

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 22, 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  
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1 WESTMINSTER, CALIFORNIA - THURSDAY, JUNE 22, 2000

2 MORNING SESSION

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

5 THE COURT: WE'RE GOING TO BE LEAVING EARLY TODAY.  
6 I DON'T KNOW EXACTLY WHAT TIME. IT PROBABLY WILL BE  
7 SHORTLY -- MAYBE EVEN MID-AFTERNOON. THAT'S BECAUSE WE  
8 HAVE A SHORTAGE OF WITNESSES TODAY.

9 ALSO I HAVE TO HAVE A FACIAL.

10 MRS. SILAS, YOU'RE THE ONE THAT'S HAVING THE  
11 FACIAL?

12 CALL YOUR NEXT WITNESS.

13 MR. SHAW: THANK YOU, YOUR HONOR.

14 THE PLAINTIFFS WOULD CALL MR. LARRY HAYNES.

15 LAWRENCE G. HAYNES,

16 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS, HAVING  
17 BEEN FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS  
18 FOLLOWS:

19 THE CLERK: STATE YOUR FULL NAME FOR THE RECORD.  
20 SPELL YOUR LAST NAME FOR THE REPORTER IN FRONT OF YOU,  
21 PLEASE.

22 THE WITNESS: LAWRENCE G. HAYNES. H-A-Y-N-E-S.

23 DIRECT EXAMINATION

24 BY MR. SHAW: Q MR. HAYNES, WHAT'S YOUR  
25 OCCUPATION?

26 A I'M RESORT MANAGER FOR TRAVEL AMERICA.

1 Q AND WHAT RESORT DO YOU MANAGE?

2 A GRASS LAKE, MICHIGAN.

3 Q AND WHERE IS THAT LOCATED?

4 A IT'S ABOUT 20 MINUTES FROM ANN ARBOR, ABOUT  
5 FIVE MINUTES FROM JACKSON.

6 Q COULD YOU DESCRIBE THE RESORT FOR ME?

7 A IT'S ROUGHLY 150 ACRES, VERY HEAVILY WOODED,  
8 ABOUT 150 SITES. WE HAVE RENTAL TRAILERS. I THINK WE HAVE  
9 ABOUT 10 OF THEM. WE HAVE A SWIMMING POOL, A CLUBHOUSE,  
10 FAMILY CENTER, COUNTRY STORE. THAT TYPE OF FACILITY.

11 Q OKAY. I'D LIKE TO JUST TAKE A COUPLE OF  
12 MINUTES TO TALK ABOUT YOUR BACKGROUND.

13 YOU GRADUATED FROM HIGH SCHOOL IN 1963?

14 A YES, I DID.

15 Q AND WHAT HIGH SCHOOL?

16 A ASSUMPTION HIGH SCHOOL, DAVENPORT, IOWA.

17 Q AND THEN AFTER HIGH SCHOOL, WHAT WAS YOUR  
18 FIRST EMPLOYMENT?

19 A I JOINED THE UNITED STATES MARINE CORPS IN  
20 '63.

21 Q AND WHERE DID YOU DO YOUR BOOT CAMP?

22 A SAN DIEGO.

23 Q AND WHAT MARINE DIVISION WERE YOU ASSIGNED  
24 TO?

25 A FIRST MARINE DIVISION. FIRST -- THE FIRST  
26 ASSIGNMENT WAS THE FIRST MARINE DIVISION.

1 Q AND WHAT WAS YOUR M.O.S., YOUR MILITARY  
2 OCCUPATION?

3 A INFANTRY.

4 Q INFANTRY.

5 AND YOU WERE IN THE INFANTRY THROUGHOUT  
6 YOUR --

7 A THROUGHOUT MY FOUR YEARS THERE, YES.

8 Q OKAY. AFTER BOOT CAMP WHERE WERE YOU  
9 ASSIGNED?

10 A I WAS ASSIGNED TO OKINAWA'S, THE THIRD  
11 MARINE DIVISION.

12 Q AND THEN FROM THE THIRD MARINE DIVISION,  
13 WHAT WAS YOUR NEXT TROOP?

14 A I WENT TO VIETNAM AND WAS THERE FOR ABOUT A  
15 YEAR.

16 Q AND YOU WERE DEPLOYED NEAR DA NANG?

17 A YEAH. WE WERE THE FIRST BATTALION,  
18 FULL-STRENGTH BATTALION, TO GO INTO VIETNAM. AND WE  
19 GUARDED THE AIRPORT, INITIALLY.

20 Q AND YOU WERE THERE FOR ABOUT A YEAR?

21 A ABOUT A YEAR, YES.

22 Q AND THEN AFTER THAT TOUR, WHAT WAS YOUR NEXT  
23 ASSIGNMENT?

24 A AFTER THE -- AFTER VIETNAM I WAS -- WENT TO  
25 THE THIRD -- THE SECOND MARINE DIVISION, AND I DID A TOUR.  
26 IT WAS A MED CRUISE, WHICH IS SIX MONTHS AT SEA. ONE

1 BATTALION IS USUALLY IN THE MEDITERRANEAN ALL THE TIME.

2 Q FOR RAPID DEPLOYMENT?

3 A THAT'S CORRECT.

4 Q IF SOMETHING SHOULD OCCUR?

5 A UH-HUH.

6 Q WHAT WAS YOUR RANK?

7 WHEN YOU LEFT VIETNAM, WHAT WAS YOUR RANK?

8 A I WAS A CORPORAL WHEN I LEFT VIETNAM AND  
9 THEN BECAME A SERGEANT BEFORE -- IT WAS LIKE ABOUT THREE,  
10 FOUR MONTHS LATER I BECAME A SERGEANT.

11 Q AND THEN WHEN YOU LEFT THE MARINE CORPS IN  
12 1967 -- I DON'T THINK YOU EVER LEAVE THE MARINE CORP.

13 A YOU NEVER LEAVE THE MARINE CORP.

14 Q AT ANY RATE, WHEN YOU LEFT YOUR TOUR AFTER  
15 SERVING YOUR COUNTRY ON THE MED CRUISE, WHAT WAS YOUR RANK?

16 A SERGEANT.

17 Q WHEN YOU SAY "MED CRUISE," THAT'S THE  
18 MEDITERRANEAN?

19 A THE MEDITERRANEAN, THAT'S CORRECT.

20 Q AND YOU -- YOUR M.O.S. THROUGHOUT YOUR FOUR  
21 YEARS IN THE MARINE CORP WAS INFANTRY?

22 A INFANTRY.

23 Q ALL RIGHT. IN 1967 WHEN YOU LEFT YOUR  
24 SERVING YOUR COUNTRY, WHAT DID YOU DO?

25 A I WENT TO COLLEGE AT THE COLLEGE OF DUPAGE  
26 IN NAPERVILLE, ILLINOIS.

1 Q AND DID YOU RECEIVE A DEGREE?

2 A YES, I DID. ASSOCIATE DEGREE IN SCIENCE.

3 Q AND THEN WHAT WAS YOUR EMPLOYMENT AFTER YOU  
4 OBTAINED YOUR COLLEGE DEGREE?

5 A I WENT TO WORK WITH A RESTAURANT COMPANY FOR  
6 A NUMBER OF YEARS. I WORKED THE RESTAURANT INDUSTRY IN  
7 VARIOUS POSITIONS, MANAGEMENT.

8 Q AND THEN IN OR ABOUT 1985 -- SO FROM THAT  
9 LATE '60'S THROUGH 1985, YOU WERE IN THE RESTAURANT --

10 A YES.

11 Q -- INDUSTRY?

12 A YES.

13 Q AND THEN IN 1985 WHAT DID YOU DO?

14 A I BECAME A SALES REP FOR ALL SEASONS.

15 Q AT WHAT RESORT?

16 A GRASS LAKE, MICHIGAN.

17 Q AND HOW LONG WERE YOU A SALES REP FOR ALL  
18 SEASONS RESORT?

19 A I WAS THERE TILL -- I THINK IT WAS '89,  
20 ROUGHLY '89. I WAS A SALES REP AND THEN ALSO A SENIOR  
21 SALES REP AND THEN BECAME AN ASSISTANT SALES MANAGER.

22 Q SO YOU ADVANCED THROUGH THE SYSTEM --

23 A THAT'S CORRECT.

24 Q -- OVER THAT FOUR-YEAR PERIOD?

25 A UH-HUH.

26 Q AND WHEN YOU WERE ASSISTANT DIRECTOR OF

1 SALES AND MARKETING, HOW MANY PEOPLE WERE IN THE SALES  
2 DEPARTMENT?

3 A I WOULD SAY ON AN AVERAGE IT WAS AROUND 19.

4 Q AND OF THOSE 19 PEOPLE -- AND, AGAIN,  
5 STAYING IN THAT 1985 TO 1989 TIME PERIOD, HOW MANY  
6 MEMBERSHIPS WAS YOUR DEPARTMENT SELLING?

7 A I WOULD SAY ON AN AVERAGE OF ANYWHERE FROM  
8 25 TO 30 A WEEK.

9 Q AND SO JUST BY MATH, 52 WEEKS, 30 A WEEK,  
10 THAT WOULD BE KIND OF THE ANNUAL?

11 A ROUGHLY THAT.

12 Q AND WERE YOU USING CONTRACTS BETWEEN ALL  
13 SEASONS RESORTS AND THESE MEMBERS?

14 A YES, THAT'S CORRECT.

15 Q I'D LIKE TO HAVE YOU LOOK AT EXHIBIT 1850,  
16 IF YOU WOULD.

17 CAN YOU MOVE IT OVER A LITTLE BIT? IT MIGHT  
18 BE HELPFUL.

19 AND LET'S LOOK AT THE FIRST PAGE PAGES OF  
20 1850.

21 CAN YOU IDENTIFY THAT?

22 A THIS LOOKS LIKE THE CONTRACT WE USED.

23 MR. SHAW: YOUR HONOR, I'D LIKE TO MOVE EXHIBIT  
24 1850 INTO EVIDENCE.

25 MR. SHERMAN: NO OBJECTION.

26 THE COURT: 1850 IS RECEIVED.

1 (WHEREUPON, EXHIBIT NO. 1850, ALL SEASONS  
2 RESORTS CONTRACT, WAS RECEIVED IN EVIDENCE.)

3 BY MR. SHAW: Q AND THIS ON THE BOARD IS THE -- IS  
4 THAT CONTRACT FOR ALL SEASONS RESORTS?

5 A YES.

6 Q AND THIS WAS THE CONTRACT THAT WAS USED FOR  
7 THE MEMBERS?

8 A THAT'S CORRECT.

9 Q AND I'D LIKE YOU TO GO DOWN TO THE VERY  
10 BOTTOM OF THE PAGE, IF YOU WOULD, MR. O'CONNOR, FOR ME,  
11 WHERE IT SAYS, PARAGRAPH 5, "RECIPROCAL RESORT SYSTEMS:  
12 FROM TIME TO TIME, AS AN ADDED BENEFIT TO MEMBERS, A.S.R.  
13 MAY CHOOSE TO PARTICIPATE IN RECIPROCAL RESORT USAGE  
14 PROGRAMS LIKE CAMP COAST TO COAST AND R.V.I. IN SUCH A  
15 PROGRAM, A.S.R. WILL HAVE NO CONTROL OVER THE MANAGEMENT  
16 AND OPERATIONS OF NON-A.S.R. RESORTS AND, THEREFORE, CAN  
17 MAKE NO WARRANTIES ABOUT THE NATURE, QUALITY OR  
18 AVAILABILITY OF PARTICULAR NON-A.S.R. FACILITIES AND  
19 RESORTS.

20 "USAGE OF NON-A.S.R. RESORTS ALLOWED THROUGH  
21 RECIPROCAL PROGRAMS WILL BE SUBJECT TO THE FEES AND RULES  
22 OF THE RECIPROCAL PROGRAM AND THE PARTICULAR RESORT USED.  
23 MEMBERS' PARTICIPATION IN ANY RECIPROCAL PROGRAM THROUGH  
24 A.S.R. IS SUBJECT TO A.S.R.'S CONTINUED PARTICIPATION.  
25 A.S.R. HEREBY RESERVES AND RETAINS THE ABSOLUTE RIGHT TO  
26 WITHDRAW AT ANY TIME FROM ANY RECIPROCAL PROGRAM

1 INVOLVEMENT."

2 AND THAT WAS YOUR UNDERSTANDING, THAT A.S.R.  
3 HAD THE RIGHT, THE ABSOLUTE RIGHT, TO WITHDRAW AT ANY TIME?

4 A YES.

5 MR. SHERMAN: OBJECTION, YOUR HONOR. THAT IS NOT  
6 RELEVANT, WHAT HIS UNDERSTANDING IS. IT'S A LEGAL  
7 CONCLUSION.

8 THE COURT: SUSTAINED.

9 MR. SHERMAN: MOVE TO STRIKE THE ANSWER.

10 THE COURT: GRANTED.

11 BY MR. SHAW: Q LET'S LOOK AT THE LAST PAGE OF  
12 THIS EXHIBIT. THIS IS THE LOCATIONS AS OF THE DATE OF THIS  
13 AGREEMENT. AND GRASS LAKE IS HERE IN MICHIGAN.

14 MR. O'CONNOR, IS THERE A WAY TO BE ABLE TO  
15 EXPAND THAT FOR US?

16 THE GRASS LAKE RESORT IS HERE IN MICHIGAN?

17 A THAT'S CORRECT.

18 Q NOW, DURING THIS TIME PERIOD WHEN YOU WERE  
19 IN THE SALES, WHEN YOU WERE ASSISTANT DIRECTOR OF SALES,  
20 WAS A.S.R. OFFERING COAST TO COAST, THE COAST TO COAST  
21 RECIPROCAL USE PROGRAM?

22 A YES, WE WERE.

23 Q AND HOW WAS THAT BEING OFFERED?

24 A IT WAS GIVEN TO THEM AS A BONUS AT THE END  
25 OF THE PRESENTATION. AND ONCE THEY DECIDED TO BECOME  
26 INVOLVED, AS A MATTER OF FACT, WE GAVE IT TO THEM FOR A

1 YEAR FOR FREE, BECAUSE IT WAS ALWAYS STATED TO THEM THAT IF  
2 THEY DECIDED, THEY COULD TRY IT AND SEE IF THEY LIKED IT.  
3 IF THEY DIDN'T LIKE IT, IT DIDN'T COST THEM ANYTHING. THEY  
4 COULD ALWAYS DROP IT AT THE END OF THE YEAR.

5 Q AND IN YOUR FOUR YEARS SELLING MEMBERSHIPS,  
6 ABOUT 30 A WEEK OVER THAT TIME PERIOD, WAS IT EVER A  
7 SITUATION WHERE THE MAIN REASON FOR BUYING A MEMBERSHIP  
8 WITH GRASS LAKE WAS THE COAST TO COAST SYSTEM?

9 MR. SHERMAN: OBJECTION. IT CALLS FOR SPECULATION  
10 AS TO WHAT'S IN THE MEMBERS' MIND.

11 THE COURT: SUSTAINED.

12 BY MR. SHAW: Q DID YOU EVER HAVE ANY  
13 UNDERSTANDING THAT THE COAST TO COAST RECIPROCAL USE  
14 PROGRAM WAS THE MAIN REASON FOR A MEMBER BUYING --

15 MR. SHERMAN: OBJECTION.

16 BY MR. SHAW: Q -- A GRASS LAKE RESORT MEMBERSHIP?

17 MR. SHERMAN: OBJECTION.

18 THE COURT: THE SAME OBJECTION, THE SAME GROUNDS,  
19 THE SAME RULING.

20 BY MR. SHAW: Q I'D LIKE YOU TO LOOK AT THE RAGATZ  
21 REPORT, EXHIBIT 828, PAGE 21.

22 MR. SHERMAN: YOUR HONOR, COULD WE FIRST HAVE A  
23 FOUNDATION LAID AS TO WHETHER THIS WITNESS EVER SAW THE  
24 RAGATZ REPORT?

25 THE COURT: YES.

26 MR. SHAW: I'LL ASK HIM, YOUR HONOR. IT'S IN

1 EVIDENCE. CAN YOU PUT IT UP, MR. O'CONNOR, THAT PAGE 26.

2 Q HAVE YOU EVER SEEN THE RAGATZ REPORT?

3 A NO, I HAVEN'T.

4 Q AND YOU'VE NEVER SEEN THIS PAGE THAT SAYS  
5 THAT THE "VERY IMPORTANT" THE CHANCE TO USE THE OTHER  
6 AFFILIATED COAST TO COAST RESORT FOR VACATIONS WAS 77  
7 PERCENT OF THE REASON WHY PEOPLE BOUGHT THEIR COAST TO  
8 COAST MEMBERSHIP?

9 A NO, I HAVEN'T.

10 Q WAS THAT YOUR UNDERSTANDING AS TO WHY PEOPLE  
11 WERE BUYING THE GRASS RESORT MEMBERSHIP?

12 A NO, IT WASN'T.

13 MR. SHERMAN: YOUR HONOR, THE SAME OBJECTIONS. AND  
14 I'D ASK --

15 THE COURT: SAME RULING.

16 MR. SHERMAN: AT THIS POINT THAT COUNSEL BE ASKED  
17 TO MOVE ON.

18 BY MR. SHAW: Q ALL RIGHT. LET'S TALK ABOUT A  
19 DOCUMENT THAT WE'LL MARK NEXT IN ORDER. I BELIEVE IT'S  
20 EXHIBIT 2191.

21 MR. SHERMAN: EXCUSE ME. IS THIS ON THEIR EXHIBIT  
22 LIST?

23 MR. SHAW: NO, IT'S NOT.

24 THE COURT: 2191?

25 MR. SHERMAN: WELL, YOUR HONOR --

26 MR. SHAW: IS THAT THE NEXT IN ORDER?

1 THE CLERK: I HAVE NO IDEA.

2 MR. MOSHENKO: I MARKED 2190 YESTERDAY, YOUR  
3 HONOR.

4 MR. SHERMAN: FOR ALL OF THE REASONS THAT HAVE BEEN  
5 DISCUSSED EXTENSIVELY IN CHAMBERS, UNLESS A DOCUMENT IS  
6 GOING TO BE USED AS IMPEACHMENT OR TO REFRESH A WITNESS'S  
7 RECOLLECTION, IT HAS NO BUSINESS BEING SHOWN AT THIS TIME.

8 THE COURT: YOU'RE CORRECT, COUNSEL.

9 BY MR. SHAW: Q DID YOU -- SINCE YOU'VE BEEN THE  
10 RESORT MANAGER -- AND HOW LONG HAS THAT BEEN?

11 A JUST ABOUT A YEAR.

12 Q HAVE YOU HAD ANY CONTACT FROM ANY MEMBERS  
13 REGARDING A TRANSFER OF THEIR MEMBERSHIP, HOME RESORT  
14 MEMBERSHIP, FROM GRASS LAKE TO BEAR CAVE RESORT?

15 A YES, I HAVE.

16 Q AND DO YOU HAVE ANY UNDERSTANDING AS TO  
17 WHETHER MEMBERS WERE CONFUSED BY THAT TRANSFER?

18 MR. SHERMAN: OBJECTION. CALLS FOR SPECULATION.

19 THE COURT: SUSTAINED.

20 MR. SHERMAN: HEARSAY. LACKS FOUNDATION.

21 MR. SHAW: YOUR HONOR, I HAVE NOTHING FURTHER OF  
22 MR. HAYNES. THANK YOU.

23 THE COURT: THANK YOU. CROSS.

24 CROSS-EXAMINATION

25 BY MR. SHERMAN: Q COULD WE PUT BACK UP ON THE  
26 SCREEN THAT EXHIBIT 1850.

1                   NOW, MR. HAYNES -- IF WE COULD ALSO EXPAND  
2 THAT PARAGRAPH 5 -- SEE A FEW LINES FROM THE BOTTOM, "USAGE  
3 OF NON-A.S.R. RESORTS ALLOWED THROUGH RECIPROCAL PROGRAMS  
4 WILL BE SUBJECT TO THE FEES AND RULES OF THE RECIPROCAL  
5 PROGRAM AND THE PARTICULAR RESORT USED. PARTICIPATION IN  
6 ANY RECIPROCAL PROGRAM THROUGH A.S.R. IS SUBJECT TO  
7 A.S.R.'S CONTINUED PARTICIPATION."

8                   DO YOU SEE THAT PHRASE?

9           A        YES, I DO.

10          Q        SO WHEN YOU WERE SELLING MEMBERSHIPS AT  
11 GRASS LAKE, YOU KNEW THAT -- WELL, FIRST OF ALL, LET'S BACK  
12 UP.

