

3 AND THEN THEY WRITE IN THERE, "AFTER SEVERAL
4 MONTHS." THAT'S SORT OF UP THERE ON THE SIDE.

5 FOUR, WE HAVE NO DESIRE -- THEY UNDERLINE
6 THAT -- TO BE PART OF R.P.I. WE ARE HAPPY WITH COAST TO
7 COAST AND I THINK THAT ALONE SHOULD BE REASON ENOUGH TO
8 CHANGE OR TRANSFER OUR MEMBERSHIP. WON'T YOU AGREE?

9 SINCERELY.

10 DID YOU AGREE?

11 A. OH, I ABSOLUTELY AGREED.

12 Q. NOW, AS FAR AS THOSE COAST MEMBERS WHO WERE
13 ALSO MEMBERS OF R.P.I. -- AND I REALIZE YOU DIDN'T QUANTIFY
14 THAT AMOUNT, NUMBER FOR THE JURY.

15 BUT AS FAR AS THOSE COAST MEMBERS WHO ALSO
16 HAD R.P.I. MEMBERSHIP, WAS R.P.I. GOING TO BE GETTING
17 SOMETHING MORE IF THEY JOINED R.P.I. A SECOND TIME?

18 A. I DON'T -- NO. I DON'T BELIEVE SO, NO.

19 Q. IF A COAST MEMBER -- HYPOTHETICALLY, FALL OF
20 '97, COAST MEMBER JONES HAD COAST MEMBERSHIP AND ALSO HAD A
21 R.P.I. MEMBERSHIP BECAUSE THEY REALLY LIKED TRAVELING ALL
22 THE TIME AND HAVING THE MAXIMUM FLEXIBILITY THEY COULD
23 POSSIBLY HAVE. AND THEY GOT A NOTICE THAT THEIR
24 MEMBERSHIP -- THEIR RECIPROCAL MEMBERSHIP BECAUSE
25 MR. NOVELLI WAS PULLING OUT -- HE WANTED TO SEND IT OVER TO
26 R.P.I. AND THEY DIDN'T, QUOTE, TAKE HIM UP ON THE OFFER,

1 CLOSE QUOTE, WAS R.P.I. BEING DEPRIVED OF ANYTHING?

2 A. THE WAY THE OFFER WAS MADE, YEAH, THEY COULD
3 HAVE. I THINK IT SAID THEY WERE GOING TO GIVE THEM SIX
4 MONTHS FREE MEMBERSHIP IN R.P.I. SO --

5 Q. PUTTING ASIDE THE -- OH, YOU'RE TALKING
6 ABOUT THE MEMBER BEING DEPRIVED THE SIX MONTHS FREE?

7 A. NO. I'M SAYING THE MEMBER SAID, I GOT SIX
8 MONTHS FREE. GIVE ME SIX MONTHS WITHOUT DUES TO R.P.I.,
9 BUT I WON'T GO THERE.

10 Q. PUT THAT ISSUE ASIDE.

11 A. OKAY.

12 Q. PUT THAT ISSUE ASIDE.

13 YOU HAD A DUAL MEMBERSHIP; R.P.I. IS BEING
14 OFFERED, AND THEY'RE NOT TAKING IT. IS THAT SOMETHING THAT
15 COAST DID?

16 A. NO.

17 Q. LET ME TURN TO SOME OF THE COMMUNICATIONS
18 THAT COAST RECEIVED FROM MEMBERS DEALING WITH THE COLLAPSE
19 OF THE ALL SEASONS RESORTS SYSTEM.

20 DID COAST RECEIVE SUCH COMMUNICATIONS?

21 A. REGARDING THE COLLAPSE OF THE ALL SEASONS,
22 YES.

23 Q. LET ME SHOW YOU A DOCUMENT, EXHIBIT 949-920,
24 BATES NUMBER 09332.

25 MAY I APPROACH?

26 LET ME PASS THIS ONE FOR NOW. AND LET ME

1 INSTEAD GO TO 949-913. THAT'S BATES NUMBER 09325.

2 CRAIG, CAN I GET 949-913?

3 NOW, STAYING ON THE SUBJECT OF THE
4 COMMUNICATIONS THAT COAST TO COAST WAS RECEIVING FROM ITS
5 MEMBERS DETAILING THE COLLAPSE OF THE ALL SEASONS SYSTEM,
6 IS THIS ONE OF THESE LETTERS THAT COAST RECEIVED ON THAT
7 SUBJECT?

