

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.)
_____)

THE HONORABLE JOHN H. SMITH, JR., JUDGE PRESIDING

REPORTER'S TRANSCRIPT

JUNE 7, 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.

HEIDI K. STEWART, CSR #6058
OFFICIAL COURT REPORTER

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1 WESTMINSTER, CALIFORNIA - WEDNESDAY, JUNE 7, 2000

2 MORNING SESSION

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

5 JAMES MICHAEL RANDALL,

6 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS UNDER
7 EVIDENCE CODE SECTION 776, HAVING BEEN PREVIOUSLY DULY
8 SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

9 REDIRECT EXAMINATION (CONTINUED)

10 BY MR. SHERMAN: Q GOOD MORNING.

11 A GOOD MORNING.

12 Q MR. RANDALL, I HAVE PLACED BEFORE YOU A
13 DOCUMENT, EXHIBIT 949-273, 274, 275 AND 276.

14 A YES, SIR.

15 Q THIS IS A -- FIRST PAGE IS A LETTER FROM
16 VERNON AND NORAH DEAN FROM SAANICHTON, BRITISH COLUMBIA TO
17 COAST TO COAST RESORTS.

18 IS THAT WHAT YOU HAVE IN FRONT OF YOU?

19 A YES, IT IS.

20 Q OKAY. IS THIS A DOCUMENT -- THIS EXHIBIT A
21 DOCUMENT -- THAT COAST TO COAST RESORTS RECEIVED IN
22 NOVEMBER 1997 FROM THE DEANS?

23 A YES, IT IS.

24 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-273
25 THROUGH 949-276 INTO EVIDENCE. THAT WOULD BE BATES NUMBER
26 08682 THROUGH 08685.

1 MR. MOSHENKO: MAY I HAVE A MOMENT TO LOOK AT THE
2 THREE PAGES, YOUR HONOR?

3 THE COURT: WOULD YOU REPEAT THE NUMBERS, PLEASE?

4 MR. SHERMAN: YES. BATES RANGE 08682 THROUGH
5 08685.

6 THE CLERK: THE EXHIBIT NUMBER?

7 MR. SHERMAN: 949-273 THROUGH 276.

8 THE CLERK: THANK YOU.

9 THE COURT: MISS SANCHEZ, ARE YOU A SURFER?

10 JUROR 2: NO.

11 THE COURT: YOU DON'T HAVE A LICENSE PLATE FRAME ON
12 YOUR CAR, "COAST SURFRIDERS ASSOCIATION"?

13 JUROR 2: I SUPPORT THE ORGANIZATION.

14 THE COURT: OH, OKAY.

15 JUROR 2: I DO VOLUNTEER WORK WITH THEM.

16 THE COURT: I SAW YOU SURFING THROUGH TRAFFIC.

17 JUROR 2: YOU LOOK SLICK IN THAT CAR. I HAD TO DO
18 A DOUBLE-TAKE.

19 MR. MOSHENKO: YOUR HONOR, OTHER THAN THE HEARSAY
20 OBJECTION THE COURT HAS CONSISTENTLY OVERRULED, WE HAVE NO
21 OBJECTION.

22 THE COURT: IT WILL BE ADMITTED.

23 (WHEREUPON EXHIBIT NO. 949-273 THROUGH 276,
24 MEMBER LETTER, WAS RECEIVED IN EVIDENCE.)

25 MR. SHERMAN: I'D LIKE TO PUT IT UP ON THE SCREEN
26 HERE.

1 Q SO, MR. RANDALL, THE FIRST PAGE IS THE
2 LETTER THAT WAS SENT TO COAST FROM THE DEANS; IS THAT
3 RIGHT?

4 A THAT IS CORRECT.

5 Q AND THE DEANS WRITE, ENCLOSED ARE COPIES OF
6 LETTERS TO HACIENDA ADVENTURE AND FIESTA RESORTS, AND
7 STATING OUR REQUIREMENT TO HAVE OUR COAST TO COAST RESORTS
8 AFFILIATION TRANSFERRED FROM FIESTA TO HACIENDA A.S.A.P.
9 WENT ON TO SAY, THE LETTERS ARE SELF-EXPLANATORY.

10 AND THEN YOU'LL NOTICE, IN THE SECOND TO THE
11 LAST PARAGRAPH, THEY CLOSE THAT PARAGRAPH THAT THE
12 ORGANIZATIONS INVOLVED EXIST FOR THE SOLE PURPOSE OF
13 SERVING THEIR MEMBERS. THE WISHES OF THE MEMBERS MUST BE
14 PARAMOUNT IN A CASE SUCH AS THIS.

15 WERE THE DEANS REQUESTING A TRANSFER?

16 A IT WAS ALMOST MORE LIKE THEY WERE DEMANDING
17 THAT THEIR WISHES BE MET; BUT, YES, THAT'S THE ESSENCE OF
18 THE LETTER.

19 Q AND THEY TOLD COAST IN THIS LETTER THAT THEY
20 WERE INCLUDING SOME ENCLOSURES; IS THAT RIGHT?

21 A YES.

22 Q SO LET'S GO TO THE FIRST ENCLOSURE. THIS IS
23 THE LETTER THAT THEY SENT TO -- AND IN THIS CONTEXT,
24 HACIENDA IS GOING TO BE THE TRANSFERRING RESORT THE COAST
25 TO COAST MEMBERSHIP IS GOING TO BE PLACED?

26 A THAT IS CORRECT.

1 Q AND YOU SEE IN THE THIRD PARAGRAPH, OUR
2 PRESENT COAST TO COAST AFFILIATION THROUGH OUR MEMBERSHIP
3 IN FIESTA RESORT OF CALIFORNIA.

4 LET ME STOP YOU RIGHT THERE.

5 Q MR. RANDALL, HAD YOU BEEN AWARE WHETHER AT
6 SOME POINT IN TIME THE FIESTA RESORTS WERE RESORTS OPERATED
7 BY NOVELLI GROUP?

8 A YES, I WAS.

9 Q AND GO ON TO SAY, HOWEVER, WE DO NOT INTEND
10 TO CONTINUE THE FIESTA RESORT MEMBERSHIP AND WOULD,
11 THEREFORE, LIKE TO HAVE THE COAST TO COAST AFFILIATION
12 TRANSFERRED TO HACIENDA ADVENTURE IMMEDIATELY.

13 AND THEN THEY GO ON IN THE NEXT PARAGRAPH TO
14 GIVE THEIR MEMBERSHIP NUMBER.

15 NOW, THE NEXT LETTER, THE NEXT ENCLOSURE,
16 THAT IS, IS THEIR LETTER -- IS THAT THE LETTER TO FIESTA
17 RESORTS ITSELF?

18 A YES, IT IS.

19 Q OKAY. AND IN THIS LETTER -- WELL, IT
20 APPEARS THAT WHAT THE DEANS ARE DOING IN THIS LETTER IS
21 DETAILING THE REASONS FOR THEIR DECISION TO BE TRANSFERRED
22 OUT OF FIESTA TO HACIENDA IMMEDIATELY?

23 MR. MOSHENKO: OBJECTION. LEADING. AND THE
24 DOCUMENT SPEAKS FOR ITSELF.

25 MR. SHERMAN: OKAY.

26 THE COURT: SUSTAINED.

1 BY MR. SHERMAN: Q LET'S READ THE DOCUMENT.

2 OUR REASONS FOR THIS DECISION IS MANY. THE
3 DEANS REFERENCE THE CONTINUAL CHANGES IN OUR HOME RESORTS
4 SINCE THE ORIGINAL INDIO LOCATION WAS TERMINATED.

5 IS THAT ONE OF THE THINGS THEY SAID?

6 A YES.

7 Q AND THEN THEY GO ON TO SAY, LACK OF
8 COMMUNICATION FROM FIESTA RESORTS RE SUCH CHANGES AND ALL
9 OTHER MATTERS OF CONCERNS TO MEMBERS. THE ONLY
10 COMMUNICATIONS -- LET'S STOP FOR A MOMENT.

11 GO BACK UP.

12 THE DATE OF THIS LETTER IS WHAT,
13 MR. RANDALL?

14 A THE DATE ON THE LETTER IS OCTOBER 15, 1997.

15 Q AND THEN THEY GO ON TO SAY THAT THE ONLY
16 COMMUNICATIONS WE HAVE HAD SINCE MAY 1996 HAVE BEEN DUES
17 RENEWAL NOTICES, AND WE RECEIVED TWO OF THE MOST RECENT OF
18 THESE WITHIN A COUPLE OF DAYS.

19 THE LATTER, BY THE WAY, WAS THE FIRST ADVICE
20 THAT OUR HOME RESORT HAD CHANGED TO TWO SPRINGS. ON OUR
21 JANUARY '97 TRIP TO THE PALM SPRINGS AREA, WE HAD THE
22 FRUSTRATING EXPERIENCE OF ARRIVING AT CATHEDRAL PALMS ONLY
23 TO BE ADVISED THAT THE RESORT WAS NO LONGER AFFILIATED WITH
24 EITHER FIESTA OR COAST TO COAST AND HAD NOT BEEN FOR SOME
25 TIME. FIESTA DID NOT BOTHER TO ADVISE MEMBERS OF THE
26 CHANGE, NOT THAT THIS RESORT WAS UP TO COAST TO COAST

1 LEGISLATION TO PROTECT THE RIGHTS OF THOSE WHO PURCHASE
2 SUCH MEMBERSHIPS, BUT THE REALITY IS THAT SUCH DOES NOT
3 EXIST, ESPECIALLY IN CALIFORNIA.

4 IN ANY CASE, WE SHALL ATTEMPT TO SELL OUR
5 FIESTA RESORTS MEMBERSHIP AND WRITE THE LOSS OFF TO ANOTHER
6 OF LIFE'S EXPERIENCES.

7 AND DID COAST THEN TRANSFER THEIR MEMBERSHIP?

8 A I BELIEVE THAT WE DID HONOR THEIR REQUEST TO
9 HAVE THEIR COAST TO COAST HOME MEMBERSHIP PLACED AT
10 HACIENDA.

11 Q LET ME SHOW YOU ANOTHER EXHIBIT, EXHIBIT
12 949-326 THROUGH 329.

13 NOW, THIS 949-326 THROUGH 329, DOES IT BEGIN
14 WITH THE INTERNAL COAST TRANSFER DOCUMENTATION?

15 A YES, IT DOES.

16 Q IS THIS ONE OF THE PACKETS OF COMMUNICATIONS
17 THAT COAST RECEIVED FROM ONE OF ITS MEMBERS?

18 A YES, IT IS.

19 MR. SHERMAN: I'D LIKE TO MOVE INTO EVIDENCE
20 EXHIBIT 949-326 THROUGH 329.

21 MR. MOSHENKO: I NEED ABOUT 30 SECONDS, YOUR HONOR.

22 NO OBJECTION OTHER THAN THE HEARSAY
23 OBJECTION.

24 THE COURT: ALL RIGHT. IT WILL BE RECEIVED.

25 (WHEREUPON, EXHIBIT NO. 949-326 THROUGH 329,
26 MEMBER LETTER WITH INTERNAL COAST DOCUMENTATION, WAS

1 RECEIVED IN EVIDENCE.)

2 MR. SHERMAN: WHY DON'T WE PUT THE LAST PAGE,
3 949-326 THROUGH 329, IN THAT BATES RANGE 08735 THROUGH
4 08738 UP ON THE BOARD.

5 Q. IS THIS A LETTER FROM COAST MEMBERS DALE AND
6 IRENE LEISCHNER TO COAST?

7 A YES, IT IS.

8 Q AND THE LEISCHNERS WRITE, IN MAY OF 1997
9 REGARDING A CHANGE IN HOME CAMPING RESORT, TO PUT IT
10 FRANKLY, OUR PREVIOUS RESORT AFFILIATE, ALL SEASONS, HAS
11 BEEN COMPLETELY UNSATISFACTORY. FIRST, THEY LOST OUR HOME
12 RESORT IN LAKE CARLYLE, ILLINOIS, A -- NOW, BY THE WAY, LET
13 ME STOP RIGHT THERE.

14 DID ALL SEASONS AT ONE TIME HAVE A RESORT IN
15 LAKE CARLYLE TO YOUR KNOWLEDGE?

16 A TO MY KNOWLEDGE THEY DID.

17 Q AND WAS THAT RESORT A COAST-AFFILIATED
18 RESORT?

19 A YES, IT WAS.

20 Q AND THEN THEY GO ON, FIRST THEY LOST OUR
21 HOME RESORT IN LAKE CARLYLE, ILLINOIS, ASSIGNED US TO A
22 RESORT IN WISCONSIN, WHICH WAS OF NO VALUE TO US, AND THEN
23 CLOSED THAT RESORT AND CHANGED THEIR PROGRAM COMPLETELY.
24 THEY HAVE COMPLETELY VOIDED THEIR OBLIGATION TO PROVIDE US
25 A HOME RESORT.

26 AS WE ARE NEARING THE TIME WHEN WE WILL

1 ACTUALLY GET TO USE THE CAMPING NETWORK, WE WANTED A PLACE
2 THAT WOULD BE AVAILABLE TO US AND THAT WOULD NOT BE
3 CHANGING OR GOING BANKRUPT EVERY YEAR OR TWO. THEREFORE,
4 WE HAVE JOINED THE B'S RESORT IN FLORIDA, WHERE WE WILL BE
5 DOING MUCH OF OUR TRAVELING AND WISH TO REMAIN A MEMBER OF
6 THE COAST TO COAST ORGANIZATION.

7 DID YOU RECEIVE LETTERS FROM FOLKS LIKE THE
8 LEISCHNERS WRITING IN TELLING YOU THAT THEY WERE FED UP
9 WITH THE BANKRUPTCIES?

10 A YES, WE DID. WE RECEIVED QUITE A FEW OF
11 THEM.

12 Q SO WHEN YOU SAY YOU RECEIVED QUITE A FEW OF
13 THEM, THE ONES THAT I'VE SHOWN YOU, ARE THESE THE ONLY ONES
14 BETWEEN YESTERDAY AND TODAY?

15 A THE ONLY ONES THAT YOU'VE SHOWN ME ON, OR
16 THE ONLY ONES THAT I'VE SEEN?

17 Q THE ONLY ONES YOU'VE SEEN DURING YOUR TENURE
18 AT COAST.

19 A OH, NO, ABSOLUTELY NOT.

20 Q LET'S TALK ABOUT THE COLLAPSE OF THOUSANDS
21 ADVENTURES, MR. RANDALL.

22 YOU HEARD MR. RYMAN TESTIFY ABOUT THAT. YOU
23 HEARD MR. MITCHELL TESTIFY ABOUT THAT; RIGHT?

24 A YES, I HAVE.

25 Q OKAY. LET'S SPEND A FEW MOMENTS ON THAT
26 SUBJECT. AND MAYBE IF IT'S NOT TOO FRESH A MEMORY STILL,

1 USE THE MOTORCYCLE ACCIDENT, SPRING OF '97.

2 BEFORE THAT HAPPENED, HAD YOU BEEN LEARNING
3 ABOUT THINGS AFFECTING THOUSANDS ADVENTURES' CHAIN?

4 A YES.

5 Q PROBLEMS, ISSUES?

6 A YES, WE HAD.

7 Q WHAT WAS GOING ON?

8 MR. MOSHENKO: LACKS FOUNDATION. CALLS FOR
9 HEARSAY.

10 THE COURT: OVERRULED.

11 THE WITNESS: MOSTLY WE WERE RECEIVING PHONE CALLS
12 FROM MEMBERS QUESTIONING WHAT WAS HAPPENING WITH THEIR
13 RESORTS. I'M THINKING THIS GOES BACK INTO '96 EVEN.

14 MR. MOSHENKO: OBJECTION. IRRELEVANT. AND
15 HEARSAY. PHONE CALLS IN 1996 ARE NOT --

16 THE COURT: SUSTAINED.

17 MR. SHERMAN: I TAKE IT THAT YOUR HONOR IS
18 SUSTAINING IT ON HEARSAY, NOT RELEVANCY GROUNDS.

19 THE COURT: THAT'S CORRECT.

20 MR. SHERMAN: OKAY.

21 Q LET ME SHOW YOU EXHIBIT 339.

22 NOW, YOU SEE IN THE UPPER RIGHT-HAND CORNER
23 OF EXHIBIT 339 A STAMP?

24 A YES.

25 Q WHAT IS THAT STAMP?

26 A IT SAYS, "ADMIN, JUNE 9, 1997, COAST TO

1 COAST."

2 Q WHEN YOU GOT BACK INTO THE OFFICE AND BACK
3 ON YOUR FEET, WAS THIS A DOCUMENT THAT YOU SAW?

4 A YES, I DID SEE. IF NOT THIS PARTICULAR ONE,
5 I'VE SEEN DOCUMENTS -- I'VE SEEN DOCUMENTS FROM THE
6 ATTORNEY GENERAL'S OFFICE FOR OHIO.

7 Q THAT'S MR. EARLY?

8 A MR. EARLY, YES.

9 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 339 INTO
10 EVIDENCE.

11 MR. MOSHENKO: I NEED A FEW SECONDS, YOUR HONOR.

12 THE COURT: IT WILL BE SO RECEIVED.

13 MR. MOSHENKO: I SAID, MAY I LOOK AT IT FOR A FEW
14 SECONDS? I'M SORRY.

15 THE COURT: OH, OKAY.

16 MR. MOSHENKO: OKAY, YOUR HONOR. I HAVE NO
17 OBJECTION.

18 (WHEREUPON, EXHIBIT NO. 339, LETTER FROM
19 OHIO STATE ATTORNEY GENERAL'S OFFICE, WAS RECEIVED IN
20 EVIDENCE.)

21 BY MR. SHERMAN: Q LET'S PUT IT UP ON THE BOARD,
22 PLEASE.

23 LET'S SEE. THIS IS A LETTER THAT COAST
24 RECEIVED; THAT'S THE RECEIVED STAMP IN THE UPPER RIGHT HAND
25 CORNER YOU WERE REFERRING TO?

26 A YES, IT IS.

1 Q AND SO THIS IS A LETTER BEING SENT BY THE
2 OHIO STATE ATTORNEY GENERAL'S OFFICE; IS THAT RIGHT?

3 A YES.

4 Q AND THIS IS BEING SENT TO MR. WILLIAM SYKES
5 IN NORTHFIELD, OHIO; RIGHT?

6 A CORRECT.

7 Q NOW, I WANT TO GO TO THE BOTTOM OF THE PAGE
8 HERE. AND SO YOU SEE THE SIGNATURE, "SINCERELY,
9 BETTY MONTGOMERY, THE ATTORNEY GENERAL OF OHIO." AND THEN
10 UNDERNEATH THAT THERE'S AN EDWARD EARLY, INVESTIGATOR.

11 IS THAT THE FELLOW THAT YOU SPOKE WITH FROM
12 TIME TO TIME?

13 A YES, IT IS. THAT'S WHY I KNOW THAT IT MIGHT
14 NOT HAVE BEEN THIS SPECIFIC LETTER FOR MR. SYKES, BUT I
15 RECEIVED A CALL FROM MR. EARLY. WE PLAYED PHONE TAG FOR, I
16 GUESS, A WEEK OR SO BEFORE WE ACTUALLY COMMUNICATED WITH
17 EACH OTHER.

18 AND, AGAIN, THAT'S WHY I KNOW I'VE SEEN
19 THESE TYPES OF LETTERS. I THINK THIS IS KIND OF A FORM
20 LETTER THAT THE ATTORNEY GENERAL'S OFFICE HAD DEVELOPED FOR
21 THE THOUSAND ADVENTURES DIFFICULTIES IN OHIO.

22 Q NOW, WITHOUT GETTING INTO EXACTLY WHAT
23 MR. EARLY SAID TO YOU OR ANYTHING LIKE THAT, I JUST WANT
24 YOU TO TELL THE LADIES AND GENTLEMEN OF THE JURY THE
25 SUBJECT MATTER ON WHICH YOU HAD DISCUSSIONS WITH ATTORNEY
26 GENERAL REPRESENTATIVES IN THIS TIME FRAME.

1 A WELL, PRIMARILY THE ATTORNEY GENERAL'S
2 OFFICES WERE RECEIVING PHONE CALLS, CONSUMER COMPLAINTS.

3 MR. MOSHENKO: OBJECTION. IT'S NOT A DESCRIPTION
4 OF SUBJECT MATTER. IT'S A DESCRIPTION OF THE
5 CONVERSATION. IT'S NONRESPONSIVE.

6 MR. SHERMAN: IT IS CERTAINLY RESPONSIVE.

7 THE COURT: OVERRULED.

8 THE WITNESS: THE ATTORNEY GENERAL'S OFFICES IN
9 TRYING TO FIND OUT A LITTLE BIT MORE ABOUT WHAT WAS GOING
10 ON CONTACTED COAST TO COAST BECAUSE THEY WERE NOT
11 SUCCESSFUL IN CONTACTING REPRESENTATIVES FROM THE THOUSAND
12 ADVENTURES ORGANIZATIONS. SO THEY WERE CALLING US ASKING
13 US -- BEING COAST TO COAST, ASKING US FOR INFORMATION ABOUT
14 THE DIFFERENT RESORTS, ANY KIND OF ASSISTANCE THAT WE COULD
15 GIVE THEM IN CONTACTING EITHER REPRESENTATIVES OF THOUSAND
16 ADVENTURES OR INFORMATION THAT WE MIGHT HAVE HAD ABOUT THE
17 RECIPROCAL USE PROGRAM, THE THOUSAND ADVENTURES
18 ORGANIZATION ITSELF.

19 AND THAT WAS THE ESSENCE OF MY CONVERSATIONS
20 WITH MR. EARLY, AS WELL AS OTHER ATTORNEY GENERAL'S OFFICES
21 THAT WE RECEIVED CALLS FROM.

22 BY MR. SHERMAN: Q NOW, THIS LETTER REFERENCES --
23 THE ATTORNEY GENERAL'S STARTING OFF BY SAYING, OUR OFFICE
24 HAS YOUR COMPLAINT ON FILE AGAINST THOUSAND ADVENTURES. AS
25 YOU MAY BE AWARE, WE HAVE LAWSUITS PENDING AGAINST THOUSAND
26 ADVENTURES IN MORROW COUNTY AND CINCINNATI. THOUSAND

1 ADVENTURES HAS FILED CHAPTER 11 BANKRUPTCIES TO DATE IN
2 FLORIDA, MARYLAND, ALABAMA, AND KANSAS. AND ON MAY 13,
3 1997, THOUSAND ADVENTURES OF OHIO, INC., FILED A CHAPTER 11
4 BANKRUPTCY IN COLUMBUS.

5 LET ME STOP YOU RIGHT THERE.

6 MR. RANDALL, AT SOME POINT DID YOU BECOME
7 AWARE THAT ON MAY 13, 1997, OR MID-MAY, '97, THOUSAND
8 ADVENTURES OF OHIO HAD FILED A CHAPTER 11 BANKRUPTCY?

9 A YES.

10 Q NOW, WHEN THEY FILED THIS CHAPTER 11
11 BANKRUPTCY, DID YOU HAVE SOME UNDERSTANDING AS TO WHO WAS
12 RUNNING THE BANKRUPTCY FROM THE STANDPOINT OF THOUSAND
13 ADVENTURES OF OHIO, WHO WAS IN CHARGE?

14 A I'M NOT SURE I UNDERSTAND WHAT YOU'RE ASKING.

15 Q OKAY. WELL, LET'S JUST FOCUS ON THE SUMMER,
16 '97.

17 DID YOU KNOW WHO THOUSAND ADVENTURES WAS,
18 WHO WAS BEHIND THOUSAND ADVENTURES AT THIS POINT OR AT
19 LEAST THINK YOU HAD SOME UNDERSTANDING?

20 A YES, I DID.

21 Q OKAY. SO AS OF THAT POINT IN TIME, WHO DID
22 YOU THINK WAS BEHIND THOUSAND ADVENTURES?

23 A MR. VOPNFORD.

24 Q AND THIS REFERENCE TO A MAY 13, 1997,
25 BANKRUPTCY FILING BY THOUSAND ADVENTURES, INC., OF OHIO,
26 WHO DID YOU THINK WAS BEHIND THAT?

1 A WELL, I WOULD HAVE PRESUMED THAT IT WAS
2 MR. VOPNFORD.

3 Q AND THEN THE ATTORNEY GENERAL'S OFFICE GOES
4 ON TO DESCRIBE WHAT THE CHAPTER 11 BANKRUPTCY IS ALL ABOUT.
5 AND THEN IN THE NEXT PARAGRAPH THEY TALK ABOUT ALL THE
6 FORECLOSURES THAT ARE PENDING.

7 IS THAT SOMETHING THAT YOU HAD BECOME AWARE
8 OF, ALL THE FORECLOSURES AND SHUT PARKS?

9 A THAT WAS THE ESSENCE OF THE QUESTIONS THAT
10 WE WERE GETTING AT COAST TO COAST OFFICES, WANTING TO KNOW
11 WHAT WAS HAPPENING, WHY THEY WERE BEING CLOSED, WHO DID
12 THEY NEED TO TALK TO.

13 SO, YES. HE HAD SOME UNDERSTANDING OF THAT,
14 YES.

15 Q HERE WE'VE GOT THE ATTORNEY GENERAL OF OHIO
16 WRITING TO, WHAT, A MEMBER?

17 A YES. MR. SYKES.

18 Q OKAY. WRITING TO A MEMBER, TELLING THIS
19 MEMBER -- THE LAST SENTENCE, IF YOU COULD HIGHLIGHT THAT,
20 MIKE, IN THE SECOND PARAGRAPH.

21 IF YOU PLAN TO UTILIZE ANY OF THESE PARKS,
22 WE WOULD SUGGEST YOU CALL AHEAD TO DETERMINE WHETHER THEY
23 ARE IN OPERATION.

24 IF YOU'VE GOT PARKS IN THE COAST DIRECTORY,
25 DO YOU BELIEVE AS THE DIRECTOR OF OPERATIONS THAT IT'S FAIR
26 FOR THE MEMBERS TO BELIEVE THAT THE PARKS ARE OPEN?

1 A IT'S FAIR FOR THEM TO BELIEVE THAT, YES.
2 AND IF WE FIND OUT THAT SOMETHING HAS HAPPENED AND THEY'RE
3 NOT, WE PUT AN ENTRY INTO THE MEMO SCREEN -- WHICH I
4 BELIEVE MR. MOSHENKO HAD PUT ON THE SCREEN YESTERDAY -- SO
5 THAT THE MEMBER SERVICE REPRESENTATIVES WILL ALSO KNOW TO
6 TELL A MEMBER, YOU KNOW, THIS PARTICULAR RESORT IS NOT OPEN
7 AND HOSTING, AS ANOTHER MEANS OF WHICH WE TRY TO KEEP THE
8 MEMBERS AWARE.

9 Q NOW, THE THOUSAND ADVENTURES CHAIN, DID THEY
10 HAVE A BUNCH OF DIFFERENT NAMES LIKE THOUSAND ADVENTURES
11 OHIO, THOUSAND ADVENTURES IOWA, THOUSAND ADVENTURES NEW
12 YORK AND SO FORTH?

13 A I HAVE COME TO UNDERSTAND THAT, YES.

14 Q WAS THAT SOME GENERAL UNDERSTANDING OF
15 YOURS, WORKING KNOWLEDGE OF YOURS?

16 A IT BECAME THAT, YES.

17 Q AND SO YOU HAD -- WAS IT LIKE BROTHER-SISTER
18 COMPANIES, OHIO, IOWA, NEW YORK?

19 A I'M NOT SURE THAT I THOUGHT OF THEM AS
20 BROTHER-SISTER COMPANIES, BUT I DID UNDERSTAND THAT THEY
21 WERE INCORPORATED IN EACH OF THE DIFFERENT STATES THAT THEY
22 WERE OPERATING IN.

23 Q AND DID YOU UNDERSTAND -- DID YOU HAVE SOME
24 UNDERSTANDING WHETHER IT WAS MR. VOPNFORD WHO WAS
25 ESSENTIALLY RUNNING THE SHOW THERE?

26 A YES, I DID.

1 Q LET ME ASK YOU SOME QUESTIONS ABOUT THOUSAND
2 ADVENTURES OF IOWA.

3 THAT WAS A THOUSAND ADVENTURES PARK, WASN'T
4 IT, OR WITHIN THE SYSTEM?

5 A I'M RELATIVELY CERTAIN THEY HAD RESORTS THAT
6 WERE OPERATING IN THE STATE OF IOWA.

7 Q LET ME SHOW YOU EXHIBIT 498.

8 NOW, YOU'LL NOTICE IN THE UPPER RIGHT-HAND
9 CORNER THERE'S SOME HANDWRITING; DO YOU SEE THAT?

10 A YES.

11 Q AND WHAT DOES THAT SAY; READ THAT OUT LOUD.

12 A WELL, THE FIRST HANDWRITTEN NOTE IS "FYI,"
13 WHICH IS "FOR YOUR INFORMATION." IT'S CIRCLED. BELOW THAT
14 IT SAYS, "COPY TO BOB Y., GENE, JIM, AND IT'S A NOTE WITH
15 ROGER'S INITIAL I RECOGNIZE. THAT'S HOW I KNOW IT'S ROGER.

16 Q THAT'S ROGER'S INITIAL, HUH? OKAY. I
17 THOUGHT THAT WAS JUST A CHECK MARK.

18 OKAY; SO YOU'RE JIM?

19 A I AM THE JIM REFERRED TO IN HERE, YES.

20 Q AND DID YOU READ THIS DOCUMENT?

21 A YES, I DID.

22 Q AND WHEN DID YOU SEE IT, APPROXIMATELY?

23 A PROBABLY EITHER THE END OF DECEMBER OF '96
24 OR THE FIRST PART OF JANUARY, '98.

25 Q WAIT. '96 OR THE FIRST PART OF '98?

26 A I WOULD THINK SO, BASED ON THE DATE THAT I

1 SEE ON THERE.

2 Q ALL RIGHT. DID YOU SEE IT EITHER IN LATE
3 '96 OR SOMETIME IN '98 OR '97?

4 A I'M SORRY. I MEANT 1997.

5 Q OKAY.

6 A JANUARY OF '97.

7 MR. SHERMAN: OKAY. I'D LIKE TO MOVE EXHIBIT 498
8 INTO EVIDENCE.

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

10 THE COURT: ALL RIGHT.

11 (DISCUSSION OFF THE RECORD.)

12 THE COURT: WE'RE GOING TO BE IN CHAMBERS FOR A
13 COUPLE OF MINUTES. SIT AT EASE. WE'LL BE BACK.

14 (THE FOLLOWING PROCEEDINGS WERE HELD IN
15 CHAMBERS:)

16 MR. SHERMAN: OKAY. SINCE THE FIRST DAY THAT THE
17 COURT HAS HAD THIS CASE, WE'VE HAD THIS ISSUE ABOUT WHO
18 PLAINTIFFS ARE SEEKING DAMAGES FOR, ON BEHALF OF WHICH
19 MEMBERS, ALLEGEDLY FELT THAT THEY HAD CONTRACTUAL
20 ARRANGEMENTS WITH.

21 THE COURT WILL NOTE, I THINK IT'S THOUSAND
22 ADVENTURE, THAT'S THOUSAND ADVENTURES, INC., THE HOLDING
23 CORPORATION, CORPORATE ENTITY, IF YOUR HONOR WILL, IS NOT A
24 PLAINTIFF IN THIS CASE.

25 YOU'VE GOT TWO SUBSIDIARY CORPORATIONS,
26 THOUSAND ADVENTURES, INC. OF OHIO, THOUSAND ADVENTURES OF

1 ALABAMA. AND IN THE IN-LIMINE HEARINGS, I ASKED A QUESTION
2 THAT THE COURT THEN ADOPTED AS ITS OWN QUESTION AND ASKED
3 OF MR. SHAW. THE QUESTION WAS, ARE PLAINTIFFS SEEKING
4 RECOVERY OF DAMAGES ON BEHALF OF ANY ALLEGED MEMBERSHIP
5 RELATIONSHIPS THAT THEY CLAIM TO HAVE HAD WITH THOUSAND
6 ADVENTURES' MEMBERS IN THIS LAWSUIT? THAT WAS ESSENTIALLY
7 THE QUESTION. AND THE ANSWER WAS, YES, THEY ARE.

8 NOW, TRAVEL AMERICA, INC., WAS AN ENTITY
9 THAT WAS -- CAME INTO BEING NOT IN SEPTEMBER OF 1997 -- I
10 KNOW THE COURT'S HEARD THAT. COUNSEL HAS REPRESENTED THAT
11 TO THE JURY. AND THAT'S NOT TRUE. AND THE DOCUMENTS THAT
12 PLAINTIFFS HAVE PRODUCED IN THIS CASE, WHICH I'LL GET TO IN
13 A MOMENT, SHOW THAT THAT'S FALSE.

14 IF I CAN DIGRESS FOR ONE MOMENT, AND THAT
15 IS, I'M GOING TO SHOW TO YOUR HONOR -- AGAIN, OF
16 PLAINTIFFS' OWN DOCUMENTS. THESE ARE NOT DEFENDANTS'
17 EXHIBITS. PLAINTIFFS' OWN DOCUMENTS -- ONE OF THE
18 MEMBERSHIP CONTRACTS. THIS IS A FORM MEMBERSHIP
19 CONTRACT -- THEY DIDN'T DO THIS SPECIAL EACH TIME -- FOR
20 THOUSAND ADVENTURES. THIS ONE HAPPENS TO BE THOUSAND
21 ADVENTURES ALABAMA, BUT THEY HAVE GOT THEM FOR OHIO -- PICK
22 YOUR STATE. IT'S LIKE PRESIDENTIAL PRIMARY POLITICS.

23 IT SAYS HERE, "PLAINTIFFS' TRIAL EXHIBIT
24 01572." THIS IS PART OF THEIR CONTRACT. QUOTE, MEMBER HAS
25 USE OF ALL PRESENT AND FUTURE COAST TO COAST RESORTS AND
26 R.P.I. RESORTS IN ACCORDANCE WITH RULES AND GUIDELINES OF

1 COAST TO COAST AND OF R.P.I. THOUSAND ADVENTURES MEMBERS.

2 MR. MOSHENKO: MAY I SEE IT?

3 MR. SHERMAN: YES.

4 THAT'S IN EXHIBIT 1850, PLAINTIFFS' TRIAL
5 EXHIBIT 01572.

6 MR. MOSHENKO: OKAY.

7 MR. SHERMAN: OKAY. NOW, SO, WE'VE GOT THESE
8 THOUSAND ADVENTURES MEMBERS. AND I WILL STIPULATE THAT IN
9 THE 1996 TIME FRAME, RAYMOND NOVELLI WAS A RESORT OPERATOR,
10 OPERATING CERTAIN RESORTS, EITHER HIM OR RECEIVER OR
11 BANKRUPTCY COURT. NOT THE NOVELLI GROUP.

12 WE'VE GOT VOPNFORD AT THAT SAME TIME FRAME
13 OPERATING SEVERAL RESORTS.

14 MR. MOSHENKO: THIS IS '96?

15 MR. SHERMAN: '96.

16 AND LATE '96 AND EARLY '97, THE WHEELS FELL
17 OFF THE VOPNFORD BUS. THOUSAND ADVENTURES BEGAN A
18 CRASH-AND-BURN. THE COURT'S HEARD A LOT OF TESTIMONY ABOUT
19 THAT ALREADY INCLUDING FROM PLAINTIFFS' OWN FIRST WITNESS,
20 MR. MITCHELL. AND THE LENDERS -- AND WE HEARD THIS FROM
21 MR. MITCHELL, AND WE'LL HEAR THIS FROM MR. DAVIS, AND WE'LL
22 HEAR THIS FROM MR. NOVELLI, CHRIS DAVIS, BEING THE
23 TRAVELERS DATA CORPORATION, THE FELLOW THEY ARE GOING TO
24 BRING IN ONE OF THESE DAYS.

25 THE LENDERS GOT VERY CONCERNED BECAUSE THE
26 LENDERS HELD A HUNDRED MILLION DOLLARS -- THAT'S

1 MR. MITCHELL'S WORDS -- A HUNDRED MILLION DOLLARS OF
2 THOUSAND ADVENTURES PAPER. AND THEY DIDN'T KNOW WHAT TO
3 DO. AND THEY HAD ALL THESE THOUSAND ADVENTURES MEMBERS OUT
4 THERE WITH CONTRACTS THAT GAVE THEM THE RIGHT TO USE COAST
5 TO COAST.

6 AND, SO, YOU HEARD ABOUT THE MEETING AT THE
7 RANCH, THIS INFAMOUS MEETING AT THE RANCH. WELL, I DIDN'T
8 REALIZE I HAD TWO SETS OF THESE. BUT THE PLOT CERTAINLY
9 THICKENS BECAUSE THERE WAS SOME VAGUENESS AS TO THE TIME OF
10 THE MEETING AT THE RANCH. THE MEETING AT THE RANCH
11 OCCURRED EITHER MARCH OR APRIL OF 1997. THAT TESTIMONY
12 WILL BE ADDUCED. I BELIEVE MR. MITCHELL MAY HAVE ALREADY
13 TESTIFIED TO THAT IN SOME RESPECT. IT WAS IN THE SPRING OF
14 1997.

15 WHAT WAS BORNE OUT OF THAT MEETING AT THE
16 RANCH. THAT'S THE ISSUE. BECAUSE I THINK EVEN
17 MR. MOSHENKO WOULD AGREE THAT DECEMBER '96 OF -- DECEMBER,
18 '96, WHICH IS THIS DOCUMENT, DECEMBER, '96. THE DOCUMENT
19 IN ISSUE, EXHIBIT 498, TALKING ABOUT DEPARTMENT OF JUSTICE
20 SHUTTING DOWN TRAVEL AMERICA, INC., IOWA, AND JUST THREE
21 MONTHS LATER, FOUR MONTHS LATER, THAT'S NOT A BIG-TIME GAP.

22 NOW, AGAIN, YOU'LL FORGIVE ME, YOUR HONOR,
23 BECAUSE I'VE NOT HAD THE TIME TO FULLY PREPARE FOR THIS.
24 SO I HAVE ANOTHER DIGRESSION GOING ON HERE.

25 YOUR HONOR WILL RECALL THAT WE SENT OUT
26 NOTICES TO PRODUCE FOR DOCUMENTS. WE ASKED FOR ALL THE

1 CORPORATE RECORDS OF TRAVEL AMERICA. YOUR HONOR ORDERED
2 THAT THEY BE PRODUCED. WE GOT BUMPKIS. VERY INTERESTING.
3 VERY INTERESTING. BECAUSE AT A LATER TIME I'LL BE
4 DISCUSSING THAT WITH YOUR HONOR WITH RESPECT TO JUST THE
5 FAIR AND JUST ADMINISTRATION OF JUSTICE. THAT'S A SEPARATE
6 ISSUE.

7 BUT JUST LAST NIGHT I'M GOING THROUGH THE
8 THOUSANDS OF PAGES THAT PLAINTIFFS ARE SEEKING TO PRODUCE
9 AS TRIAL EXHIBITS, AND I SEE TRIAL EXHIBITS THAT I SHOULD
10 HAVE GOTTEN IN A NOTICE TO PRODUCE, BUT I DIDN'T. AND
11 THESE TRIAL EXHIBITS -- I'M GOING TO REFER FIRST -- AND
12 I'LL REFER FIRST TO ONE THAT THEY DID PRODUCE, THE
13 CERTIFICATE OF INCORPORATION OF TRAVEL AMERICA.