13                   YOU WERE -- YOU KNEW THAT WHEN A PERSON  
14 ACQUIRED THIS PRODUCT, THE GRASS LAKE PRODUCT, AND YOU SAY  
15 YOU THREW IN THE COAST AS A BONUS, YOU KNEW THAT AFTERWARDS  
16 THE PERSON WAS A MEMBER OF GRASS LAKE AND WAS A MEMBER OF  
17 COAST TO COAST?

18          A        IF THEY CHOSE TO BE A MEMBER OF COAST TO  
19 COAST.

20          Q        RIGHT.

21                   IF THEY ACCEPTED THE BONUS THAT YOU WERE  
22 GIVING THEM?

23          A        THAT'S CORRECT.

24          Q        OKAY. SO YOU KNEW WHEN THEY LEFT YOUR  
25 OFFICE THAT DAY THAT THEY WERE -- THAT THEY WERE GRASS LAKE  
26 MEMBERS AND COAST MEMBERS?

1 A YES.

2 Q AND AS FAR AS THIS LANGUAGE IS CONCERNED,  
3 MR. SHAW WAS ASKING YOU QUESTIONS ABOUT YOUR UNDERSTANDING,  
4 AND YOU WERE TESTIFYING ABOUT YOUR UNDERSTANDING?

5 A UH-HUH.

6 Q I WANT TO ASK YOU ABOUT YOUR UNDERSTANDING  
7 WITH THE "MEMBERS' PARTICIPATION IN ANY RECIPROCAL PROGRAM  
8 THROUGH A.S.R. IS SUBJECT TO A.S.R.'S CONTINUED  
9 PARTICIPATION."

10 THAT'S WHAT THE LANGUAGE SAYS; RIGHT?

11 A THAT'S CORRECT.

12 Q SO YOU KNEW THAT PEOPLE WHO HAD BECOME  
13 MEMBERS OF GRASS LAKE AND MEMBERS OF COAST TO COAST  
14 COULDN'T PARTICIPATE AS A MEMBER IN COAST THROUGH GRASS  
15 LAKE IF GRASS LAKE WITHDREW FROM THE SYSTEM; RIGHT?

16 A THAT'S CORRECT.

17 Q BUT THE CONTRACT DOESN'T SAY THAT YOU CAN'T  
18 PARTICIPATE -- A MEMBER CAN'T PARTICIPATE THROUGH COAST  
19 WITH ANOTHER COAST-AFFILIATED RESORT, NOW DOES IT?

20 A WELL, IF THEY WERE -- IF THEIR HOME RESORT  
21 IS GRASS LAKE -- THEY CANNOT PARTICIPATE WITHOUT A HOME  
22 RESORT.

23 Q RIGHT.

24 A SO, AS I SAID, WHAT THEY BOUGHT AT THIS  
25 INITIAL THING WAS A HOME RESORT.

26 Q AND THEY BOUGHT A COAST -- THEY ACQUIRED A

1 COAST MEMBERSHIP?

2 A THEY WERE GIVEN A COAST TO COAST MEMBERSHIP.

3 Q RIGHT. THEY BECAME A COAST MEMBER.

4 AND SO THE CONTRACT DOESN'T SAY -- YOUR

5 UNDERSTANDING ISN'T TO THE EFFECT THAT A COAST MEMBER

6 COULDN'T MAKE A DECISION, MAKE A CHOICE, CHOOSE TO

7 PARTICIPATE IN COAST AS A MEMBER WITH ANOTHER

8 COAST-AFFILIATED HOME RESORT; CORRECT?

9 A I SUPPOSE THEY COULD. THEY'D HAVE TO BUY

10 ANOTHER HOME PARK MEMBERSHIP.

11 Q THEY'D HAVE TO MAKE A DECISION?

12 A THEY'D HAVE TO BUY ANOTHER MEMBERSHIP.

13 Q RIGHT.

14 AND THAT'S THEIR CHOICE; RIGHT?

15 A I SUPPOSE THAT'S THEIR CHOICE.

16 Q WELL, YOU KNEW WHEN YOU WERE SELLING

17 MEMBERSHIPS YOU WERE NOT SHACKLING PEOPLE, WERE YOU?

18 A NO, WE WEREN'T SHACKLING PEOPLE.

19 Q YOU KNEW THAT PEOPLE CAME IN THERE WITH

20 CHOICES AND LEFT WITH CHOICES; RIGHT?

21 A YES, I WOULD SAY THAT WAS TRUE.

22 Q AND YOU KNEW IF SOMEONE LEFT AS A COAST

23 MEMBER AND AS A GRASS LAKE MEMBER, THEY LEFT WITH CHOICES

24 WITH RESPECT TO BOTH OF THOSE PRODUCTS?

25 A THERE WERE CHOICES, THAT'S TRUE.

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

1 EXHIBIT 1002-001. THIS WAS ADMITTED IN THE EXAMINATION OF  
2 MR. MALPASS. IF WE COULD EXPAND THAT, PLEASE.

3 MR. SHAW: COUNSEL, COULD WE SEE THE DATE?

4 MR. SHERMAN: YEAH. WHY DON'T WE GO UP A LITTLE  
5 BIT.

6 Q THAT'S DATED AUGUST, 1997. AND AUGUST,  
7 1997, MR. HAYNES, YOU WERE AT THE GRASS LAKE FACILITY?

8 A I THINK SO.

9 Q AND DID THE NOVELLI ORGANIZATION TRY TO KEEP  
10 YOU CURRENT ON COMMUNICATIONS THAT THEY WERE RECEIVING FROM  
11 MEMBERS OF GRASS LAKE?

12 A OKAY. THIS WAS WHEN? 1997 DID YOU SAY?

13 Q YES, SIR.

14 A I WASN'T THERE.

15 Q WELL, YOU WEREN'T IN THE PARK IN '97?

16 A NO, I WAS NOT IN THE PARK IN -- FOR '97.

17 Q WHERE WERE YOU IN '97?

18 A IN '97 I WAS WORKING FOR DOMINOS PIZZA, IN  
19 THEIR PROGRAM, FLAGSHIP PROGRAM FOR MANAGEMENT.

20 Q AND WHERE WERE YOU IN '98?

21 A I WAS STILL WORKING FOR DOMINOS PIZZA.

22 Q AND WHEN DID YOU START WORKING FOR DOMINOS  
23 PIZZA?

24 A I THINK IT WAS AROUND '96.

25 Q AND THAT'S WHEN YOU LEFT THE NOVELLI  
26 ORGANIZATION?

1           A       NO.  I LEFT NOVELLI -- FIRST TIME I LEFT  
2 NOVELLI'S ORGANIZATION WAS 1989.

3           Q       OKAY.  SO YOU STARTED -- IF I'VE GOT THE  
4 DATE RIGHT -- IN '85?

5           A       THAT'S CORRECT.

6           Q       AND THEN YOU LEFT IN '89?

7           A       THAT'S CORRECT.

8           Q       AND WHERE DID YOU GO IN '89?

9           A       '89 I WENT TO WORK FOR MORLEY CANDY MAKERS  
10 AS A SALES AND MARKETING REP.

11          Q       OKAY.  AND AT SOME POINT YOU RETURNED TO THE  
12 NOVELLI ORGANIZATION?

13          A       YES.  JUST LAST YEAR.

14          Q       1999?

15          A       YES, THAT'S CORRECT.

16          Q       AND WHEN YOU LEFT IN 1989, YOU WERE AWARE  
17 THAT A.S.R. HAD FILED A BANKRUPTCY?

18          A       THAT'S CORRECT.

19          Q       AND THAT WAS HAVING A HUGE IMPACT ON SALES;  
20 IS THAT RIGHT?

21          A       I DON'T THINK IT HAD THAT MUCH OF AN IMPACT  
22 TO BE VERY HONEST WITH YOU.  I MEAN, WE SOLD THE  
23 MEMBERSHIPS, AND WE EXPLAINED ABOUT THE REORGANIZATION.  
24 THEY HAD TO HAVE -- YOU KNOW, WE DIDN'T HAVE AN AWFUL  
25 HARD -- I DON'T EVER REMEMBER SOMEBODY GETTING UP AND --  
26 AFTER BUYING THE PRODUCT AND WE EXPLAINED IT TO THEM THAT

1 THEY GOT UP AND LEFT AND SAID THEY WEREN'T GOING TO SIGN  
2 IT.

3 Q BUT THERE WERE PEOPLE WHO SAID UP FRONT THEY  
4 JUST WEREN'T INTERESTED?

5 A NOT BECAUSE OF THAT. I DON'T REMEMBER THAT  
6 BEING THE PROBLEM. IT WAS VERY EASY TO EXPLAIN.  
7 THERE'S -- AN AWFUL LOT OF COMPANIES GO THROUGH  
8 REORGANIZATION.

9 Q NOW, AT THE TIME YOU LEFT IN 1989 -- STRIKE  
10 THAT.

11 WHEN YOU WERE SELLING MEMBERSHIPS IN GRASS  
12 LAKE --

13 A UH-HUH.

14 Q -- YOU HAD ACCESS TO MEMBER LISTS; IS THAT  
15 RIGHT?

16 A I WOULD GUESS THAT PART OF THE MANAGEMENT  
17 TEAM HAD ACCESS. AT THAT TIME AS A SALESPERSON I DIDN'T  
18 HAVE ACCESS TO MEMBER LISTS.

19 Q BUT AS YOU ROSE THROUGH THE RANKS, AS YOU  
20 WERE DESCRIBING TO MR. SHAW, YOU HAD MORE AND MORE  
21 RESPONSIBILITY; RIGHT?

22 A THAT'S CORRECT.

23 Q AND YOU THEN AT SOME POINT HAD YOUR OWN  
24 ACCESS TO ALL THE MEMBER LISTS; IS THAT RIGHT?

25 A I DON'T EVER REMEMBER HAVING ACCESS TO ALL  
26 MEMBER LISTS, NO. THEY WEREN'T KEPT IN THE PARK THAT I

1 KNEW OF.

2 Q WELL, YOU KNOW WHO NADEL SADON IS?

3 A NADEL, UH-HUH, SADON.

4 Q HE WAS A SALES MANAGER THERE, TOO?

5 A YES. THAT WAS AFTER ME.

6 Q OKAY. BUT YOU KNEW HE HAD ACCESS TO MEMBER

7 LISTS; IS THAT RIGHT?

8 A I HAVE NO IDEA WHETHER OR NOT HE HAD ACCESS

9 TO MEMBER LISTS.

10 Q YOU KNOW -- YOU KNOW DAVE RANDOLF, DON'T YOU?

11 A YES, I KNOW DAVE RANDOLF.

12 Q YOU KNOW HE HAD ACCESS.

13 DO YOU KNOW WHETHER HE HAD ACCESS TO

14 MEMBERS?

15 A I HAVE NO KNOWLEDGE OF HIM HAVING ACCESS TO

16 MEMBER LISTS.

17 Q DO YOU KNOW WHETHER DAVE RANDOLF WAS A PARK

18 MANAGER AT --

19 A HE WAS A PARK MANAGER.

20 Q FOR A TIME?

21 A YES. HE WAS THE PARK MANAGER.

22 Q DID YOU EVER LEARN WHETHER HE GOT INTO AN

23 ARGUMENT WITH MR. NOVELLI AND LEFT?

24 A I KNOW HE LEFT, BUT I DON'T KNOW THE

25 CIRCUMSTANCES THAT HE LEFT.

26 Q HAVE YOU LEARNED OVER THE YEARS ABOUT

1 SALESPEOPLE OR OTHERS WITH ACCESS TO MEMBER LISTS WHO WHEN  
2 THEY LEFT THE NOVELLI ORGANIZATION LEFT AND TOOK THEIR  
3 MEMBER LISTS WITH THEM?

4 A I HAVE NO KNOWLEDGE OF THAT. I MEAN --  
5 REALLY HAVE -- I'VE HEARD OF IT, BUT I HAVE NO KNOWLEDGE OF  
6 IT.

7 Q WELL, LET'S TRY TO DISTINGUISH BETWEEN  
8 HAVING HEARD OF IT AND HAVING NO KNOWLEDGE OF IT.

9 YOU HAVE HEARD OF THE SITUATION WHERE YOU'VE  
10 GOT SALES MANAGERS WITH ACCESS TO MEMBER LISTS, AND FOR  
11 WHATEVER REASON THEY LEAVE AND TAKE IT; THAT'S WHAT YOU  
12 HEARD?

13 A NO, THAT'S NOT WHAT I HEARD.

14 Q WHAT HAVE YOU HEARD?

15 A I'VE HEARD THAT SOME PEOPLE HAD HAD AN  
16 OPPORTUNITY, HAD TAKEN A MEMBER LIST AND LEFT, AND IT WAS  
17 NOT THAT I KNOW OF IN SALES. BUT IT WAS ONE OF THOSE  
18 RUMORS THAT ALWAYS FLIES AROUND.

19 Q SO THESE RUMORS HAVE ALWAYS FLIED AROUND?

20 A I SAID IT WAS A RUMOR THAT WAS FLYING  
21 AROUND. EXCUSE ME.

22 Q AND I TAKE IT THAT SINCE YOU WERE WITH  
23 DOMINOS -- AND YOU WERE WITH DOMINOS IN '97?

24 A THAT'S CORRECT.

25 Q SO YOU DON'T KNOW ANYTHING ABOUT ANY LETTERS  
26 THAT COAST MAY HAVE SENT OUT. YOU HAVE NO PERSONAL

1 KNOWLEDGE OF THAT?

2 A NO. I HAVE NO PERSONAL, OTHER THAN TALKING  
3 TO MY MEMBERS THAT ARE AT GRASS LAKE NOW.

4 Q RIGHT.

5 YOU HAVE NO PERSONAL KNOWLEDGE OF ANY  
6 LETTERS COAST MAY HAVE SENT?

7 A I HAVE NOT SEEN A LETTER.

8 Q AND YOU HAVE NO PERSONAL KNOWLEDGE OF WHAT  
9 THE MEMBERSHIP USAGE WAS AT GRASS LAKE OR THE MEMBERSHIP  
10 LEVELS WERE AT GRASS LAKE IN 1997 AS COMPARED TO 1998;  
11 CORRECT?

12 A COMPARED TO WHEN?

13 Q YOU HAVE NO PERSONAL KNOWLEDGE, MR. HAYNES,  
14 AS TO THE USAGE AT THE PARK OR THE MEMBERSHIP LEVELS AT THE  
15 PARK AS COMPARED BETWEEN '97 AND '98?

16 A NO. I WOULDN'T HAVE THAT.

17 MR. SHERMAN: I HAVE NO FURTHER QUESTIONS. THANK  
18 YOU.

19 THE COURT: THANK YOU.

20 ANYTHING FURTHER?

21 MR. SHAW: JUST A COUPLE, YOUR HONOR.

22 REDIRECT EXAMINATION

23 BY MR. SHAW: Q MR. SHERMAN ASKED YOU ABOUT  
24 CHOICES, MR. HAYNES. BUT WHEN YOU WERE THERE IN '85 TO  
25 '89, THERE WERE NO CHOICES FOR COAST TO COAST; THAT WAS  
26 GIVEN TO THEM?

1 A THAT'S CORRECT.

2 MR. SHERMAN: OBJECTION. LEADING QUESTION.

3 THE COURT: SUSTAINED.

4 MR. SHERMAN: MOVE TO STRIKE THE ANSWER.

5 THE COURT: GRANTED.

6 BY MR. SHAW: Q WERE ANY CHOICE -- DID THE MEMBERS  
7 HAVE ANY CHOICES ABOUT COAST TO COAST WHEN THEY BOUGHT  
8 THEIR GRASS LAKE RESORT MEMBERSHIP?

9 A NO.

10 Q AND WHY NOT?

11 A BECAUSE WE GAVE -- THE PACKAGE INCLUDED  
12 COAST TO COAST. IT DID NOT -- IT WAS GIVEN TO THEM.

13 Q AND THEY DIDN'T HAVE TO PAY ANYTHING FOR IT?

14 A NO. THE FIRST YEAR THEY DID NOT HAVE TO PAY  
15 FOR IT. IT WAS A GIFT.

16 MR. SHAW: I HAVE NOTHING FURTHER. THANK YOU.

17 MR. SHERMAN: NOTHING FURTHER.

18 THE COURT: THANK YOU. SEMPER FI.

19 THE WITNESS: SEMPER FI.

20 THE COURT: CALL YOUR NEXT WITNESS, PLEASE.

21 MR. SHAW: THANK YOU, YOUR HONOR.

22 WE WILL CALL MR. JEFF HODGSON.

23 MR. MOSHENKO: DON'T YOU MEAN CALL YOUR NEXT  
24 MARINE, YOUR HONOR?

25 THOMAS GEOFFREY HODGSON,

26 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS, HAVING

1 BEEN FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS  
2 FOLLOWS:

3 THE CLERK: TAKE A SEAT IN THE WITNESS STAND.  
4 STATE YOUR FULL NAME FOR THE RECORD AND SPELL YOUR LAST  
5 NAME FOR THE REPORTER.

6 THE WITNESS: THOMAS JEFFREY HODGSON,  
7 H-O-D-G-S-O-N.

8 THE CLERK: THANK YOU.

9 DIRECT EXAMINATION

10 BY MR. SHAW: Q MR. HODGSON, WHAT'S YOUR  
11 OCCUPATION?

12 A RESORT MANAGER AT HIDDEN SPRINGS RESORT IN  
13 TYLERTOWN, MISSISSIPPI.

14 Q AND HOW LONG HAVE YOU BEEN THE RESORT  
15 MANAGER THERE?

16 A THIRTEEN YEARS.

17 Q SO THAT TAKES US BACK TO SOMETIME IN 1987?

18 A CORRECT, YES.

19 Q PRIOR TO 1987 WHERE WERE YOU EMPLOYED?

20 A I WAS EMPLOYED AS PLANT ACCOUNTANT AT CROFT  
21 METALS.

22 Q WHAT KIND OF A COMPANY WAS THAT?

23 A THEY MANUFACTURED EXTRUDED ALUMINUM WINDOWS  
24 AND PATIO DOORS.

25 Q WAS THAT SOMEWHERE IN THE AREA --

26 A YES.

1 Q -- OF THE RESORT?

2 A UH-HUH.

3 Q AND THEN PRIOR TO YOUR EMPLOYMENT THERE,  
4 WHERE WERE YOU EMPLOYED?

5 A I WAS SALES REP FOR SEQUOIA CARPET MILLS.

6 Q AND PRIOR TO THAT, WHERE WERE YOU EMPLOYED?

7 A I WAS IN SCHOOL.

8 Q AND WHERE DID YOU ATTEND UNIVERSITY?

9 A UNIVERSITY OF SOUTHERN MISSISSIPPI,  
10 HATTIESBURG, MISSISSIPPI.

11 Q AND YOU GRADUATED WITH A DEGREE FROM  
12 SOUTHERN MISSISSIPPI?

13 A I DID, YES.

14 Q WHAT DEGREE?

15 A B.S. DEGREE IN MARKETING.

16 Q COULD YOU DESCRIBE THE RESORT FOR US,  
17 MR. HODGSON?

18 A IT'S 120 ACRES, HEAVILY WOODED. IT HAS A  
19 RIVER RUNNING THROUGH IT, THE BOGUE CHITTO RIVER. WE HAVE  
20 APPROXIMATELY 100 R.V. SITES, TWO SWIMMING POOLS,  
21 CLUBHOUSE, TENNIS COURT, BASKETBALL COURT, VOLLEYBALL  
22 COURT, PUTT-PUTT GOLF, HORSESHOE PIT, PAVILION.

23 Q AND WHO OWNS THE -- TO YOUR KNOWLEDGE, WHO  
24 OWNS THE RESORT AT THE PRESENT TIME?

25 A MR. NOVELLI.

26 Q AND THAT'S THROUGH TRAVEL AMERICA?

1 A YES.

2 Q AND HAS THE RESORT EVER BEEN CLOSED?

3 A NO, SIR.

4 Q EVER BEEN DISSOLVED?

5 A NO, SIR.

6 Q THE MEMBERS EVER BEEN DISSOLVED?

7 A NO, SIR.

8 Q I'D LIKE TO SHOW YOU WHAT HAS BEEN

9 INTRODUCED INTO EVIDENCE AS EXHIBIT 1563-0045.

10 AND, MR. HODGSON, DID YOU BECOME AWARE IN OR  
11 ABOUT OCTOBER OF 1997 THAT LETTERS WERE BEING SENT BY COAST  
12 TO COAST TO THE MEMBERS OF HIDDEN SPRINGS RESORT THAT MADE  
13 ARRANGEMENTS TO HAVE COAST TO COAST HOME RESORT MEMBERSHIP  
14 TRANSFERRED TO SHILO'S LAKE BRUIN RESORT IN NEWELLTON,  
15 LOUISIANA?