8 A. YES, IT IS.

9 MR. SHERMAN: AND I'D LIKE TO MOVE EXHIBIT 949-913
10 INTO EVIDENCE.

11 MR. MOSHENKO: IT MAY GO IN. NO OBJECTION.

12 THE COURT: THANK YOU. RECEIVED IN EVIDENCE.

13 (WHEREUPON EXHIBIT NO. 949-913, MEMBER
14 LETTER, WAS RECEIVED IN EVIDENCE.)

15 MR. SHERMAN: LET'S PUT IT UP.

16 Q. THIS IS A LETTER TO MARY URIOSTE FROM THE
17 ZAREMBAS. AND IT SHOWS A RECEIVED STAMP IN THE UPPER
18 RIGHT-HAND CORNER, JUNE 3, 1998.

19 DEAR MARY, THE REASON WE ARE REQUESTING THE
20 TRANSFER IS BECAUSE OUR RESORT, WHICH WAS ALL SEASONS
21 RESORTS, TERMINATED ALL MEMBERSHIP CONTRACTS AROUND OCTOBER
22 27, 1997.

23 LET ME JUST STOP RIGHT THERE.

24 YOU'RE NOT A BANKRUPTCY LAWYER, ARE YOU,

25 MR. RANDALL?

26 A. NO.

1 Q. OKAY. I MEAN, DON'T CONSIDER YOURSELF TO BE
2 A SPECIALIST IN BANKRUPTCY?

3 A. NO.

4 Q. OKAY. AND WERE YOU GETTING LETTERS FROM
5 COAST MEMBERS SAYING THAT -- WORDS TO THE EFFECT, HEY,
6 ALL THE ALL SEASONS RESORTS MEMBERSHIP CONTRACTS WERE
7 TERMINATED?

8 A. YES. WE WERE GETTING CORRESPONDENCE OF THAT
9 NATURE.

10 Q. AND DID YOU, YOU KNOW, HAVE MEMBERS TRY TO
11 ENGAGE IN BIG, LONG DIALOGUES WITH YOU ABOUT WHETHER IT WAS
12 TERMINATED, OR WHETHER IT WAS REALLY REJECTED AND NOT
13 TERMINATED OR ASSUMED, OR, YOU KNOW, ALL THESE BANKRUPTCY
14 CODE PROVISIONS?

15 MR. SHAW: I'D JUST OBJECT --

16 MR. MOSHENKO: OBJECT. COMPOUND. AND CALLS FOR
17 HEARSAY.

18 THE COURT: SUSTAINED. REPHRASE, PLEASE.

19 MR. SHERMAN: SURE.

20 Q. DO YOU RECALL RECEIVING ANY WRITTEN
21 COMMUNICATIONS FROM MEMBERS WHERE THEY WERE TRYING TO PARSE
22 THROUGH THE MEANING OF THE BANKRUPTCY CODE AND THE EFFECT
23 ON THEIR MEMBERSHIP CONTRACT, OR WERE YOUR GETTING
24 COMMUNICATIONS FROM MEMBERS SAYING "OUR MEMBERSHIP
25 CONTRACTS ARE OVER" OR WAS IT BOTH?

26 A. IT WAS THE LATTER. THEY WERE JUST COMING

1 OUT SAYING, HEY, ACCORDING TO THIS, A LETTER I GOT, OR
2 SOMETHING ELSE, MY MEMBERSHIP'S CANCELED. I DON'T RECALL
3 RECEIVING LETTERS OR PHONE CALLS BEING QUESTIONED ABOUT THE
4 INS AND OUTS OF BANKRUPTCY OR ANYTHING ELSE.

5 Q. DID YOU FEEL LIKE YOU NEEDED SOME BANKRUPTCY
6 ADVICE TO UNDERSTAND WHAT WAS GOING ON WITH ALL SEASONS
7 RESORTS FROM A SPECIALIST?