14 THE CERTIFICATE OF CORPORATION OF TRAVEL
15 AMERICA -- AND THIS IS EXHIBIT 2102. THE NAME OF THIS
16 CORPORATION SHALL BE TRAVEL AMERICA. THE NAME OF THE
17 CORPORATION IS TRAVEL AMERICA. AND IT SHOWS THE DATE OF
18 INCORPORATION AS MAY 30TH, 1997.

19 MR. MOSHENKO: WHAT WAS THE EXHIBIT NUMBER?

20 MR. SHERMAN: TRIAL EXHIBIT 2102.

21 NOW, QUESTION STILL IS, WHAT'S TRAVEL
22 AMERICA? HERE IS TRAVEL AMERICA, RIGHT HERE, 2069. NEVER
23 SAW THIS BEFORE LAST NIGHT. THEY WERE OBLIGATED TO PRODUCE
24 IT IN RESPONSE TO THE NOTICE TO PRODUCE. I KNEW THIS EVEN
25 WITHOUT SEEING IT BECAUSE IT'S SO DARN OBVIOUS TO ANYONE.
26 BUT HERE IS THE -- HERE ARE SOME OTHER DOCUMENTS.

1 AND, MR. MOSHENKO, PLEASE FEEL FREE TO LOOK
2 OVER MY SHOULDER HERE.

3 HERE IS THE CERTIFICATE OF TRAVEL AMERICA,
4 INC., PLAINTIFFS' EXHIBITS. THEY PRODUCED. THE NAME OF
5 THIS CORPORATION SHALL BE TRAVEL AMERICA. THE SAME MAY
6 30TH, 1997, AS IN THE OTHER DOCUMENT.

7 BUT THEN IT GOES ON. WE'VE GOT THE
8 RESIGNATION OF TOMMY CLOUD, DECEMBER 3, '97. LET ME PASS
9 THAT ONE FOR NOW. I THINK THAT THAT SORT OF INTERFERES
10 WITH THE STORY LINE.

11 CRAIG, AM I LOOKING AT THE WRONG ONE?

12 MR. RUTENBERG: YES. I WOULD JUST LOOK AT --

13 MR. SHERMAN: SORRY. I KNOW WHAT TO LOOK AT.

14 MR. DURAN: DO YOU HAVE THE COURT ORDER OF THE
15 NOTICE TO PRODUCE YOU'RE REFERRING TO?

16 MR. SHERMAN: NO. I DO NOT. AND THIS IS NOT THE
17 ISSUE RIGHT NOW.

18 EXHIBIT 2070, IT'S PLAINTIFFS TRIAL EXHIBIT
19 2070. IT'S A WHOLE BUNCH OF ORGANIZATIONAL DOCUMENTS,
20 MINUTES OF THE ORGANIZATIONAL MEETING OF TRAVEL AMERICA,
21 INC.

22 PLEASE FEEL FREE TO LOOK OVER MY SHOULDER,
23 MR. MOSHENKO.

24 PLAINTIFFS' EXHIBITS. THE INCORPORATOR AND
25 INITIAL DIRECTOR OF TRAVEL AMERICA, INC., HELD ITS FIRST
26 MEETING AT VON KARMAN IN IRVINE ON MAY 14, 1997, JUST

1 SEVERAL MONTHS AFTER THIS NEW YORK STATE -- EXCUSE ME --
2 THE IOWA ISSUE. THERE WERE PRESENT AT SUCH A MEETING THE
3 INCORPORATOR AND INITIAL DIRECTOR, RAYMOND G. NOVELLI.
4 ALSO PRESENT WAS TOMMY CLOUD. TOMMY CLOUD, YOU'LL RECALL,
5 HE IS THE LENDER. HE HAS A LOT OF THE LOANS OUT THERE.

6 ON MOTION AND BY UNANIMOUS VOTE,
7 RAYMOND NOVELLI WAS ELECTED CHAIRMAN, HANS SCHULZ,
8 SECRETARY. THEN IT GOES ON TO SAY THAT -- WELL, THEY HAVE
9 GOT ALL THE DIRECTORS. THEY HAVE GOT ALL THE DIRECTORS WHO
10 SIGNED IT. AND HERE ARE THE DIRECTORS, YOUR HONOR, OF
11 TRAVEL AMERICA, INC., THE COMPANY THAT MR. VOPNFORD HAD
12 NOTHING TO DO WITH. THAT'S DAVID VOPNFORD, ONE OF THE
13 INITIAL DIRECTORS.

14 IT GOES ON TO SAY -- WHERE IS THE D.B.A.,
15 CRAIG? MAYBE YOU DIDN'T SEE IT LAST NIGHT. I SAW IT.

16 HERE IT IS. THIS MAKES IT ALL WORTH IT.
17 PLAINTIFFS' TRIAL EXHIBIT 0675-A, OBVIOUSLY PART OF THE
18 SAME ORGANIZATIONAL MINUTES. THE FOLLOWING IS A LIST OF
19 TRAVEL AMERICA, INC.'S, PRINCIPAL OFFICERS AND POSITIONS.
20 NOW WE KNOW WHO THE DIRECTORS ARE. WE KNOW DAVE VOPNFORD
21 AND RAYMOND NOVELLI ARE AMONG THE DIRECTORS. MENTIONED
22 TOMMY CLOUD, ROBERT THOMPSON, HANS SCHULZ.

23 THE FOLLOWING IS A LIST OF THE ASSIGNORS ON
24 THEIR BANK ACCOUNTS. WHAT'S THE BANK ACCOUNT CALLED? IT'S
25 CALLED TRAVEL AMERICA, INC., D.B.A. THOUSAND ADVENTURES,
26 OPERATING ACCOUNT. ROBERT THOMPSON, TOMMY CLOUD,

1 HANS SCHULZ, ROSA WALKER.

2 THE FOLLOWING ARE THE ACCOUNTS' TITLES AND
3 ADDRESS. TRAVEL AMERICA, INC., DOING BUSINESS AS THOUSAND
4 ADVENTURES. 16585-C VON KARMAN, SUITE 413, IRVINE,
5 CALIFORNIA 92606.

6 YOUR HONOR, I'VE HEARD NOW FOR A MONTH, AND
7 THE COURT'S HEARD FOR A MONTH, AND THE JURY HAS EVEN HEARD
8 A FEW TIMES HOW RAY NOVELLI HAD NOTHING TO DO WITH THIS
9 UNTIL SEPTEMBER, AUGUST, 1997, AFTER THE DUST HAD SORT OF
10 SETTLED. AND DAVE VOPNFORD CERTAINLY HAD NOTHING TO DO
11 WITH TRAVEL AMERICA, OTHER THAN THAT PICTURE OF THE TWO
12 SMILING GENTLEMEN THERE. 10001. EXHIBIT 10001. THESE
13 GUYS GOT THEIR THUMB PRINTS ALL OVER THE PLACE.

14 IT'S PRETTY OBVIOUS WHAT'S GOING ON HERE.
15 WHAT'S GOING ON HERE IS THOUSAND ADVENTURES IS GOING DOWN.
16 THE LENDERS ARE SCARED OUT OF THEIR MINDS. THEY'RE GOING
17 TO LOSE A HUNDRED MILLION DOLLARS. THE LENDERS TURN TO
18 GOOD OLD "GOOD TIMES" RAY. AND THEY SAY, "YOU GOT TO HELP
19 US." FOR A PRICE, RAY WILL DO IT. RAY GETS INVOLVED.

20 WE EVEN SEE HOW THE STOCK GOT DIVVIED UP. I
21 DON'T KNOW WHO GOT THE STOCK BECAUSE, YOU KNOW, THEY USED
22 SO MANY DIFFERENT CORPORATION NAMES IT'S HARD TO KEEP TRACK
23 OF THEM ALL. BUT I BELIEVE THAT ONE OF THE INITIAL
24 STOCKHOLDERS WAS EVEN VOPNFORD. THAT'S WHAT I'LL -- I
25 DON'T KNOW THAT FOR A FACT, BUT THAT'S WHAT THE DOCUMENTS
26 SEEM TO SUGGEST BECAUSE IT'S NOT NOVELLI'S COMPANY; THAT'S

1 FOR SURE.

2 SO WHAT HAPPENS IS, HERE IT IS, WHITE
3 MOUNTAIN APACHE CORP, 333 SHARES. TOMMY CLOUD TRUST, 333
4 SHARES. BUT THEN THEY GO ON TO SAY THAT THE REMAINING 334
5 SHARES SHALL NOT BE ISSUED EXCEPT BY CONSENSUAL VOTE.
6 BASICALLY, VOPNFORD, IF YOU DO A GOOD JOB, GET THOSE
7 THOUSAND ADVENTURES MEMBERS IN THERE, WE'LL CUT YOU IN ON
8 TRAVEL AMERICA.

9 SO, THE CANARD -- AND IT'S A CONARD -- THAT
10 RAY NOVELLI WAS NOWHERE TO BE FOUND IN THE SPRING OF '97
11 AND DAVE VOPNFORD IS NOWHERE TO BE FOUND IN THE FORMATION
12 OF TRAVEL AMERICA OR LATER ON. I MEAN, I DIDN'T FALL OFF
13 THE TURNIP TRUCK YESTERDAY, AND THOSE MEMBERS OF THE JURY
14 DIDN'T FALL OFF THE TURNIP TRUCK YESTERDAY. AND IF THEY'RE
15 COMING INTO COURT SEEKING DAMAGES FOR ONE THOUSAND
16 ADVENTURE MEMBER, PEOPLE WHO STOP PAYING BECAUSE THEY WERE
17 SICK AND TIRED AND FED UP OF GETTING JERKED AROUND WITH
18 ATTORNEY GENERALS AND BANKRUPTCIES AND LAWSUITS, THAT'S WHY
19 WE'RE IN THIS. THAT'S WHY MY CLIENT IS SPENDING THIS MONEY
20 DEFENDING THIS. THAT'S NOT RIGHT.

21 I WANT THE JURY TO KNOW WHAT'S GOING ON.
22 TO SUGGEST THAT THIS ISN'T RELEVANT, IT OFFENDS --

23 THE COURT: OKAY.

24 MR. SHERMAN: -- IS OFFENSIVE.

25 THE COURT: ANYTHING YOU HAVE TO SAY IN RESPONSE?

26 MR. MOSHENKO: YES, YOUR HONOR. WE'RE TALKING

1 ABOUT WHETHER THE JURY SHOULD BE EXPOSED TO INFORMATION,
2 NAMELY, CONDUCT IN 1995. IT'S VERY OBVIOUS NOW WHEN YOU
3 STUDIED THIS DOCUMENT FURTHER, IT REFERS TO HEARINGS THAT
4 WERE HELD IN MAY OF 1996. IT REFERS TO CONDUCT THAT HAS
5 BEEN GOING ON SINCE BEFORE OBVIOUSLY -- OBVIOUSLY HAD TO BE
6 BEFORE MAY OF 1996. AND HERE WE GO. NOW IT IS JULY,
7 AUGUST OR EVEN SPRING OF 1997, AND IT'S UNDISPUTED THAT
8 THAT'S THE FIRST TIME ANYBODY EVEN SPOKE TO MR. NOVELLI
9 ABOUT THOUSAND ADVENTURES AND -- RESORTS BEING TAKEN OVER
10 BY HIM.

11 WE DIDN'T HIDE THE MEETING WITH MR. CLOUD.
12 WE BROUGHT A WITNESS THAT TESTIFIED TO THE MEETING IN THE
13 SPRING. BUT THE QUESTION IS NOT WHETHER THERE WAS A
14 MEETING IN THE SPRING. THE QUESTION IS NOT WHETHER
15 MR. NOVELLI FORMED A CORPORATION AT THE END OF MAY OF
16 1997. THE QUESTION IS WHETHER THIS COURT ORDER, WHICH
17 RELATES TO THOUSAND ADVENTURES OF IOWA -- THOUSAND
18 ADVENTURES OF IOWA IS NOT EVEN A PLAINTIFF. IT'S NOT A
19 PARTY TO THIS ACTION.

20 AND IT'S OBVIOUS MR. NOVELLI DID NOT DO AND
21 ENGAGE IN THE THINGS THAT MR. SHERMAN I THINK WANTS TO BY
22 ASSOCIATION CHARGE MR. NOVELLI WITH HAVING DONE THROUGH
23 THESE DOCUMENTS, IN 1995 OR IN JANUARY, FEBRUARY, MARCH,
24 APRIL OF 1996, THAT LED TO FILINGS IN APRIL OF 1996 AND
25 HEARINGS IN MAY OF 1996 INVOLVING IOWA.

26 OKAY. NOW, COUNSEL MAKES THE POINT ARE WE

1 ASKING FOR THOUSAND ADVENTURES INFORMATION OR DAMAGES
2 RELATING TO THOUSAND ADVENTURES MEMBERS? YES, WE ARE.
3 THOUSAND ADVENTURES OF OHIO IS IN THE CASE. THOUSAND
4 ADVENTURES OF ALABAMA IS IN THE CASE. WE ARE ASKING FOR
5 DAMAGES RELATING TO THOUSAND ADVENTURES OF OHIO AND
6 ALABAMA. IS THAT ALL? ARE WE ASKING FOR DAMAGES RELATING
7 TO MEMBERS OF THOUSAND ADVENTURES OF IOWA? THE ANSWER IS
8 AFTER THE MEMBERSHIP WAS MOVED IN 1998, THE BANKRUPTCY
9 COURT IN IOWA HELD HEARINGS ON WHAT SHOULD HAPPEN TO THE
10 MEMBERS OF IOWA, GIVEN THAT DAVID VOPNFORD DID WHATEVER HE
11 DID WITH THEM IN 1995, 1996 THAT CAUSED IOWA TO GO INTO A
12 BANKRUPTCY.

13 YOU'RE GOING TO HEAR ABOUT A MAN NAMED LAM.
14 MR. LAM WAS THE TRUSTEE IN IOWA, OR WAS SOME KIND OF
15 OFFICIAL POSITION IN IOWA. AND MR. NOVELLI, LIKE ANY OTHER
16 INTERESTED PARTY, WHO HAD THE RIGHT TO PARTICIPATE OR
17 PRESENT A PLAN TO THE COURT, DID DO THAT. HE PARTICIPATED
18 NOT BECAUSE HIS NAME WAS DAVID VOPNFORD OR HE WAS IOWA OR
19 HE WAS A CREDITOR. HE WAS LIKE ANY OTHER THIRD PERSON. HE
20 PARTICIPATED IN A MANNER JUST LIKE MR. LAM DID IN THE 1998
21 BANKRUPTCY PROCEEDINGS INVOLVING THOUSAND ADVENTURES OF
22 IOWA.

23 AND THE COURT IN IOWA HELD HEARINGS, AND THE
24 COURT IN IOWA SAID, WE THINK THAT IT'S IN THE BEST INTEREST
25 OF THE IOWA MEMBERS, WHO WERE FORMERLY WITH MR. -- WITH
26 THOUSAND ADVENTURES OF IOWA, TO BE TURNED OVER TO TRAVEL

1 AMERICA, 1998, BEST INTEREST OF THE MEMBERS.

2 MR. NOVELLI GETS INVOLVED. 1996, THIS --
3 THAT'S WHAT THIS SAYS. MR. NOVELLI'S INVOLVEMENT WITH THE
4 IOWA MEMBERS OCCURRED LATE '97 TO '98. MR. NOVELLI FORMED
5 TRAVEL AMERICA OFFICIALLY BY FORMING A CORPORATION IN MAY,
6 BUT THERE WAS NO AMALGAMATION OR DISTRIBUTION OF
7 INFORMATION UNTIL THE COURT SAW SOME DOCUMENTS IN AUGUST OF
8 1997 YESTERDAY ON THE STAND.

9 SO, AGAIN, IT'S GUILT BY ASSOCIATION. IF WE
10 TRY THIS, WE'RE GOING TO TRY THE IOWA LAWSUIT THAT WAS
11 FILED AGAINST MR. NOVELLI AND A DEFAULT -- IN 1999, I
12 BELIEVE.

13 MR. SHERMAN: BY THE BANKRUPTCY TRUSTEE.

14 MR. MOSHENKO: AND A DEFAULT JUDGMENT WAS SET
15 ASIDE. WE'RE GOING TO TRY THE 1998 HEARINGS. WE'RE GOING
16 TO BRING IN THE LAWYERS FROM IOWA AND THE LAWYERS FROM OHIO
17 AND MR. LAM, AND WE'RE GOING TO HAVE THE COURT HOLD
18 HEARINGS ON WHAT THE COURT IN IOWA HELD HEARINGS ON TO
19 DETERMINE WHAT SHOULD HAPPEN TO THESE PEOPLE. WHY?
20 BECAUSE IF THIS COMES IN, WE THEN HAVE TO DEFEND IT, AND WE
21 HAVE TO THEN GO THROUGH EACH OF THE PIECES OF INFORMATION
22 THAT PROVE, YES, MR. NOVELLI IS INVOLVED IN IOWA, BUT NOT
23 INVOLVED IN IOWA IN '95, NOT INVOLVED IN IOWA IN '96.

24 THE COURT: OKAY. LET ME TELL YOU HOW I FEEL ABOUT
25 THIS.

26 NUMBER ONE, I THINK IT'S ALL BACKGROUND. I

1 THINK IT'S SOMETHING THAT SHOULD BE BROUGHT BEFORE THE
2 JURY. I THINK THAT YOU WILL HAVE AN OPPORTUNITY TO REFUTE
3 IT THROUGH ANY CROSS-EXAMINATION OR ANY WITNESSES YOU WANT
4 TO BRING.

5 BUT WE CAN'T JUST CUT A FINE LINE AND SAY,
6 "YOU CAN'T DO THIS" AND "YOU CAN'T DO THAT." SO WE'RE
7 GOING TO HAVE TO JUST TAKE IT ON A GENERAL OVERALL
8 APPROACH, AND I'M GOING TO ALLOW IT.

9 MR. MOSHENKO: WILL THE COURT INSTRUCT THE JURY
10 THAT THIS IS A -- NOT A PLAINTIFF; IT IS NOT MR. NOVELLI?

11 THE COURT: WE CAN DO THAT IN YOUR CLOSING
12 ARGUMENTS.

13 MR. SHERMAN: AND, YOUR HONOR, MY TIME ESTIMATES
14 FOR MR. RANDALL FOR MY EXAMINATION TOOK INTO ACCOUNT
15 WHATEVER THE COMPLEXITY -- ALLEGED COMPLEXITIES OF THESE
16 DOCUMENTS MIGHT BE. BECAUSE THE FACT IS NOT EXACTLY WHAT
17 THE COURT SAID, BUT WHAT PEOPLE HEARD.

18 THE COURT: WHAT DO YOU HAVE, BRIAN?

19 THE BAILIFF: THE JURORS WERE HOPING TO TAKE A
20 BREAK.

21 THE COURT: GIVE IT TO THEM NOW.

22 THE BAILIFF: TWENTY MINUTES?

23 THE COURT: FIFTEEN.

24 MR. MOSHENKO: YOUR HONOR, IF I MAY, I'D LIKE TO
25 MAKE ONE OTHER POINT. AND THAT IS, THE DOCUMENTS THAT
26 COUNSEL REFERS TO THAT HE, QUOTE, NEVER SAW UNTIL LAST

1 NIGHT AND THAT WE FAILED TO PRODUCE ALL HAVE THE "PTE"
2 BATES STAMP ON THEM WHICH IS INDICATIVE THAT WE PRODUCED
3 THEM MONTHS AND MONTHS AGO. WE PRODUCED THEM BOTH IN
4 DISCOVERY, AND WE PRODUCED THEM AS EXHIBITS IN THESE
5 BINDERS WHICH THEY GOT SEVERAL WEEKS AGO.

6 SO THE SUGGESTION THAT WE NEVER PRODUCED IS
7 NOT CORRECT.

8 THE COURT: WELL, OKAY.

9 MR. SHERMAN: THANK YOU, YOUR HONOR.

10 THE COURT: LET'S TAKE A BREAK.

11 (RECESS TAKEN.)

12 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN
13 COURT IN THE PRESENCE OF THE JURY:)

14 THE COURT: PROCEED, COUNSEL.

15 BY MR. SHERMAN: Q MR. RANDALL, DO YOU HAVE
16 EXHIBIT 498 BEFORE YOU?

17 A YES, I DO.

18 Q OKAY. WHY DON'T WE PUT 498 UP ON THE
19 BOARD.

20 THIS 498, THIS IS A COMMUNICATION THAT
21 ULTIMATELY FOUND ITS WAY TO YOU; IS THAT RIGHT?

22 A THAT'S CORRECT.

23 Q AND THIS IS FROM THE STATE OF IOWA
24 DEPARTMENT OF JUSTICE; IS THAT RIGHT?

25 A YES, IT IS.

26 Q OKAY. LET'S READ THE TOP OF THIS TOGETHER.

1 THIS WAS SENT TO THOUSAND ADVENTURES
2 CONSUMERS FROM CHRIS ODED, ASSISTANT ATTORNEY GENERAL,
3 REGARDING THE COURT ORDER GRANTING PRELIMINARY INJUNCTION,
4 THE DATE BEING DECEMBER 18, 1996.

5 ON FRIDAY, NOVEMBER 22, 1996, THE POLK
6 COUNTY DISTRICT COURT HELD A HEARING ON THE ATTORNEY
7 GENERAL'S REQUEST FOR A PRELIMINARY INJUNCTION. ALTHOUGH
8 THE ATTORNEY GENERAL AND THOUSAND ADVENTURES HAD AGREED TO
9 A STIPULATED PRELIMINARY INJUNCTION LAST JULY, THOUSAND
10 ADVENTURES VIOLATED THAT AGREEMENT IN MANY WAYS.

11 A HEARING WAS, THEREFORE, NECESSARY SO THAT
12 THE COURT COULD ISSUE A NEW ORDER. A COPY OF THE NEW COURT
13 ORDER IS ENCLOSED FOR YOUR CONVENIENCE. THERE ARE SEVERAL
14 PROVISIONS IN THIS ORDER THAT ARE OF IMPORTANCE TO YOU.

15 RESALE INSTALLMENT PAYMENTS: MANY IOWANS
16 HAVE HAD THEIR MEMBERSHIP CONTRACTS RESOLD AND ARE OWED
17 MONTHLY INSTALLMENT PAYMENTS BY THOUSAND ADVENTURES.

18 IN PARAGRAPH 14 OF THE ENCLOSED ORDER, THE
19 COURT REQUIRED THOUSAND ADVENTURES TO KEEP CURRENT IN THE
20 INSTALLMENT PAYMENTS IT OWES TO IOWANS. IF THOUSAND
21 ADVENTURES DOES NOT KEEP CURRENT WITH ITS INSTALLMENT
22 PAYMENTS TO YOU, THAT WILL BE A VIOLATION OF THE COURT'S
23 ORDER. PLEASE LET US KNOW AT ONCE IF THOUSAND ADVENTURES
24 FALLS BEHIND ON THE PAYMENTS OWED TO YOU.

25 RESALE LIST: MANY IOWANS ARE ON THE RESALE
26 LIST TO HAVE THEIR MEMBERSHIP CONTRACTS RESOLD. UNDER

1 PARAGRAPH 13 OF THE ENCLOSED ORDER, THOUSAND ADVENTURES IS
2 BARRED FROM COLLECTING OR ATTEMPTING TO COLLECT ANY
3 MAINTENANCE DUES, ANNUAL DUES, OR OTHER MONIES FROM ANY
4 IOWAN ON THE RESALE LIST WHO HAS RELINQUISHED HIS OR HER
5 RIGHTS TO USE THE CAMPGROUND.

6 IF YOU ARE ON THE RESALE LIST AND WISH TO
7 CONTINUE TO USE THOUSAND ADVENTURES CAMPGROUNDS, YOU WILL
8 CONTINUE TO BE BILLED BY THOUSAND ADVENTURES FOR ANNUAL OR
9 MAINTENANCE DUES.

10 IF YOU ARE ON THE RESALE LIST AND WISH TO
11 RELINQUISH YOUR RIGHTS TO USE THE CAMPGROUND, PLEASE SIGN
12 THE ATTACHED FORM AND RETURN IT TO THE ATTORNEY GENERAL'S
13 OFFICE.

14 AFTER YOU HAVE RETURNED THIS FORM TO US, YOU
15 SHOULD NOT RECEIVE ANY BILLS OR STATEMENTS FROM THOUSAND
16 ADVENTURES FOR ANY DUES OR OTHER MONIES. IF YOU HAVE
17 RELINQUISHED YOUR RIGHTS AND THOUSAND ADVENTURES SENDS YOU
18 A BILL FOR DUES, THAT WILL BE A VIOLATION OF THE COURT'S
19 ORDER. PLEASE LET US KNOW AT ONCE IF YOU RELINQUISH YOUR
20 RIGHT TO USE THE CAMPGROUND AND THOUSAND ADVENTURES SENDS
21 YOU A BILL FOR DUES.

22 THIS INJUNCTION INCLUDED IN THE ENCLOSED
23 COURT ORDER WILL REMAIN IN EFFECT UNTIL THE LAWSUIT IS
24 OVER. TRIAL IS NOW SCHEDULED TO BEGIN ON JULY 28, 1997.

25 IT REFERENCES, IF YOU HAVE ANY QUESTIONS,
26 AND THE LAST LINE IS CUT OFF.

1 IS THIS SOMETHING YOU RECEIVED, MR. RANDALL?

2 A YES.

3 Q AND DID YOU HAVE DISCUSSIONS INTERNALLY AT
4 COAST ABOUT THE ISSUES THAT ARE COVERED IN THIS MEMO FROM
5 THE IOWA ATTORNEY GENERAL'S OFFICE?

6 A I BELIEVE THAT WE DID. I'M NOT SURE THAT I
7 RECOLLECT THE SPECIFICS OF THOSE CONVERSATIONS.

8 Q WELL, THERE'S A REFERENCE IN THIS MEMORANDUM
9 FROM THE ATTORNEY GENERAL'S OFFICE TO THE RESALE
10 INSTALLMENT PAYMENTS AND THE RESALE LIST.

11 WHAT WAS THAT ALL ABOUT?

12 A MY UNDERSTANDING OF IT WAS THAT --

13 MR. MOSHENKO: OBJECTION. IT'S IRRELEVANT. HIS
14 UNDERSTANDING IS IRRELEVANT AND LACKS FOUNDATION. SHOW THE
15 FOUNDATION FOR HIS UNDERSTANDING.

16 MR. SHERMAN: I'LL REPHRASE.

17 Q WHAT DID YOU UNDERSTAND THE IMPACT THE
18 RESALE INSTALLMENT PAYMENTS AND THE RESALE LIST WERE HAVING
19 ON THE CAMP COAST TO COAST MEMBERSHIP, CAMP COAST TO COAST
20 MEMBERS' COMMUNICATIONS WITH COAST?

21 A THESE MEMBERS THAT HAD ENTERED INTO A
22 SPECIAL ARRANGEMENT OR DIFFERENT KIND OF A CONTRACT UNDER
23 THE THOUSAND ADVENTURES -- ONE OF THE PROGRAMS THAT
24 THOUSAND ADVENTURES WAS OFFERING FOR SALE, PART OF THAT
25 DEAL WAS THAT AFTER A CERTAIN PERIOD OF TIME -- I BELIEVE
26 IT WAS FOUR YEARS -- THE MEMBER COULD SELL BACK THEIR

1 CONTRACT TO THOUSAND ADVENTURES PROPER. AND APPARENTLY IT
2 WAS A GOOD ENOUGH DEAL. AND THE UNFORTUNATE THING SEEMED
3 TO BE THEY ALL CAME DUE IN THE SAME TIME FRAME, AND
4 THOUSAND ADVENTURES WAS HAVING DIFFICULTY HONORING THAT
5 PART OF THE CONTRACT WITH THOSE MEMBERS.

6 Q NOW, YOU RECEIVED COMMUNICATIONS FROM OTHER
7 STATE ATTORNEY GENERALS' OFFICES ABOUT THOUSAND ADVENTURES
8 AS WELL; IS THAT RIGHT?

9 A THAT'S CORRECT.

10 Q LET ME SHOW YOU A DOCUMENT, EXHIBIT 806.
11 MR. RANDALL, IS EXHIBIT 806 A DOCUMENT THAT
12 FOUND ITS WAY TO YOU FROM THE STATE OF NEW YORK, OFFICE OF
13 THE ATTORNEY GENERAL?

14 A YES, IT IS.

15 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 806 INTO
16 EVIDENCE.

17 MR. MOSHENKO: I NEED A MINUTE, YOUR HONOR.

18 (PAUSE IN PROCEEDINGS.)

19 MR. MOSHENKO: YOUR HONOR, THE SAME OBJECTION THE
20 COURT PREVIOUSLY HEARD REGARDING THE PRIOR EXHIBIT. BUT I
21 UNDERSTAND THE COURT WILL ALLOW IT.

22 THE COURT: OVERRULED. RECEIVED IN EVIDENCE.

23 (WHEREUPON, EXHIBIT NO. 806, LETTER FROM
24 ATTORNEY GENERAL OF NEW YORK, WAS RECEIVED IN EVIDENCE.)

25 BY MR. SHERMAN: Q WELL, ACTUALLY BEFORE WE
26 ACTUALLY PUT THAT ONE UP ON THE BOARD, I'D LIKE TO GO BACK,

1 MR. RANDALL, TO THE VERY FIRST DOCUMENT I SHOWED YOU WHEN
2 YOU TOOK THE STAND YESTERDAY, AND THAT WAS THE -- THAT FORM
3 LETTER THAT TRAVEL AMERICA SENT OUT.

4 DO YOU RECALL THAT ONE?

5 A YES, I DO.

6 Q LET'S JUST BLOW UP THE DATE AND THE FIRST
7 PARAGRAPH. THIS IS THE AUGUST 27 MAILING FOR TRAVEL
8 AMERICA TELLING, AT LEAST IN THIS CASE, MR. FLOYD HOW PROUD
9 THEY ARE TO ANNOUNCE THEIR RECIPROCAL AGREEMENT BETWEEN
10 THOUSAND ADVENTURES, ALL SEASONS, FIRST NATIONWIDE, AND
11 CUTTY'S.

12 DO YOU SEE THAT?

13 A YES, I DO.

14 Q AND YOU DID BECOME AWARE AT SOME POINT OF
15 THIS NEW ENTITY OR WHAT YOU UNDERSTOOD WAS A NEW ENTITY,
16 TRAVEL AMERICA, THAT HAD ALL THESE COMPANIES AS PART OF IT?

17 A YES.

18 Q OKAY. LET'S NOW GO TO 806.

19 806 IS DATED JUST ABOUT SIX WEEKS BEFORE
20 THIS MAILING; IS THAT RIGHT?

21 A YES.

22 Q AND 806, FROM THE OFFICE OF THE NEW YORK
23 STATE ATTORNEY GENERAL'S OFFICE, THIS IS A LETTER THAT WAS
24 ADDRESSED TO DEAR THOUSAND ADVENTURES MEMBERS REGARDING ONE
25 OF THE RESORTS IN NEW YORK STATE; IS THAT RIGHT?

26 A CORRECT.

1 Q AND THERE IS A REFERENCE HERE THAT THE
2 ATTORNEY GENERAL, DENNIS VACCO SAYS, AS YOU KNOW, ON
3 OCTOBER 22, 1996, I BROUGHT SUIT AGAINST THOUSAND
4 ADVENTURES, INC., THE OWNER OF INDIAN FALLS LAKE RESORT,
5 AND JUDGMENT WAS SUBSEQUENTLY GRANTED IN OUR FAVOR.

6 AND DID YOU LEARN THAT THIS RESORT WAS
7 HAVING PROBLEMS WITH SOME ENVIRONMENTAL ISSUES WITH SEWAGE
8 COLLECTION AND TREATMENT SYSTEMS?

9 A YES.

10 Q AND MR. VACCO WRITES HERE THAT THE COURT
11 ORDER REQUIRES THAT THOUSANDS ADVENTURES REPAIR AND UPGRADE
12 THE SEWAGE COLLECTION AND TREATMENT SYSTEM AT INDIAN FALLS
13 BY MAY 1, 1997, OR ALL MEMBERS WERE TO RECEIVE A REFUND.

14 THOUSAND ADVENTURES IS NOW IN SERIOUS
15 FINANCIAL TROUBLE, AND IT IS NOW CLEAR THAT THOUSAND
16 ADVENTURES DOES NOT HAVE THE FUNDS TO EITHER MAINTAIN
17 INDIAN FALLS OR MAKE REFUNDS TO ITS MEMBERS.

18 NOW, MR. RANDALL, LET ME -- LET ME JUST JUMP
19 FOR A MOMENT. I'LL COME BACK TO THIS. LET ME JUMP FOR A
20 MOMENT.

21 AFTER YOU LEARNED ABOUT THIS FORMATION OF
22 TRAVEL AMERICA WHERE THEY WERE TELLING ALL THE PEOPLE HOW
23 PLEASED THEY WERE TO ANNOUNCE THIS RECIPROCAL AGREEMENT
24 WITH THOUSAND ADVENTURES AND ALL SEASONS AND NATIONWIDE,
25 DID YOU HEAR THAT TRAVEL AMERICA TOOK CARE OF THIS PROBLEM
26 THAT THE NEW YORK STATE ATTORNEY GENERAL WAS WRITING ABOUT?

1 A NO.

2 Q OKAY. WELL, THIS LETTER CONTINUES ON: AS I
3 CONTINUE TO PURSUE REFUNDS FOR YOU AND BECAUSE OF THE
4 UNLIKELIHOOD OF OBTAINING REFUNDS FROM THOUSAND ADVENTURES,
5 MY OFFICE RECENTLY NEGOTIATED FAVORABLE TERMS FOR FORMER
6 INDIAN FALLS MEMBERS WITH OTHER PRIVATE CAMPGROUND RESORTS
7 LOCATED IN WESTERN NEW YORK. THESE CAMPGROUNDS ALL
8 PARTICIPATE, AS DID INDIAN FALLS, IN RECIPROCAL PROGRAMS
9 WITH CAMPGROUNDS NATIONWIDE.

10 NOW, THIS REFERENCE TO RECIPROCAL PROGRAMS
11 WITH CAMPGROUNDS NATIONWIDE, WAS COAST TO COAST INVOLVED IN
12 THIS?

13 A WE WERE ONE OF THE RECIPROCAL SYSTEMS THAT
14 WAS NAMED, YES.

15 Q DID COAST TO COAST HAVE, TO YOUR KNOWLEDGE,
16 COMMUNICATIONS WITH THE NEW YORK STATE ATTORNEY GENERAL IN
17 CONNECTION WITH HELPING OUT ON THIS INDIAN FALLS PROBLEM?

18 A YES, WE DID.

19 Q LET ME SHOW YOU A DOCUMENT, EXHIBIT 496.
20 ACTUALLY I BELIEVE WHAT I'VE GIVEN YOU IS JUST THE FIRST
21 PAGE OF THAT DOCUMENT.

22 LET ME ALSO GIVE TO YOU, AND TO YOU,
23 COUNSEL, THE SECOND AND THIRD PAGES OF 496.

24 NOW, MR. RANDALL, AT SOME POINT AFTER YOU
25 BECOME AWARE OF THE ATTORNEY GENERAL OF NEW YORK'S
26 COMMUNICATION ABOUT THE INDIAN FALLS VICTIMS, DID YOU SEE A

1 PRESS RELEASE BY THE NEW YORK STATE ATTORNEY GENERAL?

2 A YES, I DID.

3 Q AND IS THIS THE PRESS RELEASE?

4 A YES, IT IS.

5 MR. SHERMAN: I'D LIKE TO MOVE INTO EVIDENCE TRIAL
6 EXHIBIT 496. IT'S A THREE-PAGE DOCUMENT.

7 MR. MOSHENKO: LACKS FOUNDATION AS TO WHEN HE HEARD
8 IT. LACKS FOUNDATION AS TO HOW IT IS RELEVANT TO THIS
9 WITNESS'S TESTIMONY. AND I ALSO HAVEN'T HAD A CHANCE TO
10 READ ITS CONTENT. BUT IT'S A PRESS RELEASE NOW.

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

12 MR. SHERMAN: COULD WE PUT IT UP?

13 Q OKAY. YOU DID SEE -- DID YOU SEE THIS PRESS
14 RELEASE SOMETIME IN EITHER THE SUMMER OR THE FALL OF '97?

15 A YES. I BELIEVE IT WAS DURING THE SUMMER OF
16 '97.

17 Q AND IT SAYS, VACCO -- THAT'S THE NEW YORK
18 STATE ATTORNEY GENERAL -- VACCO FINDS NEW CAMPGROUNDS FOR
19 INDIAN FALLS VICTIMS. MONDAY, JULY 14, 1997.

20 DID YOU HAVE ANY UNDERSTANDING,
21 MR. RANDALL, WAS THE NEW YORK STATE ATTORNEY GENERAL'S
22 OFFICE INVOLVED IN SOME SORT OF AN ORPHAN PROGRAM?

23 A YES. THAT WOULD BE A GOOD WAY TO PUT IT,
24 YES. THEY WERE VERY INTERESTED IN THAT.

25 Q AND WHAT DID YOU UNDERSTAND THE NEW YORK
26 STATE ATTORNEY GENERAL WAS DOING IN CONNECTION WITH THIS

1 ORPHAN PROGRAM?

2 A HE WANTED TO PLACE THESE MEMBERS WHO WERE NO
3 LONGER ABLE TO HAVE ACCESS TO A RECIPROCAL USE SYSTEM, OR
4 TO THE RESORT THAT THEY WERE MEMBERS OF, AND HE WAS VERY
5 INTERESTED IN TAKING CARE OF THEIR NEEDS.

6 Q AND DID CAMP COAST TO COAST PARTICIPATE IN
7 THE NEW YORK STATE ATTORNEY GENERAL'S ORPHAN PROGRAM?

8 A YES, WE DID.

9 Q AND HOW DID COAST TO COAST PARTICIPATE IN
10 THIS ATTORNEY GENERAL'S SANCTIONED PROGRAM?

11 A BASICALLY WE INFORMED HIM OF THE RESORTS IN
12 THE NEW YORK AREA THAT -- I BELIEVE CONTACT WAS MADE WITH
13 THE DEVELOPER/OWNERS OF THOSE RESORTS. BUT, CONTACT WAS
14 MADE WITH THEM TO LET THEM KNOW ABOUT THIS SITUATION, WHAT
15 WAS GOING ON. AND I'M PRETTY SURE THAT THEY WERE ASKED IF
16 THEY WANTED TO PARTICIPATE IN TAKING THESE MEMBERS IN. AND
17 I'M PRETTY SURE THEY WERE CONTACTED BY MR. VACCO, AS WELL.

18 Q OKAY. AND THIS PRESS RELEASE SAYS THAT
19 ATTORNEY GENERAL DENNIS C. VACCO SAID TODAY THAT CONSUMERS
20 WHO UNWITTINGLY BOUGHT INTO A CONDEMNED GENESEE COUNTY
21 CAMPGROUND CAN NOW TRANSFER THEIR WORTHLESS MEMBERSHIPS TO
22 ONE OF SEVERAL OTHER PRIVATE CAMPGROUNDS IN WESTERN NEW
23 YORK.

24 UNDER ATTORNEY GENERAL VACCO'S PLAN, 2600
25 FORMER MEMBERS OF THE CONTAMINATED INDIAN FALLS LAKE RESORT
26 CAN ELECT TO JOIN ANOTHER PRIVATE CAMPGROUND AT LITTLE OR

1 NO COST.

2 AND THIS NEXT REFERENCE IN THE NEXT
3 PARAGRAPH, LET ME JUST READ THIS OUT LOUD.

4 THEIR MEMBERSHIP CONTRACTS WERE DECLARED
5 NULL AND VOID WHEN ATTORNEY GENERAL VACCO WON HIS LAWSUIT
6 AGAINST THE OWNER OF INDIAN FALLS LAST DECEMBER. A JUDGE
7 FOUND THAT THOUSAND ADVENTURES, INC., OF LINCOLN, NEBRASKA
8 ENGAGED IN DECEPTIVE AND ILLEGAL SALES PRACTICES BY
9 AGGRESSIVELY MARKETING MEMBERSHIPS IN THE CAMPGROUND AFTER
10 THE SITE HAD BEEN CLOSED BY THE COUNTY HEALTH DEPARTMENT
11 BECAUSE OF -- IT WAS CONTAMINATED WITH RAW SEWAGE.