16 A YES, SIR.

17 Q AND HOW DID YOU BECOME AWARE OF THAT?

18 A WELL --

19 MR. RIVIN: OBJECTION. HEARSAY.

20 THE COURT: OVERRULED.

21 THE WITNESS: I BEGAN RECEIVING PHONE CALLS FROM

22 OUR MEMBERS.

23 MR. RIVIN: THIS IS HEARSAY, YOUR HONOR. THE

24 TESTIMONY WILL BE BASED ON HEARSAY.

25 MR. SHAW: ONLY FOR THE STATE OF MIND, NOT FOR THE

26 TRUTH OF THE MATTER ASSERTED.

1 THE COURT: I'LL ALLOW IT.

2 THE WITNESS: I BEGAN RECEIVING PHONE CALLS FROM  
3 CONCERNED MEMBERS. THEY SAID THAT THEY HAD BEEN -- COAST  
4 TO COAST HAD TRANSFERRED THEM TO SHILO, AND THEY WERE STILL  
5 RECEIVING A MAINTENANCE BILL FROM US AND WONDERED WHY.

6 BY MR. SHAW: Q AND WHAT DID YOU DO WHEN YOU  
7 RECEIVED THAT INFORMATION FROM THEM?

8 A WELL, I TRIED TO EXPLAIN TO THEM THAT COAST  
9 TO COAST DIDN'T HAVE THE AUTHORITY TO TRANSFER MEMBERS FROM  
10 ONE PARK TO ANOTHER, AND THEY WERE STILL IN FACT MEMBERS OF  
11 HIDDEN SPRINGS RESORT AND NEEDED TO PAY THEIR MAINTENANCE  
12 BILLS.

13 Q SO DESPITE THAT, THEY UNDERSTOOD THAT THEY  
14 HAD BEEN TRANSFERRED?

15 A EXACTLY.

16 Q LET'S LOOK AT EXHIBIT NEXT IN ORDER -- I  
17 BELIEVE IT'S 2156.

18 MR. RIVIN: YOUR HONOR, WE DO NOT HAVE AN EXHIBIT  
19 2156 ON THE LIST. AT LEAST IT'S NOT IN THE BOOK THAT THE  
20 PLAINTIFFS GAVE US.

21 MR. SHAW: MR. DURAN IS GOING TO GET THE WITNESS  
22 BOOK, YOUR HONOR.

23 MR. RIVIN, DO YOU HAVE THE EXHIBIT OR DID I  
24 MENTION THE WRONG NUMBER?

25 MR. RIVIN: NO. IT DOES APPEAR TO BE 2156 IN OUR  
26 BOOK. IT WAS SHOWN AS 2176. BUT IT DOES APPEAR TO BE

1 2156.

2 THE CLERK: THAT'S A TRANSMITTAL FROM  
3 GEOFF HODGSON.

4 MR. RIVIN: YES.

5 MR. SHAW: THANK YOU.

6 Q CAN YOU IDENTIFY 2156?

7 A YES, SIR.

8 Q AND WHAT IS THAT?

9 A THIS IS A FAX TRANSMITTAL THAT I SENT TO  
10 WENDY ARCHIBALD AND MRS. NOVELLI AT THE HOME OFFICE.

11 Q AND WHAT'S THE DATE ON IT?

12 A DECEMBER THE 8TH, 1997.

13 Q AND IS THAT YOUR HANDWRITING?

14 A IT IS.

15 MR. SHAW: YOUR HONOR, WE'LL MOVE EXHIBIT 2156 INTO  
16 EVIDENCE.

17 MR. RIVIN: WE DON'T AGREE, YOUR HONOR. THIS  
18 DOCUMENT CONTAINS NOTHING BUT HEARSAY, AND IT'S  
19 INAPPROPRIATE.

20 MR. SHAW: YOUR HONOR, IT'S BEING OFFERED FOR STATE  
21 OF MIND.

22 THE COURT: MAY I SEE IT, PLEASE.

23 MR. RIVIN: YOUR HONOR, IT REFLECTS THE WITNESS'S  
24 STATE OF MIND. IT IS DOUBLE HEARSAY AS TO ANYTHING THAT A  
25 MEMBER MAY HAVE STATED. IT'S VERY DIFFERENT THAN THE  
26 MEMBER LETTERS THAT WE'VE SEEN.

1 MR. SHAW: YOUR HONOR, IT'S ALSO BUSINESS RECORDS  
2 EXCEPTION WITHIN THE COMPANY.

3 THE COURT: I'M GOING TO ALLOW IT.

4 MR. SHAW: THANK YOU, YOUR HONOR.

5 CAN YOU PUT IT UP, MR. O'CONNOR.

6 Q THIS IS ON THE HIDDEN SPRINGS RESORT,  
7 TYLERTOWN, MISSISSIPPI LETTERHEAD.

8 AND THIS IS THE FAX LEGEND FROM HIDDEN  
9 SPRINGS UP AT THE TOP?

10 A YES, SIR.

11 Q AND IT'S A TRANSMITTAL. AND IT'S DATED  
12 DECEMBER 8, 1997, TO WENDY ARCHIBALD.

13 WHO IS WENDY ARCHIBALD?

14 A SHE IS AN EMPLOYEE OF TRAVEL AMERICA.

15 Q AND IT'S TO HER, AND IT'S IN YOUR  
16 HANDWRITING?

17 A YES, SIR.

18 Q AND THAT'S YOUR NAME, GEOFF HODGSON?

19 A YES, SIR.

20 Q LET'S GO DOWN INTO THE LETTER.

21 AND YOU WROTE TO HER -- IS THAT CANDY AND  
22 MICHELLE AT SHILO?

23 A YES, SIR.

24 Q IS SHILO THE RESORT THAT WE LOOKED AT IN THE  
25 PREVIOUS EXHIBIT, THE OCTOBER LETTER, THAT THE MEMBERS WERE  
26 BEING TRANSFERRED TO?

1           A           YES, IT IS.

2           Q           "ARE CALLING OUR MEMBERS AND TELLING THEM  
3 HIDDEN SPRINGS AND ALL TRAVEL AMERICA RESORTS ARE CLOSED,  
4 AND THEY MUST" -- IS THAT YOUR UNDERLINING, THE WORD --

5           A           YES, SIR.

6           Q           -- "JOIN SHILO. I CALLED THEM SATURDAY AND  
7 TOLD CANDY THAT SHE WOULD BE HEARING FROM OUR LAWYER  
8 MONDAY."

9                       AND THEN IS THAT YOUR SIGNATURE?

10          A           YES, SIR.

11          Q           NOW, DID YOU BECOME AWARE THAT NOT ONLY WERE  
12 THE HIDDEN SPRINGS MEMBERS RECEIVING PHONE CALLS FROM  
13 PEOPLE AT SHILO, BUT THAT THEY WERE ALSO RECEIVING WRITTEN  
14 DOCUMENTATION?

15          A           YES.

16          MR. RIVIN:  ONCE AGAIN, YOUR HONOR, THIS CALLS FOR  
17 HEARSAY.  IT'S ALL HEARSAY TESTIMONY.

18          THE COURT:  JUST BECAME AWARE THAT THEY HAD BEEN  
19 RECEIVING THEM, THAT'S NOT HEARSAY.  OVERRULED.

20          THE WITNESS:  YES, SIR.

21          BY MR. SHAW:  Q  AND HOW DID YOU BECOME AWARE OF  
22 THAT?

23          A           FROM MEMBERS CALLING ME AND SENDING ME --

24          MR. RIVIN:  AGAIN, YOUR HONOR, OBJECT.

25          THE COURT:  THAT'S HEARSAY.  SUSTAINED.

26          BY MR. SHAW:  Q  DID YOU RECEIVE ANY WRITTEN

1 MATERIAL THAT WAS BEING SENT BY SHILO TO THE HIDDEN SPRINGS  
2 MEMBERS?

3 A YES, SIR.

4 Q LET'S LOOK AT 2115.

5 MR. RIVIN AND MR. SHERMAN, CAN I CONTINUE OR  
6 DO YOU WANT ME TO WAIT?

7 MR. RIVIN: YES.

8 MR. SHAW: DO YOU WANT ME TO WAIT?

9 MR. RIVIN: CONTINUE.

10 MR. SHAW: OKAY. THANK YOU.

11 Q MR. HODGSON, WHAT IS EXHIBIT 2115?

12 A THIS IS A LETTER FROM SHILO WELCOMING OUR  
13 MEMBERS TO THEIR PARK.

14 Q AND THIS WAS A DOCUMENT THAT YOU SAW IN OR  
15 ABOUT LATE 1997 THAT YOUR MEMBERS WERE SHOWING YOU THEY  
16 WERE RECEIVING?

17 A I DID.

18 MR. SHAW: YOUR HONOR, I'D LIKE TO MOVE 2115 INTO  
19 EVIDENCE.

20 THE COURT: NO OBJECTION?

21 MR. RIVIN: NO OBJECTION, YOUR HONOR.

22 THE COURT: IT WILL BE RECEIVED IN EVIDENCE.

23 (WHEREUPON, EXHIBIT NO. 2115, WELCOME LETTER  
24 FROM SHILO, WAS RECEIVED IN EVIDENCE.)

25 BY MR. SHAW: Q LET'S LOOK AT 2115. AND THIS  
26 SAYS, "DEAR NEW SHILO RESORTS MEMBER.

1                   "WELCOME. YOU SHOULD HAVE ALREADY RECEIVED  
2 A LETTER FROM COAST TO COAST CONFIRMING THAT YOUR RESORT IS  
3 NO LONGER AFFILIATED WITH COAST TO COAST. AS YOU KNOW,  
4 THIS WOULD HAVE CANCELLED COAST TO COAST MEMBERSHIP --  
5 CANCELLED YOUR COAST TO COAST MEMBERSHIP. FOR THAT REASON,  
6 COAST TO COAST HAS ALREADY TRANSFERRED YOUR MEMBERSHIP HERE  
7 TO SHILO RESORTS.

8                   "WE HAVE WORKED CLOSELY WITH COAST TO COAST  
9 AND THROUGH INDIVIDUAL MEMBERS WHO HAVE VISITED OUR PARK  
10 BEFORE AND WERE ASKING FOR TRANSFERS TO OUR PARK IN ORDER  
11 TO CONTINUE WITH THE COAST TO COAST SYSTEM, WHICH IS A  
12 LARGE PART OF THE REASON THEY JOINED IN THE FIRST PLACE."

13                   WERE YOU INVOLVED AT ALL IN THE SALES AND  
14 MARKETING AT HIDDEN SPRINGS?

15           A       NO, SIR, I WASN'T.

16           Q       SOMEONE ELSE WAS DEALING WITH THAT?

17           A       RIGHT.

18           Q       "WE WERE ASKED BY COAST TO COAST TO TRANSFER  
19 YOU TO OUR RESORTS AS SMOOTHLY AND QUICKLY AS POSSIBLE SO  
20 AS NOT TO INTERRUPT YOUR SERVICES OR TRAVEL PLANS. WE ARE  
21 HAPPY TO OBLIGE THIS REQUEST."

22                   MR. O'CONNOR, LET'S LOOK AT THE SECOND  
23 PAGE.

24                   AND THIS WAS THEN SIGNED BY THE OWNERS OF  
25 THE SHILO RESORT, BOB AND ANN PIERSON?

26           A       THAT'S CORRECT.

1 MR. SHAW: MR. HODGSON, I DON'T HAVE ANYTHING  
2 FURTHER. THANK YOU.

3 THE COURT: CROSS.

4 MR. RIVIN: A FEW QUESTIONS, YOUR HONOR.

5 CROSS-EXAMINATION

6 BY MR. RIVIN: Q MR. HODGSON, IS HIDDEN SPRINGS  
7 PART OF FIRST NATIONWIDE?

8 A THEY WERE PART OF THE GUARDIAN CREDIT GROUP.

9 Q HIDDEN SPRINGS IS PART OF GUARDIAN CREDIT?

10 A YES. YES.

11 Q AT WHAT TIME?

12 A AT WHAT POINT IN TIME?

13 Q YES.

14 A STARTING WHEN THEY BOUGHT IT. I BELIEVE IT  
15 WAS SOMEWHERE AROUND 1990.

16 Q GUARDIAN CREDIT WAS A COMPANY AFFILIATED  
17 WITH MR. NOVELLI?

18 A YES, SIR.

19 Q IS THAT WHEN ONE OF MR. NOVELLI'S COMPANIES  
20 FIRST GOT INVOLVED IN HIDDEN SPRINGS?

21 A THAT'S CORRECT, UH-HUH.

22 Q AND DID IT GO FROM GUARDIAN CREDIT THEN TO  
23 ANOTHER CORPORATION OWNED BY MR. NOVELLI?

24 A TRAVEL AMERICA.

25 Q HOW ABOUT BOGUE CHITTO CORPORATION, HAVE YOU  
26 EVER HEARD OF THAT COMPANY?

1           A           I HAVE. I BELIEVE THAT WAS TECHNICALLY THE  
2 CORPORATION -- BOW GEORGIA CHILL WILL A RIVER CORPORATION I  
3 BELIEVE WAS THE COMPANY SET UP THAT OWNED HIDDEN SPRINGS  
4 RESORT.

5           Q           DO YOU KNOW ANYTHING ABOUT THE -- THE  
6 TRANSFER OF THE COMPANY FROM GUARDIAN CREDIT TO BOGUE  
7 CHITTO OR TO TRAVEL AMERICA?

8           A           NO, SIR.

9           Q           THE LETTER THAT MR. SHAW SHOWED YOU FROM THE  
10 PIERSONS AT SHILO --

11          A           UH-HUH, RIGHT.

12          Q           -- THERE WAS NOTHING REGARDING -- THERE WAS  
13 NO -- THAT WAS FROM THE OWNERS OF THE SHILO RESORT, NOT  
14 FROM COAST; IS THAT RIGHT?

15          A           THAT'S CORRECT.

16          Q           AND MR. SHAW SHOWED YOU AN EXHIBIT 2156 THAT  
17 WAS A -- THAT WAS A HANDWRITTEN NOTE, THE FAX COVER  
18 SHEET --

19          A           YES.

20          Q           -- FROM YOU TO WENDY ARCHIBALD AND TO  
21 MRS. NOVELLI.

22                       AND YOU INDICATED WHAT APPARENTLY PEOPLE AT  
23 SHILO WERE SAYING. BUT YOU HAVE NO KNOWLEDGE OF ANY COAST  
24 INVOLVEMENT IN THAT; IS THAT RIGHT?

25          A           NOT DIRECTLY.

26          Q           WHEN MEMBERS CALLED AND TOLD YOU THAT THEY

1 THOUGHT THEY HAD -- THEY WERE BEING TRANSFERRED, YOU  
2 EXPLAINED TO THEM THAT THAT WASN'T CORRECT; THAT THEY  
3 WEREN'T BEING TRANSFERRED; ISN'T THAT RIGHT?

4 A THAT'S CORRECT.

5 Q THAT THEY COULDN'T BE TRANSFERRED; THAT THE  
6 RELATIONSHIP BETWEEN YOUR PARK AND THE MEMBER WAS STILL  
7 INTACT; ISN'T THAT RIGHT?

8 A THAT'S CORRECT, YES.

9 Q SO, IN FACT, AS TO THOSE PEOPLE YOU SPOKE  
10 WITH, YOU TOLD THEM THAT THE RELATIONSHIP WAS STILL THERE;  
11 THEY WERE STILL MEMBERS OF HIDDEN SPRINGS?

12 A UH-HUH.

13 Q IS THAT RIGHT?

14 A YES, SIR.

15 Q AND THEY STILL HAD OBLIGATIONS TO -- THE  
16 SAME OBLIGATIONS TO HIDDEN SPRINGS THAT THEY HAD BEFORE  
17 HIDDEN SPRINGS PULLED OUT OF COAST TO COAST; ISN'T THAT  
18 RIGHT?

19 A YES, SIR.

20 Q AND PEOPLE PRESUMABLY UNDERSTOOD THAT WHEN  
21 YOU EXPLAINED THAT TO THEM; IS THAT RIGHT?

22 A NOT REALLY.

23 Q DID --

24 A THEY WERE CONFUSED. I WAS TELLING THEM --  
25 YOU KNOW, FOR THE MOST PART, I WAS A VOICE ON THE  
26 TELEPHONE. I WAS TELLING THEM ONE THING. PEOPLE AT THE --

1 SHILO WAS TELLING THEM ANOTHER. SOME OF THE MEMBERS ARE  
2 MORE INFORMED THAN OTHERS.

3 Q YOU UNDERSTOOD THAT IF A MEMBER OF HIDDEN  
4 SPRINGS WAS ALSO A MEMBER OF COAST TO COAST AND VALUED THE  
5 COAST TO COAST RELATIONSHIP, THE COAST TO COAST MEMBERSHIP  
6 THAT THEY HAD, THAT HIDDEN SPRINGS PULLING OUT OF COAST TO  
7 COAST MIGHT HAVE AN EFFECT ON THOSE MEMBERS; IS THAT RIGHT?

8 A ON THE ONES THAT USE THE COAST TO COAST  
9 SYSTEM.

10 Q RIGHT.  
11 THE ONES THAT USED THE COAST TO COAST  
12 SYSTEM, ARE MEMBERS OF COAST TO COAST, THEY WOULD BE  
13 CONCERNED WHEN HIDDEN SPRINGS PULLED OUT OF COAST TO COAST?

14 A RIGHT.

15 Q AND ISN'T IT TRUE THAT MEMBERS -- THAT  
16 MEMBERS TOLD YOU THAT AS WELL, THAT WITH HIDDEN SPRINGS  
17 PULLING OUT OF THE COAST TO COAST SYSTEM, PEOPLE NEEDED TO  
18 DO SOMETHING IF THEY WANTED TO PRESERVE THE RIGHTS IN COAST  
19 TO COAST?

20 A WELL, FOR THE MOST PART, PEOPLE WHO BOUGHT  
21 INTO THE COAST TO COAST NETWORK WERE ALSO OWNERS OF OR  
22 MEMBERS IN R.P.I. WE WERE A PARK THAT ACCEPTED -- LIKE  
23 MOST OF THEM, WE ACCEPTED COAST TO COAST MEMBERS AS WELL AS  
24 R.P.I. MEMBERS.

25 Q RIGHT. AND PLEASE CONTINUE. I'M SORRY.

26 A SO THEY SAID, WELL, YOU KNOW, MOST PARKS OUT

1 THERE ARE BOTH COAST TO COAST AND R.P.I.

2 Q RIGHT.

3 A SO AS LONG AS THEY HAVE ONE -- ONE OR THE  
4 OTHER, IT DIDN'T REALLY DIDN'T MATTER.

5 Q BUT A LOT OF PEOPLE JOINED BOTH?

6 A RIGHT.

7 Q THEY PICKED UP R.P.I., AND THEY PICKED UP  
8 COAST?

9 A CORRECT.

10 Q MANY PEOPLE DID THAT?

11 A YES.

12 Q BECAUSE THEY LIKED THE BENEFIT OF HAVING THE  
13 R.P.I. PARKS AND THE COAST PARKS; RIGHT?

14 A UH-HUH.

15 Q AND WHEN HIDDEN SPRINGS PULLED OUT OF COAST,  
16 THE MEMBERS OF HIDDEN SPRINGS WHO WANTED TO HAVE BOTH NO  
17 LONGER COULD; THEY HAD TO DO SOMETHING ELSE TO KEEP THE  
18 COAST TO COAST MEMBERSHIP; ISN'T THAT RIGHT?

19 A RIGHT, IF THEY WANTED TO KEEP THE COAST TO  
20 COAST MEMBERSHIP.

21 Q IF THEY WANTED TO KEEP THE COAST TO COAST  
22 MEMBERSHIP, THEY HAD TO PICK UP ANOTHER HOME PARK; ISN'T  
23 THAT RIGHT?

24 A UH-HUH. THAT'S RIGHT.

25 MR. RIVIN: I HAVE NOTHING FURTHER, YOUR HONOR.

26 THE COURT: THANK YOU.

1 ANY REDIRECT?

2 MR. SHAW: I HAVE NOTHING FURTHER, YOUR HONOR.

3 THE COURT: THANK YOU, SIR. YOU'RE EXCUSED.

4 MR. SHAW: YOUR HONOR, WE'LL CALL WENDY ARCHIBALD,  
5 THE PLAINTIFFS.

6 WENDY ARCHIBALD,  
7 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS, HAVING  
8 BEEN FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS  
9 FOLLOWS:

10 THE CLERK: TAKE A SEAT IN THE WITNESS STAND,  
11 PLEASE.

12 STATE YOUR FULL NAME FOR THE RECORD AND  
13 SPELL YOUR NAME, LAST NAME, FOR THE REPORTER.

14 THE WITNESS: WENDY ARCHIBALD, A-R-C-H-I-B-A-L-D.

15 THE CLERK: THANK YOU.

16 DIRECT EXAMINATION

17 BY MR. SHAW: Q MRS. ARCHIBALD, LET ME KIND OF GET  
18 SOME OF THIS OFF THE DECK HERE.

19 THE COURT: YOU WEREN'T IN THE MARINE CORP, WERE  
20 YOU?

21 THE WITNESS: NO.

22 MR. MOSHENKO: WOULDN'T YOU BE SURPRISED IF SHE  
23 SAID YES?

24 BY MR. SHAW: Q MRS. ARCHIBALD, GOOD MORNING.

25 A GOOD MORNING.

26 Q WHAT IS YOUR OCCUPATION?

1           A           I WORK IN SALES AND MARKETING AND CONTRACT  
2 PROCESSING AT THE CORPORATE OFFICE OF TRAVEL AMERICA.