8 A. NO. I DON'T BELIEVE THAT I DID.

9 Q. LET'S GO TO EXHIBIT 949-434, BATES NUMBER
10 08044.

11 IS THIS A LETTER THAT COAST TO COAST
12 RECEIVED ON THE SUBJECT OF THE COLLAPSE OF ALL SEASONS?

13 A. YES.

14 MR. SHERMAN: NOW I'D LIKE TO MOVE EXHIBIT 949-434
15 INTO EVIDENCE.

16 MR. MOSHENKO: NO OBJECTION, YOUR HONOR.

17 THE COURT: BE RECEIVED.

18 (WHEREUPON EXHIBIT NO. 949-434, MEMBER
19 LETTER, WAS RECEIVED IN EVIDENCE.)

20 MR. SHERMAN: PUT THAT UP ON THE BOARD, PLEASE.

21 Q. AND LET'S START WITH THE -- START WITH THE
22 DATE THERE OF THAT LETTER, OCTOBER 12, 1997.

23 YOU'LL RECALL PLAINTIFFS' LAWYER SHOWING YOU
24 SOME OF THE LETTERS THAT COAST SENT OUT ON THE SUBJECT OF
25 COAST'S RELATIONSHIP WITH ALL SEASONS RESORTS; RIGHT?

26 A. YES.

1 Q. THOSE WERE LETTERS SENT NOVEMBER 5TH,
2 NOVEMBER 12TH, AND DECEMBER, 1997?

3 A. RIGHT.

4 Q. AND HERE WE'VE GOT A MEMBER WRITING TO COAST
5 ON THE SUBJECT OF THE COLLAPSE OF ALL SEASONS; IS THAT
6 RIGHT?

7 A. YES.

8 Q. OCTOBER 2, 1997?

9 A. CORRECT.

10 Q. SO, I MEAN, LOGICALLY WE COULD DEDUCE FROM
11 THIS THAT THIS MEMBER DIDN'T NEED YOU TO TELL THEM ABOUT
12 ALL SEASONS' COLLAPSE?

13 A. NO. THEY DIDN'T.

14 Q. AND THIS MEMBER WRITES, GENTLEMEN, WE ARE
15 INFORMING YOU OF OUR TRANSFER OF MEMBERSHIP FROM ALL
16 SEASONS' HONEYBROOK, PENNSYLVANIA RESORT, TO SHILO R.V. AND
17 TRAVEL RESORT IN MONROE, LOUISIANA. THE REASON FOR MAKING
18 THIS CHANGE IS BECAUSE THE ALL SEASONS CHAIN WENT OUT OF
19 BUSINESS, AND OUR CONTRACT WITH THEM WAS TERMINATED BY THE
20 CREDITORS IN ORDER TO SELL THE CAMPGROUNDS. SHILO RESORT
21 WAS KIND ENOUGH TO ACCEPT US AS MEMBERS BEGINNING ON
22 SEPTEMBER 22, '97.

23 NOW, AS FAR AS THIS BUSINESS ABOUT THE
24 FOLKS' CONTRACT WITH ALL SEASONS WAS TERMINATED BY THE
25 CREDITORS IN ORDER TO SELL THE CAMPGROUNDS, DID YOU FEEL
26 LIKE YOU UNDERSTOOD THAT ADVICE YOU WERE GETTING FROM THE

1 FOLKS?

2 A. YES.

3 Q. WAS THERE ANYTHING YOU FELT WAS UNCLEAR
4 ABOUT THE FACT THAT THE FOLKS BELIEVED THEY DIDN'T HAVE A
5 CONTRACT ANYMORE?

6 A. NO. BECAUSE THAT'S WHAT I BELIEVED ALSO.

7 Q. YOU DIDN'T NEED A BANKRUPTCY LAWYER TO TELL
8 YOU THAT, DID YOU?

9 A. NO.

10 Q. LET'S GO TO EXHIBIT 949-424, COAST 08834.
11 IS THIS ANOTHER ONE OF THE LETTERS THAT
12 COAST RECEIVED FROM ITS MEMBERS CHRONICLING THE COLLAPSE OF
13 THE HOUSE OF ALL SEASONS?

14 MR. MOSHENKO: I'LL OBJECT TO THE PHRASE OF
15 "CHRONICLING THE COLLAPSE" AS ARGUMENTATIVE.

16 THE COURT: REPHRASE.

17 MR. MOSHENKO: AND LEADING AND SUGGESTIVE.

18 THE COURT: REPHRASE.

19 BY MR. SHERMAN: Q. DOES THIS LETTER HAVE ANYTHING
20 TO DO WITH MEMBERS WRITING IN TELLING BUT THE COLLAPSE OF
21 ALL SEASONS?