12 DID YOU -- THESE ARE THE PEOPLE WHO COAST
13 WAS ATTEMPTING TO PLACE IN THIS ORPHAN PROGRAM WITH THE
14 ATTORNEY GENERAL'S ASSISTANCE?

15 A YES, THE MEMBERS OF INDIAN FALLS LAKE.

16 Q AND THEN YOU'LL NOTICE IN THIS PRESS RELEASE
17 TOWARDS THE BOTTOM, IT TALKS ABOUT CHOICES THAT THE MEMBERS
18 HAVE.

19 NOW, THIS WAS NOT A PRESS RELEASE THAT COAST
20 WROTE; IS THAT RIGHT?

21 A NO.

22 Q YOU HAD NO INPUT IN THIS?

23 A OTHER THAN IDENTIFYING SOME OF THE RESORTS,
24 NO, WE DIDN'T HAVE ANY INPUT TO THIS PRESS RELEASE AT ALL.

25 Q SO ATTORNEY GENERAL VACCO WRITES IN HIS
26 PRESS RELEASE, THE FORMER MEMBERS HAVE TWO CHOICES; THAT

1 THREE VALLEY RESORT IS A MEMBER OF THE COAST TO COAST
2 RECIPROCAL PROGRAM, AND THEY'RE INVITING MEMBERS TO
3 TRANSFER THEIR MEMBERSHIPS. THAT WAS PART OF THE ORPHAN
4 PROGRAM THAT YOU WERE TALKING ABOUT; RIGHT?

5 A CORRECT.

6 Q WHY DON'T WE JUST GO TO THE NEXT PAGE OF
7 THAT PRESS RELEASE.

8 JUST IF YOU COULD BLOW UP THAT WHOLE PAGE.
9 I'M NOT GOING TO READ IT OUT LOUD, IF THE FOLKS WANT TO
10 TAKE A LOOK AT IT.

11 LET ME GO BACK TO EXHIBIT 1552.

12 EXHIBIT 1552, MR. RANDALL, WAS A DOCUMENT
13 THAT MR. MOSHENKO SHOWED YOU YESTERDAY. THIS WAS A
14 RESPONSE TO AN INQUIRY BY YET ANOTHER ATTORNEY GENERAL,
15 THIS TIME THE ATTORNEY GENERAL OF STATE OF ALABAMA.

16 MIKE, IF YOU COULD GET THAT UP ON THE
17 SCREEN.

18 WHEN CAMP COAST TO COAST RECEIVED
19 COMMUNICATIONS FROM STATE ATTORNEYS GENERAL, WAS IT COAST'S
20 PRACTICE TO RESPOND?

21 A OH, YES.

22 Q DID YOU RESPOND PROMPTLY?

23 A YES.

24 Q AND AS FAR AS THIS CORRESPONDENCE, YOU
25 RECALL MR. MOSHENKO SHOWED YOU THE LETTER THAT WENT TO
26 COAST TO COAST, AND I KNOW YOU DIDN'T HAVE AN OPPORTUNITY

1 TO TALK MUCH ABOUT THIS RESPONSE BACK TO THE ATTORNEY
2 GENERAL OF ALABAMA.

3 BUT WAS COAST INTENDING TO INFORM THE STATE
4 ATTORNEY GENERAL AT THAT POINT AS TO WHAT WAS GOING ON?

5 A YES. IT WAS A RESPONSE TO THE LETTER FROM
6 THE ATTORNEY GENERAL'S OFFICE.

7 Q AND THE REFERENCE IN THE SECOND PARAGRAPH,
8 IF WE CAN JUST EXPAND THAT, TO ENSURE THAT MEMBERS OF
9 RESORTS THAT FOR SOME REASON OR ANOTHER ARE NO LONGER
10 AFFILIATED WITH COAST TO COAST CONTINUE TO HAVE THE
11 OPPORTUNITY TO RETAIN THEIR COAST TO COAST MEMBERSHIP, WE
12 TRANSFER THEIR COAST TO COAST MEMBERSHIP TO ANOTHER
13 AFFILIATED RESORT.

14 IS THAT A TRUTHFUL DESCRIPTION OF WHAT
15 HAPPENED?

16 A YES.

17 Q OKAY. DID YOU HAVE ANY -- DID YOU OR TO
18 YOUR KNOWLEDGE ANYONE AT COAST EVER HAVE ANY REASON TO TELL
19 ATTORNEYS GENERAL ANYTHING OTHER THAN THE FULL TRUTH?

20 A ABSOLUTELY NOT, NO.

21 Q AND THEN IT GOES ON: PRIOR TO COMMUNICATING
22 WITH A MEMBER, WE CONFIRM THAT THE NEW RESORT OWNER WILL
23 ONLY CHARGE THE MEMBERS ANNUAL MAINTENANCE FEES UPON
24 TRANSFER. AS INDICATED IN THE ENCLOSED LETTER, THE RESORT
25 WE TRANSFER THEIR MEMBERSHIP TO IS ONLY AN OPTION FOR THEM
26 TO RETAIN THEIR COAST TO COAST MEMBERSHIP. THEY MAY JOIN

1 ANY AFFILIATED RESORT THEY DESIRE. CONTACT OUR MEMBER
2 SERVICES DEPARTMENT AND, WE WILL TRANSFER THEIR MEMBERSHIP
3 ACCORDINGLY.

4 IS THAT A TRUE STATEMENT?

5 A YES, IT IS.

6 Q LET ME NEXT MOVE TO EXHIBIT 949-824, BATES
7 NUMBER 09235.

8 MR. RANDALL, IS THIS A LETTER THAT COAST TO
9 COAST MEMBER SERVICES DEPARTMENT RECEIVED?

10 A YES, IT APPEARS TO BE THAT.

11 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-824 INTO
12 EVIDENCE.

13 MR. MOSHENKO: OBJECT TO THE DOCUMENT. IT'S DATED
14 FEBRUARY, '97. IT'S IRRELEVANT TO THE PLAINTIFFS.

15 THE COURT: UNDER SUBMISSION.

16 BY MR. SHERMAN: Q THIS IS A LETTER FROM
17 GAITHER H. RIDGELL OF OCALA, FLORIDA, COAST TO COAST,
18 REQUESTING A TRANSFER OF MY COAST TO COAST MEMBERSHIP FROM
19 OTTER SPRINGS, TRENTON, FLORIDA, TO SOUTHERN TRAILS IN
20 GEORGIA.

21 AND MR. RIDGELL WRITES IN THE SECOND
22 PARAGRAPH, I ORIGINALLY JOINED RIVER LODGE RESORT IN
23 INGLIS, FLORIDA IN OCTOBER, 1986, AND ENJOYED USE OF THIS
24 FACILITY UNTIL IT WAS SOLD TO DEVELOPERS, AND MY MEMBERSHIP
25 ENDED UP AT OTTER SPRINGS. I HAVE ONLY VISITED OTTER
26 SPRINGS ONE TIME AND WILL NOT RETURN. THE SITE GIVEN ME

1 WAS VERY POOR, AND I WAS HARASSED AND LAUGHED AT FOR NOT
2 JOINING THE THOUSAND ADVENTURES SIDE OF THIS RESORT.

3 SEVERAL PHONE CALLS WERE MADE TO MY HOME
4 PERTAINING TO THE THOUSAND ADVENTURES PORTION OF THIS
5 RESORT IN THREATENING TONES OF JOIN OR SUFFER THE
6 CONSEQUENCES. SOME FRIENDS OF MINE STOPPED AT OTTER
7 SPRINGS AND WERE TREATED SO RUDELY THEY WOULD NEVER RETURN.

8 I HAVE BELONGED TO COAST TO COAST FOR 11
9 YEARS AND HAVE THOROUGHLY ENJOYED THE FACILITIES OF MOST OF
10 THE RESORTS I HAVE VISITED. OUR TRAVEL HAS BEEN EXTENSIVE
11 SINCE I RETIRED SEVEN YEARS AGO, AND I WOULD LIKE TO REMAIN
12 WITH COAST TO COAST, BUT ONLY IF I AM ASSOCIATED WITH
13 ANOTHER RESORT.

14 LET ME SHOW YOU ANOTHER DOCUMENT, EXHIBIT
15 949-466, LETTER DATED JUNE 16, 1998.

16 IS THIS A LETTER THAT YOUR MEMBER SERVICES
17 DEPARTMENT RECEIVED, MR. RANDALL?

18 A YES.

19 Q IN JUNE OF '98?

20 A YES.

21 Q OKAY. I'D LIKE TO MOVE EXHIBIT 949-466 INTO
22 EVIDENCE.

23 MR. MOSHENKO: NO OBJECTION.

24 THE COURT: IT WILL BE SO RECEIVED. WHAT WAS
25 THE --

26 MR. SHERMAN: 0886 IS THE BATES NUMBER.

1 (WHEREUPON, EXHIBIT NO. 949-466, MEMBER
2 LETTER DATED JUNE 16, 1998, WAS RECEIVED IN EVIDENCE.)

3 BY MR. SHERMAN: Q AND THIS IS ANOTHER ONE OF
4 THOSE LETTERS TO MISS URIOSTE?

5 A YES, IT IS.

6 Q I'LL PRONOUNCE IT RIGHT SOMETIME, I'M SURE.

7 A YOU'RE GETTING MUCH CLOSER.

8 Q FROM A COAST MEMBER; IS THAT RIGHT?

9 A YES.

10 Q OKAY. I HAVE RECENTLY MOVED MY HOME RESORT
11 TO FT. JOHN. I GUESS THAT'S SMITHVILLE, OKLAHOMA FROM
12 CASTLEVIEW IN MISSOURI. WE WERE CAUGHT UP IN THE T.A.I.
13 MESS AND REFUSED TO STAY WITH THEM BECAUSE THE SAME PEOPLE
14 ARE WITH TRAVEL -- WHAT IS THAT -- TRAVEL AMERICA OR A.M.?

15 A MY ASSUMPTION IS IT'S TRAVEL AMERICA BUT IT
16 SAYS "TRAVEL AM."

17 Q SO WE WERE CAUGHT UP IN THE T.A.I. MESS AND
18 REFUSED TO STAY WITH THEM BECAUSE THE SAME PEOPLE ARE WITH
19 TRAVEL AMERICA THAT LOST OUR MEMBERSHIP. FT. JOHN IS
20 MAILING YOU A LETTER OF ACCEPTANCE.

21 SO THIS PERSON WANTED A TRANSFER; IS THAT
22 RIGHT?

23 A YES.

24 Q I'D LIKE TO SHOW YOU AN EXHIBIT, 949-470,
25 BATES NUMBER 08880.

26 THE COURT: MR. BAILIFF, THE FOLKS ARE GETTING A

1 LITTLE WARM. DO YOU WANT TO OPEN THE DOOR?

2 THE BAILIFF: SURE.

3 BY MR. SHERMAN: Q IS THIS A LETTER, MR. RANDALL,
4 THAT YOUR CUSTOMER MEMBER SERVICE DEPARTMENT RECEIVED?

5 A YES, IT IS.

6 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-470 INTO
7 EVIDENCE.

8 MR. MOSHENKO: NO OBJECTION.

9 THE COURT: IT WILL BE SO RECEIVED.

10 (WHEREUPON, EXHIBIT NO. 949-470, MEMBER
11 LETTER, WAS RECEIVED IN EVIDENCE.)

12 BY MR. SHERMAN: Q NOW, THIS MEMBER WRITES: AS A
13 FORMER MEMBER OF THOUSAND ADVENTURES, INC., TWIN LAKES
14 RESORT, WAPAKENEETA --

15 A WAPAKENEETA.

16 Q -- OHIO, WHO WAS SCAMMED OUT OF \$4,000 PLUS,
17 I DECLINED TO ACCEPT THEIR OFFER OF TRANSFER TO TRAVEL
18 AMERICA AND AFFILIATE WITH R.P.I.

19 ACCORDINGLY, I JOINED JELLYSTONE PARK,
20 HEISKELL, TENNESSEE, COAST TO COAST NUMBER 285.
21 CONFIRMATION OF MEMBERSHIP IS ENCLOSED.

22 MR. RANDALL, I KNOW YOU'VE LOOKED AT -- I'M
23 NOT TALKING ABOUT YESTERDAY OR TODAY WHILE ON THE WITNESS
24 STAND. I KNOW YOU'VE LOOKED AT MANY, MANY DIFFERENT
25 LETTERS SENT BY MEMBERS; IS THAT RIGHT?

26 A YES.

1 Q HAVE THE ONLY MEMBERS WHO WROTE IN TALKING
2 ABOUT BEING SCAMMED OR TAKEN ADVANTAGE OF THE ONES THAT
3 I'VE BEEN SHOWING YOU?

4 A NO.

5 Q ARE THERE MORE?

6 A I'M SURE THERE ARE, YES.

7 Q I'D LIKE TO SHOW YOU EXHIBIT 949-807,
8 949-805, BATES NUMBER CCC 09218.

9 MR. RANDALL, IS THIS A LETTER THAT YOUR
10 MEMBER SERVICES DEPARTMENT RECEIVED IN MARCH, '97?

11 A I'M PRETTY SURE THAT IT IS.

12 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-807 INTO
13 EVIDENCE.

14 MR. MOSHENKO: OBJECTION AS TO RELEVANCE AND
15 HEARSAY. IT'S DATED MARCH OF '97. IT REFERS TO A RESORT
16 AND AN ENTITY THAT IS NOT A PLAINTIFF. IT'S NOT A -- IT'S
17 NOT A PART OF THIS CASE.

18 THE COURT: I THINK WE DISCUSSED THAT IN CHAMBERS.

19 MR. MOSHENKO: GUILT BY ASSOCIATION, YOUR HONOR.

20 THE COURT: ALL RIGHT. IT'S ADMITTED.

21 MR. SHERMAN: I DON'T THINK THERE'S ANY ASSOCIATION.

22 THE COURT: ADMITTED.

23 (WHEREUPON, EXHIBIT NO. 949-807, MEMBER
24 LETTER, WAS RECEIVED IN EVIDENCE.)

25 MR. SHERMAN: I'D LIKE TO PUT IT UP ON THE BOARD.

26 Q SO THIS MEMBER IS WRITING TO COAST TO COAST,

1 TO WHOM IT MAY CONCERN. I'M REQUESTING THAT MY COAST TO
2 COAST MEMBERSHIP BE TRANSFERRED FROM OTTER SPRINGS RESORT
3 IN TRENTON, FLORIDA TO RAINBOW LAKE RESORT IN NEW YORK
4 STATE. AS YOU KNOW BY NOW, THOUSAND ADVENTURES OF FLORIDA
5 HAVE CLOSED ALL THEIR PARKS AS OF THE 17TH OF MARCH, AND MY
6 MEMBERSHIP IS NO LONGER VALID.

7 I HAVE TALKED TO DEBBIE ABOUT THIS, AND YOU
8 SHOULD HAVE A LETTER FROM RAINBOW LAKE ACCEPTING THE
9 TRANSFER.

10 AS FAR AS THE CLOSURE OF THOUSAND ADVENTURES
11 PARKS IN FLORIDA, DID YOU LEARN AT SOME POINT IN THE MARCH
12 TIME FRAME THAT ALL OF THOUSAND ADVENTURES PARKS IN FLORIDA
13 HAD BEEN CLOSED?

14 A I DON'T RECALL THE SPECIFIC TIME FRAME. IT
15 SEEMS TO ME THAT IT WAS EARLIER THAN MARCH, BUT WE DID
16 LEARN THAT ALL OF THE FLORIDA THOUSAND ADVENTURES RESORTS
17 HAD IN FACT BEEN SHUT DOWN.

18 Q SO WHEN YOU SAY IT MAY HAVE BEEN EARLIER
19 THAN MARCH, YOU'RE TALKING ABOUT MAYBE FEBRUARY OR JANUARY
20 OR LATE DECEMBER, '96?

21 A YES. SOMEWHERE IN THAT TIME FRAME.

22 Q OKAY. NOW, TO ME IT'S PRETTY OBVIOUS, BUT
23 MAYBE YOU COULD JUST EXPLAIN WHAT IMPACT THE CLOSURE OF ALL
24 OF THOUSANDS PARKS IN FLORIDA IN THE WINTER HAS ON COAST
25 MEMBERS.

26 A IT'S A SERIOUS IMPACT. AS WE DISCUSSED

1 YESTERDAY, A LOT OF MEMBERS LIKE TO HAVE THEIR HOME RESORT
2 IN FLORIDA BECAUSE THEY HAVE GREATER USAGE OF THEIR HOME
3 RESORT. AND A LOT OF PEOPLE LIKE TO STAY IN FLORIDA AS
4 OPPOSED TO THE WINTERS IN NEW YORK. SO THEY WERE SERIOUSLY
5 DISTRESSED ABOUT NOT HAVING A PLACE TO STAY.

6 Q NOW, I WANT TO ASK YOU SOME QUESTIONS ABOUT
7 ONE OF THESE PLAINTIFF PARKS THAT THE JURY HAS HEARD A
8 LITTLE BIT ABOUT. THEY'LL HEAR MORE I'M SURE. DEER RUN.
9 HAVE YOU HEARD OF DEER RUN PARK?

10 A YES, I HAVE.

11 Q HAVE YOU GOTTEN LETTERS OF COMPLAINTS FROM
12 COAST MEMBERS ABOUT DEER RUN PARK?

13 A YES.

14 Q LET ME SHOW YOU SOME OF THOSE LETTERS OF
15 COMPLAINT ABOUT DEER RUN PARK.

16 EXHIBIT 949-9 -- EXCUSE ME. 949-813 IS THIS
17 ONE OF THOSE LETTERS OF COMPLAINT?

18 A YES.

19 MR. SHERMAN: I'D LIKE TO MOVE THAT EXHIBIT, AND I
20 DON'T HAVE THE NUMBER IN FRONT OF ME RIGHT NOW,
21 MR. RANDALL, IF YOU COULD SING IT OUT THERE. 949 --

22 THE WITNESS: 949-813.

23 MR- SHERMAN: I'D LIKE TO MOVE THAT EXHIBIT 949-813
24 INTO EVIDENCE, YOUR HONOR. THE BATES NUMBER, WE'LL HAVE IT
25 UP ON THE SCREEN WHEN IT APPEARS, ASSUMING THAT IT MAY BE
26 ADMITTED INTO EVIDENCE.

1 MR. MOSHENKO: COULD I HAVE A MOMENT, YOUR HONOR?

2 (PAUSE IN PROCEEDINGS.)

3 MR. MOSHENKO: NO OBJECTION, YOUR HONOR.

4 THE COURT: IT WILL BE SO RECEIVED.

5 (WHEREUPON EXHIBIT NO. 949-813, WAS RECEIVED
6 IN EVIDENCE.)

7 MR. SHERMAN: OKAY. AND THAT'S BATES NUMBER
8 09224. THIS IS -- LET'S JUST READ THIS, FEBRUARY 12TH,
9 '97, TO DEBBIE HILBERT.

10 IN REGARD TO THE ENCLOSED APPLICATION FOR
11 HOME PARK TRANSFER, TODAY, FEBRUARY 12, '97, I CALLED DEER
12 RUN PARK IN REGARD TO THIS MATTER AND FOUND THE PARK IS IN
13 BANKRUPTCY. PART OF THE ELECTRIC IS SHUT OFF, AND THE
14 SECRETARY HAS BEEN LAID OFF AND IS ONLY WORKING A HALF TO
15 ONE DAY PER WEEK.

16 THE PARTY I SPOKE WITH HAD NO IDEA WHAT I
17 WAS TALKING ABOUT OR WHERE ANYTHING WOULD BE. SINCE 1991
18 WE HAVE BEEN AT DEER RUN PARK A TOTAL OF THREE DAYS AND
19 THIS PARK IS NOT CONVENIENTLY LOCATED FOR US. THEREFORE,
20 WE REQUEST YOU TRANSFER OUR HOME PARK MEMBERSHIP.

21 NOW, MR. RANDALL, WHEN YOU HAVE MEMBERS
22 WRITING IN TELLING COAST THAT THE PARK IS IN BANKRUPTCY AND
23 THE ELECTRICITY IS SHUT OFF AND THE SECRETARY HAS BEEN LAID
24 OFF, I TAKE IT YOU DIDN'T GO OUT INDEPENDENTLY AND TRY TO
25 VERIFY THAT, DID YOU?

26 A ME PERSONALLY, NO. BUT WE WOULD BRING IT TO

1 THE ATTENTION OF A REGIONAL DIRECTOR.

2 Q DID YOU RECEIVE OTHER COMPLAINTS ALONG THOSE
3 LINES CONCERNING DEER RUN PARK?

4 A I'M SURE WE DID, YES.

5 MR. MOSHENKO: OBJECTION. BEST EVIDENCE, YOUR
6 HONOR.

7 THE COURT: OVERRULED.

8 BY MR. SHERMAN: Q I'D LIKE TO SHOW YOU EXHIBIT --
9 LET ME SHOW YOU EXHIBIT 949-802, 803, 804, AND 805 ON THIS
10 SAME SUBJECT.

11 THIS DOCUMENT, IS THIS ONE OF THE DOCUMENTS
12 THAT STARTS WITH THE INTERNAL TRANSFER FORM AND THEN GOES
13 TO THE MEMBER LETTER?

14 A YES.

15 Q OKAY. AND DID YOU SEE THIS PACKET INCLUDING
16 THE LETTER TO CAMP COAST TO COAST FROM THE MEMBER IN THE
17 1997 TIME FRAME?

18 A CHANCES ARE I PROBABLY WOULD HAVE SEEN IT OR
19 AT LEAST BEEN MADE AWARE OF IT BEFORE '97. BUT I'M NOT
20 SURE EXACTLY WHEN.

21 Q YOU'RE NOT SURE OF THE EXACT DATE?

22 A NO.

23 Q AND IS THE REASON FOR YOUR UNCERTAINTY
24 BECAUSE THE LETTER FROM THE MEMBERS, NOVEMBER, '96?

25 A YES. AND I NOTICED THAT THE INTERNAL
26 ROUTING WAS IN FEBRUARY OF '97. BUT SOMETIMES IT TAKES A

1 WHILE TO GET THINGS SETTLED. BUT IT WOULD HAVE BEEN
2 SOMETIME LATE '96, EARLY '97.

3 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 949-802
4 THROUGH 805 INTO EVIDENCE.

5 MR. MOSHENKO: NO OBJECTION.

6 THE COURT: RECEIVED.

7 (WHEREUPON, EXHIBIT NO. 949-802 THROUGH 805,
8 MEMBER LETTER WITH COAST INTERNAL DOCUMENTS, WAS RECEIVED
9 IN EVIDENCE.)

10 MR. SHERMAN: COAST CCC 09213 THROUGH 09216.

11 Q AND LET ME SHOW YOU THE LETTER DATED
12 NOVEMBER 25, 1996, THAT YOU WERE JUST REFERENCING A MOMENT
13 AGO FROM TOM AND SHIRLEY BLANKENSHIP IN HOMOSASSA,
14 FLORIDA. THIS IS ADDRESSED TO DEER RUN PARK.
15 SEE THAT?

16 WENDY, PLEASE SEND A LETTER OF RELEASE TO
17 US. WE ARE UNHAPPY WITH DEER RUN AS A HOME PARK. MY DUES
18 ARE PAID UNTIL FEBRUARY OR MARCH 1997. THEY BILLED ME IN
19 THE SPRING AND RAISED MY DUES. I SENT A LETTER WITH A COPY
20 OF PAPER STATING MY DUES WERE FROZEN AND ALREADY PAID FOR
21 '96. NOW THEY ARE BILLING ME AGAIN BEGINNING JANUARY, '97,
22 AND RAISING MY DUES AGAIN. THEY ARE IN CHAPTER 11 AND HAVE
23 NO ONE RUNNING ACTIVITIES. EVERYTHING WAS CLOSED AT THE
24 PARK IN SEPTEMBER WHEN WE VISITED THE PARK.

25 AND THEN ON THE NEXT PAGE, THIS IS THE
26 LETTER THAT THEY SENT TO COAST; IS THAT RIGHT?

1 A YES.

2 Q COAST TO COAST, SAME DATE, NOVEMBER 25, '96,
3 AND THEY SEND A P.S. ON THE TRANSFER REQUEST. WHY DON'T WE
4 GO TO THAT P.S. ENCLOSED IS A COPY OF A LETTER WRITTEN TO
5 DEER RUN IN NOVEMBER, '96. THEY'RE ALSO SENDING THE ONE
6 THEY WROTE IN APRIL OF '96.

7 I RECEIVED NO RESPONSE. THEY ARE IN CHAPTER
8 11, AND NO ONE RUNNING ACTIVITIES. MY DUES WERE ALREADY
9 PAID AND FROZEN. THEY REQUESTED I REPAY THE DUES FOR '96
10 TWICE AND RAISED THE AMOUNT. THE ONLY RESORT CLUB WE
11 BELONG TO IS T.A.I. AND WOULD LIKE TO TRANSFER TO A T.A.I.
12 PARK.

13 WELL, DID YOU GET OTHER LETTERS COMPLAINING
14 ABOUT DEER RUN?

15 A YES, I'M SURE THAT WE DID.

16 Q LET ME SHOW YOU EXHIBIT 949-314.

17 MR. MOSHENKO: YOUR HONOR, COULD I INQUIRE OF THE
18 EXHIBIT NUMBER OF THE ONE THAT JUST WAS ADMITTED?

19 MR. SHERMAN: 949-802, I BELIEVE, TO 805.

20 MR. MOSHENKO: THAT'S THE BLANKENSHIP ONE?

21 MR. SHERMAN: YES. YES.

22 Q NOW, IS THIS A LETTER THAT MEMBER SERVICES
23 RECEIVED, MR. RANDALL?

24 A I BELIEVE THAT IT IS, YES.

25 MR. SHERMAN: I'D LIKE TO MOVE THIS INTO EVIDENCE,
26 949-314.

1 MR. MOSHENKO: I NEED A SECOND, YOUR HONOR.

2 ALL RIGHT. NO OBJECTION.

3 THE COURT: IT WILL BE RECEIVED.

4 (WHEREUPON EXHIBIT NO. 949-314, MEMBER
5 LETTER, WAS RECEIVED IN EVIDENCE.)

6 BY MR. SHERMAN: Q THIS LETTER FROM RAY MURPHY TO
7 COAST TO COAST RESORT HEADQUARTERS.

8 EFFECTIVE IMMEDIATELY MY HOME PARK RESORT
9 WILL BE SPRING RIVER BEACH CLUB RESORT, NUMBER 499. I AM
10 BAILING OUT OF DEER RUN PARK, RESORT NUMBER 288, JUST LIKE
11 THEY DID ON ME, AND COAST TO COAST.

12 PLEASE NOTE, I AM NOT HAPPY WITH THE FACT
13 THAT THEY CHOSE TO QUIT COAST TO COAST AFTER SELLING ME A
14 MEMBERSHIP 12 YEARS AGO. I DO NOT THINK IT'S FAIR TO
15 MYSELF OR OTHER PEOPLE THAT BOUGHT A MEMBERSHIP FROM THEM
16 AND HAD NO SAY IN LOSING EVERYTHING WE HAVE INVESTED IN FOR
17 ALL THESE YEARS, TO LET SOMEONE ELSE BENEFIT WHILE WE HAVE
18 BEEN SHUNNED.

19 LET ME FINISH THIS UP, MR. RANDALL, BY
20 MOVING TO A DIFFERENT TOPIC.

21 GO BACK TO EXHIBIT NUMBER 39, PULL-OUT
22 LETTER.

23 LET'S GO TO THAT LAST PARAGRAPH OF THE
24 PULL-OUT LETTER.

25 NOW, YOU'VE BEEN ASKED QUESTIONS BY
26 MR. MOSHENKO ABOUT, IN EFFECT, WHY DIDN'T YOU JUST LISTEN

1 TO THIS INSTRUCTION YOU WERE GETTING FROM MR. NOVELLI; DO
2 YOU RECALL THOSE QUESTIONS?

3 A YES.

4 Q AND YOU HEARD MR. RYMAN ASKED THE SAME
5 THING; RIGHT?

6 A YES.

7 Q I'M GOING TO ASK YOU THE QUESTION MYSELF.
8 WHY DIDN'T YOU JUST FOLLOW THAT ADVICE, THAT
9 INSTRUCTION?

10 A IT'S ALMOST -- IT'S LIKE AN IDLE THREAT.
11 I'M NOT FROM MISSOURI, BUT IT'S -- OVER THE YEARS WE HAVE
12 COME TO KNOW THAT A LOT OF TIMES IF YOU DON'T DO SOMETHING
13 SOMEBODY ELSE WANTS, "WE'RE GOING TO SUE YOU" SEEMS TO BE
14 AN ATTITUDE.

15 AS A MATTER OF FACT, I HAD SAID, I DON'T
16 HAVE A PERSONAL WORKING RELATIONSHIP WITH MR. NOVELLI, BUT
17 IN THE EARLY YEARS OF THE 90'S I SPOKE WITH BOB THOMPSON,
18 WHO AT THAT TIME WAS WITH ALL SEASONS RESORTS. AND IT
19 ALMOST BECAME A JOKING WAY OF THE WAY HE SAID HELLO TO ME
20 ON THE TELEPHONE WHEN WE WOULD TALK WAS, HEY, WE'RE GOING
21 TO SUE YOU GUYS FOR THIS; THAT -- WHATEVER -- JUST HAPPENED
22 TO BE THE CONVERSATION. IT ALMOST BECAME A JOKE BETWEEN HE
23 AND I, EVEN.

24 IF SOMETHING IS WRONG AND SOMEBODY FEELS
25 OBLIGATED TO TAKE LEGAL ACTION AGAINST US, IT'S BEEN MY
26 EXPERIENCE OVER THE PAST DECADE THAT THEY'LL DO IT OR THEY

1 WON'T DO IT. AND 99 PERCENT OF THE CASES IT DOESN'T HAPPEN
2 AT ALL.

3 WE DIDN'T FEEL -- I DIDN'T FEEL THAT WE WERE
4 DOING ANYTHING THAT WOULD GIVE ANYBODY REASON OR
5 JUSTIFICATION TO BRING SUIT AGAINST US OR TAKE ANY KIND OF
6 LEGAL ACTION. SO WE CONTINUED TO DO WHAT WE'VE ALWAYS DONE
7 IN REGARDS TO TAKING CARE OF COAST TO COAST MEMBERS WHO
8 HAVE LOST OR ARE IN JEOPARDY OF LOSING THEIR ABILITY TO USE
9 THE COAST TO COAST SYSTEM.

10 MR. SHERMAN: THANK YOU, MR. RANDALL.

11 I HAVE NO FURTHER QUESTIONS.

12 THE COURT: THANK YOU. MR. MOSHENKO.

13 RECROSS-EXAMINATION

14 BY MR. MOSHENKO: Q MR. RANDALL I'D LIKE TO START
15 WITH SOME OF THE SAME LETTERS THAT MR. SHERMAN PRESENTED TO
16 YOU AND ASK YOU A FEW QUESTIONS ABOUT THEM.

17 YESTERDAY WE WERE -- YOU WERE SHOWN A
18 LETTER, EXHIBIT 949-317, AND THESE ARE AMONG THE GROUP OF
19 LETTERS THAT WERE HANDED TO YOU YESTERDAY. I UNDERSTAND
20 THAT YOU HANDED THE SET BACK TO COUNSEL FOR THE DEFENSE,
21 AND MR. RUTENBERG HAS BEEN UNABLE TO LOCATE THEM.

22 YOUR HONOR, I'D LIKE TO, TO SAVE TIME,
23 APPROACH THE WITNESS AND LET HIM LOOK AT MY SET.

24 THE COURT: ALL RIGHT.

25 BY MR. MOSHENKO: Q YESTERDAY YOU TESTIFIED THAT
26 YOU DON'T BELIEVE THAT THE MEMBERS BELIEVED THAT THE LETTER

1 OF OCTOBER 1997 WOULD BE TELLING THEM THAT THEY HAD BEEN
2 TRANSFERRED FROM ONE RESORT TO ANOTHER.

3 DO YOU RECALL THAT?

4 A THAT THEIR HOME -- THAT THEIR HOME RESORT
5 MEMBERSHIP HAD BEEN TRANSFERRED.

6 Q OKAY. THIS IS EXHIBIT 949-317, A LETTER
7 THAT WAS SHOWN TO THE JURY YESTERDAY AND DATED MARCH OF
8 1998, THAT LETTER ACTUALLY REFERENCES THE COAST TO COAST
9 LETTER THAT WAS SENT TO THIS MEMBER. AND IT SAYS, QUOTE,
10 YOU HAD SENT A LETTER SUGGESTING WE TRANSFER TO SOMEWHERE
11 IN NEW JERSEY, DOESN'T IT?

12 A YES.

13 Q OKAY. AND SO THAT MEMBER UNDERSTOOD THAT
14 YOU WERE TALKING TO THEM ABOUT TRANSFERRING THEIR HOME
15 RESORT FROM WHEREVER IT WAS TO SOMEWHERE IN NEW JERSEY;
16 RIGHT?

17 MR. SHERMAN: OBJECTION. THAT CALLS FOR
18 SPECULATION.

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

20 THE WITNESS: I BELIEVE THAT THEY STILL UNDERSTOOD
21 THAT IT WAS THEIR COAST TO COAST HOME RESORT MEMBERSHIP
22 THAT WAS BEING TRANSFERRED. THEY DIDN'T WANT TO HAVE THEIR
23 COAST TO COAST MEMBERSHIP TRANSFERRED TO THIS PLACE IN NEW
24 JERSEY. THEY WANTED TO GO TO SHILO INSTEAD.

25 BY MR. MOSHENKO: Q THEY SAID, "WE DON'T WANT TO
26 GO TO NEW JERSEY; WE ARE ALREADY IN SHILO"; THAT'S WHAT IT

1 SAYS; RIGHT?

2 A IN ESSENCE, YES.

3 Q OKAY. THIS IS EXHIBIT 949-287 AND 288.
4 THIS IS A LETTER FROM THE DURNILS. SEE THERE, IT SAYS,
5 YOU FOLKS ASSIGNED ME TO COLBY WOODS RESORT IN SILVER
6 SPRINGS, FLORIDA. AND THAT'S TAKEN IN FROM THEIR
7 CLAREMONT, FLORIDA RESORT; RIGHT?

8 A YES.

9 Q THAT MEMBER BELIEVED THAT YOU HAD ASSIGNED
10 THAT MEMBER TO SILVER SPRINGS, FLORIDA; RIGHT?

11 MR. SHERMAN: OBJECTION. CALLS FOR SPECULATION.

12 THE COURT: OVERRULED.

13 THE WITNESS: I BELIEVED THAT THE MEMBER THOUGHT
14 THEIR COAST TO COAST MEMBERSHIP HAD BEEN ASSIGNED TO SILVER
15 SPRINGS, FLORIDA, YES.

16 BY MR. MOSHENKO: Q ALL RIGHT. NOW, THERE WAS
17 TESTIMONY TO THE EFFECT THAT COAST TO COAST HAD BEEN
18 RECEIVING APPROXIMATELY 500 CALLS A WEEK FROM THE MEMBERS
19 THAT WERE TRANSFERRED?

20 A I THINK IT WAS IN A LETTER, A COMMENT THAT
21 MRS. URIOSTE HAD MADE, AND MY TESTIMONY WAS THAT I BELIEVED
22 THAT WAS NOT TOO INACCURATE.

23 Q AS A RESULT OF THOSE CONVERSATIONS, PEOPLE
24 ARE ASKING QUESTIONS ABOUT YOUR TRANSFER LETTERS?

25 A YES.

26 Q AND AS A RESULT OF THOSE TRANSFER LETTER

1 CONVERSATIONS, PEOPLE WERE TOLD BY COAST REPRESENTATIVES
2 THAT THEY SHOULD WRITE LETTERS TO COAST TALKING ABOUT THE
3 TRANSFERS; RIGHT?

4 A COULD YOU REPEAT THAT ONE MORE TIME?

5 Q WASN'T IT THE PRACTICE OF MARY URIOSTE TO
6 WRITE LETTER -- AND OTHERS AT COAST AND AFFINITY WHO
7 RECEIVED PHONE CALLS TO TELL THE MEMBERS WHO CALLED, "IF
8 YOU WANT US TO DO SOMETHING ON THIS, YOU HAVE TO WRITE US A
9 LETTER"?

10 A I BELIEVE -- YEAH, I THINK SO.

11 Q AND YOU THINK THAT THE PEOPLE FROM COAST AND
12 AFFINITY THAT WERE SPEAKING TO THESE PEOPLE WERE SAYING
13 NICE THINGS ABOUT R.P.I. WHEN THEY TALKED TO THESE PEOPLE?

14 A I DON'T KNOW THAT R.P.I. WOULD NECESSARILY
15 BE THE FOCUS OF THE CONVERSATION.

16 Q WELL, WE HAVE SOME LETTERS THAT SAY, THIS IS
17 THE LETTER THAT YOU REQUESTED I SEND; DON'T WE HAVE THAT?
18 AND THEN THE MEMBER SENDS A LETTER TO COAST TO COAST?

19 A YES.

20 Q AND THEN WE HAVE SOME LETTERS ALONG THOSE
21 LINES THAT TALK ABOUT R.P.I. IN THE LETTER THAT COAST
22 REQUESTED THEM TO SEND TO COAST?

23 A OH, OKAY. YES.

24 Q SO IN ALL PROBABILITY, COAST WAS NOT SAYING
25 NICE THINGS ABOUT R.P.I., WERE THEY?

26 A I DON'T KNOW THAT ANY OF OUR MEMBER SERVICE

1 REPRESENTATIVES WOULD ADDRESS ANYTHING AT ALL ABOUT R.P.I.

2 Q AND COAST WAS NOT SAYING NICE THINGS ABOUT
3 DAVID VOPNFORD, WERE THEY?

4 A LET ME SAY IT THIS WAY: WE WOULD NOT SAY
5 ANYTHING UN-NICE ABOUT R.P.I. OR DAVID VOPNFORD.

6 Q AND SO BASICALLY COAST WOULD TELL PEOPLE,
7 "WE NEED YOU TO WRITE TO US THINGS THAT MAY JUSTIFY YOUR
8 TRANSFERS"?

9 A NO, I DON'T THINK THAT'S ACCURATE.

10 Q A NUMBER OF THE LETTERS THAT WE WERE SHOWN
11 YESTERDAY MAKE A REFERENCE TO A LETTER DATED DECEMBER 24,
12 1997. DO YOU KNOW WHAT THAT LETTER IS A REFERENCE TO?

13 A NOT WITHOUT SEEING IT, NO, SIR, I DON'T.

14 Q DID COAST THROUGH MARY URIOSTE CONTINUE TO
15 DO FOLLOW-UPS ON THE TRANSFERS IN DECEMBER OF 1997
16 ENCOURAGING PEOPLE TO COMPLETE THE TRANSFER TO A NEW RESORT?

17 A WHAT DO YOU MEAN BY "FOLLOW UP"?

18 Q SEND A LETTER IN DECEMBER OF -- 24, OR ON OR
19 ABOUT DECEMBER 24, ENCOURAGING THE PEOPLE TO COMPLETE THE
20 TRANSFERS THAT COAST -- PROCESS THAT COAST STARTED IN
21 OCTOBER OF 1997?