3           Q           AND I'D LIKE YOU TO GIVE US A LITTLE BIT OF  
4 YOUR BACKGROUND.

5                       YOU GRADUATED FROM HIGH SCHOOL IN 1973?

6           A           CORRECT.

7           Q           AND FROM WHAT HIGH SCHOOL?

8           A           UNIVERSITY HIGH SCHOOL IN IRVINE.

9           Q           AND THEN YOU ATTENDED COLLEGE?

10          A           YES, I DID.

11          Q           AND WHERE DID YOU ATTEND COLLEGE?

12          A           AT CHICO STATE.

13          Q           AND YOU GRADUATED WITH A DEGREE?

14          A           YES, IN SOCIAL WELFARE.

15          Q           AND WHAT YEAR WAS THAT?

16          A           '77.

17          Q           AND AFTER YOU HAD YOUR DEGREE IN SOCIAL  
18 WELFARE IN '77, WHAT WAS YOUR FIRST PLACE OF EMPLOYMENT?

19          A           I WORKED FOR BUTTE COUNTY IN CHILD  
20 WELFARE.

21          Q           AND WHAT DID YOU DO IN CHILD WELFARE?

22          A           I WORKED WITH CHILD ABUSE AND CHILD NEGLECT.

23          Q           AND YOU WERE THERE FROM APPROXIMATELY 1977  
24 THROUGH 1979?

25          A           YES.

26          Q           AND IN 1979 WHAT WAS YOUR NEXT EMPLOYMENT?

1           A           I WORKED IN ADVERTISING AND BECAME A MEDIA  
2 BUYER.

3           Q           AND YOU MOVED FROM BUTTE COUNTY BACK DOWN  
4 TO --

5           A           TO SOUTHERN CALIFORNIA, YES.

6           Q           AND YOU WORKED THERE UNTIL APPROXIMATELY  
7 1986?

8           A           YES, APPROXIMATELY.

9           Q           AND THEN IN 1986 YOU WENT TO WORK FOR ALL  
10 SEASONS RESORTS?

11          A           WELL, NO. IT WAS PRIOR TO THAT. I STOPPED  
12 WORKING FOR A FEW YEARS, HAD A BABY, AND THEN WENT BACK TO  
13 WORK IN '86 FOR ALL SEASONS RESORTS.

14          Q           I'M SORRY. I MISSED THAT IMPORTANT EVENT.

15          A           YES.

16          Q           I DIDN'T MEAN TO SKIP --

17          A           THAT'S OKAY. THAT'S MY SON.

18          Q           THAT'S MORE WORK THAN ANYONE ELSE COMBINED.

19          A           YES.

20          Q           OKAY. SO 1986 YOU'RE AT ALL SEASONS RESORTS?

21          A           CORRECT.

22          Q           AND WHAT WAS YOUR FIRST ASSIGNMENT AT ALL  
23 SEASONS?

24          A           WHEN I WAS HIRED, I WAS HIRED INTO CUSTOMER  
25 SERVICE DEPARTMENT. I WAS ONLY IN THERE FOR LESS THAN A  
26 MONTH. AND THEN I WENT INTO CONTRACT PROCESSING AND SALES

1 AND MARKETING.

2 Q COULD YOU DESCRIBE YOUR JOB AS IT RELATED TO  
3 MARKETING AND SALES?

4 A I WORKED WITH THE SALES DEPARTMENT DOING  
5 WEEKLY SALES REPORTS. I MADE SURE IF THEY NEEDED MONEY,  
6 PAYROLL. I WAS FIELD SUPPORT FOR THEM.

7 Q AND THEN DESCRIBE FOR ME YOUR JOB RELATED TO  
8 CONTRACT PROCESSING.

9 A CONTRACT PROCESSING WOULD BE ANYTHING TO DO  
10 WITH A CONTRACT, MEMBER-TO-MEMBER TRANSFER, REFINANCE, NAME  
11 CHANGE, NEW SALES, ANYTHING THAT HAD COME IN TO MAKE SURE  
12 IT WAS PROPERLY ENTERED INTO THE COMPUTER SYSTEM.

13 Q AND THESE WERE CONTRACTS BETWEEN THE VARIOUS  
14 ALL SEASONS --

15 A MEMBERS.

16 Q -- RESORTS AND THE MEMBERS?

17 A CORRECT.

18 Q CORRECT?

19 NOW, THAT WAS -- YOU WORKED IN -- YOU HAD  
20 THOSE DUTIES FROM 1986 THROUGH ABOUT 1991; IS THAT CORRECT?

21 A BASICALLY I'VE BEEN WITH THE COMPANY 14  
22 YEARS. SO I'VE CONTINUED HAVING THOSE DUTIES.

23 Q SO FROM 1986 TO THE PRESENT YOU'VE BEEN WITH  
24 THE COMPANY?

25 A CORRECT.

26 Q BUT IN 1992 YOU WERE DOING WORK FOR THE

1 PRESIDENT'S TRAVEL CLUB?

2 A CORRECT.

3 Q SO SAME LOCATION?

4 A YES.

5 Q SAME OFFICE?

6 A SAME RESPONSIBILITIES.

7 Q OKAY. BUT FROM 1992 TO 1997 YOU WERE WITH

8 THE PRESIDENT'S TRAVEL CLUB?

9 A CORRECT.

10 Q WHAT IS THE PRESIDENT'S TRAVEL CLUB?

11 A THE PRESIDENT'S CLUB WAS AN UPGRADE THAT WE

12 SOLD TO MEMBERS WHICH GAVE THEM EXTRA USAGE ON THEIR

13 MEMBERSHIP, ALLOWED THEM TO STAY IN THE SYSTEM FOR TWO

14 WEEKS IN, ONE WEEK OUT, AND THEY CAN GO FROM PARK TO PARK.

15 Q AND THEN IN 1997 -- COULD YOU DESCRIBE FOR

16 ME YOUR JOB FUNCTIONS FROM 1997 TO THE PRESENT?

17 1997 IS WHEN YOU LEFT WORKING FOR

18 PRESIDENT'S TRAVEL CLUB?

19 A APPROXIMATELY. I AGAIN KEPT THE SAME

20 FUNCTIONS. I ADDED -- IN 1998 I ALSO BECAME INVOLVED IN

21 CUSTOMER SERVICE DEPARTMENT.

22 Q AND COULD YOU DESCRIBE FOR ME YOUR JOB AS IT

23 RELATED TO CUSTOMER SERVICE?

24 A WHEN I WENT INTO THAT DEPARTMENT, I

25 BASICALLY ESTABLISHED A SYSTEM TO BETTER RESPOND TO THE

26 MEMBERS. I DID TRAINING, ANSWERED A LOT OF QUESTIONS,

1 THAT SORT OF THING.

2 Q AND THEN HOW ABOUT MARKETING AND SALES, HAS  
3 THAT CHANGED DURING THIS LAST THREE YEARS?

4 A THERE'S NOT AS MANY IN THAT WAY, YES.

5 Q OKAY. AND THEN HOW ABOUT MEMBER SERVICES,  
6 IS THAT PRETTY MUCH THE SAME AS CUSTOMER SERVICES?

7 A YES.

8 Q OKAY. WERE YOU ALSO THE LIAISON FOR ALL  
9 SEASONS RESORTS, AND NOW TRAVEL AMERICA, THE LIAISON WITH  
10 COAST TO COAST?

11 MR. SHERMAN: OBJECTION. THAT LACKS FOUNDATION  
12 THAT THERE WAS EVER A LIAISON BETWEEN TRAVEL AMERICA AND  
13 COAST TO COAST.

14 THE COURT: REPHRASE THE QUESTION, PLEASE.

15 BY MR. SHAW: Q ISN'T -- OVER YOUR 14 YEARS, HAVE  
16 YOU EVER BEEN A LIASON BETWEEN THE COMPANIES YOU'VE WORKED  
17 FOR AND COAST TO COAST?

18 A YES, I WAS.

19 Q AND OVER WHAT TIME PERIOD?

20 A PROBABLY FROM '86 THROUGH '97.

21 Q AND IT STOPPED IN '97?

22 A YES.

23 Q AND THAT'S BECAUSE THE TRAVEL AMERICA SYSTEM  
24 WITHDREW FROM COAST TO COAST?

25 A CORRECT.

26 Q NOW, LET'S FOCUS ON THE -- YOUR CONTRACT

1 PROCESSING DUTIES.

2 AND WERE YOU EVER INVOLVED IN THE SUBMISSION  
3 OF ANY OF THE PLAINTIFFS' MEMBERS IN APPLICATIONS WITH  
4 COAST TO COAST?

5 A YES.

6 Q AND HOW WERE YOU INVOLVED?

7 A WHEN THE APPLICATIONS WOULD COME IN WITH THE  
8 CONTRACTS, I WOULD REVIEW THEM. I WOULD PUT A COVER ON  
9 THEM, GET THE CHECK, AND SUBMIT THEM TO CAMP COAST TO  
10 COAST.

11 Q AND LET'S TAKE A LOOK AT THE COAST TO COAST  
12 APPLICATION THAT WE'VE LOOKED AT BEFORE AS EXHIBIT 44.

13 CAN YOU PUT THAT UP, MR. O'CONNOR.

14 AND THIS IS THE MEMBERSHIP APPLICATION THAT  
15 THE PLAINTIFFS' MEMBERS FILLED OUT AND YOU HANDLED, WAS  
16 SENT TO COAST TO COAST?

17 A YES.

18 Q NOW, AT THE VERY BOTTOM OF THE FIRST PAGE,  
19 IF YOU COULD, MR. O'CONNOR.

20 IT'S VERY DIFFICULT TO READ, BUT IT SAYS,  
21 "YOUR HOME RESORT IS THE RESORT THAT YOU HAVE PURCHASED A  
22 MEMBERSHIP OR FEE INTEREST."

23 I KNOW THAT'S DIFFICULT TO SEE,  
24 MRS. ARCHIBALD, BUT DO YOU SEE THAT?

25 A YES.

26 Q SO THE PLAINTIFFS' MEMBERS PURCHASED A HOME

1 RESORT MEMBERSHIP, AND THEN THIS COAST TO COAST APPLICATION  
2 WAS FILLED OUT?

3 A YES.

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

5 THE COURT: YOU MAY.

6 (DISCUSSION OFF THE RECORD.)

7 BY MR. SHAW: Q AND THEN LET'S TURN TO PAGE 2,

8 MR. O'CONNOR, IF YOU WOULD. AND, AGAIN, DOWN AT THE

9 VERY -- IF YOU COULD BLOW THIS UP FOR ME, MR. O'CONNOR.

10 DOWN AT THE BOTTOM WHERE IT SAYS, "I

11 ACKNOWLEDGE AND AGREE TO ABIDE BY THE TERMS AND CONDITIONS

12 OF INDIVIDUAL MEMBERSHIP. I UNDERSTAND THAT THE RULES AND

13 REGULATIONS PERTAINING TO THE COAST TO COAST SYSTEM ARE SET

14 FORTH IN THE ANNUAL COAST TO COAST DIRECTORIES."

15 YOU'VE SEEN THE ANNUAL COAST TO COAST

16 DIRECTORIES, MRS. ARCHIBALD?

17 A YES.

18 Q THEN, IF YOU WILL, TURN TO PARAGRAPH NUMBER

19 1 UNDER "TERMS AND CONDITIONS."

20 CAN YOU EXPAND THAT FOR ME, MR. O'CONNOR.

21 IT SAYS, "YOU MUST BE IN GOOD STANDING WITH

22 YOUR HOME RESORT TO PARTICIPATE" -- AND THIS IS VERY

23 DIFFICULT. I'M -- VERY DIFFICULT TO READ UP ON THE SCREEN,

24 BUT IT SAYS, "YOU MUST BE IN GOOD STANDING WITH YOUR HOME

25 RESORT TO PARTICIPATE IN THE COAST TO COAST PROGRAM."

26 WAS THAT YOUR UNDERSTANDING, THAT THEY HAD

1 TO BE IN GOOD STANDING WITH THE HOME RESORT?

2 A YES, IT WAS.

3 Q "YOU ARE ENTITLED TO ONLY ONE COAST TO COAST  
4 MEMBERSHIP. SO IF YOU BELONG TO MORE THAN ONE COAST TO  
5 COAST AFFILIATED RESORT, YOUR HOME RESORT OF RECORD IS  
6 WHERE YOU PURCHASED YOUR FIRST RESORT MEMBERSHIP."

7 AND THEN IF YOU WILL GO TO PARAGRAPH NUMBER  
8 3, MR. O'CONNOR.

9 IT SAYS, "YOU ACKNOWLEDGE AND AGREE THAT YOU  
10 ARE SATISFIED WITH YOUR HOME RESORT, AND THAT YOU HAVE  
11 BECOME A MEMBER OF YOUR HOME RESORT BASED PRIMARILY ON THE  
12 ATTRIBUTES OF THAT RESORT, THE OPPORTUNITY TO BECOME A  
13 MEMBER OF COAST TO COAST BEING A SECONDARY CONSIDERATION."

14 AND WAS THAT YOUR UNDERSTANDING WHEN YOU  
15 WERE HAVING THESE APPLICATIONS FILLED OUT AND SENT TO COAST  
16 TO COAST?

17 A YES.

18 Q THAT THE COAST TO COAST MEMBERSHIP WAS A  
19 SECONDARY CONSIDERATION TO THE HOME RESORT?

20 A YES.

21 Q OVER THE YEARS FROM 1986 THROUGH AUGUST OF  
22 1997, APPROXIMATELY HOW MANY APPLICATIONS DID YOU REVIEW  
23 AND FORWARD TO COAST?

24 A PROBABLY THOUSANDS.

25 Q WERE ANY OF THEM EVER RETURNED BY COAST OR  
26 REJECTED?

1 A NO.

2 Q WAS A PAYMENT INCLUDED WITH THIS  
3 APPLICATION?

4 A YES.

5 Q AND WHY WAS THAT?

6 A WE PAID FOR THE FIRST YEAR FOR THE MEMBER.

7 Q SO THE HOME RESORT INCLUDED THE FIRST YEAR,  
8 AND THE HOME RESORT MADE THE PAYMENT TO COAST TO COAST?

9 A CORRECT.

10 Q NOW, WHILE YOU WERE HANDLING THESE -- LET ME  
11 WITHDRAW THAT AND START AGAIN.

12 I'D LIKE TO TAKE YOU NOW TO THE 1997 TIME  
13 PERIOD.

14 YOU WERE INVOLVED IN CUSTOMER SERVICE AT  
15 THAT TIME?

16 A NO. I DIDN'T BECOME INVOLVED TILL '98.

17 Q IN '98 WHEN YOU WERE INVOLVED IN CUSTOMER  
18 SERVICE, WERE YOU RECEIVING LETTERS FROM THE MEMBERS?

19 A YES.

20 Q AND IN 1998 WERE YOU RECEIVING LETTERS FROM  
21 THE MEMBERS REGARDING A PARTICULAR SUBJECT?

22 A I DON'T REALLY RECALL -- WE GET A LOT OF  
23 MAIL. SO I DON'T RECALL ANY PARTICULAR SUBJECT,  
24 NECESSARILY.

25 Q WAS THERE A SUBJECT REGARDING LETTERS THAT  
26 WENT OUT FROM COAST TO COAST TRANSFERRING 35,000 MEMBERS?

1           A           YES.

2           MR. SHERMAN:  OBJECTION.  THIS CALLS FOR HEARSAY.

3           THE COURT:  OVERRULED.

4           THE WITNESS:  WE DID.

5           THE COURT:  YOU'VE ANSWERED THE QUESTION "YES."

6           BY MR. SHAW:  Q  AND DID YOU GET A LOT OF LETTERS  
7 REGARDING THAT SUBJECT?

8           A           I DIDN'T NECESSARILY DO ALL THE MAIL, BUT I  
9 PERSONALLY DID SEE A LOT OF LETTERS, YES.

10          MR. SHERMAN.  OBJECTION.  MOVE TO STRIKE.  NOT  
11 RESPONSIVE TO THE QUESTION.

12          THE COURT:  OVERRULED.

13          BY MR. SHAW:  Q  I'D LIKE TO SHOW YOU A SERIES OF  
14 SIX OR SEVEN LETTERS.  AND WE'LL START WITH EXHIBIT  
15 1618-0094.

16          THE COURT:  YOU NEED A BREAK?  WE'LL TAKE ONE.  20  
17 MINUTES.

18                       (RECESS TAKEN.)

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

21          THE COURT:  YOU MAY PROCEED, COUNSEL.

22          MR. SHAW:  THANK YOU, YOUR HONOR.

23          Q           MRS. ARCHIBALD, WHEN WE BROKE WE WERE  
24 TALKING ABOUT EXHIBIT 1618.  AND I'D LIKE TO ASK YOU IF  
25 THIS IS ONE OF THE LETTERS THAT YOU RECEIVED WHEN YOU WERE  
26 WORKING FOR TRAVEL AMERICA CUSTOMER SERVICE.

1 MR. SHERMAN: COUNSEL, COULD WE GET -- YOUR HONOR,  
2 COULD WE GET CLARIFICATION AS TO WHICH 1618? WE DO HAVE  
3 VARIOUS COPIES OF THEM NOW. WHICH ONE?

4 MR. SHAW: THE BATES STAMP AT THE BOTTOM,  
5 MR. SHERMAN, 8448.

6 MR. SHERMAN: THANK YOU.

7 THE WITNESS: YES.

8 BY MR. SHAW: Q AND THIS IS A LETTER YOU RECEIVED?

9 A YES.

10 MR. SHAW: YOUR HONOR, I'D LIKE TO MOVE EXHIBIT  
11 1618, BATES STAMP 8448, INTO EVIDENCE.

12 MR. SHERMAN: WE HAVE NO OBJECTION TO THAT PAGE.

13 THE COURT: THANK YOU. DEEMED ADMITTED.

14 (WHEREUPON, EXHIBIT NO. 1618-8448, LETTER  
15 FROM MR. AND MRS. WALTER R. SMITH DATED MAY 26, 1998, WAS  
16 RECEIVED IN EVIDENCE.)

17 BY MR. SHAW: Q THIS IS A LETTER FROM  
18 MR. AND MRS. WALTER R. SMITH DATED MAY 26TH, 1998.

19 CAN YOU EXPAND THAT FOR US, MR. O'CONNOR.

20 "ENCLOSED PLEASE FIND CHECK NUMBER 1126 FOR  
21 THE FIRST AND SECOND QUARTER OF 1998. AS YOU CAN SEE FROM  
22 THE ENCLOSED COPIES, I WAS LED TO BELIEVE THAT YOU WERE NO  
23 LONGER IN EXISTENCE AND IN RESPONSE TO THE LETTER FROM  
24 GOLDEN POND SENT OUR DUES TO THEM.

25 "ACCORDING TO MR. GARY MERRITT OF CLAREMONT,  
26 FLORIDA, TRAVEL AMERICA, F.K.A. PRESIDENT'S CLUB, WE HAVE

1 BEEN FLIMFLAMMED INTO JOINING GOLDEN POND. I AM WONDERING  
2 HOW MANY OTHER FOLKS HAVE BEEN TAKEN FROM YOU IN THIS  
3 MANNER. WE INTEND TO PURSUE THIS MATTER WITH THEM, BUT IN  
4 THE MEANTIME FEEL YOU SHOULD BE INFORMED OF THEIR  
5 LESS-THAN-HONEST METHODS OF ACQUIRING MEMBERS.

6 "IF YOU HAVE ANY UPDATED NEWS ON THE ANTICS  
7 OF GOLDEN POND OR KNOW HOW WE CAN GET OUR \$150 BACK, PLEASE  
8 LET US KNOW."