22 MR. MOSHENKO: SAME OBJECTION. ARGUMENTATIVE.

23 THE COURT: OVERRULED. WANT TO USE "DEMISE"?

24 MR. MOSHENKO: IT'S TERMINATION ACTUALLY. THEY
25 JUST --

26 BY MR. SHERMAN: Q. OKAY. THIS ONE OF THESE

1 LETTERS?

2 A. YES. IT IS.

3 MR. SHERMAN: I'D LIKE TO MOVE IT INTO EVIDENCE.

4 949-424, BATES NUMBER 08834.

5 MR. MOSHENKO: NO OBJECTION, YOUR HONOR.

6 THE COURT: IT WILL BE RECEIVED.

7 (WHEREUPON EXHIBIT NO. 949-424, MEMBER
8 LETTER, WAS RECEIVED IN EVIDENCE.)

9 BY MR. SHERMAN: Q. NOW, THE FREUNDS WRITE TO
10 COAST ON JULY 6TH, 1998, DEAR COAST TO COAST, THE REASON WE
11 ARE TRANSFERRING OUR HOME RESORT OF RECORD IS BECAUSE WE
12 WERE MEMBERS OF ALL SEASONS, AND THEY WENT BANKRUPT AND
13 DISSOLVED OUR MEMBERSHIP.

14 NOW, WHEN YOU SAW THAT, YOU UNDERSTOOD THAT
15 SENTENCE, DIDN'T YOU?

16 A. YES, I DID.

17 Q. WAS THERE ANYTHING UNCLEAR ABOUT THAT?

18 A. NO, THERE WASN'T.

19 Q. THEY EVENTUALLY JOINED UP WITH TRAVEL
20 AMERICA, AND WE DO NOT CARE FOR THIS ORGANIZATION AND HAVE
21 NO CONTRACTUAL TIES TO THEM.

22 I WANT TO STOP YOU RIGHT THERE.

23 THE FREUNDS ARE TELLING YOU THAT IN THE
24 FREUNDS'S OPINION, THEY'VE GOT NO CONTRACTUAL TIES TO
25 TRAVEL AMERICA.

26 IS THERE ANYTHING UNCLEAR ABOUT THAT?

1 A. NO. THAT'S PRETTY CLEAR.

2 Q. AND SO WE WERE FREE TO TRANSFER SHILO AND
3 LOUISIANA. THIS IS NOW OUR HOME RESORT OF RECORD.

4 LET ME GO TO THE NEXT, 949-813, BATES
5 NUMBER 09224.

6 MAY I APPROACH?

7 NOW, THIS IS A LETTER -- YOU'LL NOTICE THE
8 DATE ON THE TOP IS FEBRUARY, 1997. SEE THAT?

9 A. YES, I DO.

10 Q. AND SINCE THIS ONE I MADE A MISTAKE ON, IT
11 DOESN'T DEAL WITH ALL SEASONS. I THINK I'LL PASS IT FOR
12 NOW.

13 SO LET'S GO TO 949-947. SORRY ABOUT THAT.
14 BATES NUMBER 08859. THIS BETTER DEAL WITH ALL SEASONS.

15 OKAY. MAY I APPROACH?

16 THE COURT: NO. YOU GIVE IT TO HIM.

17 YOU MAY APPROACH.

18 MR. SHERMAN: I'M GOING TO MAKE A PAPER AIRPLANE.

19 THE WITNESS: NICE STOP, BY THE WAY, MICHAEL.

20 BY MR. SHERMAN: Q. NOW, THIS IS A -- THIS IS A
21 LETTER -- UNFORTUNATELY THESE FOLKS DIDN'T SIGN THEIR NAMES
22 TO IT. BUT I GUESS WHEN YOU SAW THIS YOU REALIZED THAT
23 THESE PEOPLE WERE WRITING YOU A LETTER -- WERE MEMBERS; IS
24 THAT RIGHT?

25 A. I'M SORRY. COULD YOU SAY THE QUESTION
26 AGAIN, PLEASE.

1 Q. YEAH. EVEN THOUGH WHEN YOU SAW THIS LETTER
2 AT COAST, THERE WAS NO NAME ASSOCIATED WITH THIS MEMBER,
3 YOU KNEW THAT YOU HAD A COAST MEMBER WRITING YOU?