22 A IF MARY HAD ALREADY STARTED SOME KIND OF
23 COMMUNICATION WITH A MEMBER, AND THERE WAS A FOLLOW-UP
24 EITHER NEEDED, REQUIRED OR REQUESTED, THEN, YEAH, I THINK
25 SHE WOULD DO SOME FOLLOW-UP.

26 Q NOW, AN EXHIBIT THAT WE HAD BEFORE US TODAY,

1 EXHIBIT 498, YOU HAVE IT UP THERE? THE ATTORNEY,
2 DEPARTMENT OF JUSTICE, STATE OF IOWA; DID YOU FIND THAT? I
3 WONDER IF YOU COULD PUT THAT UP.

4 WHILE THEY'RE SEARCHING FOR IT, DO YOU HAVE
5 IT, MR. RANDALL?

6 A YES, I DO, TRIAL EXHIBIT NUMBER 498.

7 Q YES. OKAY. THIS IS A LETTER DATED DECEMBER
8 18, 1996; IS THAT CORRECT?

9 A YES.

10 Q IT HAS ATTACHED TO IT A DOCUMENT ENTITLED
11 "ORDER ON STATE'S REQUEST FOR PRELIMINARY INJUNCTION AND
12 MOTION TO COMPEL"; CORRECT?

13 A YES, THIS IS THE DOCUMENT THAT REFERS TO --
14 THAT IS ATTACHED WHEN HE IS SENDING THESE OUT TO THE
15 THOUSAND ADVENTURES CONSUMERS.

16 Q ALL RIGHT. AND THE DOCUMENT THAT'S
17 ATTACHED -- CAN YOU GO TO PAGE 2, PLEASE.

18 COULD YOU BLOW UP THE CAPTION AT THE TOP OF
19 THE PAGE.

20 IT'S CUT OFF. IT'S THE IOWA DISTRICT COURT
21 IN POPE COUNTY, IOWA. AND IT INDICATES THE STATE OF IOWA
22 VERSUS THOUSAND ADVENTURES, INC., AND THOUSAND ADVENTURES
23 OF IOWA, INC.; CORRECT?

24 A YES.

25 Q NOW, YOU KNOW THOUSAND ADVENTURES, INC., IS
26 NOT A PLAINTIFF IN THIS ACTION; RIGHT?

1 MR. SHERMAN: OBJECTION. THAT CALLS FOR A LEGAL
2 CONCLUSION.

3 THE COURT: SUSTAINED.

4 BY MR. MOSHENKO: Q WELL, HAVE YOU EVER LOOKED AT
5 THE COMPLAINT IN THIS CASE?

6 A YES, SIR, I HAVE.

7 Q YOU WERE SERVED WITH A COPY OF THE
8 COMPLAINT; RIGHT?

9 A YES.

10 Q AND IT DOESN'T SHOW THE NAME "THOUSAND
11 ADVENTURES, INC.," AS A PLAINTIFF, DOES IT?

12 A AS A STAND-ALONE, NO.

13 Q IT DOESN'T SHOW THOUSAND ADVENTURES OF IOWA,
14 INC., AS A PLAINTIFF, DOES IT?

15 MR. SHERMAN: I'M GOING TO OBJECT TO THE QUESTION.
16 IT SEEKS A LEGAL CONCLUSION OF THE WITNESS AS TO THE
17 IMPLICATIONS.

18 THE COURT: OVERRULED.

19 MR. SHERMAN: THE DOCUMENT SPEAKS FOR ITSELF.

20 MR. MOSHENKO: IF YOU WANT, WE CAN PUT UP, THE
21 COMPLAINT.

22 THE COURT: THAT'S NOT NECESSARY.

23 YOU MAY ANSWER THE QUESTION.

24 BY MR. MOSHENKO: Q IT DOESN'T SHOW THOUSAND
25 ADVENTURES OF IOWA, INC., AS A PLAINTIFF, DOES IT?

26 A I HONESTLY DON'T KNOW.

1 Q AND YOU KNOW THAT -- OKAY. GO ON DOWN. IF
2 YOU COULD GO TO THE BOTTOM PARAGRAPH OF THIS DOCUMENT -- OF
3 THIS PAGE, I MEAN.

4 SEE, IT SAYS ON MAY 23, 1996, THE STATE
5 FILED A PETITION, ET CETERA.

6 NOW, YOU KNOW THAT THERE -- THAT TRAVEL
7 AMERICA HAD NOTHING TO DO WITH THOUSAND ADVENTURES IN MAY
8 OF 1996, DON'T YOU?

9 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION.
10 ASSUMES FACTS NOT IN EVIDENCE. AND CALLS FOR THIS WITNESS
11 TO SPECULATE.

12 THE COURT: OVERRULED.

13 YOU MAY ANSWER THE QUESTION, IF YOU KNOW THE
14 ANSWER.

15 THE WITNESS: I'M PRETTY SURE THAT THERE WERE NO
16 HINTS OF TRAVEL AMERICA AT THAT TIME, THE TIME FRAME,
17 AGAIN, WITHOUT SEEING DOCUMENTS.

18 BY MR. MOSHENKO: Q OKAY. BUT YOU ALSO KNOW THAT
19 IN -- ON MAY OF 1996 -- AND IF THIS DOCUMENT WAS FILED IN
20 MAY, I GUESS IT'S A REASONABLE CONCLUSION THAT IT REFERRED
21 TO THINGS THAT HAPPENED BEFORE MAY; WOULD YOU AGREE WITH
22 THAT?

23 A VERY LIKELY, YES.

24 Q KNOWING HOW SLOW THE LEGAL SYSTEM WORKS,
25 PROBABLY WE'RE TALKING ABOUT THINGS THAT HAPPENED IN 1995?

26 MR. SHERMAN: OBJECTION. IT SEEKS A LEGAL

1 CONCLUSION.

2 THE COURT: SUSTAINED.

3 BY MR. MOSHENKO: Q ALL RIGHT. WELL, IN ANY
4 EVENT, YOU KNOW THAT IN 1995 AND 1996 THOUSAND ADVENTURES,
5 INC., WAS ASSOCIATED WITH DAVID VOPNFORD, NOT
6 RAYMOND NOVELLI; RIGHT?

7 A YES.

8 Q SO TO THE EXTENT THIS DOCUMENT SUGGESTS THAT
9 SOMETHING IMPROPER WAS DONE, YOU'RE NOT SUGGESTING THAT
10 RAYMOND NOVELLI DID ANY OF THESE THINGS?

11 A OH, ABSOLUTELY NOT.

12 Q NOW, I WANT TO PLEASE GO BACK TO THE FIRST
13 PAGE, AND PARAGRAPH SECOND FROM THE BOTTOM. THAT ONE RIGHT
14 THERE, PLEASE.

15 THIS WAS READ TO THE JURY, AND I NOTE, IT
16 SAYS, IF YOU HAVE RELINQUISHED YOUR RIGHTS AND THOUSAND
17 ADVENTURES SENDS YOU A BILL, THAT WOULD BE A VIOLATION.
18 PLEASE LET US KNOW ONCE IF YOU RELINQUISH YOUR RIGHT TO USE
19 THE CAMPGROUND.

20 DO YOU HAVE ANY IDEA HOW MANY PEOPLE
21 RELINQUISHED THEIR RIGHTS?

22 A NO. THEY WERE SUPPOSED TO NOTIFY THE
23 ATTORNEY GENERAL OF THAT. NOT COAST TO COAST.

24 Q DO YOU HAVE ANY IDEA IF ANY PEOPLE
25 RELINQUISH THEIR RIGHT?

26 A I DON'T HAVE ANY DIRECT KNOWLEDGE OF IT, NO.

1 Q YOU DID KNOW THAT BY THIS PROCEEDING, THE
2 IOWA COURT, BASED ON THE REQUEST OF THE STATE OF IOWA,
3 DEPARTMENT OF JUSTICE, WAS ACTING TO TRY TO PROTECT THE
4 MEMBERS OF THOUSAND ADVENTURES OF IOWA; RIGHT?

5 A YES.

6 Q AND YOU DID KNOW THAT THE IOWA COURT WOULD
7 DO WHAT WAS BEST FOR THE MEMBERS; CORRECT?

8 MR. SHERMAN: OBJECTION. THAT CALLS FOR A LEGAL
9 CONCLUSION. LACKS FOUNDATION.

10 THE COURT: SUSTAINED.

11 BY MR. MOSHENKO: Q ALL RIGHT. YOU'RE AWARE THAT
12 THE IOWA COURT IN 1998 ASSIGNED THE THOUSAND ADVENTURES
13 IOWA MEMBERS TO -- TO TRAVEL AMERICA; RIGHT?

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

16 THE COURT: YOU MAY ANSWER THE QUESTION, IF YOU
17 KNOW THE ANSWER.

18 THE WITNESS: I DON'T KNOW THE ANSWER.

19 BY MR. MOSHENKO: Q DID YOU EVER HEAR THAT THE
20 IOWA JUDGE TURNED DOWN A MAN NAMED LAM WHO REQUESTED THE
21 MEMBERS REMAIN UNDER HIS CONTROL AND ASSIGNED THEM TO
22 TRAVEL AMERICA?

23 MR. SHERMAN: THE SAME OBJECTION. ALSO CALLS FOR A
24 LEGAL CONCLUSION.

25 THE COURT: SUSTAINED.

26 BY MR. MOSHENKO: Q OKAY, WE HAVE EXHIBIT 806. IF

1 YOU COULD FIND YOUR COPY OF IT, I WOULD APPRECIATE IT.

2 A NOT ALL OF THESE HAVE AN EXHIBIT NUMBER ON
3 THEM. CAN YOU TELL ME WHAT LETTER IT IS?

4 Q YES. I HAVE TO FIND MINE FIRST.

5 MR. SHERMAN: YOUR HONOR, IT'S THE ONE FROM STATE
6 OF NEW YORK ATTORNEY GENERAL.

7 MR. MOSHENKO: IT'S THE STATE OF ATTORNEY GENERAL
8 LETTER, YOU'RE RIGHT. I HAVE IT RIGHT IN FRONT OF ME.

9 Q ALL RIGHT. DID YOU FIND IT?

10 A I'M PRETTY SURE THAT I HAVE FOUND IT. DATED
11 JULY 14, 1997?

12 Q THAT'S CORRECT.

13 ALL RIGHT. THIS IS A LETTER FROM THE STATE
14 OF NEW YORK, ATTORNEY GENERAL, TO GEORGE AND HELEN LACCK,
15 L-A-C-C-K, REGARDING THE INDIAN FALLS LAKE RESORT; CORRECT?

16 A YES.

17 Q AND IT TALKS ABOUT A LAWSUIT AGAINST
18 THOUSAND ADVENTURES, INC., THAT WAS FILED IN OCTOBER OF
19 1996. SECOND PARAGRAPH, RIGHT?

20 A YES.

21 Q NOW, YOU DO KNOW THAT MR. NOVELLI WAS NOT
22 THOUSAND ADVENTURES, INC.; CORRECT?

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

25 THE COURT: YOU MAY ANSWER THE QUESTION, IF YOU
26 KNOW THE ANSWER.

1 THE WITNESS: YES. I'M RELATIVELY CERTAIN THAT
2 MR. NOVELLI HAD NO CONNECTION TO THOUSAND ADVENTURES AT
3 THAT TIME.

4 BY MR. MOSHENKO: Q THAT WAS DAVID VOPNFORD;
5 RIGHT?

6 A YES.

7 Q OKAY. AND INDIAN FALLS LAKE RESORT WAS A --
8 WAS NOT A RAYMOND NOVELLI RESORT IN 1996, WAS IT?

9 A TO THE BEST OF MY KNOWLEDGE IT WAS NOT.

10 Q IT WAS A DAVID VOPNFORD/THOUSAND ADVENTURES
11 RESORT IN 1996; RIGHT?

12 A YES.

13 Q OKAY. AND THEN MR. SHERMAN ASKED YOU IF
14 TRAVEL AMERICA -- STRIKE THAT.

15 THE THIRD PARAGRAPH IS A REFERENCE TO A
16 SEWAGE COLLECTION TREATMENT SYSTEM, AND YOU RECALL
17 MR. SHERMAN ASKED A LOT OF QUESTIONS HAVING TO DO WITH
18 CONTAMINATION AND ENVIRONMENTAL PROBLEMS, ET CETERA.

19 DO YOU RECALL THOSE QUESTIONS?

20 A I REMEMBER THEM MORE AS STATEMENTS, YES.

21 Q AS STATEMENTS. I AGREE WITH YOU.

22 OKAY. NOW, AND THE QUESTION THAT WAS ASKED
23 WAS, DID TRAVEL AMERICA EVER FIX THE CONTAMINATION
24 PROBLEM? AND YOU RESPONDED NOT THAT YOU KNOW OF; DO YOU
25 RECALL THAT?

26 A I DO RECALL THAT, YES.

1 Q DID COAST TO COAST EVER FIX THE
2 CONTAMINATION PROBLEM AT INDIAN FALLS LAKE RESORT?

3 A NOT THAT I'M AWARE OF, NO.

4 Q THAT'S BECAUSE COAST TO COAST DIDN'T EVER
5 HAVE THAT AS ONE OF ITS RESORTS; RIGHT?

6 A THAT, I'M NOT CERTAIN OF.

7 Q WELL, DID COAST EVER OWN THE INDIAN FALLS
8 LAKE RESORT?

9 A I UNDERSTAND. I'M SORRY. NO.

10 Q COAST DOESN'T OWN RESORTS; RIGHT?

11 A THAT IS TRUE.

12 Q DID TRAVEL AMERICA EVER OWN INDIAN FALLS
13 LAKE RESORT?

14 MR. SHERMAN: OBJECTION. THAT SEEKS A LEGAL
15 CONCLUSION OF THE WITNESS.

16 THE COURT: OVERRULED.

17 THE WITNESS: TO THE BEST OF MY KNOWLEDGE, THEY DID
18 NOT HAVE OWNERSHIP OF IT.

19 BY MR. MOSHENKO: Q SO, COAST DID NOT FIX INDIAN
20 FALLS LAKE RESORT BECAUSE IT DIDN'T OWN IT, AND YOU'RE NOT
21 SUGGESTING THAT MR. NOVELLI OR TRAVEL AMERICA HAD TO GO TO
22 A RESORT THAT THEY DIDN'T OWN AND FIX THE CONTAMINATION
23 THERE?

24 MR. SHERMAN: OBJECTION. IT LACKS FOUNDATION AND
25 CALLS FOR A LEGAL CONCLUSION.

26 THE COURT: OVERRULED.

1 BY MR. MOSHENKO: Q ARE YOU?

2 A I'M SORRY. I REALLY WANT TO MAKE SURE I'M
3 ANSWERING THE RIGHT QUESTION.

4 CAN YOU SAY IT AGAIN, PLEASE.

5 Q OKAY. BY THE SAME LOGIC THAT COAST HAD NO
6 OBLIGATION TO FIX THE CONTAMINATION OF THE RESORT IT DIDN'T
7 OWN, YOU WOULDN'T SUGGEST MR. NOVELLI OR TRAVEL AMERICA HAD
8 AN OBLIGATION TO FIX A RESORT THAT IT DIDN'T OWN, WOULD
9 YOU?

10 A ABSOLUTELY NOT.

11 Q AND, AS A MATTER OF FACT, YOU KNOW THAT WHEN
12 THE EXHIBITS THAT HAVE BEEN PLACED BEFORE THIS JURY TALK
13 ABOUT THE JOINING OF ALL SEASONS RESORTS AND FIRST
14 NATIONWIDE RESORTS AND THOUSAND ADVENTURES RESORTS, THAT
15 ALL OF THE THOUSAND ADVENTURES RESORTS WERE NOT INCLUDED;
16 YOU KNOW THAT, DON'T YOU?

17 A I'M RELATIVELY CERTAIN THEY WERE NOT ALL
18 INCLUDED.

19 Q OKAY. SO I'M WONDERING WHY WHEN YOU WERE
20 ASKED, DID TRAVEL AMERICA FIX THE CONTAMINATION, YOU DIDN'T
21 RESPOND, NOT THAT I KNOW OF, BUT I DON'T THINK THEY EVER
22 OWNED IT?

23 A I'M TRYING MY VERY BEST TO KEEP MY ANSWER AS
24 SHORT AS I POSSIBLY CAN.

25 Q NOW, THE VERY NEXT -- THE SAME EXHIBIT, 806,
26 AND THE ONE THAT FOLLOWS IT -- I DON'T KNOW IF YOU'VE KEPT

1 THE SAME ORDER -- IS THE PRESS RELEASE THAT TALKS ABOUT THE
2 SAME INDIAN FALLS LAKE RESORT?

3 A MR. VACCO.

4 Q MR. VACCO PRESS RELEASE.

5 A YES.

6 Q REGARDING INDIAN FALLS VICTIMS?

7 A YES.

8 Q OKAY. YOU'RE NOT SUGGESTING THAT ANY OF THE
9 EVENTS THAT MR. VACCO FOCUSED ON IN HIS -- OCTOBER OF 1996
10 WERE CAUSED BY FIRST NATIONWIDE, ALL SEASONS OR
11 MR. NOVELLI, ARE YOU?

12 A NO, I AM NOT.

13 Q I DO FIND IT INTERESTING -- AND MAYBE IF WE
14 COULD FIND EXHIBIT 496 AND PUT IT UP ON THE SCREEN.

15 A DO I NEED TO LOOK FOR IT UP HERE?

16 Q YES. WOULD YOU, PLEASE, LOOK AT IT, UNLESS
17 YOU WANT TO WORK OFF THE SCREEN.

18 A OH, OKAY. I'M SORRY. THAT'S WHAT WE'RE
19 TALKING ABOUT.

20 Q OKAY. AND COULD WE HAVE THE BOTTOM
21 PARAGRAPH STARTING AT "FORMER MEMBERS HAVE TWO CHOICES"
22 BLOWN UP.

23 OKAY. YOU CHARACTERIZED MR. VACCO AS
24 PARTICIPATING IN SORT OF AN ORPHAN PROGRAM; IS THAT
25 CORRECT? THAT'S YOUR CHARACTERIZATION OF IT?

26 A FOR SIMPLICITY SAKE, YEAH. IT'S A SIMILAR

1 PROGRAM.

2 Q YOU DON'T HAVE ANY KNOWLEDGE THAT MR. VACCO
3 EVER WAS EVEN AWARE OF WHAT COAST CALLS THE ORPHAN PROGRAM,
4 DO YOU?

5 A I DON'T HAVE ANY DIRECT KNOWLEDGE OF IT, NO.

6 Q OKAY. WE KNOW HERE IS THAT MR. VACCO WAS
7 ATTEMPTING TO -- I GUESS THROUGH THE PRESS RELEASE TO
8 COMMUNICATE WITH THE PUBLIC SO THAT IF THERE WERE ANY
9 INDIAN FALLS MEMBERS OUT THERE, THEY WOULD HAVE SOME
10 INFORMATION; CORRECT?

11 A YES.

12 Q THAT'S WHAT YOU SAID YOU WERE TRYING TO DO
13 WHEN YOU SENT THE OCTOBER LETTERS TO THE MEMBERS; YOU WERE
14 TRYING TO COMMUNICATE WITH THEM SO THEY COULD HAVE AS MUCH
15 INFORMATION THEY COULD HAVE; RIGHT?

16 A YES.

17 Q LET'S SEE HOW MR. VACCO COMMUNICATED WHAT
18 YOU CHARACTERIZE AS THE ORPHAN PROGRAM.

19 HE SAID FORMER MEMBERS HAVE TWO CHOICES,
20 AND THEN HE REFERENCES A THREE VALLEY RESORT WHICH, QUOTE,
21 INVITES, CLOSE QUOTE, MEMBERS TO TRANSFER THEIR
22 MEMBERSHIPS.

23 AND THEN HE REFERENCES A COALITION OF NEW
24 YORK MEMBERSHIP RESORTS WHICH, QUOTE, INVITES THE MEMBERS
25 TO SELECT ONE OF THREE COALITION CAMPGROUNDS IN WESTERN NEW
26 YORK AS THEIR NEW HOME RESORT.

1 COULD WE GO TO THE NEXT PAGE.

2 AND I WANT TO SEE THAT TOP, LIKE, THREE
3 SECTIONS, THOSE THREE RESORTS THAT HE INVITED THEM TO
4 CONSIDER TRANSFERRING TO.

5 AND THEN HE INDICATES THERE WERE ALSO
6 PRIVILEGES AVAILABLE AT OTHER COALITION CAMPGROUNDS, AND HE
7 EXPLAINS THAT THERE IS LITERALLY NINE DIFFERENT RESORTS
8 THAT THESE MEMBERS ARE GIVEN CHOICES TO DEAL WITH; ISN'T
9 THAT CORRECT?

10 A I'LL TRUST YOUR MATH, YES.

11 Q OKAY. AND MEMBERS IN COAST TO COAST DIDN'T
12 GET THOSE KINDS OF CHOICES, DID THEY, IN YOUR LETTER?

13 A FROM TIME TO TIME IN THE LETTERS THAT WE HAD
14 SENT OUT, YES. IF YOU'RE REFERRING SPECIFICALLY TO THAT
15 OCTOBER LETTER WHERE WE IN FACT EFFECTED THOSE TRANSFERS OF
16 HOME RESORT MEMBERSHIPS, YES, COAST HOME RESORT MEMBERSHIP.

17 Q AS A MATTER OF FACT, IN THE PRE-1997
18 APPROACH THAT COAST FOLLOWED, IT DID GIVE CHOICES; BUT IN
19 THE RAYMOND NOVELLI SITUATION IT DIDN'T; CORRECT?

20 MR. SHERMAN: OBJECTION. MISSTATES THE EVIDENCE.

21 THE COURT: OVERRULED.

22 THE WITNESS: IN THE ONES THAT WE SENT TO THE
23 MEMBERS OF MR. NOVELLI'S AND MR. VOPNFORD'S RESORTS, WE DID
24 NOT OFFER UP THE SELECTION AS WE HAD IN TIMES PAST. BUT WE
25 HAD ALSO IN TIMES PAST USED THAT SIMILAR METHOD WITH OTHER
26 RESORTS.

1 BY MR. MOSHENKO: Q SIMILAR METHOD OF GIVING
2 ALTERNATIVE OPTIONS OF CHOICES OF SEVERAL RESORTS; RIGHT?

3 A NO. IN SOME CASES WE DID THE TRANSFER OF
4 THE COAST TO COAST HOME RESORT AS A MATTER OF CONVENIENCE
5 TO THE COAST TO COAST MEMBER.

6 Q ALL RIGHT. WHAT'S THE NEXT EXHIBIT YOU HAVE
7 ON YOUR STAND? YOU HAVE A STACK?

8 A I HAVE A WHOLE BUNCH OF THEM, MR. MOSHENKO.

9 Q JUST TELL ME WHAT THE FIRST ONE ON TOP IS SO
10 WE BOTH DON'T HAVE TO SEARCH.

11 A ATTORNEY GENERAL BETTY D. MONTGOMERY FOR THE
12 STATE OF OHIO.

13 Q LYVETTE-BROWN?

14 A NO. THIS IS EDWARD J. EARLY, SIGNING FOR
15 BETTY D. MONTGOMERY.

16 Q IS THAT MR. RYMAN'S LETTER TO THE ATTORNEY
17 GENERAL?

18 A NO. THIS IS THE ATTORNEY GENERAL'S LETTER
19 TO MR. WILLIAM SYKES. TRIAL EXHIBIT 339.

20 Q OKAY. LET'S SEE IF WE CAN FIND THE ONE THAT
21 MR. RYMAN SENT TO THE ATTORNEY GENERAL, EXHIBIT 00496.

22 DO YOU HAVE THAT UP THERE? IT'S ROGER RYMAN
23 TO LYVETTE BROWN.

24 A YOU'RE MAKING ME WORK PRETTY HARD HERE, AND
25 I DON'T EVEN GET THE \$5 A DAY.

26 Q YOU OUGHT TO HEAR WHAT THE JURY GETS.

1 A I DON'T HAVE IT HERE, I DON'T BELIEVE.

2 Q OKAY.

3 MR. SHERMAN: YOUR HONOR, IT'S EXHIBIT 1552.

4 MR. MOSHENKO: BEG YOUR PARDON. 1552?

5 MR. SHERMAN: YES.

6 THE WITNESS: NO, SIR. I DON'T HAVE IT UP HERE.

7 BY MR. MOSHENKO: Q OKAY, WE'RE GOING TO GET IT UP
8 ON THE SCREEN HERE.

9 MR. RYMAN WRITES TO THE ATTORNEY GENERAL
10 THAT HE IS RESPONDING TO A LETTER RELATING TO COAST'S
11 MEMBERS BEING CONFUSED ABOUT OUR TRANSFERRING THEIR
12 MEMBERSHIPS; DO YOU SEE THAT?

13 A YES, SIR, I DO.

14 Q OKAY. NOW, THIS IS THE LANGUAGE I AM
15 CONCERNED WITH. IT SAYS, TO ENSURE THAT MEMBERS OF THE
16 RESORTS THAT FOR SOME REASON OR ANOTHER ARE NO LONGER
17 AFFILIATED WITH COAST TO COAST CONTINUE TO HAVE THE
18 OPPORTUNITY TO RETAIN THEIR COAST TO COAST MEMBERSHIP, WE
19 TRANSFER THEIR COAST TO COAST MEMBERSHIP TO ANOTHER
20 AFFILIATED RESORT.

21 AND THEN MR. SHERMAN ASKED YOU, YOU WOULDN'T
22 MISREPRESENT WHAT HAPPENED TO THE ATTORNEY GENERAL; DO YOU
23 RECALL THAT?

24 A I DON'T RECALL IT BEING ASKED QUITE THAT WAY.

25 Q YOU WOULDN'T LIE?

26 A I WOULDN'T DO THAT, NO.

1 Q YOU WOULD ONLY TELL THE ATTORNEY GENERAL THE
2 TRUTH; "YOU" MEANS COAST IN THIS CASE, I DON'T WANT TO
3 PERSONALIZE THIS.

4 A YES, SIR.

5 Q OKAY. MR. RYMAN DIDN'T TELL THE ATTORNEY
6 GENERAL THAT COAST TO COAST SENT LETTERS SAYING, "WE HAVE
7 TRANSFERRED YOUR COAST TO COAST HOME RESORT MEMBERSHIP,"
8 DID HE?

9 A YES, HE DID. IF THE WORD IS MISSING -- IS
10 THAT WHAT YOU'RE --

11 Q YEAH. I'M SAYING THAT IF ANYTHING IS CLEAR
12 IN THIS CASE, THERE IS A DIFFERENCE BETWEEN A HOME RESORT
13 MEMBERSHIP AND A COAST TO COAST MEMBERSHIP; DON'T YOU
14 AGREE?

15 MR. SHERMAN: OBJECTION. ARGUMENTATIVE.

16 THE COURT: OVERRULED.

17 THE WITNESS: YES, I AGREE.

18 BY MR. MOSHENKO: Q OKAY. AND SO THE WORDS "HOME
19 RESORT MEMBERSHIP" ARE NOT IN THAT LETTER?

20 A THAT'S TRUE.

21 Q AND THAT DISTORTS THE WORDS OR IT'S
22 DIFFERENT FROM THE WORDS THAT WERE USED IN THE LETTER THAT
23 WENT TO THE MEMBERS; RIGHT?

24 A WITHOUT SEEING THE LETTERS, I'M NOT
25 POSITIVE, BUT I WILL AGREE.

26 Q DO YOU WANT TO SEE THE LETTER?

1 LET'S GET THE LETTER OUT AND PUT IT NEXT TO
2 IT.

3 THE JURY IS PROBABLY GETTING SICK OF SEEING
4 THIS, BUT WE HAVE MADE ARRANGEMENTS TO HAVE YOUR COAST TO
5 COAST HOME RESORT MEMBERSHIP TRANSFERRED.

6 NOW, MR. RYMAN DIDN'T TELL THE ATTORNEY
7 GENERAL THAT THEY MADE ARRANGEMENTS TO HAVE THE COAST TO
8 COAST HOME RESORT MEMBERSHIP TRANSFERRED; HE SAID SOMETHING
9 ELSE; RIGHT?

10 A YES. I DO NEED TO POINT OUT, I THOUGHT YOUR
11 QUESTION WAS -- BUT THE LAST SENTENCE WE DO SAY COAST TO
12 COAST MEMBERSHIP. I DON'T KNOW IF THERE'S SOMETHING BEYOND
13 THAT. BUT THAT WAS THE ONLY THING I WAS TRYING TO MAKE IS
14 WE DO USE THE TERM "COAST MEMBERSHIP."

15 Q BUT THAT IS A SITUATION WHERE THE MEMBER ON
16 HIS OWN SELECTS A HOME RESORT, MAKES THE CHANGE ON A
17 MEMBER'S OWN ACCORD, AND THEN WE ASK THAT YOU NOTIFY THEM
18 THAT THEY HAVE ALREADY CHANGED THEIR HOME RESORTS SO YOU
19 MAY TRANSFER THE COAST TO COAST MEMBERSHIP; ISN'T THAT
20 RIGHT?

21 A YES. AND WE'RE TELLING AN ATTORNEY GENERAL,
22 WHO PROBABLY DOESN'T HAVE A COAST TO COAST MEMBERSHIP --
23 USING THE SAME PHRASE, THE COAST TO COAST MEMBERSHIP.
24 WE'RE NOT TALKING TO THE MEMBER.

25 Q THIS IS A HALF TRUTH, ISN'T IT?

26 A NO, MR. MOSHENKO, I DON'T BELIEVE THAT IT

1 IS. I HONESTLY DO NOT BELIEVE THAT.

2 Q HERE IT SAYS, AFTER YOU'VE MOVED YOUR HOME
3 RESORT, TELL US. WE'LL CHANGE YOUR COAST TO COAST
4 MEMBERSHIP.

5 HERE IT SAYS, WE HAVE TRANSFERRED YOUR HOME
6 RESORT MEMBERSHIP.

7 AND HERE IT ONLY TALKS ABOUT ONE OF THE TWO?

8 A WE'RE NOT TALKING TO THE SAME PEOPLE IN
9 THOSE LETTERS. I DON'T THINK THE ASSOCIATION YOU'RE TRYING
10 TO DRAW IS ACCURATE AT ALL, SIR.

11 Q LET'S GO TO EXHIBIT 949-824, FEBRUARY 28,
12 1997, LETTER. AND YOU DON'T NEED TO FIND IT, MR. DURAN.

13 BUT DO YOU HAVE THAT ONE? IT'S THE FEBRUARY
14 28, '97, LETTER. IT SHOULD BE NEXT DOWN, I THINK.

15 A NEXT DOWN FROM?

16 Q THE ATTORNEY GENERAL, IN RESPONSE, I BELIEVE.

17 MAY I JUST TAKE A MOMENT AND MAKE SURE WE'RE
18 IN THE SAME LETTER?

19 A NO. I'VE COMPLETELY DESTROYED MY ORDER.

20 Q LET'S DO THIS. THAT ONE --

21 A FEBRUARY 28TH.

22 Q WHY DON'T YOU FIND MARCH 17. PUT THAT ONE
23 DOWN. FEBRUARY 12. WE'LL JUST WORK WITH THESE THREE.

24 ALL RIGHT. FEBRUARY 28, 1997, EXHIBIT
25 949-824.

26 A YES, I HAVE IT.

1 Q OKAY. THIS LETTER PREDATES THE TRANSFER BY
2 COAST TO COAST THAT OCCURRED IN 1997, SEPTEMBER, OCTOBER;
3 RIGHT?

4 A YES.

5 Q YOU'RE NOT SUGGESTING THAT THIS LETTER IN
6 ANY WAY RELATES TO OR DESCRIBES ANY RESPONSE TO THE
7 TRANSFER OR TO MR. NOVELLI'S CONDUCT IN AUGUST OF '97 IN
8 SENDING HIS NOTIFICATION TO COAST THAT HE IS CHANGING
9 RECIPROCALLS; RIGHT?

10 A NO, I DON'T BELIEVE THAT THIS IS.

11 Q NOW, LET'S GO TO THE NEXT ONE, MARCH 17,
12 1997, EXHIBIT 949-807, WHICH WAS READ TO THE JURY.

13 THE SAME QUESTIONS.

14 THIS PREDATES AND THEREFORE DOESN'T RELATE
15 TO THE TRANSFER PROCESS, DOES IT?

16 A THIS LETTER IS PART OF OUR TRANSFER
17 PROCESS.

18 ARE YOU TALKING ABOUT THE TRANSFER PROCESS
19 THAT TOOK PLACE IN OCTOBER?

20 Q YES. I'M TALKING ABOUT --

21 A NO, THIS IS NOT RELATIVE TO IT.

22 Q WHAT COAST TO COAST DID IN RESPONSE TO
23 MR. NOVELLI SENDING YOU A LETTER IN AUGUST OF '97.

24 A NO.

25 Q THE NEXT ONE IS FEBRUARY 12 OF 1997. THAT
26 DOESN'T HAVE ANYTHING TO DO WITH THE EVENTS THAT COAST IS

1 BEING SUED ABOUT HERE, DOES IT?

2 MR. SHERMAN: COULD I GET AN EXHIBIT NUMBER, PLEASE?

3 MR. MOSHENKO: OH, I'M SORRY. 949-813.

4 Q CORRECT?

5 A IS IT MY TURN?

6 MR. SHERMAN: COULD I GET THE EXHIBIT FIRST, YOUR
7 HONOR?

8 THE COURT: YES.

9 MR. SHERMAN: YOUR HONOR, TO SPEED THIS UP MAY I
10 JUST LOOK ON WITH MR. MOSHENKO?

11 MR. SHERMAN: YOUR HONOR MAY I ASK THE QUESTION BE
12 READ BACK, PLEASE.

13 (THE FOLLOWING TESTIMONY WAS READ BACK:

14

15 .

16 MR. SHERMAN: OBJECTION, CALLS FOR A LEGAL
17 CONCLUSION OF THE WITNESS.

18 THE COURT: OVERRULED.

19 BY MR. MOSHENKO: Q THE ANSWER.

20 THE COURT: IF YOU KNOW.

21 THE WITNESS: HONESTLY, YOUR HONOR, I REALLY DON'T
22 THINK I KNOW. I'M SURE THAT THERE'S SOME CONNECTION TO BE
23 MADE SOMEHOW BUT FOR THE TIME FRAME, NO.

24 BY MR. MOSHENKO: Q THERE WAS ANOTHER -- LET'S SEE
25 IF I CAN FIND IT, EXHIBIT 949-807. THAT IS ONE OF THE ONES
26 THAT WE HAVE, THE MARCH 17, 1997.

1 MR. SHERMAN: AGAIN TO SPEED IT UP CAN I JUST --

2 THE WITNESS: I'M SORRY. YOU HAD ALREADY DONE THIS
3 ONE.

4 BY MR. MOSHENKO: Q I KNOW. I'M GOING BACK TO IT.

5 A OKAY.

6 Q ALL RIGHT. NOW, THIS LETTER WE'VE ALREADY
7 ESTABLISHED IS IN MARCH OF '97, MARCH OF '97 BEFORE -- AND
8 MR. NOVELLI WASN'T IN CHARGE OF THE PARKS IN FLORIDA IN
9 MARCH OF '97, WAS HE?

10 MR. SHERMAN: OBJECTION, LACKS FOUNDATION.

11 THE COURT: IT'S A QUESTION.

12 DO YOU KNOW?

13 THE WITNESS: NO, HE WAS NOT.

14 BY MR. MOSHENKO: Q OKAY. AND SO THIS TALKS ABOUT
15 I WANT TO TRANSFER MY COAST TO COAST MEMBERSHIP FROM OTTER
16 SPRINGS IN FLORIDA TO RAINBOW LAKE RESORT IN NEW YORK.

17 AS YOU KNOW, THOUSAND TRAILS OF FLORIDA
18 CLOSED ALL THEIR PARKS AS OF THE 17TH OF MARCH, AND MY
19 MEMBERSHIP IS NO LONGER VALID.

20 NOW, COAST DIDN'T CLOSE THOSE PARKS, DID IT?

21 A NO, WE DID NOT.

22 Q AND RAYMOND NOVELLI DIDN'T CLOSE THOSE
23 PARKS, DID HE?

24 A TO THE BEST OF MY KNOWLEDGE, HE DID NOT.

25 Q AND SO YOU'RE NOT SUGGESTING THAT THE FACT
26 THAT THESE PARKS WERE CLOSED, THAT IN ANY WAY REFLECTS

1 BADLY ON RAYMOND NOVELLI, ARE YOU?

2 A NO.

3 THE COURT: LET'S GO TO LUNCH. SEE YOU ALL AT 1:30.

4 (WHEREUPON THE COURT WAS IN RECESS UNTIL

5 1:30 P.M. OF THE SAME DAY.)

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1 WESTMINSTER, CALIFORNIA - WEDNESDAY, JUNE 7, THOUSAND

2 AFTERNOON SESSION

3 (THE FOLLOWING PROCEEDINGS WERE HELD IN
4 CHAMBERS:)

5 MR. MOSHENKO: YOUR HONOR, BEFORE MR. RIVIN OR
6 MR. SHERMAN GOES INTO THIS MOTION, I HAVE BEFORE ME -- IT'S
7 A MOTION TO EXCLUDE EXPERT TESTIMONY OF T. EDWARD MALPASS.
8 I'D LIKE TO PUT AN OBJECTION ON THE RECORD.

9 THERE IS A REASON WHY MOTIONS IN LIMINE ARE
10 REQUIRED TO BE MADE 10 DAYS BEFORE TRIAL, AND THE PARTIES
11 ARE GIVEN THE OPPORTUNITY AND THE OBLIGATION TO RESPOND SO
12 THAT THE COURT CAN HEAR AND RULE ON THE MOTIONS BEFORE THE
13 TRIAL STARTS.

14 AND AS SO, THAT COUNSEL IS NOT REQUIRED WHEN
15 HE IS THE MIDDLE OF EXAMINING WITNESSES, AS I CURRENTLY
16 AM -- AND I HAVE TO FINISH WITH MR. RANDALL -- AND I HAVE
17 TO PREPARE AND PRESENT THE NEXT WITNESS, WHICH IS
18 DARLENE JAMES THIS AFTERNOON; SO THAT COUNSEL WHO IS DOING
19 THAT KIND OF TRIAL PREPARATION AND WORK DOESN'T HAVE TO
20 STOP HIS TRIAL PREPARATION AND PREPARE TO ARGUE A MOTION ON
21 AN HOUR'S NOTICE WHEN HE IS AWAY FROM COURT AND AWAY FROM
22 HIS OFFICE AND AWAY FROM THE LIBRARY AND HAS NO ABILITY TO
23 RESEARCH AND READ THE CASES EXCEPT TO THE EXTENT THAT
24 COUNSEL CHOOSES TO OR DOESN'T CHOOSE TO PROVIDE A COPY OF A
25 CASE ATTACHED TO A BRIEF.

26 I'D LIKE TO INFORM THE COURT I HAVE NOT HAD

1 TIME TO READ THIS MOTION. IT WAS HANDED TO ME AT ABOUT
2 FIVE MINUTES AFTER 12:00. AND I HAVE SPENT MY TIME
3 PREPARING FOR THE EXAMINATION OF WITNESSES; AS YESTERDAY I
4 HANDED MR. SHERMAN A DOCUMENT BEFORE THE LUNCH BREAK, WHICH
5 I WANTED TO USE TODAY, AND HIS COMMENT WAS, "I'M NOT GOING
6 TO LOOK AT THIS OVER THE LUNCH BREAK. I HAVE OTHER THINGS
7 I NEED TO DO." I THINK WHAT'S GOOD FOR THE GOOSE IS GOOD
8 FOR THE GANDER, AND I THINK THE COURT SHOULD NOT HEAR THIS
9 MOTION AT THIS TIME.