9 AND THIS WASN'T THE ONLY LETTER THAT YOU  
10 RECEIVED THAT WAS OF THIS SAME SUBJECT, WAS IT,  
11 MRS. ARCHIBALD?

12 A NO, IT WASN'T.

13 Q WE JUST PICKED OUT A FEW, AND THIS IS ONE OF  
14 THEM.

15 AND WE ALSO LOOKED AT EXHIBIT THAT'S IN  
16 EVIDENCE 1563-0017, WHICH IS BATES STAMP 312.

17 CAN YOU PUT THAT UP, MR. O'CONNOR.

18 AND THIS IS THE EXHIBIT THAT'S IN EVIDENCE  
19 FROM MR. ROGER RYMAN -- I'M SORRY -- FROM MR. JIM RANDALL  
20 IN OCTOBER OF 1997, WHERE HE SAYS, "AS YOU ARE PROBABLY  
21 AWARE, WE HAVE RECEIVED NOTICE FROM MR. RAY NOVELLI THAT  
22 YOUR COAST TO COAST HOME RESORT, DEER RUN PARK, HAS BEEN  
23 TAKEN OUT OF COAST TO COAST."

24 AND THEN "WE HAVE MADE ARRANGEMENTS TO HAVE  
25 YOUR COAST TO COAST HOME RESORT MEMBERSHIP TRANSFERRED TO  
26 GOLDEN POND R.V. PARK, FAIRFIELD, ARKANSAS."

1                   AND THIS LETTER THAT WAS FROM MR. WALTER --  
2 MR. AND MRS. WALTER SMITH WHEREIN THEY SAID THEY HAD BEEN  
3 FLIMFLAMMED INTO JOINING GOLDEN POND, THESE PEOPLE WERE  
4 MEMBERS OF THE HOME RESORT DEER RUN PARK; CORRECT?

5           A           YES.

6           Q           NOW I'D LIKE TO LOOK AT EXHIBIT 2020. AND  
7 THAT, MRS. ARCHIBALD, WOULD BE THE NEXT PAGES.

8                   COUNSEL, CAN I LAY SOME FOUNDATION WHILE  
9 YOU'RE LOOKING? WOULD YOU RATHER HAVE ME WAIT?

10           MR. SHERMAN: THAT'S FINE.

11           BY MR. SHAW: Q MRS. ARCHIBALD, WAS THE EXHIBIT  
12 2020 THE ITEMS THAT WERE ENCLOSED WITH THE  
13 MR. AND MRS. WALTER SMITH LETTER WHERE THEY -- THE SMITHS  
14 SAY "AS YOU CAN SEE FROM THE ENCLOSED COPIES"?

15           A           YES, IT WAS.

16           MR. SHAW: YOUR HONOR, I'D LIKE TO MOVE EXHIBIT  
17 2020 INTO EVIDENCE.

18           MR. SHERMAN: YOUR HONOR, WE DON'T BELIEVE IT'S  
19 RELIABLE. IT WAS NOT ATTACHED TO THE LETTER. IN FACT,  
20 IT'S SHOWN IN A COMPLETELY DIFFERENT PART OF PLAINTIFFS'  
21 TRIAL EXHIBIT LIST AS A DIFFERENT EXHIBIT.

22           THE COURT: I'LL TAKE IT UNDER SUBMISSION. MY  
23 CLERK ADVISES ME SHE HAS FOUR DIFFERENT 2020'S.

24           THE CLERK: I HAVE FOUR SECTIONS UNDER 2020. WHICH  
25 ONE ARE YOU USING, SIR?

26           MR. SHAW: 8449.

1 THE CLERK: 8449 DESCRIBED AS?

2 MR. SHAW: DESCRIBED AS ON GOLDEN POND R.V. PARK  
3 LETTERHEAD.

4 THE CLERK: OKAY. I SEE IT NOW.

5 MR. SHAW: OCTOBER 27, 1997. AND THEN 8450, WHICH  
6 IS THE LETTER THAT WE JUST HAD ON THE OVERHEAD, THE OCTOBER  
7 1997 LETTER FROM JIM RANDALL. AND THEN 8451 IS THE  
8 MEMBERSHIP AGREEMENT FROM GOLDEN PARK R.V. SENT TO THE  
9 SMITHS. AND THEN 8452 IS THE MAINTENANCE FEE NOTICE TO  
10 WALTER AND JACQUELINE SMITH.

11 ALL RIGHT. LET'S LOOK AT THE NEXT --  
12 ANOTHER LETTER THAT IS 1618, FOR THE COMPUTER, 0052, AND  
13 BATES STAMPED 8404.

14 Q IS THIS ANOTHER LETTER THAT YOU RECEIVED,  
15 MRS. ARCHIBALD?

16 A YES.

17 MR. SHAW: YOUR HONOR, I'D LIKE TO MOVE EXHIBIT  
18 1618, BATE STAMP 8404, INTO EVIDENCE.

19 MR. SHERMAN: YOUR HONOR, THE LETTER IS ADDRESSED  
20 TO COAST TO COAST. I'D LIKE COUNSEL TO LAY SOME FOUNDATION  
21 HOW THIS WITNESS SAW A LETTER ADDRESSED TO COAST TO COAST.

22 THE COURT: LAY SOME FOUNDATION.

23 MR. SHAW: YES. THANK YOU.

24 Q AT THE TOP OF THE PAGE DO YOU SEE THE  
25 TELEFAX LEGEND?

26 A YES.

1 Q AND THAT'S A TELEFAX LEGEND FROM ONE OF THE  
2 TRAVEL AMERICA RESORTS?

3 A CORRECT. MISSISSIPPI PINES.

4 Q AND THIS BATES STAMP AT THE BOTTOM SHOWS  
5 THAT THESE ARE DOCUMENTS THAT WERE TAKEN FROM THE  
6 PLAINTIFFS' FILES?

7 A CORRECT.

8 Q SO THIS WAS IN YOUR FILES?

9 A YES.

10 Q AND YOU PRODUCED THESE FILES?

11 A YES.

12 Q FOR THE PURPOSE OF THIS LITIGATION?

13 A YES, I DID.

14 MR. SHAW: YOUR HONOR, WE'LL MOVE EXHIBIT 1618,  
15 BATES STAMP 8404, INTO EVIDENCE.

16 MR. SHERMAN: NO OBJECTION.

17 THE COURT: IT WILL BE SO RECEIVED.

18 (WHEREUPON, EXHIBIT NO. 1618, LETTER  
19 WAS RECEIVED IN EVIDENCE.).

20 BY MR. SHAW: Q LET'S PUT IT UP ON THE BOARD,  
21 MR. O'CONNOR.

22 THIS IS A LETTER DATED 17 DECEMBER, 1997,  
23 FROM COMMANDER DURYEE, UNITED STATES NAVY, RETIRED. AND  
24 HE SAYS, "IT IS REQUESTED THAT MY COAST TO COAST MEMBERSHIP  
25 BE CANCELLED AND THAT MY 1996 DUES BE RETURNED.

26 "WHEN I PAID FOR 1996 BACK IN SEPTEMBER, I

1 THOUGHT I HAD MADE IT ABUNDANTLY CLEAR THAT AS A MATTER OF  
2 THOUSAND ADVENTURES/TRAVEL AMERICA, I WAS NOT GOING TO  
3 CHANGE MY PARK AFFILIATION TO A COAST TO COAST PARK. THAT  
4 IS STILL THE CASE.

5 "RECENTLY, WE CHECKED IN AT A COAST TO COAST  
6 PARK AT WHICH WE HAD STAYED SEVERAL TIMES WHEN IT WAS A  
7 THOUSAND ADVENTURES PARK. THE RECEPTION WE RECEIVED, WHILE  
8 NOT OPENLY HOSTILE, WAS LESS THAN WELCOMING.

9 "IN ADDITION, POSTED ON THE BULLETIN BOARD  
10 WERE SEVERAL UPDATED AND UNACCREDITED NEWSPAPER ARTICLES  
11 DISCUSSING THE IMMINENT DEMISE OF THOUSAND ADVENTURES AND  
12 THE FINANCIAL LOSSES ITS MEMBERS WOULD SUFFER, NONE OF  
13 WHICH SEEMS TO BE TRUE.

14 "BY THE WAY, AT ANY RATE, WE DID NOT FEEL  
15 COMFORTABLE; AND EVEN THOUGH WE HAD PAID FOR SEVEN DAYS, WE  
16 LEFT THE NEXT MORNING FOR A NEARBY MILITARY FARM CAMP THAT,  
17 WHILE MORE EXPENSIVE, WELCOMED US. ATTITUDE MEANS A LOT.

18 "AS A RETIRED NAVAL OFFICER, I DID NOT NEED  
19 NOR DO I EXPECT SUCH CAVALIER TREATMENT ON A PLEASURE  
20 TRIP. NEGATIVISM IS SURE AS HECK THE WRONG WAY TO ATTRACT  
21 PEOPLE. IT'S UNFORTUNATE THAT A PLEASANT ASSOCIATION OF  
22 SEVERAL YEARS MUST END ON A SUCH A SOUR NOTE. BUT I DON'T  
23 MAKE THE RULES. I JUST HAVE TO PLAY BY THEM.

24 "AGAIN, PLEASE CANCEL MY COAST TO COAST  
25 MEMBERSHIP AS I DO NOT PLAN TO DISASSOCIATE MYSELF FROM THE  
26 TRAVEL AMERICA SYSTEM."

1                   OTHER THAN THE COMMANDER'S LETTER,  
2 MRS. ARCHIBALD, WERE YOU RECEIVING OTHER LETTERS WHERE THE  
3 TRAVEL AMERICA MEMBERS WERE RECEIVING HOSTILE TREATMENT BY  
4 COAST TO COAST?

5           MR. SHERMAN: OBJECTION. CALLS FOR HEARSAY. LACKS  
6 FOUNDATION AS TO TRAVEL AMERICA MEMBERS.

7           THE COURT: SUSTAINED.

8           BY MR. SHAW: Q WERE YOU RECEIVING ANY COMPLAINTS  
9 FROM MEMBERS ABOUT THE WAY THEY WERE BEING TREATED IN THE  
10 SYSTEM?

11          MR. SHERMAN: OBJECTION. THE SAME OBJECTIONS.

12          THE COURT: I'LL ALLOW IT.

13          THE WITNESS: THE COMPLAINT I WOULD GET WOULD BE  
14 PEOPLE WOULD DRIVE UP TO A PARK IN THE COAST TO COAST  
15 SYSTEM --

16          THE COURT: YOU CAN JUST ANSWER THAT YES OR NO.

17          THE WITNESS: I'VE GOTTEN COMPLAINTS, YES.

18          THE COURT: OKAY.

19          BY MR. SHAW: Q ALL RIGHT, LET'S MOVE ON TO 1618,  
20 FOR THE COMPUTER 0002, AND BATES STAMP 8355.

21          THE COURT: I DON'T WANT TO CUT YOU OFF. I JUST  
22 DIDN'T WANT TO GET INTO HEARSAY.

23                   OFF THE RECORD.

24                   (DISCUSSION OFF THE RECORD.)

25          BY MR. SHAW: Q IS THIS ANOTHER LETTER THAT YOU  
26 RECEIVED?

1           A           YES.

2           MR. SHAW: YOUR HONOR, WE'D LIKE TO MOVE EXHIBIT  
3 1618, BATES STAMP 8355, INTO EVIDENCE.

4           MR. SHERMAN: YOUR HONOR, FROM A FOUNDATIONAL  
5 STANDPOINT, GIVEN THE WITNESS'S TESTIMONY THAT SHE WASN'T  
6 IN CUSTOMER SERVICE IN 1998, AND THE LETTER IS DATED  
7 SEPTEMBER 29, 1997, I'D LIKE A FOUNDATION TO BE LAID.

8           THE COURT: FINE.

9                       LAY THE FOUNDATION, PLEASE.

10          BY MR. SHAW: Q WAS THIS LETTER IN THE FILES WHEN  
11 YOU WERE INVOLVED WITH CUSTOMER SERVICE?

12          A           YES, IT WAS.

13          Q           AND DID YOU RESPOND -- DID YOU HANDLE THIS  
14 LETTER TO -- AND DEAL WITH THIS LETTER IN YOUR ORDINARY  
15 COURSE AND SCOPE OF YOUR DUTIES AS CUSTOMER SERVICE?

16          A           YES.

17          Q           AND JUST BECAUSE IT'S DATED SEPTEMBER 19,  
18 1997, AND YOU TOOK OVER IN JANUARY OF 1998, THIS WAS STILL  
19 A LETTER THAT WAS IN PROCESS AND YOU WERE DEALING WITH IN  
20 THE ORDINARY COURSE OF YOUR DUTIES?

21          A           CORRECT.

22          MR. SHAW: WE'LL MOVE EXHIBIT 1618, BATES STAMP  
23 8355.

24          THE COURT: IT'S IN.

25                       (WHEREUPON, EXHIBIT NO. 1618-8355, LETTER  
26 FROM RAY AND MARY BALL DATED SEPTEMBER 29, 1997, WAS

1 RECEIVED IN EVIDENCE.)

2 BY MR. SHAW: Q MR. O'CONNOR, CAN YOU GIVE US THAT  
3 LETTER, SEPTEMBER 29, 1997. RAY AND MARY BALL OF  
4 WOODINWOOD, WASHINGTON, TO THOUSAND ADVENTURES RESORTS.

5 "GENTLEMEN, WE WERE INFORMED BY LETTER FROM  
6 COAST TO COAST OF THE DISSOLUTION OF THE THOUSAND  
7 ADVENTURES RESORTS. WE ARE WRITING TO YOU TO VERIFY IF  
8 THIS IS TRUE.

9 "IF THIS IS THE CASE AND THOUSAND ADVENTURES  
10 RESORTS IS, IN FACT, OUT OF BUSINESS, WHY WERE WE NOT  
11 NOTIFIED OF THIS ACTION?

12 "ALSO, IF THIS IS TRUE, YOU OWE US A  
13 REFUND. WE PAID THREE YEARS' DUES IN 1995 AND WERE PAID  
14 THROUGH OCTOBER 1, 1998."

15 THOUSAND ADVENTURES WAS TAKEN OVER BY TRAVEL  
16 AMERICA?

17 MR. SHERMAN: OBJECTION. THAT CALLS FOR A LEGAL  
18 CONCLUSION AND LACKS FOUNDATION OF THIS WITNESS.

19 THE COURT: OVERRULED.

20 BY MR. SHAW: Q GO AHEAD.

21 A I'M SORRY. COULD YOU REPEAT IT?

22 Q YEAH.

23 THOUSAND ADVENTURES BECAME PART OF THE  
24 TRAVEL AMERICA SYSTEM?

25 A CORRECT.

26 Q SO THERE WAS NO DISSOLUTION OF THE THOUSAND

1 ADVENTURES RESORTS; THEY BECAME TRAVEL AMERICA RESORTS;  
2 RIGHT?

3 MR. SHERMAN: OBJECTION. THAT CALLS FOR A LEGAL  
4 CONCLUSION.

5 THE COURT: OVERRULED.

6 THE WITNESS: CORRECT.

7 BY MR. SHAW: Q I'M SORRY?

8 A YES, THAT IS CORRECT.

9 Q THAT'S WHAT HAPPENED; TRAVEL -- THOUSAND  
10 ADVENTURES RESORTS BECAME PART OF TRAVEL AMERICA?

11 A CORRECT.

12 Q AND THERE WAS NO DISSOLUTION?

13 A CORRECT.

14 Q DID YOU RECEIVE CONTACT FROM OTHER MEMBERS  
15 WHERE BECAUSE OF THE COAST TO COAST LETTERS THEY BELIEVED  
16 THAT THE RESORTS WERE DISSOLVED?

17 A YES.

18 MR. SHERMAN: OBJECTION. THAT CALLS FOR HEARSAY.

19 THE COURT: SUSTAINED.

20 MR. SHERMAN: MOVE TO STRIKE THE ANSWER.

21 THE COURT: GRANTED. MOTION GRANTED.

22 BY MR. SHAW: Q ALL RIGHT. LET'S LOOK AT EXHIBIT  
23 1618, BATES STAMP 8371.

24 IS THIS A HANDWRITTEN NOTE THAT YOU RECEIVED  
25 WHEN YOU WERE AT CUSTOMER SERVICE --

26 A YES.

1 Q -- FOR TRAVEL AMERICA IN EARLY 1998?

2 A YES.

3 MR. SHAW: WE'LL MOVE INTO EVIDENCE 1618, BATES  
4 STAMP 8371.

5 MR. SHERMAN: NO OBJECTION.

6 THE COURT: IT WILL BE SO RECEIVED.

7 (WHEREUPON, EXHIBIT NO. 1618-8371,  
8 MAINTENANCE FEE BILLING FOR DR. HAROLD AND DONNA BIRDLE,  
9 WAS RECEIVED IN EVIDENCE.)

10 BY MR. SHAW: Q THIS IS FROM, THIS IS -- WHAT IS  
11 THIS DOCUMENT, MRS. ARCHIBALD?

12 A IT'S MAINTENANCE FEE BILLING.

13 Q AND THIS IS FOR DEER RUN PARK?

14 A CORRECT.

15 Q AND IT'S A FEE FOR HAROLD -- DR. HAROLD AND  
16 DONNA BIRDLE?

17 A YES.

18 Q OF SEATTLE, WASHINGTON?

19 A YES.

20 Q AND THEIR MAINTENANCE FEE CURRENT BALANCE  
21 IS 36.52.

22 IT SAYS, "IN CASE NO ONE THERE KNOWS, YOU'VE  
23 GONE BANKRUPT OR DECIDED NOT TO BE INCLUDED IN THE COAST TO  
24 COAST CHAIN. YOU TRANSFERRED US TO SHILO IN LOUISIANA. SO  
25 I OWE YOU NOTHING ON MAINTENANCE FEES."

26 IF YOU CAN GO DOWN TO THE BOTTOM,

1 MR. O'CONNOR. IF YOU CAN SCROLL DOWN FOR ME. THANK YOU.

2 "DO NOT BILL US ANY LONGER AND CORRECT YOUR  
3 RECORDS. I CALLED COAST TO COAST AND WAS TOLD TO SEND THIS  
4 BACK WITH AN EXPLANATION."

5 WERE YOU AWARE OF OTHER MEMBERS WHO WERE  
6 TOLD BY COAST TO COAST NOT TO PAY ANYMORE MAINTENANCE FEES  
7 TO THEIR HOME RESORT MEMBERSHIPS OF THE PLAINTIFFS?

8 MR. SHERMAN: OBJECTION. CALLS FOR HEARSAY.

9 THE COURT: SUSTAINED.

10 BY MR. SHAW: Q NOW, WITHOUT PUTTING THE DEER RUN  
11 LETTER UP AGAIN, THE DEER RUN LETTER FROM COAST TO COAST  
12 THAT WE LOOKED AT FROM MR. RANDALL IN OCTOBER OF 1997  
13 TRANSFERRED THE HOME RESORT MEMBERSHIP FROM DEER RUN TO  
14 SHILO?

15 MR. SHERMAN: OBJECTION. THAT MISSTATES THE  
16 DOCUMENT. TRANSFERRED THE COAST TO COAST HOME RESORT  
17 MEMBERSHIP.

18 THE COURT: SUSTAINED.

19 BY MR. SHAW: Q SUFFICE IT TO SAY, DEER RUN PARK  
20 MEMBERS RECEIVED A LETTER THAT SAID THAT THE MEMBERSHIP WAS  
21 BEING TRANSFERRED TO SHILO?

22 A YES.

23 MR. SHERMAN: OBJECTION. THAT MISSTATES THE  
24 DOCUMENT.

25 THE COURT: WELL, THE DOCUMENT SPEAKS FOR ITSELF.

26 MR. SHAW: THANK YOU, YOUR HONOR.

1 Q THIS IS THE SAME DEER RUN PARK?

2 A YES, IT IS.

3 Q LET'S LOOK AT NEXT IN ORDER, 1618, BATES  
4 STAMP 8380.

5 MRS. ARCHIBALD, IS THIS A LETTER THAT YOU  
6 RECEIVED IN -- WHILE YOU WERE IN CUSTOMER SERVICE IN 1998?

7 A YES.

8 MR. SHAW: I'D LIKE TO MOVE EXHIBIT 1618, BATES  
9 STAMP 8380, INTO EVIDENCE.

10 MR. SHERMAN: WE'D LIKE IT MOVED IN, TOO. NO  
11 OBJECTION.

12 THE COURT: IT WILL BE RECEIVED.

13 (WHEREUPON, EXHIBIT NO. 1618-8380, LETTER  
14 DATED NOVEMBER 25, 1997 FROM MR. AND MRS. JOHN COOK, WAS  
15 RECEIVED IN EVIDENCE.)

16 BY MR. SHAW: Q THIS IS A LETTER DATED NOVEMBER  
17 25, 1997, DELTA ISLE, BY MR. AND MRS. JOHN COOK.

18 "DEAR SIRs, I HAVE BEEN NOTIFIED BY COAST TO  
19 COAST THAT YOU ARE NO LONGER MY HOME PARK."