4 MR. MOSHENKO: OBJECTION. CALLS FOR SPECULATION.
5 ASSUMES A FACT NOT IN EVIDENCE AND UNDER 352. HOW CAN HE
6 TELL? THIS DOCUMENT IS NOT SIGNED BY ANYBODY.

7 MR. SHERMAN: YOUR HONOR, YOU CAN TELL BECAUSE IT
8 CAME OUT OF COAST'S MEMBER FILES. AND I'M ASSUMING IT
9 WASN'T AN R.P.I. MEMBER WRITING TO COAST.

10 MR. MOSHENKO: TO TELL IF IT'S A COAST MEMBER, YOUR
11 HONOR, IT HAS TO IDENTIFY SOMEBODY.

12 MR. SHERMAN: THE LETTER SAYS -- LETTER TALKS ABOUT
13 COAST MEMBERSHIP.

14 MR. MOSHENKO: NOT NON-MEMBERS --

15 MR. SHERMAN: OH, WE HAVE PAGE 2.

16 THE COURT: PAGE 2?

17 MR. SHERMAN: YEAH. I'VE GOT PAGE 2. IT'S BEEN A
18 LONG AFTERNOON, YOUR HONOR. I'M SORRY. WHERE IS PAGE 2?
19 IT'S ON THE COMPUTER. CAN WE ADMIT THAT PROVISIONALLY?

20 MR. MOSHENKO: CAN WE LOOK AT PAGE 2 FIRST ON THE
21 COMPUTER?

22 THE COURT: YES.

23 MR. SHERMAN: OKAY.

24 JUROR NO. 18: CLOSE OUR EYES?

25 BY MR. SHERMAN: Q. IT'S ALSO ELDA DANIELS,
26 THOUGH.

1 MR. MOSHENKO: I'LL WITHDRAW MY OBJECTION, YOUR
2 HONOR.

3 THE COURT: THANK YOU.

4 BY MR. SHERMAN: Q. OKAY. SO WE'VE GOT THE FIRST
5 PAGE. WE'VE GOT THE SECOND PAGE. LET'S GET THE FIRST PAGE
6 UP HERE.

7 DEAR SIR, WE ARE INFORMED THAT ALL SEASONS
8 RESORTS IS NO LONGER A MEMBERSHIP CAMP RESORT. OUR HOME
9 THANK A WE BOUGHT INTO IN AUGUST 1983 WAS HONEYBROOK.

10 AND THIS GOES ON TO SAY, THEN WE BOUGHT INTO
11 THE PRESIDENT'S CLUB, AND HE, RAY NOVELLI, PRESIDENT,
12 TRANSFERRED OUR COAST TO COAST MEMBERSHIP TO CUTTY'S OF
13 LADEN, COLORADO, WHICH IS NO LONGER IN THE COAST TO COAST
14 SYSTEM.

15 NOW, PARENS, RAY NOVELLI, CLOSE PAREN, HAS
16 IT IN TRAVEL TIMES, INC., WHICH IS NO LONGER AFFILIATED
17 WITH COAST TO COAST. HE RAISED OUR FROZEN DUES FROM \$168 A
18 YEAR TO \$248 A YEAR WHICH WE CANNOT AFFORD TO PAY. SO WE
19 JOINED SHILO ENTERPRISES, INC., OF MONROE, LOUISIANA AND
20 WOULD LIKE OUR MEMBERSHIP TRANSFERRED TO THEM.

21 MR. RIVIN: IS A --

22 BY MR. SHERMAN: Q. WHICH IS A COAST TO COAST
23 PARK. WE DO NOT WANT TO LOSE OUR COAST TO COAST MEMBERSHIP
24 AS WE HAVE ENJOYED IT GREATLY. OUR 1998 DUES ARE PAID.

25 THEY WANT THEIR MEMBERSHIP TO BE
26 TRANSFERRED.

1 MR. RANDALL, I'M NOT GOING TO SHOW YOU
2 ANYMORE ALL SEASONS LETTERS RIGHT NOW, BUT ARE THEIR MORE?

3 A. YES, THERE ARE.

4 Q. AND WITHOUT TRYING TO PUT A NUMBER ON IT, I
5 MEAN, DO WE HAVE JUST ONE MORE OR TWO MORE?

6 A. NO. THERE'S MORE THAN TWO. THERE'S --
7 THERE'S QUITE A NUMBER OF THEM.

8 Q. THERE WAS ONE OTHER ALL SEASONS RESORT
9 LETTER. I'M SORRY. 949-318 TO 320. AND I DID WANT TO
10 SHOW IT TO MR. RANDALL. AND THAT'S BATES NUMBER 08729 TO
11 31.