10 AND THEN THE LAST COMMENT IS THAT I'VE
11 ALREADY INFORMED THE COURT I THINK OFF THE RECORD THAT
12 MR. SHERMAN -- I MEAN MR. SHAW IS THE COUNSEL WHO IS
13 DEALING WITH EDWARD MALPASS. AND I'VE ALSO ALREADY
14 INFORMED THE COURT OFF THE RECORD THIS MORNING THAT THIS
15 MOTION HAS ALREADY BEEN HEARD AND RULED ON BEFORE WHEN BOTH
16 SIDES HAD A CHANCE TO PREPARE AND BRIEF IT AND ARGUE IT.
17 AND A SUGGESTION THAT WE SHOULD REVISIT AND REHEAR THE SAME
18 MOTION IN VIOLATION OF CCP 2008 WITHOUT HAVING IT MADE
19 WITHIN 10 DAYS OF THE FORMER RULING, WITHOUT COMPLIANCE
20 WITH THE LAW, AND ON A BASIS OF SURPRISE, UNDER THE
21 BURDENSOME CIRCUMSTANCES I THINK IS AN OUTRAGE.

22 MR. RIVIN: YOUR HONOR, THIS IS -- I WAS GOING TO
23 INITIALLY SAY THAT MR. MOSHENKO HAS JUST INDICATED THAT
24 THIS IS BASICALLY A RENEWAL OF A MOTION THAT WAS BROUGHT
25 PREVIOUSLY THAT TO THE BEST OF MY RECOLLECTION THE COURT
26 TOOK UNDER SUBMISSION. THIS WAS AN IN-LIMINE MOTION.

1 THE ARGUMENTS RAISED IN THIS MOTION WERE
2 ESSENTIALLY PRESENTED TO THE COURT PREVIOUSLY. AND IF YOUR
3 HONOR WILL RECALL WITH A NUMBER OF THE IN-LIMINE MOTIONS,
4 THE COURT TOOK THEM UNDER SUBMISSION TO SEE WHAT HAPPENED
5 DURING THE COURSE OF THE CASE, HOW THE CASE LAID OUT, HOW
6 IT PRESENTED ITSELF.

7 MY UNDERSTANDING CERTAINLY WAS THAT THE
8 COURT WOULD ENTERTAIN THESE TYPES OF MOTIONS DURING THE
9 COURSE OF THE TRIAL DEPENDING ON -- WOULD RECONSIDER THEM
10 AND MAKE A DETERMINATION DURING THE COURSE OF THE TRIAL
11 WHETHER OR NOT THESE MOTIONS -- WHICH I THINK THE COURT
12 FELT INITIALLY WERE PREMATURE -- WERE APPROPRIATE DURING
13 THE COURSE OF THE TRIAL. AND, IN ESSENCE, ALL WE'RE DOING
14 IS RENEWING THIS MOTION WITH RESPECT TO MR. MALPASS.

15 YOUR HONOR WILL RECALL THAT WE MADE A COUPLE
16 OF MOTIONS WITH RESPECT TO ROBERT MITCHELL TO TRY AND KEEP
17 OUT HIS TESTIMONY, AND THE COURT DECIDED NOT TO -- DENIED
18 THAT MOTION, DECIDED TO ALLOW MR. MITCHELL TO TESTIFY.

19 MR. MALPASS REALLY IS -- AND I DON'T WANT TO
20 SAY HE IS THE EQUIVALENT OF MR. MITCHELL IN ALL RESPECTS,
21 BUT WHAT HE IS DOING IS HE HAS GOT A NUMBER OF LEGAL
22 OPINIONS THAT HE IS ABOUT TO TESTIFY TO. HE IS GOING TO
23 TESTIFY -- AND THIS IS OF COURSE BASED ON HIS DEPOSITION
24 TESTIMONY. HE IS APPARENTLY GOING TO OPINE ABOUT THE
25 MEETING -- MEANING OF BANKRUPTCY COURT ORDERS, WHETHER A
26 BANKRUPTCY COURT ORDER IS VOID.

1 HE IS GOING TO -- HE HAS TESTIFIED IN HIS
2 DEPOSITION ABOUT WHETHER OR NOT THE DEFENDANTS' CONDUCT IN
3 HIS VIEW CONSTITUTED INTERFERENCE WITH CONTRACT,
4 INTERFERENCE WITH PERSPECTIVE BUSINESS ADVANTAGE. HE IS
5 TESTIFYING OR IS PREPARED TO TESTIFY AS TO OTHER BANKRUPTCY
6 MATTERS, INCLUDING WHETHER OR NOT THE DEFENDANTS' CONDUCT
7 ALLEGEDLY CONSTITUTED A VIOLATION OF THE BANKRUPTCY COURT
8 AUTOMATIC STAY.

9 I PRESENTED -- YOUR HONOR, WE PRESENTED THE
10 COURT AND MR. MOSHENKO WITH THE MOTION TO EXCLUDE
11 MR. MALPASS'S TESTIMONY, WHICH IS ESSENTIALLY THE SAME AS
12 THE MOTION IN LIMINE THAT WE BROUGHT.

13 IN ADDITION TO THAT, THERE'S A BRIEF THAT WE
14 PROVIDED TO THE COURT. IT'S A SHORT BRIEF ON THE ISSUE OF
15 THE VIOLATION OF THE AUTOMATIC STAY.

16 THE COURT: I READ IT.

17 MR. RIVIN: OUR POSITION IS THAT'S AN ISSUE FOR THE
18 BANKRUPTCY COURT TO DETERMINE. THAT IS NOT APPROPRIATE FOR
19 A STATE COURT. WHETHER IT'S A CAUSE OF ACTION FOR
20 VIOLATION OF THE AUTOMATIC STAY, OR ANY OTHER CLAIM FOR
21 VIOLATION OF THE AUTOMATIC STAY, THAT'S SOMETHING THAT
22 BELONGS IN THE BANKRUPTCY COURT.

23 IN ADDITION TO THAT, A CLAIM FOR VIOLATION
24 OF THE AUTOMATIC STAY BELONGS TO THE DEBTOR OR THE
25 TRUSTEE. THAT'S NOT WHAT WE HAVE HERE. OBVIOUSLY THESE
26 ARE CLAIMS FOR VIOLATION OF THE AUTOMATIC STAY THAT ARE

1 BEING MADE BY TRAVEL AMERICA AND A NUMBER OF OTHER PARTIES
2 WHO CERTAINLY DON'T HAVE STANDING TO BE ABLE TO ASSERT
3 THOSE CLAIMS.

4 I THINK THAT THE MOTION IS WELL-FOUNDED. I
5 DON'T THINK IT'S APPROPRIATE FOR MR. MALPASS TO BE COMING
6 IN HERE AND TESTIFYING AS TO A NUMBER OF LEGAL OPINIONS,
7 WHICH ARE CLEARLY WITHIN THE PROVINCE OF THE COURT. IT IS
8 NOT FOR HIM TO BE TELLING THE COURT WHAT THE LAW IS. IT IS
9 NOT FOR HIM TO BE TELLING THE COURT HOW TO INTERPRET
10 VARIOUS BANKRUPTCY COURT ORDERS. THAT'S NOT APPROPRIATE,
11 AND WE BELIEVE THAT CERTAINLY THE JURY SHOULD NOT BE
12 HEARING THIS TESTIMONY.

13 MR. SHERMAN: YOUR HONOR, CAN I JUST ADD ONE
14 POINT?

15 MR. RIVIN BRINGS UP THE EXPERT TESTIMONY OF
16 ROBERT MITCHELL, WHICH WAS, AS THE COURT KNOWS, THE VERY
17 FIRST WITNESS IN THIS CASE. WE WERE ALL GETTING OUR ARMS
18 AROUND IT. WE'VE GOTTEN OUR ARMS AROUND THE CASE, I THINK
19 IT'S FAIR TO SAY. THE JURY CERTAINLY HAS CERTAINLY GOTTEN
20 ITS ARMS AROUND THE CASE. THE COURT HAS GOTTEN ITS ARMS
21 AROUND THE CASE.

22 FOR SOMEONE TO COME IN WHO TRULY IS AN
23 EXPERT IN THE RESORT INDUSTRY, RECIPROCAL NETWORK INDUSTRY,
24 AS MR. MITCHELL PRETENDED TO BE -- AND OBVIOUSLY THE COURT
25 KNOWS OUR VIEW, THAT HE WAS NOT -- AND TO COME IN AND TELL
26 THE JURY, YOU KNOW, HOW THE INDUSTRY WORKS, I CAN

1 APPRECIATE YOUR HONOR'S REACTION TO THAT MOTION.

2 AS FAR AS -- LOOK, MAYBE IT'S COMPLICATED,
3 MAYBE IT'S BEYOND THE REALM OF ORDINARY EXPERIENCE, SO
4 LET'S HAVE A SO-CALLED RECIPROCAL NETWORK OR RESORT EXPERT
5 COME IN AND TALK TO THE JURY ABOUT THAT. I CAN EVEN
6 UNDERSTAND WHERE YOUR HONOR PERMITTED MR. JOSEPH TO COME IN
7 AND GIVE THE JURY A BANKRUPTCY 101 TUTORIAL.

8 YOU KNOW, TO HAVE SOME GUY COME IN AND
9 BASICALLY PUT ON YOUR HONOR'S ROBES AND TELL THE JURY WHAT
10 THE LAW IS, THAT'S WHAT WE HAVE JURY INSTRUCTIONS FOR.

11 THE COURT: WHO IS YOUR NEXT WITNESS THIS AFTERNOON?

12 MR. MOSHENKO: DARLENE JAMES.

13 THE COURT: AND YOU WANT AN OPPORTUNITY TO REVIEW
14 THIS?

15 MR. MOSHENKO: OBVIOUSLY.

16 THE COURT: ISN'T THIS ABOUT THE SAME THING YOU'VE
17 REVIEWED WHEN WE WERE HANDLING THE MOTIONS IN LIMINE?

18 MR. MOSHENKO: WELL, YOUR HONOR, I HAVEN'T GONE
19 BACK AND REREAD THOSE DOCUMENTS EITHER. AS I'VE INDICATED,
20 I'VE BEEN PREPARING TO PRESENT WITNESSES.

21 THE COURT: YOU'RE PREPARED TO ARGUE THEN.

22 MR. MOSHENKO: NOT TO ARGUE MOTIONS IN LIMINE.

23 THE COURT: YOU WERE PREPARED TO ARGUE THEN.

24 MR. MOSHENKO: I WAS. I WAS. IS IT ABOUT THE SAME
25 THING? I DON'T KNOW IF IT'S ABOUT THE SAME THING.

26 THE COURT: IT'S PRACTICALLY THE SAME THING.

1 MR. MOSHENKO: WELL, YOUR HONOR, WE'VE HEARD
2 MR. RANDALL TELL US WHAT THE BANKRUPTCY COURT DID. WE'VE
3 HEARD WITNESSES COME IN THROUGH LETTERS FROM MEMBERS
4 TELLING US WHAT THE BANKRUPT COURT DID. AND A SUGGESTION
5 THAT AN EXPERT CAN'T COME IN AND TELL US WHAT THE
6 BANKRUPTCY COURT DID OR DIDN'T DO IS CRAZY.

7 HE IS AN EXPERT. IF THOSE PEOPLE CAN,
8 CERTAINLY MR. MALPASS CAN. AND MR. MALPASS CERTAINLY CAN
9 REGARDLESS OF WHETHER THOSE PEOPLE DID OR DIDN'T.

10 THE COURT: LOOK, I'M GOING TO TREAT THIS AS A
11 CONTINUATION OF THE MOTION IN LIMINE. AND YOU'RE GOING TO
12 TAKE UP THE AFTERNOON WITH THIS LAST WITNESS THAT YOU'RE
13 GOING TO BRING IN?

14 MR. MOSHENKO: I MAY. AND IF I DON'T AND THE COURT
15 SAYS THAT WE WILL STOP THEN SO THAT WE CAN DEAL WITH THAT,
16 THAT SUITS ME FINE.

17 THE COURT: ALL RIGHT. LET'S DO IT THAT WAY.

18 MR. RIVIN: THAT'S FINE.

19 THE COURT: FAIR ENOUGH? OKAY?

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

22 THE COURT: ORDER IN THE COURTROOM. HERE COMES THE
23 JUDGE.

24 (PAUSE IN PROCEEDINGS.)

25 RE-CROSS-EXAMINATION (CONTINUED)

26 BY MR. MOSHENKO: Q MR. RANDALL, I ASKED YOU TO

1 TAKE A LOOK AT 949-470. AND YOU HAVE IT IN FRONT OF YOU;
2 RIGHT?

3 A YES, I DO.

4 Q THIS IS A LETTER DATED FEBRUARY 10, 1998.
5 AND THE LANGUAGE, IT WAS READ TO THE JURY AND SHOWN TO THE
6 JURY THIS MORNING.

7 THE LANGUAGE I WANT TO FOCUS ON IS THE
8 LANGUAGE THAT SAYS: AS A FORMER MEMBER OF THOUSAND
9 ADVENTURES, INC., TWIN LAKES RESORT, WAPAKENEETA, OHIO, WHO
10 WAS SCAMMED OUT OF \$4,000 PLUS, AND THEN IT GOES ON.

11 NOW, YOU'RE NOT SAYING THAT RAYMOND NOVELLI
12 SCAMMED THIS MEMBER OUT OF \$4,000 PLUS, ARE YOU?

13 A NO. I WOULDN'T -- I WOULDN'T PARTICULARLY
14 EVEN GO WITH THE WORD "SCAMMED." I THINK THAT THAT'S JUST
15 A PERSONAL VENTING, I GUESS, OF THE MEMBER. I DON'T KNOW
16 THE SITUATION, BUT IT'S CERTAINLY NOT TO MR. NOVELLI, NO.

17 Q THOUSAND ADVENTURES, AS WE'VE ESTABLISHED,
18 WAS DAVID VOPNFORD, '95 AND '96; RIGHT?

19 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION.
20 ASSUMES FACTS NOT IN EVIDENCE. WE HAVEN'T ESTABLISHED
21 THAT.

22 THE COURT: I'LL ALLOW IT.

23 IF YOU KNOW THE ANSWER.

24 THE WITNESS: COULD YOU REPEAT THE QUESTION.

25 BY MR. MOSHENKO: Q THOUSAND ADVENTURES WAS
26 DAVID VOPNFORD IN 1995 AND 1996?

1 MR. SHERMAN: THE SAME OBJECTIONS.

2 THE COURT: OVERRULED.

3 THE WITNESS: YES.

4 BY MR. MOSHENKO: Q AND DO YOU HAVE AN ESTIMATE OF
5 HOW MANY RESORTS THOUSAND ADVENTURES HAD IN THE COAST TO
6 COAST SYSTEM AROUND THAT TIME?

7 A 95, '96 TIME FRAME?

8 Q YES.

9 A I WOULD THINK IT WOULD BE SOMEWHERE BETWEEN
10 40 AND 50.

11 Q ALL RIGHT. DO YOU KNOW HOW LONG
12 MR. VOPNFORD HAS BEEN, I GUESS, A PRINCIPAL BEHIND RESORTS
13 THAT HAVE BEEN AFFILIATED WITH CAMP COAST TO COAST?

14 A AS LONG AS I -- MY TENURE THERE, I BELIEVE
15 THE THOUSAND ADVENTURES HAS BEEN IN THE COAST TO COAST
16 SYSTEM, AND IT HAS BEEN MR. VOPNFORD FOR AS LONG AS I CAN
17 REMEMBER. HE DIDN'T HAVE THAT MANY RESORTS, YOU KNOW, IN
18 THE EARLY STAGES OF MY TENURE WITH COAST TO COAST.

19 Q IN -- YOUR TENURE STARTED IN 1990. BUT, IN
20 FACT, HIS AFFILIATION OR HIS RESORTS' AFFILIATIONS IN COAST
21 PRECEDED YOU; RIGHT?

22 A I'M PRETTY SURE THEY DID, YES.

23 Q DO YOU HAVE AN ESTIMATE HOW MANY YEARS --
24 BASED ON YOUR WORKING IN COAST TO COAST, DO YOU HAVE SOME
25 UNDERSTANDING OF HOW MANY YEARS PRIOR?

26 A I WOULD GUESS AT A MINIMUM TWO.

1 Q OKAY. SO MAYBE '88, MAYBE '87, MAYBE '86?

2 A YES, POSSIBLY.

3 Q OKAY. ALL RIGHT. NOW, SO COAST TO COAST
4 ISN'T RESPONSIBLE FOR WHAT MR. VOPNFORD DID IN 1995, '96,
5 IS IT?

6 A NO.

7 Q BUT, NEVERTHELESS, IN 1995 AND 1996 COAST
8 WAS MAKING GLOWING AND RESPECTFUL AND LAUDATORY STATEMENTS
9 ABOUT MR. VOPNFORD AND HIS INVOLVEMENT IN THE COAST TO
10 COAST SYSTEM, WASN'T HE?

11 A THOSE ARE ADJECTIVES THAT I'M NOT SURE I
12 COULD REALLY SPEAK TO. BUT I DON'T BELIEVE THAT WE HAD AN
13 ADVERSE RELATIONSHIP AT ANY TIME WITH MR. VOPNFORD.

14 MR. MOSHENKO: I'D LIKE TO ASK THAT EXHIBIT 1100 --
15 THE COURT: 1100.

16 MR. MOSHENKO: 1900 BE BROUGHT UP.

17 MR. SHERMAN: BEFORE IT'S BROUGHT UP, IS IT IN
18 EVIDENCE?

19 MR. MOSHENKO: IT IS NOT.

20 MR. SHERMAN: OKAY.

21 BY MR. MOSHENKO: Q HERE IS 1900.

22 HAVE YOU EVER SEEN THAT LETTER BEFORE?

23 A YES, I HAVE.

24 Q AND IT'S ON COAST TO COAST LETTERHEAD?

25 A YES.

26 Q AND IT'S TALKING ABOUT MR. VOPNFORD AT A

1 TIME WHEN HE HAD 48 RESORTS WITH THE COAST TO COAST SYSTEM;
2 RIGHT?

3 A YES. THAT'S ALLUDED TO IN THE SECOND
4 PARAGRAPH.

5 Q AND IT'S SIGNED BY WHOM?

6 A ROGER K. RYMAN.

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

8 MR. SHERMAN: NO OBJECTION.

9 THE COURT: IT WILL BE SO RECEIVED.

10 (WHEREUPON, EXHIBIT NO. 1900, LETTER ON
11 COAST TO COAST LETTERHEAD RE MR. VOPNFORD, WAS RECEIVED IN
12 EVIDENCE.).

13 MR. MOSHENKO: CAN WE PUT IT UP ON THE SCREEN,
14 PLEASE. AND PLEASE BLOW UP THE CONTENTS.

15 Q. HERE IS THE REFERENCE, TO WHOM IT MAY
16 CONCERN. SUBMITTED ON BEHALF OF THOUSAND ADVENTURES,
17 INCORPORATED, AND ITS OWNER, DAVE VOPNFORD. AND HERE IS A
18 REFERENCE TO 48 RESORTS.

19 A YES.

20 Q T.A.I. HAS EXPANDED ITS OWN NETWORK OF CAMP
21 RESORTS TO 48. AND MR. VOPNFORD HAS BEEN IN THE SYSTEM FOR
22 10 YEARS; CORRECT?

23 A WELL, IT SAYS FOR THE PAST 10 YEARS. IT
24 DOESN'T SAY HE HAS BEEN IN THE SYSTEM FOR 10.

25 Q ALL RIGHT. SO THIS IS PROBABLY -- IF YOU
26 SAID HE STARTED IN '88, THAT WOULD BE '88 TO '98.

1 I KIND OF DOUBT THIS LETTER WAS WRITTEN IN
2 1998.

3 DO YOU KNOW WHEN THIS LETTER WAS WRITTEN?

4 A NO, I DON'T. THERE'S NOT A DATE ON IT. BUT
5 ROGER RYMAN IS SIGNING IT AS PRESIDENT, AND I BELIEVE HIS
6 LAST YEAR AS PRESIDENT WAS 1997.

7 Q SO, NOW, DO YOU HAVE ANY IDEA WHY THIS
8 LETTER WAS WRITTEN? IT'S A "TO WHOM IT MAY CONCERN"
9 LETTER.

10 A NO, SIR, I DON'T.

11 Q ALL RIGHT. WELL, LET'S READ IT ANYWAY.

12 IT HAS BEEN OUR EXPERIENCE THAT MR. VOPNFORD
13 AND T.A.I. ARE GENUINELY INTERESTED AND CONCERNED IN
14 PROVIDING THEIR MEMBERS AS WELL AS THE VISITING COAST TO
15 COAST MEMBERS WITH QUALITY FACILITIES FOR THEIR ENJOYMENT.

16 DO YOU SEE THAT?

17 IN THE LAST COUPLE OF YEARS I HAVE
18 PERSONALLY VISITED OVER 250 OF OUR AFFILIATED RESORTS, 21
19 OF WHICH WERE OWNED BY T.A.I. THEIR RESORTS RATE WELL IN
20 OUR SYSTEM AND RECEIVE ONGOING ATTENTION IN TERMS OF
21 UPKEEP.

22 THE ASSOCIATION BETWEEN COAST TO COAST AND
23 T.A.I. OVER THE PAST 10 YEARS HAS BEEN A STRONG,
24 PLEASURABLE AND PROFITABLE ONE FOR BOTH OUR ORGANIZATIONS.
25 WE LOOK FORWARD TO CONTINUING THIS RELATIONSHIP AS THE
26 CAMPGROUND INDUSTRY GROWS.

1 COAST NEVER CRITICIZED DAVID VOPNFORD AND
2 THE T.A.I. SYSTEM IN 1995 OR 1996, DID IT?

3 A IN WHAT FASHION?

4 Q WELL, IN THE FASHION THAT COAST MIGHT BE
5 EXPECTED TO CRITICIZE IF COAST -- IF MR. VOPNFORD WAS
6 SCAMMING PEOPLE OUT OF \$4,000 OR WAS CHEATING PEOPLE OR WAS
7 DOING SOME -- MANY OF THE THINGS THAT THE LETTERS THAT HAD
8 BEEN PRESENTED SUGGESTED MR. VOPNFORD DID?

9 A I DON'T HAVE DIRECT KNOWLEDGE OF A SPECIFIC
10 CONVERSATION, BUT I DO KNOW THAT ROGER HAD A -- I'LL TERM
11 IT AS A PRETTY DECENT RELATIONSHIP WITH MR. VOPNFORD, A
12 FRIENDLY RELATIONSHIP WITH HIM. AND I BELIEVE THAT ROGER
13 SPOKE TO HIM OR AT LEAST DISCUSSED WITH HIM SOME OF THE
14 LESS-THAN-FAVORABLE COMMENTS THAT WE HAD BEEN HEARING.

15 Q COAST CONTINUED TO ACCEPT DUES FROM ALL OF
16 THE MEMBERS OF THE THOUSAND ADVENTURES RESORTS AS LONG AS
17 IT COULD, INCLUDING UP UNTIL TODAY, ALBEIT THEY'RE FORMER
18 MEMBERS OF THOUSAND ADVENTURES RESORTS?

19 A YES.

20 Q COAST DID BEGIN TO COMMUNICATE WITH MEMBERS
21 CONCERNING THE HAILING OF THOUSAND ADVENTURES ABOUT MIDDLE
22 OF 1997; RIGHT?

23 A I'M SORRY. WE DID WHAT?

24 Q BEGAN TO COMMUNICATE WITH MEMBERS OF THE
25 PUBLIC, PERHAPS EVEN ATTORNEYS GENERAL -- I DON'T KNOW --
26 ABOUT THE -- MID-1997; RIGHT?

1 MR. SHERMAN: OBJECTION. THE QUESTION IS VAGUE AND
2 AMBIGUOUS. COMMUNICATION FROM COAST OR COMMUNICATION TO
3 COAST?

4 THE COURT: CLARIFY THAT.

5 BY MR. MOSHENKO: Q COMMUNICATION FROM COAST TO
6 OTHERS IS WHAT I'M TALKING ABOUT, MID-'97.

7 A NO. WE -- WE ALWAYS HAVE COMMUNICATIONS
8 GOING ON WITH THE MEMBERS OF ALL OF THE RESORTS IN THEIR
9 EXPRESSION OF CONCERNS THEY MAY HAVE, EVEN PRAISES FOR
10 RESORTS THAT THEY MAY HAVE.

11 Q ALBEIT, THOUGH, THAT IT WAS ABOUT MID-1997
12 THAT COAST BEGAN TO RECEIVE COMPLAINTS, OR MAYBE EARLIER
13 THAN 1997 COAST BEGAN TO RECEIVE COMPLAINTS CONCERNING
14 MR. VOPNFORD'S HANDLING OF THE RESORTS?

15 A YES.

16 Q AND AS A RESULT OF THOSE COMPLAINTS, COAST
17 BEGAN TO COMMUNICATE WITH MEMBERS AND WRITE THEM LETTERS
18 SAYING, "WE'RE LOOKING INTO THE SITUATION," WORDS LIKE
19 THAT?

20 A YES.

21 Q AND COAST DID THAT BECAUSE MEMBERS BEGAN TO
22 COMPLAIN TO COAST; RIGHT?

23 A YES.

24 Q AND IT WAS ABOUT THE SAME TIME IN THE SPRING
25 OF 1997 THAT MR. NOVELLI BEGAN TO BECOME INVOLVED WITH
26 MR. VOPNFORD; ISN'T THAT YOUR UNDERSTANDING?

1 THAT HE HAD A PLAN TO JOIN TOGETHER THE RESORTS OR SOME OF
2 THEM FROM THOUSAND ADVENTURES WITH THE ALL SEASONS RESORTS
3 AND THE FIRST NATIONWIDE RESORTS AND GO OVER TO THE
4 COMPETITION, R.P.I.?

5 A YES.

6 Q NOW, YOUR TESTIMONY YESTERDAY WAS -- WHEN
7 ASKED BY MR. SHERMAN ABOUT THE 34,000 MEMBERS, AND YOUR
8 BELIEF AS TO HOW MANY MEMBERS MR. NOVELLI HAD, I BELIEVE
9 YOU TESTIFIED YOUR BELIEF WAS THAT HE DID NOT HAVE ALL OF
10 THOSE MEMBERS AND ALL THE RESORTS THAT HAD THOSE MEMBERS;
11 IS THAT CORRECT?

12 A I'M PRETTY SURE THAT THAT'S ACCURATE, YES.

13 Q ALL RIGHT. BUT, NEVERTHELESS, YOU SENT
14 LETTERS TO ALL 34,000 PLUS MEMBERS AS THOUGH THEY WERE
15 MR. NOVELLI'S THOUSAND ADVENTURES -- I'M SORRY -- TRAVEL
16 AMERICA MEMBERS?

17 A NO. THAT'S NOT HOW I PERCEIVED IT AT ALL,
18 NO.

19 Q ALL RIGHT. WELL, YOU SENT LETTERS TO ALL OF
20 THOUSAND ADVENTURES' MEMBERS, AND YOU SENT LETTERS TO ALL
21 THE FIRST NATIONWIDE MEMBERS, AND EVENTUALLY YOU SENT
22 LETTERS TO ALL THE ALL SEASONS RESORTS MEMBERS WHO WERE
23 COAST TO COAST MEMBERS?

24 A YES.

25 Q AND SO WHILE BACK THEN YOU APPARENTLY DID
26 THINK THAT THOSE PEOPLE WERE ALL MEMBERS OF THOSE RESORTS

1 SYSTEMS, WHAT MAKES YOU CHANGE TODAY THAT YOU SAY YOU
2 DIDN'T BELIEVE IT?

3 A I'M GETTING LOST IN THE -- YOU SAID THAT
4 THEY WERE TRAVEL AMERICA. THEY WERE STILL MEMBERS OF THE
5 INDIVIDUAL SYSTEMS. THE FACT THAT THEY ARE BROUGHT
6 TOGETHER, IN MY MIND, DIDN'T CHANGE THE FACT THAT THEY WERE
7 STILL ASSOCIATED WITH THOSE INDIVIDUAL ENTITIES THAT WERE
8 NO LONGER IN COAST TO COAST.

9 Q ALL RIGHT. THE LETTERS SAY MR. NOVELLI HAS
10 TAKEN YOUR RESORT OUT OF THE COAST TO COAST SYSTEM -- YOUR
11 HOME RESORT OUT OF THE COAST TO COAST SYSTEM AND SUGGESTS
12 YOU'RE GOING TO LOSE YOUR COAST TO COAST BENEFITS. THAT
13 WAS ALL BECAUSE YOU BELIEVE THOSE PEOPLE WERE MEMBERS OF
14 THE RESORTS THAT MR. NOVELLI AND -- WAS GOING TO JOIN
15 TOGETHER UNDER TRAVEL AMERICA; RIGHT?

16 A I ADDRESSED LETTERS TO THOUSAND ADVENTURES
17 AND LETTERS TO FIRST NATIONWIDE AND LETTERS TO ALL SEASONS
18 RESORTS AS SEPARATE ENTITIES.

19 Q AND AS A MATTER OF FACT, MR. RANDALL, IN
20 YOUR HASTE TO NOTIFY ALL OF THE MEMBERS, YOU EVEN NOTIFIED
21 MEMBERS OF OTHER RESORTS THAT WERE NOT THOUSAND ADVENTURES,
22 FIRST NATIONWIDE OR ALL SEASONS RESORTS OR TRAVEL AMERICA
23 RESORTS, DIDN'T YOU?

24 A I'D HAVE TO SEE THE SPECIFIC ONES.

25 MR. MOSHENKO: WELL, COULD WE GO TO THE BATCH
26 EXHIBIT NOW, 2172, PAGE CCC 07898.

1 IT'S IN EVIDENCE, YOUR HONOR. IN FACT, I
2 THINK THEY'RE ALL IN EVIDENCE.

3 AM I CORRECT THAT ALL OF THE COMPUTER FILES
4 HAVE BEEN ADMITTED, 2172 ENTIRELY?

5 THE COURT: NOT ALL OF THEM.

6 MR. MOSHENKO: I OFFER ALL OF THE EXHIBIT INTO
7 EVIDENCE AT THIS TIME. THIS IS WHAT WE DISCUSSED THIS
8 MORNING, YOUR HONOR, IN CHAMBERS.

9 MR. SHERMAN: YOUR HONOR, THE SAME OBJECTIONS.
10 MANY OF THEM ARE NOT RELEVANT. AND THAT'S THE BASIS OF THE
11 OBJECTION.

12 THE COURT: I RULED ON THIS THIS MORNING; RIGHT?

13 MR. MOSHENKO: YES. I THINK YOU SAID THEY'D GO
14 IN.

15 THE COURT: THEY'RE GOING TO COME IN.

16 (WHEREUPON, EXHIBIT NO. 2172, WAS RECEIVED
17 IN EVIDENCE.)

18 BY MR. MOSHENKO: Q PAGE 56 OF THE EXHIBIT, WHICH
19 IS BATES STAMPED 07989, THIS IS THE ONE THAT WAS PREVIOUSLY
20 IN. NOW LET ME GET A COPY IN FRONT OF THE WITNESS.

21 AND CAN WE PUT IT UP ON THE SCREEN AND BLOW
22 UP THE TOP, PLEASE.

23 YOU'RE FAMILIAR WITH ABBEY'S ALPINE LAKES
24 RESORT?

25 A FAMILIAR WITH IT TO THE EXTENT IT'S ON THE
26 SCREEN, YES.

1 THE COURT: EXCUSE ME. HAVEN'T WE GONE OVER THIS
2 BEFORE?

3 MR. MOSHENKO: NOT THIS PARTICULAR POINT, YOUR
4 HONOR, THIS VERY SPECIFIC POINT. IT'S A NARROW POINT.

5 Q DO YOU KNOW WHO OWNED ABBEY'S ALPINE LAKES
6 RESORT AS OF SEPTEMBER, OCTOBER 1997?

7 MR. SHERMAN: OBJECTION. THAT GOES BEYOND THE
8 SCOPE OF MY EXAMINATION, YOUR HONOR.

9 THE COURT: SUSTAINED.

10 MR. MOSHENKO: REQUEST TO REOPEN, YOUR HONOR, TO
11 PROVE THAT WHILE THE LETTERS WERE BEING SENT -- THEY DID
12 TESTIFY ABOUT THE LETTERS BEING SENT AND WHAT IT WAS TRYING
13 TO DO.

14 THE COURT: I'M GOING TO LIMIT YOU HERE.

15 MR. MOSHENKO: DID YOU SAY LIMIT YOU HERE?

16 THE COURT: I'M GOING TO LIMIT YOU HERE, YES,
17 REGARDLESS.

18 MR. MOSHENKO: VERY WELL. I'LL MOVE ON.

19 Q ALL RIGHT. MR. SHERMAN ASKED YOU SOME
20 QUESTIONS ABOUT DELTA ISLE RESORT, AND YOU SEEMED TO
21 INDICATE THAT YOU WENT BACK AND DID A REVIEW TO SEE WHERE
22 THE DELTA ISLE MEMBERS CAME FROM. SOME CAME FROM ARIZONA,
23 SOME FROM UTAH, SOME FROM CALIFORNIA.

24 DO YOU RECALL THAT TESTIMONY?

25 A YES.

26 Q IS THERE ANYTHING ABOUT THE FACT THAT A

1 DELTA ISLE MEMBER RESIDES IN ARIZONA, UTAH, OR CALIFORNIA
2 THAT WOULD JUSTIFY MOVING THEM TO MEXICO?

3 A THERE'S NOTHING THAT WOULD NOT -- THAT WOULD
4 PREVENT US FROM BEING MOVED TO MEXICO.

5 Q IS THERE ANYTHING THAT WOULD JUSTIFY
6 EXPLAINING WHY YOU MOVED THEM TO MEXICO RATHER THAN NEXT
7 DOOR TO QUALITY RESORTS?

8 A NOT TO MY KNOWLEDGE, NO.

9 Q YOU GAVE US SOME TESTIMONY TODAY RELATING TO
10 WHAT BENEFITS COAST TO COAST MEMBERS HAD, AND I THINK YOU
11 SAID THAT IN A RECIPROCAL SYSTEM YOUR USE BENEFITS ARE
12 LIMITED TO SEVEN DAYS?

13 A NORMALLY, YES.

14 Q NORMALLY.

15 AND UNDER WHAT -- UNDER WHAT CIRCUMSTANCES
16 IS IT NOT LIMITED TO SEVEN DAYS?

17 A IN THE RECIPROCAL USE SYSTEM?

18 Q YEAH.

19 A IF THE MEMBER MAKES A REQUEST OF THE
20 DEVELOPER/OWNER OF THAT PARTICULAR RESORT IF HE CAN STAY
21 LONGER AND THEY WORK OUT SOME OTHER ARRANGEMENT.

22 Q SO THE COAST BENEFIT PROVIDES SEVEN DAYS'
23 BENEFIT UNLESS THE OWNER CONCEDES MORE; RIGHT?

24 A GENERALLY, YES.

25 Q OKAY. NOW, YOU WERE TALKING ABOUT YOUR
26 VIEWS OF HOW COAST IS COMPARED TO R.P.I. YOU'RE AWARE THAT

1 UNDER THE NOVELLI R.P.I. PROPOSAL HIS MEMBERS WOULD HAVE
2 BEEN ABLE TO STAY UP TO 21 DAYS?

3 MR. SHERMAN: OBJECTION. LACKS FOUNDATION.

4 THE COURT: SUSTAINED.

5 MR. MOSHENKO: YOUR HONOR, THE FOUNDATION IS IN THE
6 EXHIBIT THAT COUNSEL PUT IN FRONT OF THE JURY YESTERDAY,
7 AND I'LL GIVE YOU THE EXHIBIT NUMBER.

8 MR. SHERMAN: HE SHOULD PUT IT IN FRONT OF THE
9 JURY, YOUR HONOR. I WOULD WITHDRAW THE OBJECTION IF IT'S
10 UP ON THE BOARD.

11 THE COURT: ALL RIGHT.

12 MR. MOSHENKO: IT CAN GO UP ON THE BOARD.

13 THE COURT: THE OBJECTION HAS BEEN WITHDRAWN.

14 MR. MOSHENKO: WITHDRAWN.

15 Q SO DO YOU RECALL --

16 MR. SHERMAN: YOUR HONOR, IF HE COULD PUT IT UP ON
17 THE BOARD.

18 THE COURT: PUT IT UP.

19 BY MR. MOSHENKO: Q DO YOU HAVE AN UNDERSTANDING
20 OF HOW MUCH TIME A MEMBER WOULD HAVE IF THAT MEMBER WENT
21 INTO THE NOVELLI R.P.I. SYSTEM PLAN?

22 A I'D HAVE TO SAY I HAVE A VAGUE KNOWLEDGE OF
23 IT. IT SEEMS LIKE THERE WAS ADDITIONAL INFORMATION THAT
24 CAME OUT ABOUT THE TRAVEL AMERICA ORGANIZATION WITH
25 REGIONS, DIFFERENT RESORTS IN REGIONS; AND IT SEEMS AS
26 THOUGH IF YOU ARE A MEMBER IN A CERTAIN REGION, YOU COULD

1 HAVE A CERTAIN AMOUNT OF STAY.

2 Q TWENTY-ONE DAYS; RIGHT?

3 A I DON'T RECALL THE SPECIFIC NUMBER OF DAYS.

4 IT SEEMED TO CHANGE FROM REGION TO REGION, AS I RECALL.

5 Q ALL RIGHT. YOU TESTIFIED YESTERDAY THAT

6 YOUR UNDERSTANDING BACK IN 1997 WAS THAT MEMBERS OF HOME

7 RESORTS PAID ANNUAL DUES OF ABOUT \$200 TO \$300 A YEAR;

8 CORRECT?

9 A THAT WAS PULLING IT OUT OF THE AIR TO THE

10 BEST -- YES. IT'S VARIED ALL OVER THE COUNTRY.

11 Q CORRECT.

12 BUT THAT WAS A KNOWLEDGEABLE AND INFORMED

13 OPINION; RIGHT?

14 A I THINK SO, YES.

15 Q OKAY. SO AS OF 1997, YOU KNEW THAT THE

16 34 -- 34,000 MEMBERS REPRESENTED BETWEEN 6.8 MILLION AND

17 \$10.2 MILLION OF ANNUAL INCOME TO MR. NOVELLI'S COMPANY;

18 RIGHT?

19 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION

20 THAT THEY WERE CURRENT DUES-PAYING MEMBERS.

21 MR. MOSHENKO: I DIDN'T SAY THEY WERE.

22 MR. SHERMAN: THEN IT'S NOT RELEVANT, YOUR HONOR.

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

24 THE WITNESS: I DON'T THINK IN THOSE TERMS,

25 MR. MOSHENKO. I REALLY DON'T APPLY MONEY TO MEMBERS.

26 THAT'S JUST NOT THE WAY I DO BUSINESS.

1 BY MR. MOSHENKO: Q WELL, YOU CAN DO THE MATH,
2 SIR.

3 YOU SENT LETTERS TO \$34,000 MEMBERS WHO YOU
4 BELIEVED WERE SOMEHOW AFFILIATED OR ASSOCIATED WITH
5 MR. NOVELLI -- TIMES \$200 PER YEAR IS \$6.8 MILLION.