20 IT DOESN'T SAY ANYTHING HERE,  
21 MRS. ARCHIBALD, ABOUT A COAST TO COAST HOME RESORT  
22 MEMBERSHIP; IT SAYS HOME PARK, DOESN'T IT?

23 MR. SHERMAN: OBJECTION. THE DOCUMENT SPEAKS FOR  
24 ITSELF.

25 THE COURT: SUSTAINED.

26 BY MR. SHAW: Q "THEY HAVE DROPPED YOUR FACILITY

1 BECAUSE OF MISMANAGEMENT."

2 WAS THAT TRUE, MRS. ARCHIBALD, IN FACT,  
3 MR. NOVELLI WITHDREW THE -- DEER PARK FROM THE SYSTEM;  
4 CORRECT?

5 A DELTA.

6 MR. SHERMAN: OBJECTION. THAT'S A LEADING  
7 QUESTION.

8 THE COURT: SUSTAINED.

9 BY MR. SHAW: Q DO YOU KNOW THAT THE DEER RUN PARK  
10 WASN'T DROPPED FROM COAST TO COAST AS A RESULT OF  
11 MISMANAGEMENT?

12 A IT'S DELTA ISLE WAS NOT DROPPED.

13 Q I'M SORRY. DELTA ISLE. EXCUSE ME.

14 A CORRECT.

15 Q IT WAS NOT?

16 A NO. IT WAS WITHDRAWN BY MR. NOVELLI.

17 Q "WHEN YOU SOLD ME A MEMBERSHIP, YOU  
18 REPRESENTED YOURSELVES AS A RESPONSIBLE FACILITY THAT WAS A  
19 MEMBER OF THE COAST TO COAST CAMPGROUND MEMBERSHIP. MY NEW  
20 HOME PARK, SYCAMORE RANCH, A REPRESENTATIVE OF COAST TO  
21 COAST SAYS THAT I DON'T HAVE TO PAY YOU ANYMORE MONEY  
22 BECAUSE YOU CANNOT PROVIDE WHAT YOU ORIGINALLY SOLD ME.

23 "MY ENTIRE EXPERIENCE WITH YOUR FACILITY HAS  
24 BEEN AWFUL. I FEEL LIKE I HAVE BEEN CHEATED AND LIED TO.  
25 DO NOT SEND ME ANYMORE INVOICES FOR MEMBERSHIPS BECAUSE YOU  
26 REPRESENTED YOURSELVES AS A COAST TO COAST MEMBER, AND YOU

1 HAVE LOST THAT PRIVILEGE DUE TO YOUR OWN ACTIONS."

2 DID YOU HAVE OTHER CONTACTS -- LET ME  
3 WITHDRAW THAT.

4 WERE YOU AWARE OF OTHER MEMBERS WHO WERE  
5 TOLD BY COAST TO COAST THAT THEY DIDN'T HAVE TO PAY ANYMORE  
6 MONEY TO THE HOME RESORT MEMBERSHIP?

7 MR. SHERMAN: OBJECTION. CALLS FOR HEARSAY.

8 THE COURT: OVERRULED.

9 JUST WERE YOU AWARE --

10 THE WITNESS: YES.

11 THE COURT: -- YES OR NO?

12 BY MR. SHAW: Q LET'S LOOK AT NEXT IN ORDER, 1618,  
13 FOR THE COMPUTER 39, BATES STAMP 8391.

14 IS THIS A LETTER THAT YOU RECEIVED WHILE YOU  
15 WERE AT CUSTOMER SERVICE IN TRAVEL AMERICA?

16 A YES.

17 MR. SHAW: YOUR HONOR, I'D LIKE TO MOVE 1618 BATES  
18 STAMP 8391, INTO EVIDENCE.

19 MR. SHERMAN: NO OBJECTION.

20 THE COURT: IT WILL BE SO RECEIVED.

21 (WHEREUPON, EXHIBIT NO. 1618-8391 WAS  
22 RECEIVED IN EVIDENCE.)

23 BY MR. SHAW: Q MRS. ARCHIBALD, LET'S LOOK AT THIS  
24 LETTER.

25 "DEAR PERSON AT TWO SPRINGS, LAST YEAR I  
26 RECEIVED A LETTER FROM COAST TO COAST EXPLAINING THAT YOUR

1 CAMPGROUND WAS GOING TO BE DROPPED FROM THEIR ROSTER AND  
2 ASKING IF I WOULD LIKE TO TRANSFER MY MEMBERSHIP TO ANOTHER  
3 CAMPGROUND, COLORADO RIVER ADVENTURE. I WANTED TO STAY  
4 WITH THE COAST TO COAST ORGANIZATION. SO I FILLED OUT  
5 THEIR FORM AND ASKED THEM TO DO THIS.

6 "IN EARLY DECEMBER, I RECEIVED THE  
7 MAINTENANCE FEES FOR THE NEW CAMPGROUND THINKING THAT MY  
8 MEMBERSHIP HAD BEEN TRANSFERRED AND EVERYTHING WAS OKAY.  
9 THEN TWO WEEKS AGO, I RECEIVED YOUR BILL FOR MAINTENANCE  
10 FEES AND STARTED WONDERING WHAT WAS GOING ON.

11 "TODAY I CALLED AND TALKED TO ONE OF YOUR  
12 REPRESENTATIVES. HE APOLOGIZED FOR ANY INCONVENIENCE, BUT  
13 SAID THAT I NEEDED TO SEND YOU A LETTER REVOKING MY  
14 MEMBERSHIP AT YOUR CAMPGROUND. HE ALSO MENTIONED THAT  
15 BECAUSE OF THE MIXUP, I WILL NOT BE REQUIRED TO PAY ANY  
16 BACK-CHARGES IN RELATION TO YOUR ORGANIZATION, SINCE I WILL  
17 NO LONGER BE CONTINUING TO USE YOUR FACILITIES.

18 "PLEASE CANCEL MY MEMBERSHIP AND INFORM OF  
19 ANY FURTHER PROCEEDINGS."

20 WERE YOU AWARE OF OTHER CONTACTS BY MEMBERS  
21 WHERE THEY WERE CONFUSED AS TO THE MAINTENANCE FEES THEY  
22 WERE RECEIVING FROM THE PLAINTIFFS' HOME RESORT AND THE  
23 MAINTENANCE FEES THAT THEY WERE RECEIVING FROM THE RESORT  
24 THAT THEY HAD BEEN TRANSFERRED TO?

25 MR. SHERMAN: OBJECTION. CALLS FOR SPECULATION AND  
26 SEEKS HEARSAY.

1 THE COURT: OVERRULED.

2 YOU MAY ANSWER YES OR NO.

3 THE WITNESS: YES.

4 BY MR. SHAW: Q AND WAS THIS THE POLICY AT TRAVEL  
5 AMERICA, THAT IS?

6 IN THIS LETTER THERE'S AN APOLOGY FOR ANY  
7 INCONVENIENCE AND TELLING THE MEMBER THAT THEY HAVE TO SEND  
8 A LETTER.

9 WAS THAT THE POLICY OF TRAVEL AMERICA IN  
10 DEALING WITH THESE KINDS OF LETTERS?

11 A YES. PRETTY MUCH SO.

12 Q LET'S LOOK AT EXHIBIT 1618, FOR THE COMPUTER  
13 73, BATES STAMP 8425 AND 8427.

14 IS THIS ANOTHER LETTER THAT YOU RECEIVED  
15 WHILE YOU WERE IN CUSTOMER SERVICE AT TRAVEL AMERICA?

16 A YES.

17 MR. SHAW: I'D LIKE TO MOVE EXHIBIT 1618, BATES  
18 STAMP 8425 AND 8427, INTO EVIDENCE.

19 MR. SHERMAN: NO OBJECTION. IT APPEARS, THOUGH,  
20 THAT IT'S MISSING A PAGE. AND WE'D ASK THAT THE MISSING  
21 PAGE ALSO BE INCLUDED.

22 MR. SHAW: YOUR HONOR, MR. DURAN WILL FIND IT FOR  
23 US. I'LL JUST LOOK AT THE FIRST PAGE TO BEGIN WITH, AND  
24 THEN WE'LL INCLUDE THAT SECOND PAGE.

25 THE COURT: ALL RIGHT. IT WILL BE RECEIVED SUBJECT  
26 TO THE INTRODUCTION OF THE SECOND PAGE.

1 MR. SHAW: THANK YOU, YOUR HONOR.

2 (WHEREUPON, EXHIBIT NO. 1618-8425, 8427,  
3 LETTER DATED MAY 28, 1998, TO TRAVEL AMERICA, WAS RECEIVED  
4 IN EVIDENCE.)

5 BY MR. SHAW: Q THIS IS A LETTER DATED MAY -- IT  
6 LOOKS LIKE 28, 1998. IT'S JUST DIFFICULT TO TELL. IT  
7 LOOKS LIKE MAY 28 OR MAY 29. AND IT'S TO TRAVEL AMERICA.

8 AND IT SAYS, "THIS IS IN REGARDS TO OUR BILL  
9 AT NUMBER" -- AND THEN IT GIVES THE NUMBER.

10 "LAST YEAR WE WERE NOTIFIED THAT DELTA ISLE  
11 HAD GONE INTO BANKRUPTCY AND WAS NO LONGER AFFILIATED WITH  
12 COAST. WE WERE OFFERED ANOTHER HOME PARK THAT DELTA  
13 RECOMMENDED SO THAT WE WOULDN'T LOSE OUR STANDING WITH  
14 COAST TO COAST."

15 WERE YOU AWARE THAT THE PLAINTIFFS' HOME  
16 RESORT PARK WAS RECOMMENDING TO COAST TO COAST MEMBERS  
17 ANOTHER PLAINTIFFS' RESORT PARK SO THAT THEY COULD KEEP  
18 THEIR COAST TO COAST MEMBERSHIP?

19 A I WAS NOT AWARE THAT DELTA WAS OFFERING  
20 SOMEONE ELSE'S RESORT.

21 Q OKAY. ENCLOSED IS A LETTER THAT WE  
22 RECEIVED, AND THAT'S A LETTER WE'VE SEEN BEFORE, THE  
23 JIM RANDALL, OCTOBER, 1997, LETTER TRANSFERRING DELTA ISLE  
24 TO RANCHO EL DORADO RESORT, SAN FELIPE, MEXICO.

25 IT SAYS, "NOW WE HAVE RANCHO EL DORADO AS  
26 OUR HOME PARK. OUR DUES ARE PAID TO THEM. WE SHOULD HAVE

1 BEEN REIMBURSED FOR THE DUES WE PAID TO DELTA ISLE LAST  
2 YEAR, BUT STILL AS OF YET WE HAVE NEVER RECEIVED THEM.  
3 HOPE THIS CLEARS THIS UP. WE SHOULDN'T HAVE RECEIVED THIS  
4 BILL."

5 LET'S LOOK AT ONE MORE LETTER,  
6 MRS. ARCHIBALD, EXHIBIT 1618, FOR THE COMPUTER 86, BATES  
7 STAMP 8438.

8 IS THIS A LETTER THAT YOU RECEIVED WHEN YOU  
9 WERE AT CUSTOMER SERVICE AT TRAVEL AMERICA?

10 A YES.

11 MR. SHAW: WE'LL MOVE 1618, BATES STAMP 8438, INTO  
12 EVIDENCE.

13 MR. SHERMAN: NO OBJECTION.

14 THE COURT: IT WILL BE SO RECEIVED.

15 (WHEREUPON, EXHIBIT NO. 1618-8438, LETTER  
16 DATED JUNE 29, 1998 TO CUTTY'S, WAS RECEIVED IN EVIDENCE.)

17 BY MR. SHAW: Q THIS IS A LETTER DATED JUNE 29,  
18 '98, TO CUTTY'S.

19 IS THAT ONE OF THE PLAINTIFFS' RESORTS?

20 A YES, IT IS.

21 Q BY B. L. TERRELL.

22 "DEAR CUTTY'S, PLEASE SEND US CURRENT INFO  
23 ON THE STATUS OF OUR MEMBERSHIP AS TO WHERE WE CAN USE OUR  
24 CAMPING PRIVILEGE. I DON'T KNOW WHY WE STILL HAVE TO PAY  
25 MAINTENANCE FEES AT CUTTY'S NOW THAT WE'VE BEEN TOLD OUR  
26 HOME CAMPGROUND IS" --

1           A        SOMEWHERE.

2           Q        -- "SOMEWHERE ELSE.  WE HAVEN'T BEEN TO  
3 COALDALE IN PAST COUPLE OF YEARS DUE TO THIS CONFUSION, BUT  
4 WE WOULD LIKE TO GO THERE THIS SUMMER, IF POSSIBLE.  WE HAD  
5 LETTER FROM R.P.I., COAST TO COAST AND TRAVEL AMERICA, AND  
6 WE STILL DON'T KNOW WHAT'S GOING ON.  CAN YOU PLEASE  
7 ENLIGHTEN US?  THANK YOU.  B. L. TERRELL."

8                    WERE YOU AWARE THAT OTHER MEMBERS WERE  
9 CONFUSED AT WHERE THEIR HOME RESORT WAS AFTER RECEIVING THE  
10 MASS-TRANSFER LETTERS FROM COAST TO COAST?

11           MR. SHERMAN:  OBJECTION.  THAT LACKS FOUNDATION  
12 AND ALSO MISSTATES THE DOCUMENT.  THERE IS NO REFERENCE IN  
13 HERE TO THE LETTER.

14           THE COURT:  THE OBJECTION IS OVERRULED.

15                    YOU MAY ANSWER YES OR NO.

16           THE WITNESS:  YES.

17           BY MR. SHAW:  Q  ALL RIGHT.  I'D LIKE TO NOW MOVE  
18 TO EXHIBIT 1657.

19                    AND, COUNSEL, I'M ALSO GOING TO BE TALKING  
20 ABOUT 2013.

21                    CAN YOU IDENTIFY THAT LETTER?

22           A        A LETTER FROM CATHY BATY?

23           Q        YES.

24                    AND THERE'S A -- IT SHOWS THAT YOU RECEIVED  
25 A COPY OF THAT LETTER?

26           A        YES.

1 Q AND THIS IS A LETTER DATED AUGUST 5TH, 1995,  
2 BY CATHY BATY OF COAST TO COAST?

3 A AUGUST 9TH, YES.

4 MR. SHAW: YOUR HONOR, WE'D LIKE TO MOVE 1657 INTO  
5 EVIDENCE.

6 MR. SHERMAN: NO OBJECTION.

7 THE COURT: IT WILL BE SO RECEIVED.

8 (WHEREUPON, EXHIBIT NO. 1657, LETTER DATED  
9 AUGUST 9, 1995, TO BRUCE FICKEL, WAS RECEIVED IN EVIDENCE.)

10 MR. SHAW: LET'S PUT IT UP ON THE OVERHEAD,  
11 MR. O'CONNOR.

12 Q THIS IS A LETTER DATED AUGUST 9, 1995, TO A  
13 MR. BRUCE FICKEL, ATTORNEY. AND IT'S FROM CATHY BATY,  
14 COAST TO COAST.

15 SAYS, "ENCLOSED IS THE MOST CURRENT LICENSE  
16 AGREEMENT BETWEEN SUNRISE RESORTS BLUE ARROW RESORT AND  
17 CAMP COAST TO COAST, INC. I PURSUED LICENSING WITH ALL  
18 SEASONS RESORTS TO NO AVAIL.

19 "ALSO, ENCLOSED IS A MEMBERSHIP ROSTER.  
20 WHILE THE RESORT IS IN RECEIVERSHIP, IT IS POLICY AT COAST  
21 NOT TO TRANSFER ANY COAST MEMBERS TO OTHER RESORTS WITHOUT  
22 THE PERMISSION OF THE RECEIVERS."

23 WAS IT YOUR UNDERSTANDING, WHILE YOU WERE AT  
24 ALL SEASONS RESORTS FROM 1986 THROUGH 1997, THAT IT WAS THE  
25 POLICY OF COAST TO COAST NOT TO TRANSFER ANY COAST  
26 MEMBERS -- NOT HOME RESORT MEMBERS -- ANY COAST MEMBERS TO

1 OTHER RESORTS WITHOUT THE PERMISSION OF THE RECEIVERS?

2 A YES.

3 Q LET'S LOOK AT 2013. AND I DON'T HAVE  
4 ANOTHER COPY, MRS. ARCHIBALD, SO I'M GOING TO LOOK OVER  
5 YOUR SHOULDER, IF THAT'S OKAY.

6 A UH-HUH.

7 MR. SHAW: COUNSEL, CAN I CONTINUE OR SHOULD I  
8 WAIT?

9 MR. SHERMAN: CONTINUE.

10 BY MR. SHAW: Q MRS. ARCHIBALD, THIS IS EXHIBIT  
11 2013, BATES STAMP 9066, 9067, 9068 AND 9069, AND IT IS A  
12 COAST TO COAST TELEFAX TO YOU, WENDY ARCHIBALD, DATED APRIL  
13 18, 1994, FROM CATHY BATY, AFFILIATIONS COORDINATOR. TOTAL  
14 NUMBER OF PAGES INCLUDING THE COVER SHEET, FOUR.

15 DO YOU SEE THAT?

16 A YES.

17 Q IS THIS A TELEFAX YOU RECEIVED FROM  
18 CATHY BATY ON OR ABOUT APRIL 18, 1994?

19 A YES.

20 MR. SHAW: YOUR HONOR, I'LL MOVE EXHIBIT 2013 INTO  
21 EVIDENCE.

22 MR. SHERMAN: NO OBJECTION.

23 THE COURT: IT WILL BE SO RECEIVED.

24 (WHEREUPON, EXHIBIT NO. 2013, COAST TO COAST  
25 TELEFAX FROM CATHY BATY DATED APRIL 18, 1994, WAS RECEIVED  
26 IN EVIDENCE.)

1 MR. SHAW: LET'S LOOK AT THE FIRST PAGE,

2 MR. O'CONNOR. THANK YOU.

3 Q THIS IS THE FAX TO WENDY ARCHIBALD, APRIL  
4 18, 1994, FROM CATHY BATY.

5 AND THEN LET'S GO ON TO -- LET'S TAKE IT  
6 STRAIGHT FROM THE TOP, MRS. ARCHIBALD.

7 "WENDY, CYPRESS CANNOT BE APPROVED FOR  
8 AFFILIATION WITH COAST UNTIL WE RECEIVE A SIGNED LICENSE  
9 AGREEMENT BY THE PRESIDENT OF FIRST NATIONWIDE. NOTE:  
10 HANS SCHULZ SIGNED THE AGREEMENT WE HAVE ON FILE, BUT THE  
11 TITLE INSURANCE SHOWS OWNERSHIP WITH FIRST NATIONWIDE  
12 EFFECTIVE APRIL 6TH, '94."

13 AND LET'S GO ON TO THE NEXT PAGE.

14 HERE IS THE SIGNATURE PAGE FOR THE AGREEMENT  
15 FORM NUMBER 8 AND SCHEDULE A. AND THOSE ARE THE PAGES THAT  
16 I SHOWED YOU THAT WERE ATTACHED AS 3 AND 4 TO EXHIBIT 2013.

17 "ONCE I HAVE CONFIRMATION FROM YOUR  
18 INSURANCE AGENT THAT COAST TO COAST IS LISTED AS AN  
19 ADDITIONAL INSURED ON THE POLICY, AND WE RECEIVE THE HARD  
20 COPY OF THE SIGNATURE PAGE BACK, WE WILL THEN SIGN OFF  
21 CYPRESS FOR AFFILIATION AND RELEASE THE SALES ORDER."

22 IT LOOKS TO BE "RELEASE."

23 "PLEASE ALSO NOTE THAT WE CANNOT TRANSFER  
24 COAST MEMBERS OF FIESTA TO CYPRESS UNLESS APPROVED BY THE  
25 BANKRUPTCY COURTS -- PROCEDURE FOR US, DUE TO THE FIESTA  
26 BANKRUPTCY."

1                   WAS IT YOUR UNDERSTANDING FROM THE TIME THAT  
2 YOU WERE AT ALL SEASONS RESORTS FROM 1986 THROUGH 19 --  
3 LATE 1997, DECEMBER 31ST, 1997, THAT IT WAS COAST'S POLICY  
4 THAT THEY COULDN'T TRANSFER COAST MEMBERS -- I'M NOT  
5 TALKING ABOUT HOME RESORT MEMBERS, BUT COAST MEMBERS --  
6 UNLESS APPROVED -- THEY WERE APPROVED BY THE BANKRUPTCY  
7 COURT?

8           A        YES.

9           Q        NOW, LET'S STAY WITH THIS LETTER, IN TERMS  
10 OF WHAT CATHY BATY WAS ASKING YOU TO DO ABOUT THE LICENSE  
11 AGREEMENTS.