12 A. THAT DOESN'T MISSTATE MY TESTIMONY, DOES
13 IT?

14 Q. NO.

15 A. OKAY.

16 MR. SHERMAN: YOU TRAINED ME, YOUR HONOR. I WON'T
17 ASK AGAIN.

18 Q. THIS IS ONE OF THOSE THREE-PAGE EXHIBITS.
19 THE FIRST PAGE, THE INTERNAL COAST DOCUMENT, AND THEN THE
20 TRANSFER INFORMATION ON THE FOLLOWING TWO?

21 A. WITH AN EQUALLY CUTE FAX PAGE, YES.

22 Q. WELL, IF WE GET THIS EXHIBIT IN, WE'LL SHOW
23 THE JURY.

24 A. OKAY. SORRY.

25 Q. THE THIRD PAGE, THIS IS A LETTER FROM THE
26 MOORES TO MARY URIOSTE?

1 A. URIOSTE, YES.

2 Q. URIOSTE OF COAST. AND I'D LIKE TO MOVE
3 EXHIBIT 949-318 THROUGH 320 INTO EVIDENCE.

4 MR. MOSHENKO: NO OBJECTION.

5 THE COURT: THANK YOU. IT'S RECEIVED.

6 (WHEREUPON EXHIBIT NO. 949-318 TO 320, COAST
7 INTERNAL DOCUMENTS WITH MEMBER LETTER, WERE RECEIVED IN
8 EVIDENCE.)

9 MR. SHERMAN: LET'S PUT THE THIRD PAGE UP. I SAID
10 THE THIRD PAGE. CAN YOU BLOW THAT UP, PLEASE.

11 Q. SO EUGENE AND MADONNA MOORE WRITE TO MARY,
12 THIS LETTER IS IN RESPONSE TO YOUR REQUEST OF FEBRUARY 11,
13 '98. OCTOBER OF 1997, WE RECEIVED NOTICE THAT ALL SEASONS
14 RESORTS AND OUR HOME PARK OF HONEYBROOK PENNSYLVANIA WOULD
15 BE CLOSED EFFECTIVE OCTOBER 31, 1997.

16 I WANT TO STOP RIGHT THERE, MR. RANDALL.

17 WE HAVEN'T SEEN ANY LETTERS FROM COAST SENT
18 TO COAST'S MEMBERS IN OCTOBER, 1997, ON THE SUBJECT OF ALL
19 SEASONS, HAVE WE?

20 A. I DON'T THINK SO.

21 Q. AND SO SINCE COAST DIDN'T SEND THE
22 LETTERS -- ANY COMMUNICATION TO THE MOORES ON THIS SUBJECT
23 AS COAST MEMBERS, THEY MUST HAVE FOUND OUT ABOUT THIS
24 SOMEWHERE ELSE, HUH?

25 A. YES.

26 Q. AND THEY SAY, THEY GO ON TO SAY, IN ORDER TO

1 MAINTAIN OUR COAST TO COAST ASSOCIATION, WE TRANSFERRED OUR
2 MEMBERSHIP FROM THE DEFUNCT ALL SEASONS RESORTS TO SHILO
3 ENTERPRISES, INC.

4 THEY GO ON TO SAY, WE HAVE SINCE RECEIVED
5 NOTIFICATION THAT ALL SEASONS RESORTS, A.S.R., HAS
6 REORGANIZED UNDER THE NAME OF TRAVEL AMERICAN BUT NOT
7 AFFILIATED WITH COAST TO COAST. WE ALSO RECEIVED
8 NOTIFICATION THAT COAST TO COAST FORWARDED OUR A.S.R. HOME
9 PARK NUMBER TO WILLOWOOD RESORT. WE HAVE CHOSEN NOT TO
10 JOIN EITHER OF THESE ORGANIZATIONS BUT TO REMAIN MEMBERS OF
11 SHILO ENTERPRISES, INC.