6 DO YOU WANT ME TO DO IT FOR YOU?

7 A I'LL TAKE YOUR WORD FOR IT. OR GIVE ME A
8 CALCULATOR AND -- YEAH.

9 Q AND TIMES \$300 IS \$10.2 MILLION?

10 MR. SHERMAN: OBJECTION. THIS IS NOT RELEVANT,
11 YOUR HONOR. THIS FOUNDATION IS LACKING.

12 THE COURT: OBJECTION IS SUSTAINED.

13 BY MR. MOSHENKO: Q ALL RIGHT. YOU WERE ASKED
14 QUESTIONS ABOUT COAST TO COAST'S ABILITY TO IDENTIFY
15 MEMBERS WHO WERE NOT CURRENT ON THEIR DUES; DO YOU RECALL
16 THOSE QUESTIONS?

17 A I RECALL QUESTIONS ABOUT DUES, YES.

18 Q OKAY. WELL, PAGE NUMBER 9820 -- 92820.
19 THAT CAN'T BE THE RIGHT PAGE.

20 MR. RANDALL, YOU INDICATED THAT THE ABILITY
21 OF COAST TO COAST TO IDENTIFY CURRENT DUES-PAYING MEMBERS
22 IN A PARTICULAR RESORT WAS A RESULT OF IT BEING BROUGHT TO
23 YOUR ATTENTION BY RESORT OWNERS; IS THAT CORRECT?

24 A YES.

25 Q AND YOU INDICATED THAT THAT WAS DONE BECAUSE
26 COAST WOULD PROVIDE LISTS TO THOSE OWNERS WHO REQUESTED

1 THEM?

2 A THAT -- THAT WAS ONE OF THE METHODS, YES.
3 IT WASN'T ALWAYS FROM THAT. AS I WAS EXPLAINING, THE
4 DEVELOPERS HAVE THEIR OWN CYCLES OF BILLING. IF IT DOESN'T
5 FIT IN AT THAT TIME, THEY WOULD NOTIFY US INDEPENDENTLY OF
6 ANY LIST THAT WE WOULD GIVE THEM.

7 Q ALL RIGHT. YOU AGREE WITH ME THAT THE HIT
8 AND MISS OF WHO ASKED FOR A LIST DOES NOT GIVE IT -- COAST
9 ANY CERTAINTY AS TO WHO WAS CURRENT AND WHO WAS NOT,
10 WOULDN'T YOU?

11 A I WOULD AGREE WITH THAT, YES.

12 Q IN ADDITION, YOU SAID THAT FROM TIME TO
13 TIME, COAST WOULD GET A PHONE CALL FROM A RESORT OWNER. IS
14 THERE -- THERE'S SOMEBODY HERE AT MY RESORT WHO SAYS HE IS
15 A COAST MEMBER, AND THERE'S A QUESTION RAISED; COAST WOULD
16 GO TO ITS COMPUTER.

17 DO YOU REMEMBER THAT TESTIMONY?

18 A YES.

19 Q AND CALL THAT MEMBER'S STATUS UP ON A
20 SCREEN; IS THAT WHAT YOU'RE SAYING?

21 A DEPENDING ON WHAT THE SITUATION WAS, YES.

22 Q OKAY. AND THEN YOU SAID -- SUGGESTED BY
23 DOING THAT YOU COULD TELL WHAT THAT MEMBER'S STATUS WAS
24 WITH THAT MEMBER'S HOME RESORT; IS THAT CORRECT?

25 A THAT'S NOT WHAT I MEANT TO SAY, IF THAT'S
26 WHAT CAME OUT.

1 Q WHAT IS IT THAT YOU SEE ON THE SCREEN?

2 A ADDRESS OR PHONE NUMBER FOR US TO BE ABLE TO
3 EITHER MAIL SOMETHING TO THE MEMBER BRINGING IT TO THE
4 MEMBER'S ATTENTION, OR BRINGING IT TO THE ATTENTION OF THE
5 HOME RESORT. AGAIN, IT DEPENDS ON WHAT THE SITUATION WAS.

6 Q ALL RIGHT. SO THE FACT THAT SOMEONE CALLS
7 IN AND ASKS A SPECIFIC QUESTION, STILL YOU HAVE NO METHOD
8 OF DETERMINING THAT MEMBER'S HOME STATUS?

9 A NO.

10 Q AND, IN FACT, IF YOU WERE TO HAVE RECEIVED
11 CALLS ABOUT THE SEVERAL HUNDRED PEOPLE THAT WENT FROM
12 DELTA ISLE TO MEXICO AND CALLED THEM UP ON YOUR SCREEN,
13 YOUR RECORDS WOULD SHOW THEY WERE MEMBERS OF MEXICO'S
14 RESORT; RIGHT?

15 A THAT'S CORRECT.

16 Q WHETHER THEY WERE OR WERE NOT?

17 A FOR COAST PURPOSES, IT WOULD SHOW THAT THEY
18 WERE. THE RESORT DEVELOPER/OWNER MUST TELL US IF THEY'RE A
19 MEMBER IN GOOD STANDING. WE CAN'T TELL WHETHER THEY'RE A
20 MEMBER IN GOOD STANDING BASED ON THE RESORT'S
21 CHARACTERIZATION OF WHAT GOOD STANDING IS IF THEY DON'T
22 TELL US.

23 MR. MOSHENKO: YOUR HONOR, I'D LIKE TO GO TO THE
24 EXHIBIT 2172-A, WHICH IS THE COMPUTER FILE SUMMARY THAT WE
25 SPOKE ABOUT IN CHAMBERS THIS MORNING.

26 MR. SHERMAN: YOUR HONOR, THIS IS THE SAME EXHIBIT

1 2172-A WE SPOKE ABOUT IN OUR SIDEBAR YESTERDAY DURING
2 EXAMINATION BY MR. MOSHENKO OF MR. RANDALL. IT GOES BEYOND
3 THE SCOPE OF MY EXAMINATION.

4 MR. MOSHENKO: AND THE COURT ALLOWED IT -- I THINK
5 TOOK IT UNDER SUBMISSION AND THEN EVENTUALLY ALLOWED IT IN.

6 THE COURT: WELL, I THINK WE'VE COVERED IT.

7 MR. MOSHENKO: IT HAS NEVER BEEN SHOWN TO THE JURY,
8 YOUR HONOR. IT'S BEEN ADMITTED, THAT'S TRUE. I CAN ARGUE
9 IT LATER.

10 THE COURT: ARGUE IT LATER.

11 MR. MOSHENKO: VERY WELL.

12 Q I'D LIKE TO GO TO YOUR DEFINITION OF THE
13 ANTI-RAIDING RULE FROM YOUR TESTIMONY YESTERDAY THAT'S
14 FOUND ON PAGE 2894.

15 2894. I'D LIKE TO PUT THE TESTIMONY UP ON
16 THE SCREEN.

17 DO YOU REMEMBER YOU WERE ASKED ABOUT WHAT
18 THE ANTI-RAIDING RULE IS?

19 A YES.

20 Q STARTING ON LINE 21.

21 LINE 21. DO YOU REMEMBER THIS ONE?

22 "LET'S TALK ABOUT THIS ANTI-RAIDING RULE.
23 WHAT IS RAIDING?"

24 "YOU ZOOM IN SOMEWHERE, PILLAGE, LOOT AND
25 PLUNDER, AND RUN OUT AGAIN."

26 A I'M SORRY. YES.

1 Q "AND IN THE WORLD OF RECIPROCAL NETWORK
2 SYSTEMS, WHAT IS ANTI-RAIDING?"

3 CAN WE GO TO THE NEXT PAGE, PLEASE.

4 THIS IS THE LANGUAGE I'M INTERESTED IN.

5 "THE ANTI-RAIDING RULE IS TO PREVENT ONE
6 AFFILIATED RESORT FROM RAIDING THE MEMBERSHIP BASE TAKING
7 MEMBERS FROM ANOTHER AFFILIATED RESORT'S MEMBERSHIP BASE
8 THROUGH THE INDUCEMENT OF COAST TO COAST GOING ALONG WITH
9 THE NEW MEMBERSHIP. IT'S USUALLY DONE, 'GEE, WHY DO YOU
10 WANT TO PAY RESORT A 4-, \$500 OR 3- OR \$400 IN A
11 MAINTENANCE FEE? WHY DON'T YOU JUST COME ON OVER TO MY
12 PARK. WE'LL ONLY CHARGE \$150, AND YOU CAN HAVE YOUR COAST
13 TO COAST MEMBERSHIP HERE AS WELL.' THAT WOULD BE
14 CONSIDERED RAIDING SOMEBODY ELSE'S MEMBERSHIP BASE.

15 THE -- "QUESTION, YOU CAN HAVE YOUR COAST TO
16 COAST MEMBERSHIP AS WELL. THAT IMPLIES THAT THEY COULD
17 HAVE HAD THEIR COAST MEMBERSHIP AT THE PARK THEY WERE AT,
18 RESORT A, OR THEY WOULD HAVE IT AT THIS OTHER PARK; IS THAT
19 RIGHT?

20 "YES. THE RAIDING PART OF IT IS WHETHER
21 SOMEBODY'S ALREADY TRYING TO TAKE A COAST TO COAST MEMBER
22 FROM A COAST TO COAST AFFILIATED RESORT WITH THE INDUCEMENT
23 OF STILL KEEPING THEIR COAST TO COAST MEMBERSHIP AT THIS
24 OTHER RESORT AND BASICALLY GETTING OUT OF THEIR CONTRACT AT
25 THE OTHER RESORT.

26 THE QUESTION IS, ISN'T THAT BASICALLY WHAT

1 YOU, COAST TO COAST, AIDED AND ABETTED THE RESORT OWNERS
2 WHO YOU TRANSFERRED THESE MEMBERS TO IN DOING; THAT IS, YOU
3 AIDED AND ABETTED ANOTHER -- ONE AFFILIATED RESORT FROM
4 TAKING ANOTHER AFFILIATED RESORT'S MEMBERSHIP BASE AND
5 MOVING IT SO THAT -- USING THE INDUCEMENT OF COAST TO
6 COAST, IF YOU COME ALONG, YOU WILL HAVE COAST TO COAST?

7 MR. SHERMAN: OBJECTION. THE QUESTION IS COMPOUND.

8 THE COURT: SUSTAINED.

9 BY MR. MOSHENKO: Q THE QUESTION IS, SIMPLY, ISN'T
10 THAT WHAT YOU DID WHEN YOU AIDED AND ABETTED THE OTHER
11 RESORTS IN MOVING THE PLAINTIFFS' MEMBERSHIPS?

12 MR. SHERMAN: THE REFERENCE TO "THAT" MAKES THE
13 WHOLE THING COMPOUND NOW, AND VAGUE AND AMBIGUOUS. IT'S
14 NOT SIMPLE.

15 THE COURT: REPHRASE IT, PLEASE.

16 BY MR. MOSHENKO: Q IN 1997 COAST ASSISTED
17 COAST-AFFILIATED RESORTS IN TAKING MEMBERS FROM THE
18 PLAINTIFFS' RESORTS USING THE INDUCEMENT OF COAST TO COAST
19 GOING ALONG WITH IT; RIGHT?

20 A TWO THINGS. THE PLAINTIFFS' RESORTS WERE
21 NOT AFFILIATED. SO THE ANTI-RAIDING RULE DOESN'T APPLY AT
22 ALL. AND, SECONDLY, IT WAS -- THE INDUCEMENT OF COAST TO
23 COAST WAS TO PREVENT THEM FROM LOSING SOMETHING THEY
24 ALREADY HAD.

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

26 (DISCUSSION OFF THE RECORD.)

1 BY MR. MOSHENKO: Q RETURNING TO THE ANTI-RAIDING
2 RULE, THE ANTI-RAIDING RULE WAS WRITTEN IN THE COAST
3 MANUAL, ISN'T IT?

4 A YES.

5 Q CAN YOU TELL ME ANYWHERE WHERE IT SAYS IF
6 YOU LEAVE COAST, THE BENEFIT OF ANTI-RAIDING RULE
7 DISAPPEARS?

8 A NOR CAN I SHOW YOU WHERE IT SAYS THAT IT
9 STAYS IN PLACE. THE RULE APPLIES TO AFFILIATED RESORTS.

10 Q THE RULE -- ISN'T THE RULE AN INDUCEMENT TO
11 MEMBERS TO GET THEM TO -- SORRY -- TO RESORT OWNERS TO GET
12 THEM TO AFFILIATE WITH COAST TO COAST SAYING WE'LL PROTECT
13 YOUR MEMBERS; YOU CAN TRUST US WITH THEM; JOIN COAST TO
14 COAST?

15 A THAT WOULD BE A MATTER OF THE INDIVIDUAL
16 INTERPRETATION.

17 Q AND SO YOU OFFER PROTECTIONS OF THE
18 ANTI-RAIDING RULE AS AN INDUCEMENT TO GET PEOPLE TO COME
19 INTO THE COAST SYSTEM; CORRECT?

20 A I DON'T THINK THEY'RE INDUCEMENTS. I THINK
21 THEY ARE RULES THAT ARE IN PLACE FOR AFFILIATED RESORTS SO
22 THAT THEY FEEL THEY CAN OPERATE WITHIN THE COAST TO COAST
23 SYSTEM WITHOUT FEAR AND WORRY OF CERTAIN THINGS HAPPENING.

24 Q LET'S TALK ABOUT THE ORPHAN THING.

25 WHERE IN ANY WRITING OF ANY AGREEMENT IS
26 THERE AN ORPHAN POLICY STATEMENT?

1 A IN THOSE SPECIFIC WORDS, THE ORPHAN PROGRAM,
2 WORD "ORPHAN" IS NOT STATED. THE PROTECTION FOR THE
3 MEMBERS TO CONTINUE TO RECEIVE COAST TO COAST BENEFITS IN
4 THE EVENT THEIR RESORT LEAVES THE SYSTEM IS IN PRINT. IT'S
5 ON THE MEMBERSHIP APPLICATION.

6 Q IF THE TRANSFER RULES ARE WRITTEN IN THE
7 MANUAL, WHERE -- YET THE ORPHAN POLICY THAT YOU TALK ABOUT
8 YOU SAY ENABLES YOU TO IGNORE THEM BECAUSE OF A RESORT LEFT
9 THE SYSTEM?

10 MR. SHERMAN: OBJECTION. VAGUE AND AMBIGUOUS.

11 THE COURT: SUSTAINED.

12 BY MR. MOSHENKO: Q THE TRANSFER POLICY IS IGNORED
13 BY CAMP COAST TO COAST IF SOMEBODY LEAVES THE SYSTEM;
14 RIGHT?

15 A NO, IT'S NOT IGNORED.

16 Q THE ANTI-RAIDING RULE IS DISREGARDED IF
17 SOMEBODY DISAFFILIATES?

18 A I HAVE A PROBLEM WITH THE WAY YOU'RE SAYING
19 THAT. THEY'RE NOT APPLICABLE. IT'S NOT THAT THEY ARE
20 IGNORED. THEY'RE SIMPLY NOT APPLICABLE.

21 Q BECAUSE THEY WERE NO LONGER A MEMBER OF AN
22 AFFILIATED RESORT; RIGHT?

23 A CORRECT.

24 Q SO IN THE CASE OF ALL SEASONS RESORTS, COAST
25 MADE THEM NO LONGER AFFILIATED?

26 A NO. COAST TO COAST DID NOT.

1 Q COAST SENT A LETTER THAT SAID ALL SEASONS
2 RESORTS IS OUT, DIDN'T IT?

3 A YES.

4 Q AND ONCE YOU SAID ALL SEASONS RESORTS IS
5 OUT, THOSE MEMBERS WERE FAIR GAME FOR COAST TO RAID?

6 A THOSE MEMBERS OF COAST TO COAST WERE FAIR
7 GAME, IF YOU WILL, TO CONTINUE TO HAVE THEIR COAST TO COAST
8 BENEFITS IN PLACE, IF THE MEMBER SO DESIRED.

9 Q YOU WENT FURTHER THAN JUST ACKNOWLEDGE THEY
10 CONTINUED TO HAVE, IF THEY DESIRED. YOU TRANSFERRED THEM;
11 YOU RAIDED THEM, DIDN'T YOU?

12 A IN THIS PARTICULAR CASE I DON'T THINK THAT
13 THAT'S THE CASE AT ALL. THE ALL SEASONS RESORTS HAD GONE
14 INTO DISSOLUTION. THE MEMBERSHIP CONTRACTS HAD IN FACT
15 BEEN CANCELLED BY THE BANKRUPTCY COURT. THOSE WERE EVEN
16 BEYOND THE NORMAL SCOPE OF ORPHANS. AND IF THOSE MEMBERS
17 WANTED TO CONTINUE THEIR COAST TO COAST PRIVILEGES -- AND
18 SOME OF THEM HAD INDICATED THEY DID WANT TO DO THAT -- IT
19 WAS PART OF OUR NORMAL PROCESS TO GIVE THEM THE OPPORTUNITY
20 TO DO SO.

21 Q THE CONFIDENTIALITY PROTECTION OF MEMBER
22 LISTS IS IN WRITING, ISN'T IT?

23 A YES.

24 Q WHERE -- ANYWHERE IN THE COAST CONTRACT DOES
25 IT SAY, IF YOU TERMINATE, IF YOU ELECT TO USE YOUR RIGHT TO
26 TERMINATE THE CONTRACT, THAT THE TERMS OF THE CONTRACT THAT

1 WE HAVE GIVEN YOU DISAPPEAR, THE CONFIDENTIALITY TERMS
2 DISAPPEAR?

3 MR. SHERMAN: OBJECTION. SEEKS A LEGAL CONCLUSION.
4 GOES BEYOND THE SCOPE OF THE EXAMINATION.

5 THE COURT: SUSTAINED.

6 MR. MOSHENKO: IT'S IN THE CONTRACT.

7 THE COURT: OBJECTION IS SUSTAINED.

8 BY MR. MOSHENKO: Q CAN YOU TELL ME ANYWHERE IN
9 ANY CONTRACT IF YOU LEAVE THE COAST SYSTEM YOU LOSE ANY OF
10 THE RIGHTS OR BENEFITS THAT YOU HAD?

11 MR. SHERMAN: OBJECTION. GOES BEYOND THE SCOPE OF
12 THE EXAMINATION.

13 THE COURT: I'LL ALLOW THAT QUESTION.

14 THE WITNESS: WE DON'T HAVE PRENUPTIAL AGREEMENTS
15 WITH THE RESORTS.

16 BY MR. MOSHENKO: Q AND ISN'T IT TRUE THAT COAST
17 MAKES IT A PRACTICE OF NOT TELLING RESORT OWNERS WHEN THEY
18 SEEK TO AFFILIATE THEM THAT IF YOU TERMINATE, YOUR MEMBERS
19 WILL BE TRANSFERRED?

20 A WE MAKE A PRACTICE OF DOING WHAT?

21 Q COAST'S REGIONAL DIRECTORS INTENTIONALLY DO
22 NOT TELL THE RESORT OWNERS WHEN THEY SAY, COME ON IN, WE'RE
23 FINE WITH YOU; THAT IF YOU LEAVE THE RESORT SYSTEM OR IF WE
24 THROW YOUR RESORT OUT OF THE SYSTEM, THE RECIPROCAL USE
25 SYSTEM, WE'RE GOING TO CONTINUE -- WE'RE GOING TO CONSIDER
26 YOUR MEMBERS TO BE ORPHANS, AND WE'RE GOING TO TRANSFER

1 THEM?

2 MR. SHERMAN: OBJECTION. COMPOUND.

3 THE COURT: OVERRULED.

4 YOU MAY ANSWER THE QUESTION, IF YOU
5 UNDERSTAND IT.

6 THE WITNESS: I DID NOT UNDERSTAND IT COMPLETELY TO
7 PROVIDE AN ACCURATE ANSWER.

8 BY MR. MOSHENKO: Q COAST'S REGIONAL DIRECTORS,
9 THOSE ARE THE GUYS THAT GO OUT AND AFFILIATE NEW RESORTS?

10 A I KNOW THE REGIONAL DIRECTORS ARE, YES.

11 Q THEY'RE THE ONES THAT AFFILIATE THE NEW
12 RESORTS?

13 A THEY ARE THE ONES THAT GO THROUGH THE
14 PROCESS OF THAT AFFILIATION, YES.

15 Q CORRECT.

16 AND THEY ANSWER QUESTIONS, AND THEY TALK TO
17 PEOPLE, AND THEY EXPLAIN WHAT IT'S ABOUT; RIGHT?

18 A YES.

19 Q AND THEY INTENTIONALLY DO NOT TELL THESE
20 PEOPLE THAT, IF YOU DECIDE TO LEAVE, WE'RE GOING TO
21 CONSIDER YOUR MEMBERS TO BE ORPHANS, AND TRANSFER THEM TO
22 OTHER RESORTS; CORRECT?

23 A I DON'T BELIEVE THAT, NO.

24 Q YOU DON'T BELIEVE THAT THEY INTENTIONALLY DO
25 NOT TELL THEM THAT?

26 A I DO NOT BELIEVE THEY INTENTIONALLY WITHHOLD

1 THAT INFORMATION, THAT'S CORRECT.

2 Q DO THEY TELL THEM THAT COAST HAS A RIGHT TO
3 THROW YOUR RESORT OUT AND THEN TRANSFER YOUR MEMBERS?

4 MR. SHERMAN: OBJECTION. THIS ENTIRE LINE OF
5 QUESTIONING GOES WELL BEYOND THE SCOPE OF MY EXAMINATION.

6 THE COURT: SUSTAINED.

7 IS YOUR NEXT WITNESS HERE, MR. MOSHENKO?

8 MR. MOSHENKO: HE IS, YOUR HONOR -- SHE IS, YOUR
9 HONOR. I BELIEVE I'VE GOT ABOUT TWO MORE MINUTES.

10 THE COURT: ALL RIGHT.

11 MR. MOSHENKO: I BELIEVE I'M DONE, YOUR HONOR.

12 THE COURT: THANK YOU.

13 ANYTHING FURTHER WITH THIS WITNESS?

14 MR. SHERMAN: YES. I'VE JUST GOT TWO MINUTES,
15 THREE MINUTES.

16 THE COURT: I'LL HOLD YOU TO IT.

17 REDIRECT EXAMINATION

18 BY MR. SHERMAN: Q MR. RANDALL, DO YOU KNOW IF THE
19 PLAINTIFFS IN THIS CASE, INCLUDING TRAVEL AMERICA, ARE
20 SEEKING DAMAGES FOR FORMER THOUSAND ADVENTURES MEMBERS WHO
21 DID NOT BECOME MEMBERS OF TRAVEL AMERICA?

22 A THAT'S THE WAY THAT I UNDERSTAND IT, YES.

23 Q I'D LIKE TO PUT UP ON THE BOARD EXHIBIT
24 10001. IT'S ALREADY BEEN ADMITTED INTO EVIDENCE, I BELIEVE.

25 HAVE YOU SEEN THAT BEFORE, MR. RANDALL?

26 A YES, I HAVE.

1 Q DO YOU KNOW WHAT THAT IS?

2 A YES, I DO.

3 Q WHAT IS IT?

4 A I BELIEVE IT'S AN ARTICLE FROM THE NEWS AND
5 VIEWS, MR. NOVELLI'S MAGAZINE TO HIS MEMBERS.

6 Q AND DO YOU KNOW WHO THOSE TWO PEOPLE ARE IN
7 THAT PICTURE SITTING THERE SMILING AT ONE ANOTHER?

8 A MR. DAVE VOPNFORD ON THE LEFT AND
9 MR. RAY NOVELLI ON THE RIGHT AS I'M FACING IT.

10 Q IN THE SAME ARTICLE, IF YOU COULD JUST GO
11 DOWN A LITTLE BIT, MIKE.

12 WORKING TOGETHER THROUGH TRAVEL AMERICA.

13 WHEN YOU SAW THAT ARTICLE DID YOU UNDERSTAND
14 WHAT THOSE TWO MEN WERE TALKING ABOUT?

15 MR. MOSHENKO: OBJECTION. THE DOCUMENT SPEAKS FOR
16 ITSELF. HIS OPINION OF WHAT THEY ARE TALKING ABOUT IS
17 IRRELEVANT.

18 THE COURT: SUSTAINED.

19 BY MR. SHERMAN: Q WHAT DID THE MEMBERS SAY TO
20 YOU -- WHAT DID YOU HEAR FROM THE MEMBERS AT COAST ABOUT
21 MR. NOVELLI AND MR. VOPNFORD WORKING TOGETHER THROUGH
22 TRAVEL AMERICA?

23 MR. MOSHENKO: OBJECTION. CALLS FOR HEARSAY. WHAT
24 THE MEMBERS SAID IS HEARSAY.

25 THE COURT: SUSTAINED.

26 BY MR. SHERMAN: Q WHAT DID YOU TALK TO COAST TO

1 COAST ON THAT SUBJECT?

2 MR. MOSHENKO: WHAT HE TALKED TO COAST TO COAST IS
3 IRRELEVANT.

4 MR. SHERMAN: IT'S QUITE RELEVANT.

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

6 THE WITNESS: I'M SORRY. WHAT'S THE QUESTION?

7 BY MR. SHERMAN: Q WHAT WAS THE DISCUSSION AT
8 COAST TO COAST ON THE SUBJECT OF MR. NOVELLI AND
9 MR. VOPNFORD WORKING TOGETHER THROUGH TRAVEL AMERICA?

10 A THAT THIS WAS A PAIRING OF TWO ORGANIZATIONS
11 OF RESORTS -- IT WAS A PAIRING OF TWO ORGANIZATIONS OF
12 RESORTS TO -- ACTUALLY TO DEVELOP A RECIPROCAL SYSTEM OF
13 THEIR OWN.

14 Q OKAY. NOW, MR. MOSHENKO HAD ASKED YOU SOME
15 QUESTIONS TRYING TO FIND OUT IF YOU KNEW SOMETHING ABOUT
16 LEGAL PROCEEDINGS, THAT WAS THE WORD HE USED, LEGAL
17 PROCEEDINGS, IN 1998 IN IOWA.

18 DO YOU RECALL SUCH A QUESTION BEING ASKED OF
19 YOU BY MR. MOSHENKO?

20 A THE LEGAL PROCEEDINGS PART DOESN'T RING A
21 BELL. BUT I DO RECALL THAT THERE WAS DISCUSSION ABOUT
22 ATTORNEY GENERAL.

23 Q RIGHT. I'M GOING TO SHOW YOU EXHIBIT 2031.

24 MR. RANDALL, DO YOU RECOGNIZE EXHIBIT 2031?

25 A I RECOGNIZE IT AS A MEMORANDUM TO THOUSAND
26 ADVENTURES CONSUMERS FROM SANDY KEARNEY, AN INVESTIGATOR.

1 Q AND WERE YOU GIVEN A COPY OF THAT DOCUMENT?

2 A I WILL SAY YES, I WAS. MY NAME IS WRITTEN
3 ON HERE. I DIDN'T INITIAL IT, BUT ALMOST ALL OF THESE
4 TYPES OF DOCUMENTS COME TO ME SOONER OR LATER.

5 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 2031 INTO
6 EVIDENCE.

7 THE COURT: THANK YOU.

8 WITH THAT, YOUR TIME IS UP.

9 MR. SHERMAN: BUT THE JURY WANTS TO SEE IT.

10 MR. MOSHENKO: I NEED A MINUTE.

11 MR. SHERMAN: COULD I PUT IT UP ON THE BOARD?
12 THANK YOU.

13 Q AND THIS MEMO TO THOUSAND ADVENTURES
14 CONSUMERS FROM SANDY KEARNEY, INVESTIGATOR, THIS IS THE
15 STATE OF IOWA, DEPARTMENT OF JUSTICE, JANUARY 15, 1998.
16 THIS LETTER IS TO PROVIDE YOU WITH SOME
17 INFORMATION ABOUT THE STATUS OF THE COMPLAINT YOU FILED
18 WITH THE ATTORNEY GENERAL AND ABOUT THE STATUS OF THE
19 LAWSUIT.

20 MR. MOSHENKO: YOUR HONOR, MY OBJECTION --

21 MR. SHERMAN: IT'S PREVIOUSLY --

22 MR. MOSHENKO: I'D LIKE TO PUT AN OBJECTION ON THE
23 RECORD.

24 MY OBJECTION IS IT'S HEARSAY. IT'S OPINION
25 OF AN INVESTIGATOR. IT'S -- IT'S IMPROPER LEGAL OPINION.

26 MR. SHERMAN: IT'S NOT BEING OFFERED FOR LEGAL

1 OPINION, YOUR HONOR. IT'S BEING OFFERED TO SHOW THE EFFECT
2 ON THE READERS, INCLUDING THOUSAND ADVENTURES CONSUMERS
3 THAT WERE RECEIVING THIS.

4 MR. MOSHENKO: IT'S OFFERED FOR THE TRUTH OF WHAT
5 IT SAYS.

6 THE COURT: I'M GOING TO SUSTAIN THE OBJECTION.

7 LET'S MOVE ON.

8 BY MR. SHERMAN: Q LET'S PUT UP 1563. AND THIS IS
9 ONE OF THE LETTERS YOU SENT OUT.

10 LET'S GO TO THE LAST FEW SENTENCES IN THE
11 SCANNED PARAGRAPH. THERE MAY BE ANOTHER -- EXCUSE ME.

12 WE BELIEVE THIS IS AN EXCELLENT OPTION FOR
13 YOU TO CONTINUE YOUR COAST TO COAST BENEFITS. YOU'RE NOT
14 OBLIGATED TO ACCEPT THIS TRANSFER, NOR DOES THIS TRANSFER
15 RELIEVE YOU OF ANY CONTRACTUAL OBLIGATION YOU MAY HAVE.
16 THERE MAY BE ANOTHER RESORT THAT BETTER SUITS YOUR NEEDS.
17 THAT IS UP TO YOU.

18 MR. RANDALL, IN SENDING LETTERS OUT TO THE
19 COAST MEMBERS, WAS THERE ANY THOUGHT THAT YOU HAD IN MIND
20 OF PROVIDING THE COAST MEMBERS WITH CHOICES OR OPTIONS?

21 MR. MOSHENKO: ASKED AND ANSWERED, BEYOND THE
22 SCOPE.

23 THE COURT: I THINK WE'VE ALL MEMORIZED THAT
24 LETTER. WE'VE SEEN ENOUGH OF IT, COUNSEL.

25 BY MR. SHERMAN: Q IF A MEMBER HAD HAD A BAD
26 EXPERIENCE, MR. RANDALL, WITH THOUSAND ADVENTURES IN

1 FLORIDA OR NEW YORK OR IOWA IN 1996 OR EARLY 1997, IN YOUR
2 EXPERIENCE AT COAST, WOULD THAT HAVE IMPACTED THAT MEMBER'S
3 CONTINUED WILLINGNESS TO WANT TO PAY THE THOUSAND
4 ADVENTURES CHAIN?

5 MR. MOSHENKO: IMPROPER LEGAL OPINION. LACKS
6 FOUNDATION.

7 THE COURT: SUSTAINED.

8 MR. SHERMAN: NO FURTHER QUESTIONS.

9 THE COURT: THANK YOU.

10 MR. MOSHENKO: NO QUESTIONS.

11 THE COURT: GOOD. YOU MAY STEP DOWN.

12 THE WITNESS: NO FURTHER ANSWERS.

13 THE COURT: LIKE YOUR DEFINITION OF RAID. THAT
14 REMINDS ME OF THE GUY THAT ASKED, WHY ARE THERE FOUR MEN TO
15 A FIRE TEAM IN THE MARINE CORPS? TWO FOR POLLUTING, ONE
16 FOR SHOOTING AND TWO FOR P.I.O.

17 P.I.O. IS PUBLIC INFORMATION.

18 MR. MOSHENKO: YOUR HONOR, I NEED ABOUT THREE
19 MINUTES TO GO OVER MY NOTES FOR THE NEXT WITNESS, PLEASE.

20 THE COURT: ALL RIGHT.

21 MR. SHERMAN: YOUR HONOR, I'M TURNING THE CONTROLS
22 OVER TO MR. RUTENBERG RIGHT NOW FOR THIS NEXT WITNESS, IF
23 THAT'S OKAY.

24 (PAUSE IN PROCEEDINGS.)

25 MR. MOSHENKO: CALL DARLENE JAMES, YOUR HONOR.

26 AND MR. SHAW HAS ARRIVED.

1 BRENDA DARLENE JAMES,
2 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS, HAVING
3 BEEN FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS
4 FOLLOWS:

5 THE CLERK: STATE YOUR FULL NAME FOR THE RECORD
6 AND SPELL YOUR LAST NAME FOR THE REPORTER.

7 THE WITNESS: BRENDA DARLENE JAMES. J-A-M-E-S.

8 THE COURT: FIRST NAME IS WHAT?

9 THE WITNESS: BRENDA DARLENE.

10 THE COURT: BRENDA?

11 THE WITNESS: YES.

12 DIRECT EXAMINATION

13 BY MR. MOSHENKO: Q MISS JAMES, YOUR ACCENT SOUNDS
14 ESPECIALLY LIKE BILL CLINTON'S?

15 A THANK YOU.

16 Q ARE YOU RELATED TO BILL CLINTON?

17 A NO, SIR, I AM NOT.

18 Q ARE YOU FROM THE SAME STATE?

19 A YES, SIR.

20 Q OKAY.

21 THE COURT: THAT WE CAN FORGIVE.

22 THE WITNESS: GOOD.

23 BY MR. MOSHENKO: Q OKAY. YOU'RE AN ARKANSAS
24 RESIDENT?

25 A YES, SIR.

26 Q BEEN THERE HOW LONG?

1 A I WAS BORN IN ARKANSAS, THE SAME AREA.

2 Q OKAY. NOW, YOU AND YOUR FAMILY HAVE STAYED
3 THERE CONSISTENTLY ALL OF YOUR LIFE?

4 A YES, SIR.

5 Q I WON'T ASK HOW MANY YEARS THAT'S BEEN.

6 WHAT DOES YOUR FAMILY CONSIST OF?

7 A PARDON ME?

8 Q WHAT DOES YOUR FAMILY CONSIST OF?

9 A I HAVE TWO CHILDREN.

10 Q I HOPE YOU HAVE A HUSBAND.

11 A WELL, YES.

12 Q ALL RIGHT. AND ARE YOU AND YOUR HUSBAND AND
13 CHILDREN CAMPERS?

14 A WE HAVE BEEN.

15 Q OKAY. I DON'T KNOW THE DIFFERENCE IN YOUR
16 MIND BETWEEN CAMPERS AND R.V.'ERS. IS THERE?

17 A NO, NOT NECESSARILY.

18 Q OKAY. SO DURING WHAT YEARS HAVE YOU AND
19 YOUR FAMILY ENGAGED IN THE FINE SPORT OF R.V.'ING AND
20 CAMPING?

21 A OFF AND ON WE'VE TRAVELED LOCALLY TO SOME OF
22 THE RESORTS. CAMPED A LOT AT DEER RUN. BUT PROBABLY THE
23 LAST 14 YEARS WE'VE DONE THAT. AND NO EXTENSIVE TRAVELING,
24 REALLY, THOUGH, TO OTHER STATES.

25 Q ALL RIGHT. EXCUSE ME JUST ONE MOMENT.

26 (PAUSE IN PROCEEDINGS.)

1 BY MR. MOSHENKO: Q THANK YOU.

2 ALL RIGHT. YOU'VE INDICATED THAT YOU SPENT
3 A LOT OF TIME AT DEER RUN. THAT'S THE SAME DEER RUN THAT
4 HAS BEEN REFERRED TO IN THIS TRIAL?

5 A YES, SIR.

6 Q DURING WHAT TIME PERIODS HAVE YOU VISITED
7 THE DEER RUN RESORT?

8 A SINCE I WAS EMPLOYED THERE IN 1996.

9 Q AND WHAT WAS YOUR EMPLOY- -- POSITION IN
10 1996?

11 A I WAS HIRED AS THE SECRETARY AND PROMOTED TO
12 ASSISTANT MANAGER IN '93.

13 Q AND DID YOU EVENTUALLY AT SOME TIME BECOME
14 MANAGER OF THAT RESORT?

15 A YES, SIR.

16 Q WHEN WAS THAT?

17 A APRIL OF '98.

18 Q ALL RIGHT. SO NOW, I TAKE IT, YOU'RE PRETTY
19 FAMILIAR WITH THE BROWNS OF THE DEER RUN RESORT?

20 A YES, I SURE AM.

21 Q ALL RIGHT. AND HAVE YOU LEARNED AS A RESULT
22 OF DOCUMENTS THAT I'VE SHOWN YOU IN THIS TRIAL THAT IN
23 OCTOBER OF 1997 CAMP COAST TO COAST SENT LETTERS TO THE
24 MEMBERS OF THE DEER RUN RESORTS PURPORTING TO TRANSFER
25 THEIR HOME RESORT MEMBERSHIPS SOMEWHERE?

26 A YES.

1 Q OKAY. AND DID YOU AT MY REQUEST LOOK AT AN
2 EXHIBIT I OFFERED YOU AND COUNT UP --

3 A YES.

4 Q -- THE NUMBER OF DEER RUN MEMBERS THAT WERE
5 TRANSFERRED?

6 MR. RUTENBERG: OBJECTION, YOUR HONOR. NOT
7 RELEVANT.

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

9 THE WITNESS: THERE WAS 62 DEER RUN PARK MEMBERS
10 TRANSFERRED TO GOLDEN POND.

11 BY MR. MOSHENKO: Q AND WHAT OTHER RESORTS -- HOW
12 MANY WERE TRANSFERRED TO GOLDEN POND?

13 MR. RUTENBERG: OBJECTION, YOUR HONOR. THIS ALL
14 LACKS FOUNDATION.

15 MR. MOSHENKO: THE FOUNDATION IS --

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

17 THE WITNESS: THERE WAS A TOTAL OF 96 MEMBERS THAT
18 WAS PART OF OUR SYSTEM TRANSFERRED TO GOLDEN PARK.

19 BY MR. MOSHENKO: Q GOLDEN POND?

20 A GOLDEN POND. AND OUT OF THE 96, THERE WAS
21 262 DEER RUN MEMBERS.

22 Q OKAY. NOW, I WANT TO FOCUS --

23 MR. RUTENBERG: YOUR HONOR, MAY WE APPROACH FOR A
24 MOMENT?

25 THE COURT: YOU MAY.

26 (DISCUSSION HELD OFF THE RECORD.)

1 BY MR. MOSHENKO: Q ALL RIGHT. I WANT TO DO SORT
2 OF A COMPARISON BETWEEN THE DEER RUN PARK AND THE GOLDEN
3 POND R.V. PARK SO THAT WE CAN SPECIFICALLY FOCUS ON --
4 LET'S CALL IT QUALITY OF RESORT ISSUES.

5 A OKAY.

6 Q THERE'S BEEN SOME TESTIMONY OR AT LEAST SOME
7 LETTERS TODAY TALKING ABOUT DEER RUN.

8 DO YOU KNOW WHERE THE -- SINCE SO MANY
9 PEOPLE WERE TRANSFERRED TO GOLDEN POND, DO YOU KNOW WHERE
10 THE GOLDEN POND RESORT IS?

11 A NO, I REALLY DON'T KNOW WHERE IT'S AT.

12 Q WELL, YOU UNDERSTAND -- HAVE YOU EVER SEEN A
13 CAMP COAST TO COAST DIRECTORY?

14 A YES, I'VE SEEN THE DIRECTORY.

15 MR. MOSHENKO: THIS IS THE 24TH EDITION, COUNSEL,
16 THAT I'M GOING TO USE, 24TH EDITION OF COAST TO COAST
17 DIRECTORY, EXHIBIT 1884.

18 Q LET ME SHOW YOU THIS.

19 YOU'VE SEEN THIS DIRECTORY BEFORE, CAMP
20 COAST TO COAST?

21 A I'VE SEEN THE DIRECTORY.

22 Q AND I'VE TURNED IT TO PAGE 60 WHERE IT SAYS,
23 "GOLDEN POND R.V. PARK." THIS PARTICULAR ONE IS 1997. ALL
24 RIGHT? AND SO WE'RE GOING TO WORK WITH THAT DOCUMENT.