12                   YOU WERE THE LIAISON WITH COAST TO COAST FOR  
13 THE PLAINTIFFS' RESORTS?

14          A        YES.

15          Q        AND THIS LETTER IS ASKING FOR SIGNED  
16 AFFILIATION AGREEMENTS OR LICENSE AGREEMENTS? EXCUSE ME.

17          A        YES.

18          Q        NOW, I'VE USED THE TERM INTERCHANGEABLY, NOT  
19 YOU. BUT WE TALKED ABOUT LICENSE AGREEMENT, AND THEN WE'VE  
20 TALKED ABOUT AFFILIATION AGREEMENT.

21                   ARE THOSE ONE IN THE SAME?

22          A        YES.

23          Q        I'D LIKE TO LOOK AT EXHIBIT 570, PARAGRAPH  
24 NUMBER 2.

25                   BEFORE I MOVE ON TO 570, I'D LIKE TO LOOK AT  
26 WHAT'S IN EVIDENCE AS 2172, FOR THE COMPUTER 0287, BATES

1 STAMP COAST TO COAST 8230.

2 NOW, MRS. ARCHIBALD, I WANT TO STAY ON THIS  
3 ISSUE OF COAST TO COAST POLICY OF NOT TRANSFERRING COAST  
4 MEMBERS UNTIL THEY RECEIVE BANKRUPTCY COURT APPROVAL. THIS  
5 IS IN EVIDENCE.

6 AND IT'S -- FIESTA R.V. PARK WAS A  
7 PLAINTIFFS' RESORT?

8 A YES.

9 Q AND IT WAS IN BANKRUPTCY?

10 A YES, I BELIEVE SO.

11 Q AND THIS SAYS, "C.L.B." -- AND THERE'S BEEN  
12 TESTIMONY THAT THAT WAS CATHY BATY -- "DUE TO BEING IN  
13 BANKRUPTCY COURT, WE WILL NOT TRANSFER MEMBERS FROM THIS  
14 RESORT UNTIL WE HAVE APPROVAL FROM THE BANKRUPTCY COURT."

15 DID THAT CONFORM WITH YOUR UNDERSTANDING OF  
16 THE POLICY OF COAST, THAT THEY WOULD NOT TRANSFER THEIR OWN  
17 MEMBERS OR THE PLAINTIFFS' HOME RESORT MEMBERS UNTIL THEY  
18 RECEIVED APPROVAL FROM THE BANKRUPTCY COURT?

19 A YES.

20 Q LET'S GO TO 570.

21 I'D LIKE TO SHOW YOU EXHIBIT 570,  
22 MRS. ARCHIBALD. THIS IS THE COAST TO COAST LICENSE  
23 MANUAL.

24 AND SPECIFICALLY ON PAGE 1, PARAGRAPH 2, IF,  
25 MR. O'CONNOR, WE CAN HAVE THAT ON THE OVERHEAD.

26 AND THIS IS THE COAST TO COAST MARKETING AND

1 MEMBERSHIP SALES RULES.

2 AND IF YOU COULD EXPAND PARAGRAPH 2 FOR ME,  
3 MR. O'CONNOR.

4 IT SAYS, "NO SELLING PRIOR TO LICENSING.  
5 THE USE OF ANY MATERIALS OR THE MENTION OF COAST TO COAST  
6 BY ANY RESORT NOT HOLDING AN EFFECTIVE SIGNED AND EXECUTED  
7 AFFILIATION AGREEMENT IS PROHIBITED."

8 AND THAT WAS YOUR UNDERSTANDING,  
9 MRS. ARCHIBALD?

10 A YES.

11 Q AND YOU WERE THE LIAISON WITH COAST TO COAST  
12 IN DEALING WITH EXECUTED AFFILIATION AGREEMENTS?

13 A YES.

14 Q AND WAS IT YOUR POLICY TO HAVE EXECUTED ALL  
15 THE AFFILIATION AGREEMENTS THAT WERE REQUESTED BY COAST?

16 A YES, EVERYTHING THAT WAS REQUESTED.

17 Q NOW, ONCE THE AFFILIATION AGREEMENT WAS  
18 SIGNED, THE PLAINTIFFS' RESORTS THEN WENT INTO THE  
19 DIRECTORY?

20 A YES.

21 MR. SHERMAN: OBJECTION, YOUR HONOR. LACKS  
22 FOUNDATION WITH RESPECT TO PLAINTIFFS' RESORTS. WE'VE GOT  
23 SPECIFIC CONTRACTS WITH SPECIFIC RESORTS --

24 THE COURT: SUSTAINED.

25 REPHRASE, PLEASE.

26 MR. SHERMAN: -- NOT PLAINTIFFS'.

1 BY MR. SHAW: Q YOU HAD TO HAVE A CONTRACT BEFORE  
2 YOU COULD GET INTO THE DIRECTORY; CORRECT?

3 A YES.

4 Q AND SO ANY RESORT THAT WAS IN THE DIRECTORY  
5 WOULD HAVE HAD AN AFFILIATION AGREEMENT WITH THE  
6 PLAINTIFFS; CORRECT?

7 A YES.

8 Q LET'S LOOK AT EXHIBIT 16 -- I'M SORRY --  
9 1884 WHICH IS THE 1997 CAMP COAST TO COAST DIRECTORY.

10 AND AT THE BREAK I ASKED YOU TO PUT POST-ITS  
11 ON EXHIBIT 1884, THE 1997 DIRECTORY, POST-ITS OF THE  
12 PLAINTIFFS' RESORTS THAT WERE IN 1884.

13 MR. SHERMAN: YOUR HONOR, OBJECTION, AGAIN,  
14 PLAINTIFFS' RESORTS. WE CAN TALK ABOUT SPECIFIC RESORTS,  
15 THE SPECIFIC PROPERTIES. THEY'RE NOT PLAINTIFFS' RESORTS  
16 AS FAR AS COAST TO COAST IS CONCERNED. TRAVEL AMERICA  
17 DIDN'T EXIST THEN.

18 THE COURT: I'M GOING TO OVERRULE THE OBJECTION,  
19 COUNSEL.

20 MR. SHAW: AND, COUNSEL, WITH MR. SHERMAN AND  
21 MR. RIVIN'S APPROVAL, RATHER THAN HAVE MRS. ARCHIBALD READ  
22 EACH PAGE NUMBER, I'M JUST GOING TO READ THE PAGE NUMBER  
23 THAT SHE HAS PUT POST-ITS ON THAT HAVE THE RESORTS.

24 MR. SHERMAN: IF WE CAN JUST GET A COPY.

25 MR. SHAW: SURE. AND I BELIEVE IT WILL SPEED IT  
26 UP.

1           Q           MRS. ARCHIBALD, THE PLAINTIFFS' RESORTS THAT  
2 HAD AFFILIATION AGREEMENTS THAT RESULTED IN BEING IN THE  
3 1997 CAMP COAST TO COAST DIRECTORY ARE ON PAGES 32, 59, 74,  
4 79, 89, 98, 107, 117, 124, 125, 127, 132, 136, 137, 158,  
5 160, 165, 171, 179, 181, 183, 184, 187, 188, 190, 193, 194,  
6 195, 199, 200, 208, 220, 222, 223, 234, 238, 244, 246, 248,  
7 249, 251, 255, 261, 272, 299, 304, 314, 316, 319, 320, 326,  
8 328, 330, 331, 336, 337, 338, 339, 341, 375, 378, 393, 394,  
9 472 AND 475.

10           MR. SHERMAN: OBJECTION, YOUR HONOR. I THINK IT'S  
11 A LITTLE COMPOUND. BUT EVEN IN ADDITION TO THAT, THE ISSUE  
12 OF WHETHER THERE'S AFFILIATION AGREEMENTS OR NOT, THAT CAN  
13 BE ANSWERED -- WHETHER THERE'S AFFILIATION AGREEMENTS, THAT  
14 CAN BE THE BEST EVIDENCE OF WHETHER THERE'S AFFILIATION  
15 AGREEMENTS OR NOT. HOWEVER, IT LACKS FOUNDATION AS TO THIS  
16 WITNESS'S KNOWLEDGE AS TO WHY COAST DID WHAT IT DID. CALLS  
17 FOR SPECULATION.

18           MR. SHAW: YOUR HONOR, COUPLE THINGS. MR. RYMAN  
19 TESTIFIED -- AND I CAN FIND HIS TESTIMONY -- THAT THE ONLY  
20 WAY THAT A RESORT GOT INTO THIS DIRECTORY WAS IF THEY HAD  
21 AN AFFILIATION AGREEMENT, THEY HAD A CONTRACT. THAT'S  
22 NUMBER ONE.

23                       NUMBER TWO, WE'VE GOT INTO EVIDENCE 2172.  
24 THAT'S A SUMMARY OF THE RESORTS THAT CAME FROM THEIR BATCH  
25 REPORTS THAT SHOWED WHICH ONES HAD THE AFFILIATION  
26 AGREEMENTS.

1                   SHE IS THE ONE -- THIRD, SHE IS THE ONE THAT  
2 WAS THE LIAISON WITH COAST TO COAST AND VIA CATHY BATY'S  
3 EXHIBITS GOING BACK AND FORTH, DEALT WITH THE AFFILIATION  
4 AGREEMENTS, AND THE EXECUTION OF THE AFFILIATION  
5 AGREEMENTS, AND THE CUSTODY AND THE ORDINARY COURSE OF  
6 BUSINESS OF THE AFFILIATION AGREEMENTS, AND KNOWS WHICH  
7 ONES THEN WENT INTO THE DIRECTORY.

8                   FOR ALL THOSE REASONS AND MORE -- AND I  
9 WON'T GO ON, IF YOU REMEMBER ALL THOSE REASONS, SHE HAS THE  
10 FOUNDATION TO BE ABLE TO TESTIFY.

11                  THE COURT: OVERRULED.

12                  BY MR. SHAW: Q ALL RIGHT. MRS. ARCHIBALD, LET'S  
13 TALK ABOUT THE AFFILIATION AGREEMENTS.

14                         AND, AGAIN, FOR SAKE OF TIME I -- YOU AND I  
15 HAVE CALLED THE EXHIBITS THAT ARE THE AFFILIATION  
16 AGREEMENTS IN THIS CASE, AND WE'VE TAKEN THE EXHIBITS FOR  
17 THE PURPOSES OF TIME THAT ARE OUT OF THE EIGHT BOOKS THAT  
18 ARE BEHIND YOU, AND WE HAVE COPIES IN ONE EXHIBIT BOOK OF  
19 THE AFFILIATION AGREEMENTS; CORRECT?

20                  A         YES.

21                  Q         NOW --

22                  THE COURT: IS THAT A YES?

23                  THE WITNESS: YES. SORRY.

24                  BY MR. SHAW: Q YOU DEALT WITH THE AFFILIATION  
25 AGREEMENTS IN THE ORDINARY COURSE OF YOUR DUTIES AT TRAVEL  
26 AMERICA AND ALL SEASONS RESORTS; CORRECT?

1           MR. SHERMAN: YOUR HONOR, OBJECTION. LACKS  
2 FOUNDATION AS TO THOUSAND ADVENTURES AFFILIATION  
3 AGREEMENTS. AND IF THOSE THOUSAND ADVENTURES AFFILIATION  
4 AGREEMENTS ARE IN THAT BOOK, IT IS A LEADING QUESTION,  
5 BECAUSE MR. SHAW HAS NOT REFERENCED THE THOUSAND ADVENTURES  
6 AFFILIATION AGREEMENTS.

7           THERE'S NO FOUNDATION LAID THAT THIS WITNESS  
8 KNOWS ANYTHING ABOUT THE PRACTICES OF THOUSAND ADVENTURES  
9 PRIOR TO -- AT ANY TIME.

10          MR. SHAW: YOUR HONOR, THIS IS JUST A PURE  
11 CUSTODIAN OF RECORDS BUSINESS RECORDS. I'M JUST  
12 ESTABLISHING THAT SHE WAS THE PERSON IN CHARGE AT ALL  
13 SEASONS RESORTS AND TRAVEL AMERICA IN DEALING WITH THESE  
14 AFFILIATION AGREEMENTS, AND THAT SHE HAD THESE AFFILIATION  
15 AGREEMENTS IN HER POSSESSION, CUSTODY AND CONTROL.

16          MR. SHERMAN: I DON'T KNOW WHAT AFFILIATION  
17 AGREEMENTS COUNSEL HAS BEEN SHOWING. I'VE BEEN TOLD FOR  
18 THE FIRST TIME THERE ARE EIGHT VOLUMES.

19          THE COURT: TAKE A LOOK. SHOW THEM TO COUNSEL.

20          MR. SHERMAN: YOUR HONOR, IN GOING THROUGH JUST THE  
21 THIRD OR FOURTH -- AND THE RECORD WILL REFLECT THAT  
22 MR. SHAW ASKED THE QUESTION ABOUT ALL SEASONS RESORTS AND  
23 TRAVEL AMERICA. YET HE HAS GOT IN THIS BOOK THOUSAND  
24 ADVENTURES AGREEMENTS. NOW, WHY WOULD HE DO THAT?

25          MR. SHAW: YOUR HONOR, THE FOUNDATION HAS BEEN LAID  
26 THROUGH THEIR OWN DOCUMENTS THAT THEY SHOWED ON

1 CROSS-EXAMINATION THAT THERE WAS A MERGER BETWEEN THOUSAND  
2 ADVENTURES, FIRST NATIONWIDE RESORTS, ALL SEASONS, AND THEY  
3 CAME TOGETHER AS TRAVEL AMERICA.

4                   THIS IS THE TRAVEL AMERICA CUSTODIAN OF  
5 RECORDS THAT KEEPS THOSE AFFILIATION AGREEMENTS, THOUSAND  
6 ADVENTURES, FIRST NATIONWIDE, ALL SEASONS RESORTS AND  
7 OTHERS, I MIGHT ADD. SHE KEEPS THEM FOR TRAVEL AMERICA AND  
8 DEALS WITH THEM IN THE ORDINARY COURSE OF HER DUTIES.  
9 THAT'S WHAT SHE IS TESTIFYING ABOUT. THAT FOUNDATION HAS  
10 ALREADY BEEN LAID.

11               MR. SHERMAN: YOUR HONOR, THESE DOCUMENTS DON'T  
12 EVEN COME FROM TRAVEL AMERICA. THEY CAME FROM CAMP COAST  
13 TO COAST, SOME FILES AS RESPECTS THOUSAND ADVENTURES.

14                   NOW, I'D ASK THE COURT TO COMMIT VOIR --  
15 PERMIT VOIR DIRE AS TO THIS WITNESS'S ABILITY.

16               THE COURT: TAKE THE WITNESS ON VOIR DIRE.

17               MR. SHERMAN: THANK YOU.

18                   VOIR DIRE EXAMINATION

19               BY MR. SHERMAN: Q MRS. ARCHIBALD, WHEN DID YOU  
20 BEGIN DOING ANY CONTRACT PROCESSING, IF EVER, WITH RESPECT  
21 TO THE COMPANY CALLED "THOUSAND ADVENTURES, INC."?

22               A           I DID THE PROCESSING THROUGH TRAVEL AMERICA.

23               Q           WELL, MY QUESTION IS, WHEN DID YOU DO  
24 CONTRACT PROCESSING FOR THE COMPANY CALLED "THOUSAND  
25 ADVENTURES, INC."?

26               A           WHEN TRAVEL AMERICA TOOK OVER THOSE RESORTS.

1 Q OKAY. SO -- AND THAT OCCURRED SOMETIME IN  
2 MID-1997; IS THAT RIGHT?

3 A CORRECT.

4 Q OKAY. NOW, YOU NEVER RECEIVED OR HAVE IN  
5 YOUR OWN FILES COAST TO COAST AFFILIATION AGREEMENTS  
6 BETWEEN THOUSAND ADVENTURES, INC., AND CAMP COAST TO COAST;  
7 ISN'T THAT RIGHT?

8 A IN 1997. I DIDN'T GET THEM BEFORE THAT, NO.

9 Q RIGHT.

10 SO YOU KNEW ABOUT NOTHING THAT HAPPENED  
11 PRIOR TO EARLY '97, BETWEEN CAMP COAST TO COAST AND  
12 THOUSAND ADVENTURES, INC.; RIGHT?

13 A I WAS NOT INVOLVED WITH THE AFFILIATION  
14 MYSELF, NO.

15 Q RIGHT.

16 SO AS FAR AS AFFILIATION AGREEMENTS BETWEEN  
17 CAMP COAST TO COAST AND THOUSAND ADVENTURES, INC., YOU  
18 DON'T KNOW THE TERMS OF THOSE AGREEMENTS FROM FIRSTHAND  
19 KNOWLEDGE; RIGHT?

20 A THEY'RE ALL THE SAME, ALL THE AGREEMENTS.

21 Q NO, THAT WASN'T MY QUESTION.

22 YOU DON'T KNOW THE TERMS OF THE AGREEMENTS  
23 BETWEEN THOUSAND ADVENTURES, INC., AND CAMP COAST TO COAST  
24 FROM YOUR OWN PERSONAL KNOWLEDGE; ISN'T THAT RIGHT?

25 A I DON'T UNDERSTAND THE QUESTION. ARE YOU  
26 TALKING ORAL AGREEMENT?

1 Q YOU NEVER DEALT WITH THE AFFILIATION PROCESS  
2 PRIOR TO -- YOU NEVER DEALT WITH THE AFFILIATION PROCESS  
3 BETWEEN THOUSAND ADVENTURES, INC., AND CAMP COAST TO COAST?

4 A NO.

5 Q IS THAT CORRECT?

6 A THAT'S CORRECT.

7 Q IN FACT, WHEN YOU BECAME INVOLVED WITH  
8 THOUSAND ADVENTURES, INC., THE DECISION HAD ALREADY BEEN  
9 MADE TO HAVE THOUSAND ADVENTURES PULL OUT OF CAMP COAST TO  
10 COAST?

11 A I REALLY DON'T REMEMBER WHEN THAT DECISION  
12 WAS MADE.

13 Q BUT IT WAS -- COINCIDENTALLY IT WAS AT THE  
14 SAME TIME COMING TOGETHER WITH TRAVEL AMERICA?

15 A SHORTLY THEREAFTER.

16 Q RIGHT.

17 SO YOU NEVER SPENT ONE DAY AT TRAVEL AMERICA  
18 DEALING WITH COAST/THOUSAND ADVENTURES AFFILIATION ISSUES,  
19 DID YOU?

20 A NO, OTHER THAN HAVING THE CONTRACTS, NO.

21 Q WELL, CAN YOU --

22 A I HAD COPIES OF THE CONTRACTS AND THAT'S  
23 ALL. I DIDN'T DEAL WITH ANY OF THE AFFILIATIONS BETWEEN  
24 THOUSAND ADVENTURES AND COAST TO COAST.

25 Q WELL, LET ME SHOW YOU AS AN EXAMPLE JUST A  
26 DOCUMENT THAT I SAW AS I WAS FLIPPING THROUGH THIS FOR

1 OKATOMA RIVER -- OKATOMA RIVER.

2 IF I MAY APPROACH, YOUR HONOR.

3 I PLACE BEFORE YOU A DOCUMENT THAT'S IN THE  
4 BINDER THAT MR. SHAW WAS ASKING YOU SOME QUESTIONS ABOUT.

5 A UH-HUH.

6 Q AND HE WAS ASKING YOU ABOUT ALL SEASONS  
7 RESORTS AND TRAVEL AMERICA; RIGHT?

8 A YES.

9 Q AND THIS DOCUMENT IS AN AFFILIATION  
10 AGREEMENT; DO YOU BELIEVE THAT THAT'S WHAT IT IS?

11 A CORRECT.

12 Q OKAY. AND IT'S AN AFFILIATION -- IT SAYS  
13 HERE ON SCHEDULE A, THOUSAND ADVENTURES, DAVE VOPNFORD, AND  
14 OKATOMA RIVER.

15 THAT WAS A THOUSAND ADVENTURES PARK; IS THAT  
16 RIGHT?

17 A YES.

18 Q AND YOU'LL NOTICE THERE'S NO NUMBER HERE  
19 REFLECTING PTE OR ANYTHING THAT REFLECTS THAT IT COMES FROM  
20 YOUR FILES; DO YOU NOTICE THAT?

21 A YES.

22 Q IN FACT, AND THAT'S BECAUSE IT DIDN'T COME  
23 FROM YOUR FILES.

24 DO YOU HAVE ANY PERSONAL KNOWLEDGE THAT ANY  
25 OF THE THOUSAND ADVENTURES AGREEMENTS IN THIS BOOK CAME  
26 FROM YOUR FILES?