12 WERE THESE PEOPLE CONFUSED?

13 MR. MOSHENKO: CALLS FOR SPECULATION.

14 THE COURT: SUSTAINED.

15 MR. SHERMAN: CAN I SHOW THAT SECOND PAGE?

16 OKAY.

17 Q. NOW, YOU'VE -- YOU'VE HEARD SOME QUESTIONS
18 ASKED OF WITNESSES WHILE YOU'VE BEEN SITTING HERE,
19 MR. RYMAN -- EXCUSE ME -- MR. RANDALL. I WAS THINKING
20 MR. RYMAN. I THINK HE WAS ASKED THE QUESTION ABOUT WHETHER
21 MR. NOVELLI WAS -- AND HIS ORGANIZATION WAS COMMUNICATING
22 EFFECTIVELY WITH CAMP COAST TO COAST AND CAMP COAST TO
23 COAST WASN'T COMMUNICATING EFFECTIVELY ENOUGH WITH
24 MR. NOVELLI.

25 DO YOU RECALL QUESTIONS LIKE THAT?

26 A. I DO.

1 Q. LET ME SHOW YOU EXHIBIT 949-297 TO 299.

2 DOES THIS THREE-PAGE DOCUMENT CONSIST OF
3 INTERNAL COAST COMMUNICATIONS AS WELL AS COMMUNICATIONS
4 THAT COAST RECEIVED FROM ITS MEMBERS?

5 A. I'M SORRY. COULD YOU ASK THAT QUESTION
6 AGAIN, PLEASE?

7 Q. YES.

8 IS THIS A COMMUNICATION WHERE -- THAT COAST
9 RECEIVED FROM ITS MEMBERS?

10 A. YES.

11 Q. AND YOU'LL SEE THE SECOND PAGE REFERENCES A
12 MEMBER NAMED MILFORD MATZKE, AND ON THE THIRD PAGE ALSO
13 REFERENCES THE MATZKE REQUESTS TO THE ATTENTION OF
14 MARY URIOSTE.

15 DO YOU SEE THAT?

16 A. YES.

17 Q. NOW, WHEN YOU SAW THIS LAST PAGE ON THE
18 MATZKE REQUEST, YOU WERE TOLD SOMETHING ABOUT THE
19 COMMUNICATION SKILLS OF PLAINTIFFS' ORGANIZATION; IS THAT
20 RIGHT?

21 A. YES.

22 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-297 TO
23 299 INTO EVIDENCE.

24 MR. MOSHENKO: YOUR HONOR, THIS APPEARS TO BE TWO
25 SEPARATE DOCUMENTS FROM TWO SEPARATE MEMBERS WITH TWO
26 DIFFERENT MEMBER NUMBERS AT TWO DIFFERENT DATES. I'D

1 OBJECT.

2 MR. SHERMAN: WE'LL TAKE THE FIRST PAGE OUT.

3 THE COURT: ALL RIGHT.

4 MR. SHERMAN: OKAY. SO ONLY 949-298 AND 299.

5 THE COURT: NO OBJECTION?

6 MR. MOSHENKO: NO OBJECTION.

7 (WHEREUPON EXHIBIT NO. 949-298 TO 299,
8 MEMBER LETTER WITH ATTACHMENT, WAS RECEIVED IN EVIDENCE.)

9 MR. SHERMAN: LET'S PUT UP THE LAST PAGE, THE
10 MATZKE REQUEST. MAY, 1998.

11 Q. REGARDING OUR MEMBERSHIP NUMBER 10781.
12 MILFORD MATZKE. WE LOST OUR HOME PARK, EAGLE LAKE ALL
13 SEASONS RESORTS, DUE TO BANKRUPTCY, FALL OF 1997, AND WANT
14 TO STAY IN THE C TO C SYSTEM. SO HOPE YOU CAN -- HOPE YOU
15 WILL TRANSFER OUR MEMBERSHIP TO BLAIR, NEBRASKA, ZIMBERS AT
16 WATERS EDGE.

17 I THINK THAT'S WHAT IT SAYS.

18 I CAN'T GET A RELEASE FROM ALL SEASONS AS
19 THAT WAS UNDER RAY NOVELLI. AND JUST TRY TO GET ANYTHING
20 FROM THAT OUTFIT. THANK YOU.

21 THE COURT: LET'S CALL IT A DAY. SEE YOU ALL IN
22 THE MORNING. AND STAY WELL.

23 (WHEREUPON THE COURT WAS IN RECESS UNTIL
24 WEDNESDAY, JUNE 7, 2000, 9:00 A.M.)

25

26