25 A OKAY.

26 Q AND WE'RE GOING TO WORK WITH YOUR MEMORY,

1 YOUR MEMORY OF THE CONDITIONS AT DEER RUN.

2 LET'S TALK ABOUT DEER RUN FIRST.

3 WHAT CAN YOU TELL THIS JURY ABOUT THE SIZE
4 OF DEER RUN AND THE ACCOMMODATIONS THERE?

5 A OKAY. WELL, IT'S A 886-ACRE RESORT. IT'S
6 LOCATED IN THE FOOTHILLS OF THE OZARKS, VERY BEAUTIFUL. WE
7 HAVE 700 ACRES OF WOODED AREA, WALKING TRAILS, AND WE HAVE
8 A 10,000-SQUARE-FOOT RECREATION BUILDING AND A TWO-STORY
9 LOG CLUBHOUSE.

10 WE HAVE A 55-ACRE LAKE THAT WAS DEEMED BY
11 ARKANSAS GAME AND FISH TO BE THE BEST BASS SPOTTING LAKE IN
12 THE STATE OF ARKANSAS. WE HAVE A LARGE SWIMMING POOL,
13 MINIATURE GOLF, TWO PLAYGROUND AREAS, 79 CAMPSITES, NINE
14 CABINS, FIVE R.V. RENTALS, EXERCISE ROOM, SHUFFLE BOARD,
15 HORSESHOES. I GUESS THAT'S ABOUT IT.

16 Q THIS IS A TEST.

17 A YEAH. I CAN'T REMEMBER ANYTHING ELSE RIGHT
18 NOW.

19 Q BASKETBALL, VOLLEYBALL FACILITIES?

20 A YES, UH-HUH. ATHLETIC FIELD, CAMPER STORAGE
21 AREA, RANGER STATION.

22 Q DOES DEER RUN PROVIDE BOATS TO PEOPLE THAT
23 COME THERE IF THEY WANT TO USE THEM?

24 A YES. WE HAVE FISHING BOATS, AND WE HAVE
25 SOME PADDLE BOATS.

26 Q OKAY. YOU MENTIONED 79 SITES.

1 NOW, LET'S LOOK TO THE DIRECTORY IN FRONT
2 THERE, AND CAN YOU TELL ME HOW MANY SITES THAT GOLDEN POND
3 PARK HAS THAT THEY -- THAT DEER RUN MEMBERS GOT TRANSFERRED
4 TO?

5 A IT SAYS 16 FULL HOOKUPS AND 12 PARTIAL.

6 Q CAN YOU TELL ME -- YOU SAID YOU HAD 700
7 ACRES OF PROPERTY?

8 A 886, ACTUALLY, TOTAL PROPERTY.

9 Q DOES THIS DIRECTORY TELL YOU HOW LARGE THE
10 GOLDEN POND RESORT IS?

11 A I DON'T SEE IT.

12 Q WHY DON'T WE JUST -- LET'S GO -- DOES IT
13 HAVE A 10-000-SQUARE-FOOT CLUBHOUSE?

14 A NO, SIR.

15 Q DOES IT HAVE A SWIMMING POOL?

16 A IT SAYS IT HAS PLANS FOR ONE.

17 Q PLANS FOR A SWIMMING POOL?

18 A UH-HUH.

19 Q WERE YOU AWARE THAT COAST TO COAST RULES
20 REQUIRE THAT AFFILIATED RESORTS HAVE A SWIMMING POOL?

21 A I ASSUMED THEY DID.

22 Q IS A SWIMMING POOL IMPORTANT IN ARKANSAS?

23 A OH, YEAH.

24 MR. RUTENBERG: OBJECTION, YOUR HONOR. CALLS FOR
25 SPECULATION.

26 THE COURT: OVERRULED.

1 THE WITNESS: YES.

2 BY MR. MOSHENKO: Q WHY IS IT IMPORTANT?

3 A IT GETS HOT IN THE SUMMERTIME. THAT'S VERY
4 IMPORTANT.

5 Q OKAY. AND DOES IT SAY ANYTHING ABOUT HAVING
6 A PLAYGROUND OR SHUFFLE BOARD, THINGS LIKE THAT?

7 A NOPE. HORSESHOES.

8 Q IT HAS HORSESHOES?

9 A UH-HUH.

10 Q ALL RIGHT. LET'S GO ON.

11 WHAT WAS THE CONDITION OF THE AMENITIES AT
12 DEER RUN IN THE YEARS 19 -- WHEN DID YOU SAY YOU STARTED
13 THERE?

14 A I STARTED WORKING THERE IN '86.

15 Q '96?

16 A '86.

17 Q '86. OKAY.

18 WHAT'S THE CONDITION -- I WANT TO GO FORWARD
19 TO 1996.

20 YOU WERE -- YOU VISITED?

21 A YES.

22 Q WERE WORKING THERE IN 1996?

23 A YES.

24 Q OKAY. AND YOU WERE THERE IN 1997 TO BE ABLE
25 TO LOOK AND SEE WHAT IT LOOKED LIKE?

26 A YES.

1 Q OKAY. WHAT WAS THE CONDITION OF THE DEER
2 RUN PARK IN 1996 AND 1997?

3 A IT WAS IN GOOD CONDITION.

4 Q ALL RIGHT. DID IT HAVE BOAT DOCK PROBLEMS?

5 A NOT THAT I CAN RECALL.

6 Q DID IT HAVE ANY PROBLEMS THAT YOU CAN RECALL
7 IN THE QUALITY OF THE FACILITIES?

8 A CAN'T THINK OF ANYTHING.

9 Q OKAY. AND, IN FACT, DO YOU KNOW WHAT THE
10 RATING FOR DEER RUN WAS THAT COAST TO COAST GAVE DEER RUN?

11 A WE WERE A FIVE STAR RESORT.

12 MR. RUTENBERG: OBJECTION, YOUR HONOR. THAT LACKS
13 FOUNDATION.

14 THE COURT: OVERRULED.

15 BY MR. MOSHENKO: Q ALL RIGHT. NOW, WHAT ABOUT
16 HOSTING; WAS DEER RUN A -- WHAT YOU WOULD CALL A GOOD COAST
17 TO COAST HOSTING RESORT?

18 A YES.

19 Q AND WHY DO YOU SAY THAT?

20 A THE COAST TO COAST MEMBERS JUST LOVED IT
21 THERE. THEY JUST -- THIS IS A BEAUTIFUL RESORT. YOU KNOW,
22 THEY WERE JUST REALLY PLEASED WITH EVERYTHING.

23 Q ALL RIGHT. NOW, I WANT TO ASK YOU IF YOU
24 CAN GIVE US A COMPARISON ABOUT THE ATTENDANCE AND USE OF
25 THE DEER RUN RESORT IN 1998 VERSUS 1997. YOU WERE THERE
26 BOTH TIMES, SO YOU COULD DO THAT COMPARISON.

1 WHAT DID YOU SEE WITH RESPECT TO THE NUMBER
2 OF PEOPLE THAT CAME TO THE RESORT?

3 A OKAY.

4 Q '97.

5 A OKAY.

6 Q HOW BUSY?

7 A WE WERE BUSY IN '97. NORMAL ATTENDANCE
8 BASED ON THE PREVIOUS YEARS.

9 WHEN I WAS PROMOTED TO MANAGER IN '98,
10 STARTED DOING THE SPRING CLEANUP AND EVERYTHING AND
11 SCHEDULED THE ANNUAL MEMORIAL DAY BARBECUE. I STARTED
12 CALLING SOME OF THE MEMBERS TO SEE -- YOU KNOW, TO TELL
13 THEM ABOUT IT, WHAT WE HAD GOING ON AND EVERYTHING. AND
14 THEY -- I STARTED GETTING THIS RESPONSE THAT "WE THOUGHT
15 DEER RUN WAS CLOSED. COAST TO COAST SENT US A LETTER
16 SAYING YOU WERE CLOSED."

17 Q WAS DEER RUN EVER CLOSED?

18 A NO.

19 MR. RUTENBERG: OBJECTION, YOUR HONOR. SHE IS
20 MISSTATING THE DOCUMENT. AS YOU SAID, WE'VE ALL MEMORIZED
21 THE LETTER, AND NOWHERE DOES IT SAY DEER RUN WAS CLOSING.

22 THE WITNESS: I WAS SAYING WHAT THE MEMBERS WERE
23 TELLING --

24 THE COURT: THE OBJECTION IS OVERRULED.

25 BY MR. MOSHENKO: Q ALL RIGHT. SO WAS DEER RUN
26 EVER CLOSED?

1 A NO, SIR.

2 Q YOU WITNESSED WHAT APPEARED TO BE MEMBER
3 CONFUSION AS TO WHETHER DEER RUN WAS OPEN OR CLOSED?

4 A YES. THEY THOUGHT IT WAS CLOSED. SOME OF
5 THE MEMBERS I TALKED TO THOUGHT IT WAS CLOSED BECAUSE OF
6 THE LETTER. THAT'S WHAT THEY TOLD ME.

7 MR. RUTENBERG: OBJECTION, YOUR HONOR. WHAT SHE
8 HEARD FROM THE MEMBERS IS HEARSAY.

9 THE COURT: SUSTAINED.

10 MR. MOSHENKO: YOUR HONOR, I HAVE NO FURTHER
11 QUESTIONS.

12 THE COURT: THANK YOU.

13 CROSS.

14 CROSS-EXAMINATION

15 BY MR. RUTENBERG: Q GOOD AFTERNOON, MISS JAMES.

16 A HI.

17 Q WHEN DID YOU FIND OUT YOU WERE GOING TO BE A
18 WITNESS IN THIS CASE?

19 A ABOUT THREE WEEKS AGO, I GUESS.

20 Q AND MR. NOVELLI CALLED YOU AND TOLD YOU
21 THERE WAS LITIGATION?

22 A NO, HE DIDN'T CALL ME.

23 Q WHO CALLED YOU AND TOLD YOU YOU WERE GOING
24 TO BE A WITNESS IN THIS CASE?

25 A MY SUPERVISOR.

26 Q AND MR. NOVELLI PRESUMABLY CALLED YOUR

1 SUPERVISOR AND SAID, "MISS JAMES NEEDS TO COME TO
2 CALIFORNIA"?

3 MR. MOSHENKO: OBJECTION. CALLS FOR SPECULATION.

4 THE WITNESS: I DON'T KNOW.

5 THE COURT: THE ANSWER IS IN, "I DON'T KNOW."

6 MR. MOSHENKO: THAT'S ALL RIGHT.

7 BY MR. RUTENBERG: Q YOU MENTIONED YOU'VE DONE
8 SOME TRAVELING AS A CAMPER?

9 A A LITTLE.

10 Q WERE YOU EVER A COAST MEMBER?

11 A NO.

12 Q IN THE 13 YEARS OR SO YOU'VE BEEN WORKING AT
13 DEER RUN, HAVE YOU HAD THE OPPORTUNITY TO ENROLL MEMBERS IN
14 THE COAST TO COAST SYSTEM?

15 A YES.

16 Q SO YOU'RE FAMILIAR WITH THE APPLICATION THAT
17 A COAST MEMBER SUBMITS TO COAST TO COAST TO BECOME A MEMBER
18 OF COAST?

19 A FAIRLY FAMILIAR.

20 MR. RUTENBERG: CAN WE SHOW EXHIBIT 72, PLEASE.
21 IT'S ALREADY BEEN ADMITTED INTO EVIDENCE.

22 MR. MOSHENKO: WHAT IS IT, COUNSEL? IS IT THE
23 APPLICATION?

24 MR. RUTENBERG: YEAH.

25 Q THIS IS THE FRONT OF THE APPLICATION. DOES
26 THAT LOOK FAMILIAR?

1 A YES.

2 Q COULD WE SHOW THE BACK SIDE.

3 YOU HAD THE OPPORTUNITY TO REVIEW THE TERMS
4 AND CONDITIONS OF THE COAST MEMBERS' MEMBERSHIP WHEN YOU
5 WERE HANDING OUT THE APPLICATION?

6 A I HAVE TO ADMIT THAT I PROBABLY DIDN'T READ
7 THE SMALL PRINT ON THE BACK OF THE APPLICATION.

8 Q CAN YOU SHOW THE HIGHLIGHTED PARAGRAPH,
9 NUMBER 1.

10 SO YOU HAVEN'T READ BEFORE TODAY THAT IF
11 YOUR HOME RESORT CEASES TO BE A COAST TO COAST AFFILIATED
12 RESORT FOR ANY REASON, YOUR COAST TO COAST MEMBERSHIP WILL
13 REMAIN IN EFFECT FOR THE REMAINDER OF THAT CALENDAR YEAR?

14 A YES. I THINK I READ THAT, YES.

15 Q OKAY. AND IF WE CAN LOOK AT NUMBERED
16 PARAGRAPH 4, PLEASE.

17 DO YOU SEE THAT A MEMBER IN COAST TO COAST
18 IS KNOWN -- IS TOLD THAT THEIR RESORT AFFILIATION -- THEIR
19 OWN RESORT'S AFFILIATION WITH COAST TO COAST IS CONDITIONAL
20 UPON THE RESORT'S ADHERENCE TO COAST TO COAST'S REGULATIONS
21 PERTAINING TO STANDARDS, APPEARANCE, MANAGEMENT AND
22 OPERATION?

23 A OKAY.

24 Q BUT YOU HANDED OUT THIS APPLICATION TO
25 MEMBERS --

26 A YES.

1 Q -- THAT BECAME COAST MEMBERS?

2 I'D LIKE TO TALK TO YOU FOR A MOMENT ABOUT
3 THE 79 SITES THAT YOU DISCUSSED, YOU MENTIONED WERE AT DEER
4 RUN PARK.

5 AS WE'VE HEARD EARLIER IN TESTIMONY, DEER
6 RUN DOESN'T HAVE ANY FULL SITES; THAT'S CORRECT?

7 A THAT'S CORRECT.

8 Q A FULL SITE WOULD MEAN WHAT?

9 A WATER, ELECTRIC, SEWER.

10 Q OKAY. DEER RUN HAS 79 PARTIAL SITES; IS
11 THAT CORRECT?

12 A WE HAVE WATER AND ELECTRICITY AND A DUMP
13 STATION.

14 Q OKAY. SO THERE'S OUTHOUSES ESSENTIALLY?

15 A NO. NO. WE HAVE THREE SHOWER HOUSES.
16 THEY'RE HEATED AND AIR-CONDITIONED, VERY NICE FACILITIES.
17 BUT WE ALSO HAVE A DUMP STATION. WHEN THE CAMPER IS
18 LEAVING THE PARK, THEY PULL UP TO IT AND DUMP THEIR SEWER.

19 Q I SEE.

20 MR. MOSHENKO: DELL IT?

21 THE WITNESS: D-U-M-P.

22 MR. MOSHENKO: OH, DUMP.

23 I APOLOGIZE. I DO NEED A HEARING AID. I
24 DON'T SPEAK ARKANSAS.

25 BY MR. RUTENBERG: Q WITH RESPECT WHEN PROSPECTIVE
26 MEMBERS COME TO DEER RUN, THEY HAVE THE OPPORTUNITY TO JOIN

1 DEER RUN AS A PARK; CORRECT? GET A RESORT MEMBERSHIP?

2 A YES.

3 Q AND THEY HAVE THE OPPORTUNITY AT THE SAME
4 TIME TO GET A COAST MEMBERSHIP -- LET ME REPHRASE THAT.

5 UP UNTIL OCTOBER OR AUGUST OF 1997, AT THE
6 SAME TIME WHEN DEER RUN WAS A COAST AFFILIATED PARK, THEY
7 COULD GET A COAST MEMBERSHIP; THAT'S CORRECT?

8 A YES.

9 Q SO PEOPLE COULD JOIN BOTH DEER RUN AND COAST
10 AT THE SAME TIME?

11 A YES.

12 Q OR JUST JOIN DEER RUN AND NOT COAST TO COAST?

13 A CORRECT.

14 Q DO YOU KNOW AS OF AUGUST OF 1997 HOW MANY
15 MEMBERS WERE IN DEER RUN PARK?

16 A NO, SIR, I DO NOT KNOW.

17 Q WERE YOU AWARE THAT IN THIS LITIGATION CAMP
18 COAST TO COAST HAS PRODUCED TO PLAINTIFFS A LIST OF 900
19 COAST MEMBERS THAT USED DEER RUN PARK AS THEIR HOME RESORT
20 OF RECORD?

21 A NO, I DON'T.

22 Q DOES IT SOUND LIKE AT LEAST 900 MEMBERS --

23 A I KNOW WE HAD MORE THAN 900 MEMBERS.

24 Q YOU HAVE OVER A THOUSAND MEMBERS?

25 A I CAN'T ANSWER THAT. I DON'T HAVE THE
26 INFORMATION. BUT I WAS TOLD THAT WE HAD -- AT ONE TIME WE

1 HAD LIKE 2500, I BELIEVE.

2 Q ON 79 PARTIAL SITES?

3 A THAT WAS THE LOCAL MEMBERSHIP. THAT DIDN'T
4 COVER THE MEMBERS THAT WERE MEMBERS OF DEER RUN THAT WERE
5 LOCATED IN OTHER STATES.

6 Q 2500 SITES -- EXCUSE ME.

7 2500 MEMBERS ON 79 PARTIAL SITES?

8 A WE'VE NEVER BEEN FULL.

9 Q OKAY. YOU ARE FAMILIAR WITH AN INDUSTRY
10 STANDARD OF -- CALLED THE 10-TO-1 RULE?

11 A I'VE HEARD THAT BEFORE.

12 Q AND THAT MEANS FOR EVERY 10 MEMBERSHIPS YOU
13 SELL, THERE SHOULD BE ONE SITE?

14 A I'VE HEARD THAT.

15 Q SO -- BUT YOU DIDN'T HAVE 250 SITES?

16 A IT WASN'T A PROBLEM. WE'VE NEVER BEEN
17 FULL. NO ONE HAS EVER BEEN TURNED AWAY. EVERYONE HAS
18 ALWAYS HAD A CAMPSITE.

19 Q BUT YOU NEVER SAID TO ANYONE AT THE TIME OF
20 THE FIRST NATIONWIDE LIKE GEE, WE'VE SOLD MORE MEMBERSHIPS
21 THAN WE HAVE SITES, AS FAR AS THE 10-TO-1 RULE IS
22 CONCERNED?

23 A IT WASN'T NECESSARY. EVERYONE HAD A SITE.

24 Q MR. NOVELLI NEVER CALLED AND SAID, BOY, IT
25 LOOKS LIKE YOU FOLKS IN ARKANSAS ARE SELLING A LOT OF
26 MEMBERSHIPS; IT'S TIME FOR US TO BUILD SOME MORE SITES SO

1 WE CAN COMPLY WITH THE 10-TO-1 INDUSTRY STANDARD?

2 A IF THERE WAS A NEED FOR MORE SITES, HE WOULD
3 HAVE BUILT THEM.

4 Q BUT THERE WAS NEVER ANY CONCERN ABOUT THIS
5 10-TO-1 RATIO?

6 A THERE WAS NO CONCERN BECAUSE IT WAS NOT
7 NECESSARY. WE HAD PLENTY OF SITES.

8 Q ARE YOU AWARE THAT AFTER AMERICAN HOLIDAYS
9 WAS CLOSED, A NUMBER OF THEIR MEMBERS WERE TRANSFERRED TO
10 DEER RUN?

11 A I DON'T KNOW.

12 Q ARE YOU AWARE THAT AFTER BRECKENRIDGE IN
13 TENNESSEE WAS CLOSED, THEIR MEMBERS WERE ALSO TRANSFERRED
14 TO DEER RUN PARK?

15 A I WAS NOT AWARE.

16 Q ARE YOU AWARE THAT AFTER HERMITAGE LANDING
17 CLOSED OVER 400 MORE MEMBERS WERE TRANSFERRED TO DEER RUN
18 PARK?

19 A NO.

20 Q ARE YOU AWARE THAT AFTER LAKE CARLYLE WAS
21 CLOSED, ABOUT 800 MEMBERS WERE TRANSFERRED TO DEER RUN
22 PARK?

23 A NO.

24 Q AND THEN AFTER RED RIVER RANCH WAS CLOSED,
25 ANOTHER 300 MEMBERS WERE TRANSFERRED TO DEER RUN PARK?

26 A NO.

1 Q SO YOU HAD ABOUT 5,000 MEMBERS?

2 A I DON'T KNOW. I CAN'T ANSWER THAT QUESTION.

3 Q DO YOU KNOW HOW MANY MEMBERS ARE IN DEER RUN
4 PARK NOW?

5 A NO.

6 Q YOU DON'T KNOW HOW MANY THERE WERE IN '97?

7 A NO.

8 Q YOU DON'T KNOW HOW MANY THERE ARE TODAY?

9 A NO.

10 Q ARE YOU AWARE IN GENERAL THAT IN THE FIRST
11 NATIONWIDE AND THE ALL SEASONS RESORTS AND THE THOUSAND
12 ADVENTURES SYSTEM THERE HAS BEEN SOME CONSOLIDATION;
13 RESORTS HAVE BEEN CLOSED AND MEMBERS HAVE BEEN TRANSFERRED
14 TO OTHER RESORTS?

15 A I'VE LEARNED A LOT ABOUT THAT HERE IN THIS
16 COURTROOM.

17 Q YOU WERE HERE BEFORE TODAY; ISN'T THAT
18 CORRECT?

19 A YES.

20 Q YOU'D COME ABOUT TWO WEEKS AGO, AND YOU SAT
21 IN --

22 A YES.

23 Q -- FOR SOMETIME BECAUSE YOU WERE CALLED AND
24 TOLD, "COME DOWN TO THE COURTHOUSE AND SEE WHAT'S GOING
25 ON"?

26 A NO. I WAS CALLED TO COME DOWN AND TESTIFY,

1 AND I NEVER MADE IT TO THE STAND.

2 Q BUT YOU'RE HERE TODAY?

3 A YES.

4 Q WE'LL GET YOU BACK TO ARKANSAS SOON.

5 A THANK YOU.

6 Q SO YOU WERE AWARE THAT WHEN THESE PARKS THAT

7 HAVE BEEN CLOSED AND THE MEMBERS TRANSFERRED TO DEER RUN

8 AND OTHER PARKS, THOSE PARKS WERE AT ONE TIME OWNED BY

9 MR. NOVELLI?

10 A SAY THAT AGAIN, PLEASE.

11 Q TAKE AMERICAN HOLIDAYS, FOR INSTANCE.

12 AMERICAN HOLIDAYS YOU'RE AWARE WAS ONCE OWNED BY

13 MR. NOVELLI?

14 A I REALLY DON'T GET INTO THAT PART OF THE

15 BUSINESS. I JUST TAKE CARE OF DEER RUN PARK, YOU KNOW,

16 MAINTAIN IT. I DON'T KNOW WHAT HE OWNS AND WHAT HE DON'T

17 OWN, YOU KNOW. I DON'T KNOW.

18 Q YOU'RE AWARE OF IN GENERAL THE FIRST

19 NATIONWIDE SYSTEM OF RESORTS THAT DEER RUN PARK WAS A PART

20 OF?

21 A YES.

22 Q AND YOU WERE AWARE THAT SOME OF THESE

23 RESORTS -- ALL OF THESE RESORTS RATHER WERE OWNED BY

24 MR. NOVELLI?

25 A I ASSUMED THAT HE OWNED THEM.

26 Q AND SOME OF THESE RESORTS HAVE CLOSED, AND

1 SOME OF THE MEMBERS HAVE BEEN TRANSFERRED TO DEER RUN?

2 A I THINK SO.

3 Q OKAY. BUT THE MEMBERS OF AMERICAN HOLIDAYS
4 THAT WERE TRANSFERRED TO DEER RUN HAD BOUGHT AMERICAN
5 HOLIDAYS MEMBERSHIPS; ISN'T THAT CORRECT?

6 A I DON'T KNOW.

7 Q WELL, THEY HADN'T BOUGHT DEER RUN
8 MEMBERSHIPS BECAUSE THEY WERE MEMBERS OF AMERICAN HOLIDAYS;
9 RIGHT?

10 A I DON'T KNOW HOW -- I DON'T KNOW.

11 Q I'D LIKE TO TALK FOR A MINUTE ABOUT THE
12 BANKRUPTCY OF FIRST NATIONWIDE.

13 YOU'RE AWARE THAT IN MAY OF 1996, FIRST
14 NATIONWIDE -- OF WHICH DEER RUN IS A PART -- FILED A
15 BANKRUPTCY, AND AT THE TIME, THEN, YOU CONSIDERED DEER RUN
16 PARK TO BE IN BANKRUPTCY?

17 A REORGANIZATION.

18 Q OKAY. AND OVER THE YEARS THERE'S BEEN A LOT
19 OF DEBT ACCUMULATED ON THE DEER RUN PROPERTY; ISN'T THAT
20 CORRECT?

21 A I DON'T KNOW OF ANY UNPAID DEBT.

22 MR. RUTENBERG: CAN I GET EXHIBIT 376, PAGE 1,
23 PLEASE. AND, RENE, ACTUALLY THERE'S A FOLDER THERE SITTING
24 UNUSED, UNATTENDED. 376, IS THAT WHAT'S ALREADY BEEN
25 ADMITTED?

26 Q. WE HAVE A PAGE FOR YOU. PAGE 10, PLEASE.

1 CAN YOU HIGHLIGHT THE DEER RUN PARK SECTION,
2 PLEASE.

3 IT SAYS HERE THAT DEER RUN PARK -- THIS WAS
4 PREPARED BY MR. JOSEPH, THE BANKRUPTCY TRUSTEE FOR FIRST
5 NATIONWIDE BANKRUPTCY.

6 IT SAYS HERE THAT THE ESTATE, CONTINUING,
7 OWNS DEER RUN PARK. AND I BELIEVE THAT TODAY TRAVEL
8 AMERICA OWNS DEER RUN PARK; IS THAT CORRECT?

9 A YES.

10 Q AND IT WAS VALUED BY MR. JOSEPH AT \$200,000?

11 A YES.

12 Q AND THE PARK IS SUBJECT TO REAL PROPERTY
13 TAXES OF APPROXIMATELY \$12,500 AND DEEDS OF TRUST WITH A
14 CURRENT BALANCE IN THE AMOUNT OF APPROXIMATELY \$402,000?

15 A YES, I SEE THAT.

16 Q SO THE DEBT ON THE PROPERTY WAS MORE THAN
17 DOUBLE THE VALUE DETERMINED BY MR. JOSEPH; THAT'S CORRECT?

18 A THAT WAS DETERMINED BY MR. JOSEPH, YES.

19 Q AND, IN FACT, AS YOU SEE AT THE BOTTOM,
20 AFTER ALLOCATING GENERAL AND ADMINISTRATIVE EXPENSES, THE
21 PARK OPERATES AT A LOSS OF \$52,000 A YEAR ANNUALLY?

22 A THAT'S WHAT IT SAYS.

23 Q YOU'RE AWARE THAT THE PARK OPERATES AT A
24 LOSS OF \$52,000 ANNUALLY?

25 A NO.

26 Q SO YOU DON'T HAVE MUCH INVOLVEMENT

1 GENERALLY --

2 A NO.

3 Q -- THE RUNNING OF THE BUSINESS? OKAY.

4 NOW, YOU'RE AWARE THAT SOME -- ON AUGUST 27,

5 1997, MR. NOVELLI SENT A LETTER TO COAST TO COAST

6 WITHDRAWING DEER RUN FROM THE COAST TO COAST SYSTEM?

7 A I WASN'T AWARE OF THAT UNTIL --

8 MR. RUTENBERG: CAN WE SEE 39, PLEASE.

9 THIS IS A VERY FAMILIAR EXHIBIT AT THIS

10 POINT. BUT IF YOU WILL LOOK AT THE FIRST PARK ON THE LIST,

11 DEER RUN PARK?

12 A UH-HUH.

13 Q AND YOU WERE INSTRUCTED ABOUT THAT TIME TO

14 STOP TAKING COAST TO COAST CARDS FROM MEMBERS WHEN THEY

15 CAME TO PULL UP BECAUSE DEER RUN PARK WAS NO LONGER A COAST

16 TO COAST RESORT?

17 A I WAS NEVER INSTRUCTED NOT TO TAKE A COAST

18 TO COAST MEMBER.

19 Q BUT YOU WERE INSTRUCTED NOT TO TAKE THEIR

20 CARDS; THAT'S HOW THEY PAY FOR NIGHTS; CORRECT?

21 A YES. YES. I WAS INSTRUCTED NOT TO TAKE THE

22 CARDS. NO. I BELIEVE THAT WAS -- NO. I WAS NEVER

23 INSTRUCTED NOT TO TAKE THE CARDS. NEVER. IT WAS LATER ON

24 IN THE YEAR WHEN WE -- I WAS -- RECEIVED A MEMO STATING

25 THAT COAST TO COAST COULD STAY AT OUR PARK FOR \$9.

26 Q OKAY. BUT YOU KNOW THAT IT COSTS A COAST TO

1 COAST MEMBER NORMALLY \$6 A NIGHT TO STAY AT A
2 COAST-AFFILIATED PARK?

3 A YES.

4 Q YOU'RE JUST GOING TO CHARGE THEM EXTRA, BUT
5 THEY COULD STAY IF THEY HAD ROOM?

6 A YES.

7 Q AND YOU HAD A LOT OF PEOPLE SHOWING UP AT
8 DEER RUN PARK, SHOWING UP AT -- COAST MEMBERS WONDERING,
9 ALL OF A SUDDEN, WHAT HAPPENED TO THEIR COAST-AFFILIATED
10 PARK RIGHTS TO COME AND VISIT FOR \$6 A NIGHT?

11 A NEVER HAD A COMPLAINT FROM A COAST TO COAST
12 MEMBER ABOUT IT. THEY -- MOST OF THE COAST TO COAST
13 MEMBERS COMPLAINED ABOUT THE COAST TO COAST SYSTEM BECAUSE
14 THEY NEVER COULD GET A SITE. AND LIKE THE LARGER AREAS,
15 FLORIDA, BECAUSE THEY DIDN'T TAKE RESERVATIONS.

16 Q DEER RUN PARK DIDN'T TAKE RESERVATIONS, DID
17 IT?

18 A WE HAVE NEVER BEEN FULL. IT'S NOT NECESSARY.

19 Q ARE YOU AWARE THAT DEER RUN PARK MEMBERS WHO
20 HAD FROZEN DUES -- ARE YOU AWARE OF THE TERM "FROZEN DUES"?

21 A YES.

22 Q AND THAT MEANS THAT THE DUES ARE SET AT A
23 CERTAIN PRICE PER YEAR, AND THEY WILL NEVER BE RAISED
24 THROUGHOUT THE LIFETIME OF THE MEMBER?

25 A YES. WHEN THEY REACH A CERTAIN AGE.

26 Q BUT YOU'RE AWARE THAT SOME OF THESE MEMBERS

1 THAT HAD THEIR DUES FROZEN HAD IN FACT THEIR DUES RAISED AT
2 A LATER TIME?

3 A NO, SIR.

4 Q ARE YOU AWARE THAT DEER RUN PARK WAS CLOSED
5 IN SEPTEMBER OF 1996?

6 A IT'S NEVER BEEN CLOSED.

7 Q YOU TALKED TO A LOT OF MEMBERS ABOUT THE
8 WITHDRAWAL OF DEER RUN PARK FROM THE COAST TO COAST SYSTEM?

9 A YES. THEY WERE VERY HAPPY WITH -- AFTER IT
10 WAS EXPLAINED. THEY WERE CONFUSED WHEN THEY RECEIVED THE
11 LETTER FROM COAST TO COAST BECAUSE THEY THOUGHT DEER RUN
12 WAS CLOSED, BUT IT WAS -- AT THAT TIME I CALLED THE
13 CORPORATE OFFICE AND ASKED THEM WHAT WAS GOING ON. AND
14 THEY SAID TO EXPLAIN TO THE MEMBERS THAT WE FOUND A BETTER
15 SYSTEM, R.P.I., WHERE THE RATES ARE CHEAPER. PLUS THEY
16 TAKE RESERVATIONS. AND MOST OF THE RESORTS ARE THE SAME.

17 AND AFTER I EXPLAINED THAT TO THEM, THEY
18 WERE VERY HAPPY.

19 Q NOT ALL OF THE MEMBERS WERE HAPPY; ISN'T
20 THAT TRUE?

21 A ALL OF THE MEMBERS THAT I REMEMBER SPEAKING
22 WITH ABOUT THE SITUATION WERE HAPPY AFTER IT WAS EXPLAINED.

23 Q YOU DIDN'T SPEAK TO ANY MEMBERS THAT WERE
24 UNHAPPY THAT THEIR COAST RIGHTS HAD BEEN PULLED OUT -- HAD
25 BEEN TAKEN AWAY FROM THEM UNILATERALLY --

26 A NO.

1 Q -- BY DEER RUN PARK WITHDRAWAL?

2 A NOT THAT I RECALL. I DON'T THINK I DID.

3 Q I'D LIKE TO SHOW YOU A LETTER, EXHIBIT
4 6920.

5 IS THIS A LETTER -- YOU SEE THE ADDRESS ON
6 THE LETTER, DEER RUN PARK, RR1, EVENING SHADE, ARKANSAS?

7 A UH-HUH.

8 Q IS THIS A LETTER THAT WAS SENT TO DEER RUN
9 PARK BY A MEMBER?

10 A OKAY.

11 Q DO YOU SEE LETTERS LIKE THIS?

12 A I DON'T REMEMBER SEEING THIS LETTER UNTIL
13 TODAY.

14 Q BUT, GENERALLY, YOU SEE COMMUNICATIONS SENT
15 BY MEMBERS TO DEER RUN PARK?

16 A YES.

17 Q 1997 YOU WERE THE ASSISTANT MANAGER?

18 A YES. PROBABLY RESPOND TO THIS LETTER. I'M
19 PRETTY SURE THAT I DID, EXPLAINING THE SITUATION.

20 Q JUST FOR A MINUTE NOW THAT YOU'VE IDENTIFIED
21 THE LETTER, I'D LIKE TO MOVE 6920 INTO EVIDENCE, PLEASE.

22 MR. MOSHENKO: NO OBJECTION.

23 THE COURT: IT WILL BE SO RECEIVED.

24 (WHEREUPON, EXHIBIT NO. 6920, MEMBER LETTER
25 TO DEER RUN PARK, WAS RECEIVED IN EVIDENCE.)

26 BY MR. RUTENBERG: Q THIS LETTER SAYS, "TODAY --

1 DATED OCTOBER 24, 1997.

2 "TODAY I WAS NOTIFIED BY COAST TO COAST YOU
3 WERE PULLED OUT OF MEMBERSHIP IN COAST TO COAST, AND THAT I
4 MUST MOVE MY MEMBERSHIP TO ANOTHER MEMBER PARK IN ORDER TO
5 KEEP CURRENT. SINCE I ONLY JOINED YOUR PARK TO PARTICIPATE
6 IN THE COAST TO COAST PROGRAM, MEMBERSHIP IN YOUR PARK IS
7 OF NO USE TO ME. I NOTE THAT JUST LAST MONTH I PAID YOUR
8 ANNUAL DUES, \$217, BECAUSE NO ONE NOTIFIED, PRESUMABLY ME,
9 THAT YOU WOULD NO LONGER BE A COAST TO COAST MEMBER PARK."

10 SO THIS MEMBER WAS NOT HAPPY THAT YOU PULLED
11 OUT OF COAST TO COAST; CORRECT?

12 A THEY DON'T -- NOT HAPPY. AND I WOULD HAVE
13 RESPONDED TO THEM THAT, YOU KNOW, WHEN THEY BECOME MEMBERS,
14 THE MANAGEMENT HAS THE RIGHT TO IMPROVE THE WHOLE
15 MEMBERSHIP BODY AND BY MAKING THE DECISION TO GO WITH A
16 BETTER RECIPROCAL PROGRAM, THAT WAS IMPROVING THE
17 MEMBERSHIP BODY. IT WAS GIVING THEM BETTER BENEFITS. AND
18 I WOULD HAVE RESPONDED TO THAT BY EXPLAINING THE R.P.I.
19 SYSTEM. CHEAPER RATES.

20 Q BUT THIS MEMBER ONLY JOINED FOR COAST TO
21 COAST?

22 A WELL, THE R.P.I. SYSTEM HAS THE SAME, MOST
23 OF THE SAME PARKS AS COAST TO COAST. IT'S JUST A BETTER
24 SYSTEM.

25 Q PRIOR TO 1997 WAS DEER RUN PARK ENROLLED AT
26 R.P.I.?

1 A NOT THAT I RECALL.

2 Q WAS THIS -- STRIKE THAT.

3 I'D LIKE TO SHOW YOU ANOTHER LETTER, 6919.

4 THIS IS A LETTER THAT WAS ADDRESSED TO

5 TRAVEL AMERICA, BUT IT'S ABOUT DEER RUN PARK.

6 HAVE YOU SEEN THIS LETTER BEFORE?

7 A TODAY I SAW IT EARLIER.

8 MR. RUTENBERG: YOUR HONOR, I'D LIKE TO MOVE 6919

9 INTO EVIDENCE.

10 MR. MOSHENKO: NO OBJECTION.

11 THE COURT: IT WILL BE SO RECEIVED. 6919.

12 (WHEREUPON, EXHIBIT NO. 6919, LETTER

13 ADDRESSED TO TRAVEL AMERICA RE DEER PARK, WAS RECEIVED IN

14 EVIDENCE.)

15 BY MR. RUTENBERG: Q THE LETTER -- I DON'T SEE A

16 DATE, BUT ADDRESSED TO TRAVEL AMERICA. DEAR, SIR, I WISH

17 TO CANCEL MY MEMBERSHIP WITH DEER RUN AS OF 10-31-98. MY

18 REASON FOR THIS CANCELLATION IS DEER RUN PARK'S

19 DISASSOCIATION WITH COAST TO COAST.

20 SO THIS IS ANOTHER MEMBER THAT WANTED TO

21 CANCEL THEIR MEMBERSHIP BECAUSE YOU NO LONGER OFFERED COAST

22 TO COAST?

23 A AFTER THEY RECEIVED THE LETTER FROM COAST TO

24 COAST STATING THAT THEY WERE TRANSFERRED.

25 Q AND DESPITE YOUR ATTEMPTS TO CONVINCING THEM

26 THAT R.P.I. WAS A BETTER SYSTEM?

1 MR. MOSHENKO: ASSUMES A FACT NOT IN EVIDENCE.

2 THE COURT: SUSTAINED.

3 BY MR. RUTENBERG: Q NOW, YOU RECEIVED MORE
4 LETTERS, DIDN'T YOU, AND, IN FACT, YOU RECEIVED SOME
5 LETTERS FROM THE ATTORNEY GENERAL, STATE OF ARKANSAS?

6 A COULD HAVE. I DON'T RECALL.

7 MR. RUTENBERG: 967.

8 THE COURT: WHAT'S THE NUMBER OF THAT?

9 MR. RUTENBERG: 967.

10 Q THIS CAME FROM THE STATE OF ARKANSAS, OFFICE
11 OF THE ATTORNEY GENERAL, DATED DECEMBER, 1997, AND IT'S
12 ADDRESSED TO DEER RUN PARK.

13 NOW, HAVE YOU HAD COMPLAINTS FROM MEMBERS
14 WHO COMPLAINED TO THE ATTORNEY GENERAL OF ARKANSAS ABOUT
15 DEER RUN'S PULLING OUT OF THE COAST TO COAST SYSTEM?

16 A SIR, THE ONLY REASON THIS LETTER WAS SENT TO
17 THE ATTORNEY GENERAL IS BECAUSE COAST TO COAST NOTIFIED
18 THIS MEMBER THAT WE CHOSE TO DROP OUT OF THE COAST TO COAST
19 PROGRAM --

20 Q CAN I GET --

21 A -- AND YOUR FAILURE TO NOTIFY ME OF THIS.

22 MR. RUTENBERG: YOUR HONOR, FIRST OF ALL, I MOVE
23 967 INTO EVIDENCE, PLEASE.

24 MR. MOSHENKO: IT'S THREE PAGES. I NEED ANOTHER
25 MINUTE, YOUR HONOR.

26 THE WITNESS: AND A LETTER LIKE THIS WOULD HAVE --

1 IF I WOULD HAVE RECEIVED A LETTER LIKE THIS, I WOULD HAVE
2 FORWARDED IT ON TO THE CORPORATE OFFICE.

3 BY MR. RUTENBERG: Q DO YOU HAVE ANY IDEA WHETHER
4 OR NOT --

5 MR. MOSHENKO: OKAY. IT MAY GO IN. I HAVE NO
6 OBJECTION. THANK YOU FOR GIVING ME THE TIME TO LOOK AT IT.

7 THE COURT: RECEIVED.

8 (WHEREUPON EXHIBIT NO. 967, LETTER FROM THE
9 STATE OF ARKANSAS STATE ATTORNEY GENERAL, WAS RECEIVED IN
10 EVIDENCE.)

11 BY MR. RUTENBERG: Q DO YOU HAVE ANY WAY OF
12 KNOWING WHETHER THE CORPORATE OFFICE RESPONDS TO THESE
13 LETTERS?

14 A I'M SURE THEY DO.

15 Q BUT YOU HAVE NO PERSONAL KNOWLEDGE?

16 A NO.

17 Q THIS IS A LETTER, STATE OF ARKANSAS, OFFICE
18 OF THE ATTORNEY GENERAL, ADDRESSED TO DEER RUN PARK AT THE
19 IRVINE, CALIFORNIA ADDRESS. AND GO DOWN TO PARAGRAPH 3,
20 JUST THE FIRST SENTENCE.

21 WE RESPECTFULLY REQUEST A WRITTEN RESPONSE
22 FROM YOU REGARDING THE COMPLAINANT'S ALLEGATIONS WITHIN 10
23 BUSINESS DAYS OF YOUR RECEIPT OF THIS LETTER.

24 YOU DON'T KNOW WHETHER OR NOT THAT LETTER
25 WAS SENT WITHIN 10 DAYS?

26 A I'M SURE THAT IT WAS.

1 Q BUT YOU DON'T KNOW?

2 A YOU ALWAYS RESPOND TO THE ATTORNEY GENERAL.

3 Q COULD I GET PAGE 2, PLEASE, THE LETTER THAT
4 WAS SENT TO THE ATTORNEY GENERAL.

5 I'M ENCLOSING A COMPLAINT THAT I HAVE SENT
6 TO DEER RUN RESORT CAMPGROUND WHICH IS LOCATED ROUTE 1,
7 EVENING SHADE, ARKANSAS. THEY HAVE WITHDRAWN FROM THE CAMP
8 COAST TO COAST RECIPROCAL PROGRAM WHICH ALLOWS ME TO STAY
9 AT OTHER CAMPGROUNDS WHEN I TRAVEL. I BELIEVE THIS HAS
10 VIOLATED MY CONTRACT WITH THEM.

11 COULD I SEE THE NEXT PAGE, MICHAEL.

12 THIS IS THE COMPLAINT THAT WAS SENT TO DEER
13 RUN PARK.

14 TO NOTIFY YOU OF MY DISAPPOINTMENT -- DATED
15 12-1-97 -- NOTIFY OF YOU MY DISAPPOINTMENT THAT YOU HAVE
16 CHOSEN TO DROP OUT OF CAMP COAST TO COAST PROGRAM AND YOUR
17 FAILURE TO NOTIFY ME OF THIS. I HAD TO BE TOLD BY CAMP
18 COAST TO COAST.

19 SO THIS PERSON WASN'T UPSET THAT CAMP COAST
20 TO COAST SENT THEM A LETTER. THEY WERE UPSET THAT YOU
21 DIDN'T SEND THEM THE LETTER?

22 MR. MOSHENKO: CALLS FOR SPECULATION. ASSUMES
23 FACTS NOT IN EVIDENCE.

24 THE COURT: SUSTAINED.

25 BY MR. RUTENBERG: Q I BELIEVE THIS HAS VOIDED OUR
26 CONTRACT, AND I WANT A REFUND FOR MY MEMBERSHIP AS I HAVE

1 TO FIND ANOTHER CAMPGROUND WHICH IS A MEMBER OF CAMP COAST
2 TO COAST. WHEN I TRAVEL, THERE ARE NO R.P.I. CAMPGROUNDS
3 ON MY ROUTE.

4 SO WHILE YOU HAVE INDICATED THAT YOU BELIEVE
5 R.P.I. IS A BETTER RESORT SYSTEM, IT CERTAINLY WASN'T A
6 BETTER SYSTEM FOR EVERYBODY?

7 A NOT FOR THIS PERSON.

8 MR. MOSHENKO: ARGUMENTATIVE. I'M SORRY.
9 WITHDRAWN.

10 THE COURT: HOW MUCH LONGER ARE YOU GOING TO BE
11 WITH THIS WITNESS?

12 MR. RUTENBERG: PROBABLY HAVE 10 OR 15 MINUTES AT
13 THE MOST.

14 THE COURT: WE'LL TAKE OUR BREAK. WE'LL SEE YOU
15 ALL IN 20 MINUTES.

16 (RECESS TAKEN.)

17 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN
18 COURT IN THE PRESENCE OF THE JURY:)

19 THE COURT: PROCEED, COUNSEL.

20 BY MR. RUTENBERG: Q I BELIEVE WE DISCUSSED THE
21 FIRST TWO PARAGRAPHS.

22 THE THIRD PARAGRAPH, MR. COFER IS DRAWING
23 YOUR ATTENTION TO THE ARKANSAS DISCLOSURES REQUIRED BY THE
24 STANDARDS AND GUIDELINES FOR CAMPGROUND RECREATIONAL
25 VEHICLE PARK MEMBERSHIP SALES WHICH WAS ATTACHED TO HIS
26 CONTRACT.

1 YOU'RE FAMILIAR WITH THIS DOCUMENT, THE
2 DISCLOSURES REQUIRED BY THE STATE OF ARKANSAS?

3 A NO, I'M REALLY NOT TOO FAMILIAR WITH THE
4 DOCUMENT. I'VE SEEN THE DISCLOSURES, BUT I'M NOT VERY
5 FAMILIAR WITH IT.

6 Q FOLLOWING INTO THE MIDDLE OF THAT
7 PARAGRAPH.

8 ONE OF THE MAIN REASONS FOR CHOOSING DEER
9 RUN PARK WAS THE CAMP COAST TO COAST PROGRAM; BY DROPPING
10 THIS, YOU HAVE VIOLATED OUR CONTRACT. YOUR FAILURE TO
11 NOTIFY ME SHOWS YOUR LACK OF CONCERN FOR YOUR MEMBER. I AM
12 SENDING A COPY OF THIS COMPLAINT TO THE ARKANSAS ATTORNEY
13 GENERAL OFFICE.

14 NOW, DEER RUN'S FAILURE TO NOTIFY HIM YOU
15 WERE DROPPING COAST TO COAST WASN'T COAST TO COAST'S FAULT,
16 WAS IT?

17 A WELL, COAST TO COAST TOOK IT UPON THEMSELVES
18 TO INFORM OUR MEMBERS BEFORE WE DID. AND OUR MEMBERS STILL
19 HAD COAST TO COAST MEMBERSHIP FOR UP TO 12 TO 15 MONTHS.
20 AND THEY HAD A CHANCE TO TRY THE R.P.I. SYSTEM IN THE
21 MEANTIME FREE OF CHARGE.

22 IF THIS -- AND IF A MEMBER DID NOT LIKE THE
23 R.P.I. AND THEN THEY CHOSE TO GO TO A COAST TO COAST RESORT
24 THAT WAS NOT AFFILIATED WITH DEER RUN, THAT WOULD BE THEIR
25 RIGHT.

26 Q ACCORDING TO THIS LETTER, THE MEMBER WAS

1 NOTIFIED THAT DEER RUN WAS INVOLVED IN A RECIPROCAL
2 PROGRAM, COAST TO COAST AND R.P.I., AND THE MAIN REASON HE
3 JOINED WAS DEER RUN PARK WAS COAST TO COAST; ISN'T THAT
4 CORRECT?

5 A THAT'S WHAT THIS LETTER SAYS, YES.

6 Q OKAY. I'D LIKE TO SHOW YOU ANOTHER LETTER
7 THAT WAS SENT TO THE ATTORNEY GENERAL, THE STATE OF
8 ARKANSAS, NUMBER 968.

9 GIVE YOU A CHANCE TO LOOK AT THIS.

10 THIS HAD THE SAME SEALS OF THE ATTORNEY
11 GENERAL OFFICE MARKED PRIOR AT THE TOP, DATE OF APRIL 14,
12 1999. AND IT'S ADDRESSED TO DEER RUN PARK. ATTACHED TO
13 THIS IS THE COMPLAINT THAT WAS FORWARDED TO DEER RUN, THE
14 COMPLAINT THAT WAS FILED WITH THE ARKANSAS ATTORNEY GENERAL
15 AND WAS FORWARDED BY THE ATTORNEY GENERAL TO DEER RUN PARK,
16 AS WELL AS THE ARKANSAS DISCLOSURES REQUIRED BY THE
17 STANDARDS AND GUIDELINES FOR CAMPGROUND RECREATIONAL
18 VEHICLE PARK MEMBERSHIP SALES.

19 THIS LETTER WAS SENT TO DEER RUN PARK; IS
20 THAT CORRECT?

21 A IT'S ADDRESSED TO DEER RUN PARK, IRVINE,
22 CALIFORNIA.

23 MR. RUTENBERG: YOUR HONOR, I'D LIKE TO MOVE THIS
24 EXHIBIT 968 INTO EVIDENCE, PLEASE.

25 MR. MOSHENKO: MY ONLY OBJECTION IS AS TO A
26 HANDWRITTEN NOTE ON THE FRONT PAGE THAT'S -- FROM THE

1 CONTENT APPEARS THAT IT MAY HAVE BEEN WRITTEN BY COUNSEL OR
2 SOMEBODY. AT LEAST IT --

3 MR. SHERMAN: IT WAS WRITTEN BY ME, AND I DON'T
4 BELIEVE IT'S ON THE SCREEN.

5 MR. RUTENBERG: IT'S NOT ON THE SCREEN.

6 MR. SHERMAN: WE CAN OBLITERATE THAT. THAT IS MY
7 HANDWRITING, AND THERE'S NO NEED TO SHOW IT TO THE JURY.

8 MR. MOSHENKO: IF IT DOES COME UP, THE JURY CAN BE
9 INSTRUCTED TO DISREGARD.

10 THE COURT: ALL RIGHT.

11 MR. MOSHENKO: THANK YOU.

12 MR. SHERMAN: I DID RECOGNIZE MY HANDWRITING.

13 (WHEREUPON EXHIBIT NO. 968, MEMBER LETTER TO
14 ARKANSAS STATE ATTORNEY GENERAL, WAS RECEIVED IN EVIDENCE.)

15 BY MR. RUTENBERG: Q SHOW PAGE 1, THE ADDRESS AND
16 THE RE LINE, PLEASE.

17 ADDRESSED TO DEER RUN PARK, RE: MEMBER
18 99-11757, MISS CATHERINE GOMAN.

19 CAN YOU MOVE IT UP A SECOND TO THE DATE,
20 PLEASE.

21 ATTORNEY GENERAL OF ARKANSAS, MARK PRYOR,
22 APRIL 14, 1999.

23 IN THE THIRD PARAGRAPH, WE RESPECTFULLY
24 REQUEST A WRITTEN RESPONSE FROM YOU REGARDING THE
25 COMPLAINANT'S ALLEGATIONS WITHIN 10 BUSINESS DAYS OF YOUR
26 RECEIPT OF THIS LETTER.

1 DO YOU KNOW IF A WRITTEN RESPONSE WAS SENT
2 TO THE ATTORNEY GENERAL OF THE STATE OF ARKANSAS WITHIN 10
3 DAYS?

4 A I CAN'T TESTIFY THAT IT WAS, BUT I'M SURE
5 THAT IT WAS.

6 Q CAN YOU SHOW PAGE 2, PLEASE, THE CONSUMER
7 COMPLAINT FORM FOR THE STATE OF ARKANSAS.

8 DO YOU SEE THE SEAL AT THE TOP?

9 AND THEN THE INFORMATION ON THE GOMANS. AND
10 THEY'RE COMPLAINING ABOUT DEER RUN PARK. THE TOP HALF,
11 PRETTY EXITING STUFF. AND AT THE BOTTOM THEY EXPLAIN THEIR
12 COMPLAINT.

13 WE BOUGHT INTO DEER RUN BECAUSE THEY WERE
14 PART OF THE COAST TO COAST. WE DIDN'T BUY IN FOR THE PARK
15 BECAUSE THE PARK ISN'T MUCH. BUT WHEN WE RETIRE WE PLAN ON
16 USING OTHER PARKS OF THE COAST TO COAST SYSTEM. DEER RUN
17 NEVER CONTACTED US THAT THEY WERE NO LONGER PART OF THE
18 COAST TO COAST SYSTEM.

19 AS YOU CAN SEE, WE PAID MANY THOUSANDS OF
20 DOLLARS -- IT LOOKS LIKE IT CONTINUES ON THE NEXT -- AND
21 STILL HAVE TO PAY SHILO R.V. AND TRAVEL RESORT \$160 A YEAR
22 TO BE MEMBERS OF COAST TO COAST.

23 SO, AGAIN, THESE MEMBERS WERE NOT NOTIFIED
24 PRIOR TO DEER RUN'S PULLING OUT OF COAST TO COAST?

25 A COAST TO COAST NOTIFIED THEM.

26 Q AND THEY ONLY JOINED DEER RUN PARK TO BE

1 PART OF THE COAST TO COAST SYSTEM?

2 A WELL, LIKE I TOLD YOU BEFORE, THE MANAGEMENT
3 FOUND THAT R.P.I. WAS A BETTER CAMPING SYSTEM, AND THEY WAS
4 TRYING TO PROVIDE A BETTER SERVICE FOR THE MEMBERS.

5 Q OKAY.

6 A AND THEY COULD USE -- THEY HAD THEIR COAST
7 TO COAST FOR AT LEAST ANOTHER YEAR, AND THEY COULD TRY
8 R.P.I. FREE OF CHARGE. AND THEN THEY COULD HAVE MADE A
9 DECISION.

10 BUT THESE COMPLAINTS COME IN BECAUSE COAST
11 TO COAST SENT THAT LETTER TO ALL OF OUR MEMBERS.

12 Q OKAY. MY QUESTION WAS, DO YOU SEE THE PART
13 WHERE IT SAYS, "WE BOUGHT INTO DEER RUN PARK BECAUSE THEY
14 WERE PART OF COAST TO COAST"?

15 A YEAH, I SAW THAT.

16 Q AND THEN ATTACHED TO THIS, THE NEXT PAGE, IS
17 THE ARKANSAS DISCLOSURES REQUIRED.

18 HIGHLIGHT THE TOP.

19 NOW, YOU'RE FAMILIAR WITH THE STATE OF
20 ARKANSAS HAS STATE LAWS THAT REQUIRE CERTAIN DISCLOSURES
21 PRIOR TO THE PURCHASE OF A CAMPGROUND RESORT MEMBERSHIP;
22 CORRECT?

23 A UH-HUH.

24 Q AND THIS VERY SMALL, TINY PRINT IS PART OF
25 THOSE DISCLOSURES.

26 CAN YOU GO TO THE NEXT PAGE, MIKE.

1 AND I DIRECT YOUR ATTENTION TO PARAGRAPH 8,
2 RECIPROCAL USE PROGRAM.

3 I WILL READ IT.

4 DEER RUN PARK IS INVOLVED IN A RECIPROCAL
5 USE PROGRAM WITH CAMP COAST TO COAST AND CAMP COAST TO
6 COAST RESORTS. DEER RUN PARK PAYS FOR THE FIRST YEAR'S
7 MEMBERSHIP INTO THIS PROGRAM. MEMBERSHIPS FOR ANY
8 SUBSEQUENT YEAR IS STRICTLY AT THE OPTION OF THE DEER RUN
9 PARK MEMBER.

10 SO ACCORDING TO THE STATE OF ARKANSAS, COAST
11 TO COAST MEMBERS WHOSE HOME RESORT WAS DEER RUN PARK IN THE
12 STATE OF ARKANSAS CAN RENEW THEIR MEMBERSHIPS ANNUALLY AT
13 THEIR OWN DISCRETION; IT'S UP TO THE MEMBER, ISN'T IT?

14 AND EVEN IF DEER RUN PARK CHOOSES TO
15 WITHDRAW FROM COAST TO COAST, THEN THE MEMBERS ARE ENTITLED
16 TO SEEK COAST TO COAST AFFILIATED RESORTS TO CONTINUE THEIR
17 COAST TO COAST AFFILIATION; IS THAT CORRECT?

18 A NO, SIR. THEY HAVE NO RIGHT TO TAKE OUR
19 MEMBERS.

20 Q MEMBERSHIP FOR ANY SUBSEQUENT YEAR ARE
21 STRICTLY AT THE OPTION OF THE DEER RUN PARK MEMBER.

22 ISN'T THAT THE DISCLOSURE OF THE STATE OF
23 ARKANSAS?

24 A WHAT WAS THE QUESTION AGAIN?

25 Q ACCORDING TO THE DISCLOSURE STATEMENT
26 REQUIRED BY THE STATE OF ARKANSAS, UPON THE PURCHASE OF A

1 RESORT MEMBERSHIP, MEMBERSHIPS FOR ANY SUBSEQUENT YEAR IN
2 COAST TO COAST ARE STRICTLY AT THE OPTION OF THE DEER RUN
3 PARK MEMBER. CORRECT?

4 A YES. IF THEY DON'T WANT THE COAST TO COAST,
5 THEY DON'T HAVE TO BE A MEMBER OF COAST TO COAST.

6 Q AND IT DOES NOT SAY THAT DEER RUN PARK HAS
7 THE RIGHT TO KEEP THEM FROM BEING MEMBERS OF -- LET ME
8 START AGAIN.

9 NOWHERE DOES THE DISCLOSURE SAY THAT DEER
10 RUN PARK HAS THE RIGHT TO KEEP A MEMBER FROM RENEWING THEIR
11 COAST TO COAST MEMBERSHIP; CORRECT?

12 A NO. THEY COULD KEEP -- THEY COULD HAVE A
13 COAST TO COAST MEMBERSHIP. THEY COULD PAY THE DUES TO
14 COAST TO COAST. DEER RUN PARK, IF YOU WAS WANTING TO HELP
15 THE MEMBERS, YOU COULD STILL ACCEPT THEIR ANNUAL
16 MAINTENANCE FEE. BUT YOU'RE HURTING DEER RUN PARK WHEN
17 YOU'RE TAKING OUR MEMBERS AWAY FROM US, YOU KNOW, OUR
18 MAINTENANCE FEES AND EVERYTHING. THEY DON'T HAVE ANY RIGHT
19 TO DO THAT.

20 Q ISN'T THE POINT OF THIS DISCLOSURE THAT IT
21 IS UP TO THE MEMBER TO DECIDE WHETHER OR NOT THEY WILL BE A
22 COAST MEMBER?

23 A YES. IF THEY DON'T WANT TO BE A COAST
24 MEMBER, THEY DON'T HAVE TO BE.

25 Q AND IF THEY CHOOSE TO RENEW THAT IS THEIR
26 DECISION AS WELL?

1 A THEY -- YES, IF THEY CHOOSE TO RENEW THEIR
2 COAST TO COAST MEMBERSHIP.

3 Q IF YOU LOOK AT THE BOTTOM --

4 A IF WE WERE MEMBERS OF COAST TO COAST.

5 Q IF YOU LOOK AT THE BOTTOM OF THE SCREEN, YOU
6 SEE THAT THAT ARRANGEMENT -- THAT IT WAS UP TO THE OPTION
7 OF THE DEER RUN PARK MEMBER TO DECIDE WHETHER OR NOT TO
8 KEEP THEIR COAST MEMBERSHIP. THAT WAS SIGNED OFF BY IT
9 LOOKS LIKE KENNETH GOMAN, AND IT WAS SIGNED OFF BY SOMEBODY
10 AT DEER RUN PARK AS WELL; ISN'T THAT CORRECT?

11 A I DON'T KNOW.

12 MR. MOSHENKO: IT IS THE WIFE, CATHERINE.

13 MR. RUTENBERG: I STAND CORRECTED. YOU ARE
14 CORRECT.

15 Q NOW, WHEN MR. MOSHENKO WAS ASKING SOME
16 QUESTIONS, YOU MENTIONED THAT FEWER PEOPLE HAD VISITED DEER
17 RUN PARK IN 1998; IS THAT CORRECT?

18 A NO. '97.

19 Q FEWER PEOPLE VISITED IN '97?

20 A NO. I'M SORRY. '98, YES. YOU'RE CORRECT.

21 Q IS IT BECAUSE OF THE COAST WITHDRAWAL?

22 A YES, DEFINITELY.

23 Q BUT YOU'VE NEVER BEEN FULL BEFORE; CORRECT?

24 A NO. OUR CAMPGROUND HAS NEVER BEEN TOTALLY
25 FULL. WE'VE ALWAYS HAD SPACES AVAILABLE.

26 Q AND YOU'VE NEVER KNOWN HOW MANY MEMBERS DEER

1 RUN HAS IN ANY GIVEN YEAR?

2 A NO. THAT INFORMATION IS NOT PROVIDED TO ME.

3 Q AND YOU STILL PERMITTED COAST MEMBERS TO
4 COME IN AT \$9 A NIGHT?

5 A STILL DO. AND THEY'RE VERY HAPPY TO DO SO.

6 Q BUT FOR SOME REASON YOUR LEVELS HAVE GONE
7 DOWN -- YOUR ATTENDANCE VISITATION LEVELS HAVE GONE DOWN
8 ANYWAY?

9 A BECAUSE COAST TO COAST STOLE OUR MEMBERS.

10 Q NOW, LOOK AT EXHIBIT 1563, PLEASE.

11 MISS JAMES, THIS IS THE LETTER THAT WAS SENT
12 BY COAST TO COAST TO MEMBERS OF DEER RUN PARK UPON THE
13 DISAFFILIATION OF DEER RUN PARK IN 1997.

14 HAVE YOU SEEN THIS LETTER BEFORE?

15 A UH-HUH.

16 Q DO YOU SEE THE WORDS "DEER RUN PARK IS
17 CLOSED" ANYWHERE IN THIS LETTER?

18 A NO, BUT IT WAS THE MEMBERS' UNDERSTANDING
19 WHEN THEY READ THE LETTER THAT DEER RUN WAS CLOSED.

20 Q YOU DON'T SEE "DEER RUN WAS CLOSED" ANYWHERE
21 IN THIS LETTER?

22 A NO, I DON'T SEE THE WORD "CLOSED" IN THE
23 LETTER.

24 Q YOU TESTIFIED WHEN MR. MOSHENKO WAS ASKING
25 YOU QUESTIONS THAT DEER RUN PARK WAS A FIVE-STAR RESORT --

26 A YES, IT WAS.

1 Q -- RATED BY COAST TO COAST?

2 I'D LIKE TO SEE 2172-76, PLEASE.

3 IF YOU LOOK AT THE TOP, THIS IS THE COMPUTER
4 SCREENS THAT HAVE BEEN -- I THINK THEY'RE UNDER SUBMISSION
5 NOW. THEY WERE PRODUCED BY COAST TO COAST, AND
6 MR. MOSHENKO AND THE PLAINTIFFS, THEY RELIED ON THEM QUITE
7 HEAVILY.

8 IF YOU LOOK AT THE RATING IN THE CORNER,
9 UPPER RIGHT, 4.

10 A SIR, COAST TO COAST SENT US A PLAQUE THIS
11 BIG (INDICATING) THAT WAS DISPLAYED AT THE FRONT OF THE
12 RESORT, FIVE-STAR RATING.

13 Q WHEN DEER RUN PARK WAS WITHDRAWN FROM THE
14 COAST TO COAST SYSTEM, ISN'T IT CORRECT THAT IT HAD A
15 4-STAR RATING?

16 A I NEVER RECEIVED NOTIFICATION THAT COAST TO
17 COAST RATED US DOWN TO A 4.

18 MR. RUTENBERG: YOUR HONOR, I HAVE NO FURTHER
19 QUESTIONS.

20 THE COURT: THANK YOU.

21 ANYTHING FURTHER, MR. MOSHENKO?

22 MR. MOSHENKO: JUST ABOUT FIVE MINUTES, IF I MAY,
23 YOUR HONOR.

24 THE COURT: I'LL HOLD YOU TO IT.

25 MR. MOSHENKO: YOU'RE GOING TO HOLD ME TO IT.

26 OKAY.

1 REDIRECT EXAMINATION

2 BY MR. MOSHENKO: Q MR. RUTENBERG PUT UP A
3 COAST MEMBERSHIP AGREEMENT THAT IS THE APPLICATION THAT
4 GOES TO COAST TO COAST AND ASKED YOU QUESTIONS ABOUT THE
5 PROVISION THAT REFERS TO WHAT IS THE HOME RESORT. WHAT IS
6 A HOME RESORT MEMBERSHIP?

7 A A HOME RESORT MEMBERSHIP IS WHERE YOU ARE A
8 MEMBER, AND YOU PAY AN ANNUAL MAINTENANCE DUES.

9 Q MEMBER OF WHAT?

10 A OF THE RESORT.

11 Q WHAT IS A COAST TO COAST HOME RESORT
12 MEMBERSHIP?

13 A A COAST TO COAST HOME RESORT MEMBERSHIP, I'M
14 ASSUMING THAT WAS REFERRING TO --

15 Q IS THERE ANY DIFFERENCE BETWEEN THAT AND THE
16 HOME RESORT MEMBERSHIP, IS THE QUESTION?

17 A I DON'T THINK SO.

18 Q HE ASKED YOU SOME QUESTIONS ABOUT DEBT AND
19 SHOWED SOME -- AN EXHIBIT THAT TALKED ABOUT HOW MUCH DEBT
20 DEER RUN HAD. I NOTE THAT YOU SAID YOU WERE NOT AWARE OF
21 ANY UNPAID DEBT.

22 A NO, NOT THAT I KNOW OF.

23 Q YOU WERE NOT AWARE THAT THE COMPANY OPERATED
24 AT A LOSS?

25 A NO.

26 Q THAT IS, THAT THE PARK OPERATED AT A LOSS

1 ANNUALLY?

2 A NO, DIDN'T KNOW THAT.

3 Q IT NEVER CAME TO YOUR ATTENTION SO THAT YOU
4 MIGHT HAVE TO CUT BACK OR ANYTHING LIKE THAT?

5 A NO, SIR.

6 Q DO YOU KNOW WHO IS MAKING UP THE SHORTFALL?

7 A NO.

8 Q HADN'T AFFECTED THE OPERATION OF DEER RUN TO
9 YOUR KNOWLEDGE?

10 A ABSOLUTELY NOT.

11 Q YOU TESTIFIED THAT YOU NEVER RECEIVED
12 COMPLAINTS ABOUT DEER RUN, BUT YOU DID RECEIVE COMPLAINTS
13 ABOUT THE COAST TO COAST SYSTEM.

14 WHAT COMPLAINTS --

15 A YES.

16 MR. RUTENBERG: OBJECTION, YOUR HONOR. ANYTHING
17 SHE HEARD IS HEARSAY.

18 THE COURT: SUSTAINED.

19 BY MR. MOSHENKO: Q YOU INDICATED THAT PEOPLE CAME
20 AND APPEARED TO BE CONFUSED REGARDING THE SIGNIFICANCE OF
21 THE COAST TO COAST LETTER, AND THEN YOU WOULD EXPLAIN
22 SOMETHING TO THEM. AND AS A RESULT -- I'LL LET YOU TELL
23 US.

24 WHAT DID YOU EXPLAIN?

25 MR. RUTENBERG: OBJECTION, YOUR HONOR. THAT'S
26 LEADING. THAT'S HEARSAY, ALSO.

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

2 WHAT DID YOU TELL THEM?

3 THE WITNESS: I EXPLAINED TO THEM THAT THE
4 CORPORATION HAD CHOSE -- HAS CHOSE TO GO WITH ANOTHER
5 CAMPING SYSTEM, RESORTS PARK INTERNATIONAL, WHERE THE RATES
6 WILL BE CHEAPER AND THAT RESERVATIONS ARE ACCEPTED. SO
7 THEY DON'T HAVE TO WORRY ABOUT PULLING UP TO A RESORT AND
8 BEING TURNED AWAY BY -- LIKE THEY HAVE IN THE PAST WITH
9 COAST TO COAST, AND THEY WERE HAPPY WITH THAT.

10 AND I SAID PLUS THAT YOU COULD USE THE COAST
11 TO COAST FOR ANOTHER YEAR AND A FREE MEMBERSHIP TO R.P.I.
12 FOR A YEAR. AND I TOLD THEM I THINK THEY'LL BE HAPPY WITH
13 THE R.P.I. AT THE END OF THE YEAR. AND I HAVE NEVER HEARD
14 A COMPLAINT FROM ANY OF THOSE PEOPLE SINCE.

15 MR. RUTENBERG: YOUR HONOR, CAN WE APPROACH AGAIN?

16 THE COURT: VERY WELL.

17 (DISCUSSION OFF THE RECORD.)

18 MR. RUTENBERG: SORRY. I JUST WANT TO SEE WHAT IT
19 LOOKS LIKE YOU'RE READING.

20 THE WITNESS: I'M NOT READING ANYTHING. I'M JUST
21 FIDDLING WITH THE PAPERS.

22 MR. RUTENBERG: ALL RIGHT. FAIR ENOUGH.

23 THE WITNESS: YOUR STUFF.

24 THE COURT: GUESS YOU TOLD HIM, HUH?

25 BY MR. MOSHENKO? Q YOU WORKED WITH BOTH THE COAST
26 TO COAST SYSTEM IN THE PAST AND THE R.P.I. SYSTEM

1 CURRENTLY; CORRECT?

2 A YES, SIR.

3 Q WHAT'S YOUR VIEW OF WHICH IS A BETTER SYSTEM?

4 A R.P.I.

5 Q WHY?

6 A BECAUSE OF THE RESERVATIONS SYSTEM AND THE
7 CHEAPER RATES.

8 Q WHAT ABOUT THE TIME THAT MEMBERS CAN HAVE
9 ACCESS THROUGH THE R.P.I. SYSTEM COMPARED TO THE COAST TO
10 COAST SYSTEM? WE HAVE HAD TESTIMONY THAT COAST TO COAST
11 ALLOWS SEVEN DAYS.

12 A RIGHT. R.P.I. I BELIEVE IS TWO WEEKS.

13 MR. MOSHENKO: EXHIBIT 1857, YOUR HONOR, A COPY OF
14 THE DEER RUN CONTRACT.

15 NEVER MIND. WITHDRAWN, YOUR HONOR.

16 THE COURT: THANK YOU.

17 MR. MOSHENKO: THAT'S ALL I HAVE, YOUR HONOR.

18 THE COURT: GOOD. THANK YOU.

19 MAY THE WITNESS STAND DOWN?

20 MR. RUTENBERG: YES.

21 THE COURT: THANK YOU ALL FOR COMING. COME BACK
22 ANY TIME.

23 THE WITNESS: THANK YOU VERY MUCH.

24 THE JURY: WAS THAT FOR US, TOO.

25 THE COURT: YEAH. TELL YOU WHAT, WE HAVE SOME
26 MOTIONS THAT WE HAVE TO ENTERTAIN NOW WITHOUT YOUR

1 PRESENCE. AND SO WE'RE GOING TO HAVE TO DISAPPOINT YOU AND
2 LET YOU GO HOME EARLY.

3 SEE YOU AT 9:00 IN THE MORNING. STAY WELL.

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

6 MR. MOSHENKO: YOUR HONOR, I HAVE A HOUSEKEEPING
7 MATTER, IF I COULD.

8 I DON'T RECALL IF THE COURT ASKED WHEN
9 MR. RANDALL STEPPED DOWN IF HE SHOULD BE SUBJECT TO RECALL,
10 AND I'D ASK THAT HE BE SUBJECT TO RECALL.

11 THE COURT: I UNDERSTOOD HE IS GOING TO SPEND THE
12 SUMMER OUT HERE.

13 MR. MOSHENKO: I UNDERSTAND THAT, TOO. I'D JUST
14 LIKE IT ON THE RECORD.

15 MR. SHERMAN: I DON'T KNOW WHAT POSSIBLY RELEVANT
16 OTHER QUESTION YOU WOULD ASK THE MAN, BUT HE WILL BE HERE
17 READY TO ANSWER NONCUMULATIVE, RELEVANT QUESTIONS.

18 THE COURT: ALL RIGHT. THANK YOU.

19 MR. MOSHENKO: THANK YOU.

20 THE COURT: GOOD. NOW, GETTING BACK TO THIS NEXT
21 ISSUE WE HAVE.

22 MR. SHAW, YOU'VE BEEN APPRISED OF WHAT'S
23 GONE ON IN YOUR ABSENCE?

24 MR. SHAW: YES, YOUR HONOR. BUT I HAVEN'T REALLY
25 HAD A CHANCE TO READ IT. I MEAN, I'M AT THE COURT'S
26 PLEASURE. I'D BE PREPARED TO ARGUE IT; ALTHOUGH, I'D LIKE

1 TO HAVE A CHANCE TO READ IT. MY NOTES FROM OUR PREVIOUS
2 MOTION IN LIMINE ARE BACK IN MY OFFICE, AND I'D BE PREPARED
3 TO ARGUE IT FIRST THING IN THE MORNING.

4 THE COURT: CAN YOU ALL BE HERE AT 8:30?

5 MR. SHAW: YES.

6 MR. RIVIN: WE CAN, YOUR HONOR. I THINK IT MIGHT
7 BE EXPEDITIOUS IF WE CAN DO IT NOW AND GET IT RESOLVED.
8 ONE OF THE REASONS TO DO THAT IS BECAUSE, AS MR. SHAW
9 INDICATED EARLIER, IT WILL BE HELPFUL FOR HIM TO KNOW HOW
10 HE IS GOING TO BE PREPARING HIS WITNESS.

11 MR. SHERMAN: I JUST HAVE A REAL PRACTICAL ISSUE,
12 AND THAT IS, SINCE I FERVENTLY BELIEVE THAT OUR MOTION IS
13 WELL TAKEN AND THAT WE SHOULDN'T BE WASTING OUR TIME WITH
14 HAVING A LAWYER TELL THE JURY WHAT THE LAW IS -- BECAUSE I
15 THOUGHT THAT THAT WAS YOUR HONOR'S JOB -- LET'S ASSUME THAT
16 YOU AGREE WITH US, AND LET'S ASSUME IT'S TOMORROW MORNING
17 AT 8:30. YOU SAY, YOU KNOW, THERE'S NO REASON FOR
18 MR. MALPASS TO BE TESTIFYING. WHAT DO WE DO THEN?

19 MR. SHAW: MR. MALPASS WILL TAKE THE STAND. HE IS
20 A PERCIPIENT WITNESS. HE WAS THE LAWYER -- JUST LIKE
21 MR. JOSEPH CAME AND TESTIFIED.

22 THE COURT: WAIT A MINUTE. THAT WASN'T HIS
23 QUESTION.

24 WHAT HAPPENS IF I RULE AGAINST YOU?

25 MR. SHAW: MR. MALPASS -- IT'S ONLY ON THE LEGAL
26 OPINION. IT'S ONLY ON THE EXPERT OPINION. AND I

1 FERVENTLY -- I'LL USE MR. SHERMAN'S WORD. I FERVENTLY
2 BELIEVE HE IS NOT TESTIFYING ABOUT A LEGAL OPINION. HE IS
3 TESTIFYING ABOUT ISSUES THAT THE CASE LAW ALLOWS HIM TO
4 TESTIFY ABOUT THAT AREN'T THE ULTIMATE ISSUES IN THIS
5 CASE. SO I BELIEVE WE'RE GOING TO WIN.

6 BUT SECOND, LET'S ASSUME WE LOSE. HE WAS
7 ALSO THE PERCIPIENT WITNESS TO HANDLING THE THIRD ALL
8 SEASONS RESORTS --

9 THE COURT: LET ME ASK YOU THIS: HOW LONG DO YOU
10 PROPOSE TO PUT HIM ON?

11 MR. SHAW: I HAVE HIM AT LENGTH PROBABLY TWO HOURS.

12 THE COURT: I'M GOING TO DO THIS. I'M GOING TO LET
13 YOU PUT HIM ON TOMORROW MORNING FIRST THING. HE IS GOING
14 TO BE HERE AT 9:00?

15 MR. SHAW: YES.

16 THE COURT: IS HE HERE NOW?

17 MR. SHAW: HE IS HERE NOW.

18 THE COURT: PUT HIM ON FIRST THING, SUBJECT TO YOUR
19 OBJECTIONS AS THEY -- AS THE QUESTIONS COME UP. AND IF IT
20 GETS TO THE POINT WHERE I DECIDE THAT, HEY, YOU KNOW, IT'S
21 NOT ADMISSIBLE, THEN THAT'S IT.

22 MR. SHAW: THANK YOU, YOUR HONOR.

23 THE COURT: I CAN'T ANTICIPATE WHAT HE IS GOING --

24 MR. SHERMAN: THIS IS GOING TO BE ANOTHER
25 JIM JOSEPH TYPE OF TESTIMONY.

26 THE COURT: I WON'T ALLOW THAT.

1 MR. SHERMAN: OKAY. BECAUSE, I MEAN, THE PROSPECT
2 OF MR. MALPASS ATTEMPTING TO TELL THIS JURY WHAT WAS IN THE
3 MINDS OF DIFFERENT COURTS OR WHY CONTRACTS WERE TREATED AS
4 EXECUTOR OR NOT AS EXECUTOR, THAT'S NOT APPROPRIATE. I
5 MEAN, THE FACT IS THAT MR. MALPASS GOES BACK MANY YEARS
6 WITH MR. NOVELLI, BEEN INVOLVED IN LOTS OF BANKRUPTCIES.
7 AND IF THAT'S WHAT MR. SHAW WANTS TO BRING UP, THAT'S FINE.
8 WE CAN GET INTO HIS HISTORY OF REPRESENTING HIM IN
9 BANKRUPTCIES.

10 THE COURT: WE'LL SEE YOU AT 9:00.

11 MR. SHAW: THANK YOU, YOUR HONOR.

12 THE COURT: DO YOUR HOMEWORK.

13 MR. SHERMAN: MAY WE INQUIRE WHO THE NEXT WITNESS
14 IS AFTER MR. MALPASS? IT'S GOING TO BE A SHORT DAY.

15 THE COURT: WHO IS THE NEXT AFTER MR. MALPASS?

16 MR. MOSHENKO: GARY MERRITT IS ON THE AIRPLANE I'M
17 TOLD TO BE HERE TOMORROW AND CAN TESTIFY TOMORROW.

18 THE COURT: GOOD. THANK YOU.

19 MR. SHERMAN: THANK YOU.

20 (WHEREUPON THE COURT WAS IN RECESS UNTIL
21 THURSDAY, JUNE 8, 2000, 9:00 A.M.)

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