1           A           I DON'T KNOW WHERE THEY CAME FROM, THESE  
2 PARTICULAR ONES.

3           MR. SHERMAN:   OKAY.   I HAVE NO FURTHER QUESTIONS AT  
4 THIS POINT.

5                       IT OBVIOUSLY LACKS FOUNDATION WITH RESPECT  
6 TO THE THOUSAND ADVENTURES AGREEMENTS, YOUR HONOR.   THIS  
7 WITNESS HAS ADMITTED TO --

8           THE COURT:   THE OBJECTION IS SUSTAINED.

9                       DIRECT EXAMINATION   (CONTINUED)

10          BY MR. SHAW:   Q   LET'S GO TO THE BOOK, AND LET'S  
11 LOOK AT THE AFFILIATION AGREEMENT, 129.

12                      THAT IS AN ALL SEASONS RESORTS AFFILIATION  
13 AGREEMENT?

14          A           YES.

15          Q           AND YOU ARE CUSTODIAN OF RECORD IN HANDLING  
16 THAT AFFILIATION AGREEMENT?

17          MR. SHERMAN:   EXCUSE ME.   I DON'T HAVE THE BOOK  
18 NOW.   AND I APPRECIATE KNOWING AT LEAST WHAT EXHIBIT WE'RE  
19 TALKING ABOUT WITH THE OPPORTUNITY TO GET IT SO I CAN LOOK  
20 IT OVER.

21          MR. SHAW:   I VALUE THAT COMMENT.   I THINK IT WILL  
22 SAVE US A LOT OF TIME.   MR. SHERMAN AND I CAN CONFER FOR A  
23 FEW MINUTES DURING THE LUNCH BREAK AND ORGANIZE THE  
24 MATERIALS SO THAT WE DON'T HAVE TO TAKE THE TIME.

25          MR. SHERMAN:   WELL, COULD I SUGGEST, THEN, THAT  
26 MR. SHAW AT LEAST NOW MOVE ON TO ANOTHER TOPIC SO THAT I

1 DON'T HAVE TO BE PLAYING CATCH-UP WHEN THE QUESTIONS ARE  
2 ASKED.

3 THE COURT: WHY DON'T WE TAKE THE LUNCH BREAK NOW,  
4 AND YOU CAN GO TO WORK.

5 MR. SHAW: THANK YOU.

6 THE COURT: SEE YOU ALL AT 1:30.

7 (WHEREUPON THE COURT WAS IN RECESS UNTIL  
8 1:30 P.M. OF THE SAME DAY.)

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1 WESTMINSTER, CALIFORNIA - THURSDAY, JUNE 22, 2000

2 AFTERNOON SESSION

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

5 THE COURT: YOU WANTED TO GO ON THE RECORD BEFORE  
6 THE JURY GOT HERE?

7 MR. MOSHENKO: YES, SIR, IF WE COULD, PLEASE.

8 YOUR HONOR, WITH THE COURT'S PERMISSION, I  
9 WOULD ASK THAT WE TAKE UP -- AT LEAST DISCUSS THIS ISSUE  
10 RELATING TO THE USE OF THE THOUSAND TRAILS CONTRACTS THAT  
11 CAME UP BEFORE THE BREAK.

12 YOUR HONOR, THIS IS A CASE THAT IS BOTH  
13 BREACH OF CONTRACT BUT OTHER TORTS ALLEGED AS THE COURT IS  
14 AWARE. THE FIRST CAUSE OF ACTION IS A BREACH OF WRITTEN  
15 CONTRACT. THE SECOND CAUSE IS THE BREACH OF IMPLIED  
16 AGREEMENT. AND WITHIN THE IMPLIED AGREEMENT ALLEGATIONS  
17 THERE ARE REFERENCES RELATED TO ORAL AGREEMENTS. THERE ARE  
18 REFERENCES RELATING TO AGREEMENTS BASED ON CONDUCT. THERE  
19 ARE REFERENCES TO AGREEMENTS WHICH COME TO US THROUGH THE  
20 DOCTRINE OF ESTOPPEL.

21 NOW, THIS MORNING MR. SHAW OFFERED OR  
22 PROPOSED TO OFFER THE USE OF SOME CONTRACTS WHICH WERE --  
23 WE'LL CALL THE THOUSAND ADVENTURES CONTRACTS, CONTRACTS  
24 WHICH WERE ENTERED INTO BEFORE TRAVEL AMERICA ACQUIRED  
25 THOUSAND ADVENTURES' POSITION.

26 AND I DON'T THINK IT'S DISPUTED THAT MY

1 CLIENTS TOOK OVER THOUSAND ADVENTURES, AND I DON'T THINK IT  
2 WILL BE DISPUTED THAT IN DOING SO THEY ACQUIRED THEIR  
3 CONTRACTUAL POSITIONS. THEY ASSUMED THE RESPONSIBILITIES  
4 UNDER THOSE CONTRACTS, AND THAT THEY COMMENCED PERFORMANCE  
5 OF ANYTHING -- OF ANYTHING THAT HAD TO BE PERFORMED UNDER  
6 THOSE CONTRACTS, AND THAT THOSE CONTRACTS BECAME THE  
7 CONTRACTS OF THE PLAINTIFFS, EVEN THOUGH THEY WERE ENTERED  
8 INTO BY THOUSAND ADVENTURES BEFORE WE ACQUIRED THE BUY.

9                   THERE ARE RECORDS, SOME OF WHICH HAVE BEEN  
10 PRESENTED TO THE JURY AND TO THE COURT ALREADY, THAT SHOWS  
11 THAT BANKRUPTCY COURTS, FOR EXAMPLE, APPROVED THE TRANSFERS  
12 OF ASSETS. AND THOSE ASSETS WOULD INCLUDE CONTRACTS FROM  
13 THOUSAND ADVENTURES TO THE PLAINTIFF.

14                   ALSO IT'S UNDISPUTED THAT THE DEFENDANTS  
15 THEMSELVES HAVE USED AND RELIED ON AND ACCEPTED THESE  
16 CONTRACTUAL RELATIONS AS EXISTING AND ACCEPTED THE VERY  
17 CONTRACTS -- SOME OF THEM THAT MR. SHAW WAS OFFERING -- WAS  
18 PROPOSING TO USE THIS MORNING -- AS RELEVANT, MATERIAL,  
19 ADMISSIBLE EXHIBITS. SOME OF THOSE CONTRACTS THAT WERE  
20 OBJECTED TO THIS MORNING HAVE BEEN SHOWN TO THE JURY BY THE  
21 DEFENDANTS THEMSELVES AND PUT UP ON THE BOARD AND, I  
22 BELIEVE, OFFERED INTO EVIDENCE.

23                   SO THE REAL QUESTION PRESENTED IS I THINK AN  
24 EVIDENTIARY ONE, IF YOU WILL. THERE'S NO MAGIC ABOUT  
25 THIS. WE WEREN'T THERE WHEN THE CONTRACTS WERE SIGNED.  
26 SOME OF THEM WERE SIGNED IN 1980'S. BUT WE DON'T BELIEVE

1 THAT WE'RE REQUIRED TO HAVE BEEN THERE IF WE BRING IN A  
2 CUSTODIAN OF RECORDS. AND IT REALLY DOESN'T MATTER WHERE  
3 THE CUSTODIAN OF RECORDS GOT THE DOCUMENTS. IF THEY HAVE  
4 BECOME PART OF THE RECORDS OF THE PROPOUNDING PARTY AND THE  
5 CUSTODIAN CONSIDERS THOSE RECORDS TO BE A PART OF THE  
6 RECORDS OF THE PROPOUNDING PARTY, THEN THE C.O.R. CAN OFFER  
7 THE RECORDS OF THE COMPANY.

8 NOW, MR. SHERMAN TOOK MISS ARCHIBALD ON VOIR  
9 DIRE THIS MORNING AND ASKED -- AND THE ULTIMATE QUESTION  
10 WAS, DO YOU KNOW WHERE THOSE RECORDS CAME FROM? AND  
11 MISS -- PERHAPS AN OBJECTION SHOULD HAVE BEEN RAISED. THE  
12 QUESTION WAS UNCERTAIN BECAUSE DOES IT MEAN WHERE THEY CAME  
13 FROM BEFORE THEY GOT HERE? OR WHERE THEY CAME FROM FIVE,  
14 10 YEARS AGO, IF THEY'RE DATED FIVE OR 10 YEARS AGO?

15 AND MISS ARCHIBALD ANSWERED, NO, OF COURSE  
16 SHE DOESN'T KNOW OF HER OWN PERSONAL KNOWLEDGE HOW THEY GOT  
17 FROM THOUSAND ADVENTURES TO THE PLAINTIFFS. OR PERHAPS  
18 THEY GOT TO THE PLAINTIFFS FROM THOUSAND ADVENTURES TO THE  
19 DEFENDANTS TO THE PLAINTIFFS.

20 AS A MATTER OF FACT, A LOT OF THE RECORDS  
21 DID COME TO THE PLAINTIFFS FROM THE DEFENDANTS THROUGH  
22 DISCOVERY WHEN WE ASKED THE DEFENDANTS TO PRODUCE CONTRACTS  
23 BETWEEN THE PARTIES IN THIS ACTION.

24 SO MISS ARCHIBALD CORRECTLY SAYS -- ASSUMING  
25 THE QUESTION IS DO YOU KNOW WHERE THESE ORIGINALLY CAME  
26 FROM -- NO, I DON'T. BUT, LITERALLY, SHE KNOWS THAT THEY

1 CAME TO THIS COURTROOM IN THE BOXES OF MATERIAL THAT WERE  
2 ASSEMBLED BECAUSE SHE PARTICIPATED IN THE ASSEMBLANCE OF  
3 THEM.

4 AND SO SHORT TERM, THEY CAME FROM OUR  
5 RECORDS. LONG TERM, WE DON'T KNOW WHERE -- SHE DOESN'T  
6 KNOW WHERE THEY CAME FROM, PRECISELY. WE CAN GO THROUGH  
7 40, 50 CONTRACTS ONE AT A TIME. DID THIS CONTRACT COME TO  
8 YOU FROM THE RECORDS THAT WERE PICKED UP WHEN WE ACQUIRED  
9 THOUSAND ADVENTURES? DID THIS ONE COME FROM THE  
10 DEFENDANTS' RECORDS? DID THIS ONE COME FROM YOUR RECORDS  
11 VIA THE DEFENDANTS' RECORDS? WE CAN DO ALL OF THAT.

12 BUT I WOULD SUBMIT TO YOUR HONOR THAT WE  
13 HAVE BREACH OF ACTUAL CONTRACT, BREACH OF IMPLIED  
14 AGREEMENT. WE HAVE WRONGFUL INTERFERENCE WITH CONTRACTUAL  
15 RELATIONS. WE HAVE UNFAIR COMPETITION. AND THIS  
16 MATERIAL -- AND WE HAVE CONTRACT BY ESTOPPEL. WHAT GREATER  
17 EVIDENCE CAN THEY BE ESTOPPED TO DENY THE EXISTENCE OF THE  
18 CONTRACT THAT THEY GAVE US FROM THEIR RECORDS, AND THAT  
19 THEY PRODUCED IN DISCOVERY, AND THAT THEY PUT THEIR STAMP  
20 ON IT, AND THEY SAID, THESE ARE THE CONTRACTS, AND THAT  
21 THEY PUT ON THE SCREENS, AND THEY SHOWED TO THE JURY THESE  
22 ARE THE CONTRACTS BETWEEN THE PARTIES.

23 SO IS THIS AN EVIDENTIARY ISSUE, YOUR  
24 HONOR? OR IS IT A SUBSTANTIVE ISSUE THAT WE'RE TALKING  
25 ABOUT? BECAUSE WE DIDN'T HAVE SOMEBODY BACK THERE IN 1980,  
26 WE CAN'T OFFER THESE CONTRACTS. AND THAT'S OUR POSITION IS

1 WE SHOULD BE ABLE TO OFFER THEM.

2 THE COURT: WHO SPEAKS FOR THE DEFENSE?

3 MR. SHERMAN: I DO, YOUR HONOR.

4 MR. SHAW ASKED THE QUESTION OF  
5 MISS ARCHIBALD, AFTER HAVING DESCRIBED TO THE COURT AND THE  
6 JURY, HAVING PUT TOGETHER A BOOK OF CONTRACTS. THE COURT  
7 WILL RECALL THAT. AND MR. SHAW THEN ASKED THE FOLLOWING  
8 QUESTION: YOU DEALT WITH THE AFFILIATION AGREEMENTS --  
9 HOLDING UP A BOOK OF AFFILIATION AGREEMENTS -- IN THE  
10 ORDINARY COURSE OF YOUR DUTIES AT TRAVEL AMERICA AND IN ALL  
11 SEASONS RESORTS; CORRECT?

12 THAT'S WHEN I OBJECTED.

13 THE FACT IS, NOTWITHSTANDING MR. MOSHENKO'S  
14 EFFORTS TO TESTIFY, CONTRARY TO THE AGREEMENTS, THE  
15 AGREEMENTS WITH THOUSAND ADVENTURES THAT SAID VERY CLEARLY  
16 THAT THEY TERMINATE UPON TRANSFER, AS THIS COURT NOW WELL  
17 KNOWS, COINCIDENT WITH THE FORMATION OF TRAVEL AMERICA,  
18 THOUSAND ADVENTURES WAS OUT. THEY DISAFFILIATED WITH CAMP  
19 COAST TO COAST.

20 AND THE ISSUE IS NOT ONE OF RELEVANCY. THE  
21 ISSUE IS ONE OF THIS WITNESS, MISS ARCHIBALD. VERY NICE  
22 LADY. OUGHT NOT BE COMING IN AS A PUPPET WITH MR. SHAW,  
23 THE PUPPETEER AND TALKING ABOUT THINGS THAT SHE DOESN'T  
24 KNOW ABOUT.

25 IF THEY WANT TO BRING MR. NOVELLI IN, IF  
26 MR. NOVELLI KNOWS ABOUT THIS, IF THEY WANT TO BRING IN A

1 THOUSAND ADVENTURES PERSON WHO KNOWS ABOUT THIS, IF THEY  
2 WANT TO ASK A COAST TO COAST REPRESENTATIVE ABOUT THESE  
3 CONTRACTS, IF THEY WANT TO ASK SOMEBODY WHO HAS PERSONAL  
4 KNOWLEDGE ABOUT THESE CONTRACTS TO TESTIFY TO THEM, TO LAY  
5 A FOUNDATION -- AND WE CAN DO IT ALL AT ONCE -- I DON'T  
6 HAVE A PROBLEM WITH THAT.

7                   BUT I LISTEN -- OBVIOUSLY I'LL BE EXAMINING  
8 MISS ARCHIBALD THIS AFTERNOON. I LISTENED VERY CAREFULLY  
9 TO THE TESTIMONY, AND WHAT I HEARD THIS MORNING WAS A  
10 SERIES OF DECLARATIVE STATEMENTS BY MR. SHAW FOLLOWED BY A  
11 MONOSYLLABIC RESPONSE, GENERALLY YES.

12                   AND YOUR HONOR HAS SEEN ENOUGH OF THIS IN  
13 TRIALS. YOU KNOW WHAT'S GOING ON.

14                   AND SO I WOULD SUBMIT THEY HAVEN'T LAID A  
15 FOUNDATION. THEY CAN'T LAY A FOUNDATION. THEY TRIED  
16 THROUGH DISINGENUOUSNESS TO LAY A FOUNDATION. YEAH, THIS  
17 IS ALL TRAVEL AMERICA AND ALL SEASONS, BUT WE KNOW THAT'S  
18 NOT TRUE.

19                   SO LET'S JUST GET ON WITH IT. YOUR HONOR  
20 OUGHT TO STAY WITH YOUR RULING.

21                   MR. MOSHENKO: MAY I RESPOND?

22                   THE COURT: YES.

23                   MR. MOSHENKO: FIRST OF ALL, THE FIRST ARGUMENT I  
24 HEARD IS THAT THESE AGREEMENTS TERMINATE ON TRANSFER. YOUR  
25 HONOR, UNLESS THEY'RE ADMITTED INTO EVIDENCE, A TERMINATION  
26 ON TRANSFER LANGUAGE IN A CONTRACT ISN'T BEFORE THE COURT

1 AND CAN'T BE EFFECTIVE. SO THAT ARGUMENT HAS TO FAIL,  
2 UNLESS THEY'RE ADMITTED INTO COURT.

3 AND THEN THERE ARE OTHER REASONS WHY THAT  
4 ARGUMENT WOULD FAIL. BUT THEY ADD UP TO THESE DOCUMENTS  
5 ARE NOT ONLY EVIDENCE OF ACTUAL WRITTEN CONTRACTS, THEY'RE  
6 ALSO EVIDENCE THAT SUPPORT THE PLAINTIFFS' POSITIONS OF  
7 IMPLIED AGREEMENTS OR AGREEMENTS THAT ARISE OUT OF  
8 CONDUCT. AND THERE'S TONS OF CONDUCT THAT SHOW THAT THE  
9 AGREEMENTS EXIST. AND I DON'T HAVE TO LIST IT ALL, BUT  
10 EVERY COAST TO COAST WITNESS WHO HAS TAKEN THE STAND SAID  
11 YOU CAN'T BE AN AFFILIATED RESORT WITHOUT A CONTRACT. YOU  
12 CAN'T BE IN THE DIRECTORY WITHOUT A CONTRACT. THERE ARE  
13 LETTERS ACCEPTING DISAFFILIATIONS. YOU CAN'T BE  
14 DISAFFILIATED UNLESS YOU'RE AFFILIATED.

15 THERE'S THE COAST TO COAST OWN RECORDS, WHAT  
16 WE CALL THE BATCH REPORTS, THE ONES THAT LOOK LIKE THIS,  
17 THAT TELL US WHEN THE CONTRACTS WERE ENTERED INTO, AND WHEN  
18 THE CONTRACTS WERE TERMINATED OR ENTERED OUT TO.  
19 TERMINATED VOLUNTARILY SEPTEMBER 2, 1997. THAT IS  
20 GENERALLY WHAT THEY SAY.

21 SO THESE CONTRACTS ARE SUPPORTED BY AN  
22 ABUNDANCE OF BACKGROUND, EVIDENCE AND TESTIMONY OUT OF THE  
23 MOUTHS OF THE DEFENDANTS.

24 AND YOU'RE RIGHT, THEY'RE CLEARLY RELEVANT.  
25 SO THERE'S NO RELEVANCY ISSUE HERE. WE COULD ASK  
26 RAY NOVELLI. WE COULD ASK A COAST TO COAST REPRESENTATIVE.

1 WE COULD ASK WENDY ARCHIBALD. SHE IS -- HAPPENS TO BE THE  
2 PERSON WHO IS DESIGNATED AS THE CUSTODIAN OF RECORDS IN  
3 CHARGE OF BRINGING DOCUMENTS INTO THE COURT, AND WE SAY  
4 THAT WE DON'T HAVE TO HAVE SOMEBODY FROM THOUSAND  
5 ADVENTURES OR WHO'S THERE WHEN THEY'RE SIGNED. WE DON'T  
6 HAVE TO HAVE SOMEBODY FROM COAST TO COAST; ALTHOUGH,  
7 PERHAPS THAT WOULD WORK.

8                   FOR HER TO SIT HERE AND SAY, THESE ARE THE  
9 RECORDS THAT WE HAVE IN OUR RECORDS, YES. I DON'T KNOW  
10 WHERE THEY ORIGINALLY CAME FROM, BUT THEY'RE IN OUR RECORDS  
11 NOW. SOME OF THEM CAME FROM WHEN WE TOOK OVER T.A.I. SOME  
12 OF THEM CAME FROM THE DEFENDANTS. THEY'RE IN OUR RECORDS.  
13 YOU CAN SAY IT 10 TIMES. THEY'RE IN OUR RECORDS. AND,  
14 THEREFORE, THEY SHOULD BE ADMITTED AS THE RECORDS OF THE  
15 PLAINTIFFS THAT WE CAN OFFER BOTH TO PROVE ACTUAL CONTRACT  
16 AND TO SUPPORT THE ALLEGATIONS OF IMPLIED AGREEMENTS.

17               MR. SHERMAN: YOUR HONOR, IN DISCOVERY IN THIS CASE  
18 NOT A SINGLE THOUSAND ADVENTURES AGREEMENT WAS PRODUCED BY  
19 PLAINTIFFS. IN DISCOVERY IN THIS CASE WHEN WE TOOK  
20 CUSTODIAN OF RECORDS DEPOSITIONS, WENDY ARCHIBALD NEVER  
21 SHOWED UP.

22                   AGAIN, THE ISSUE IS NOT RELEVANCE. THE  
23 ISSUE IS GOING TO BE THE FOUNDATION. AND, IN FACT, IN  
24 DEPOSITION -- AND I SUBMIT WE'LL BE ABLE TO PROVE THIS  
25 DURING THE COURSE OF THIS TRIAL -- RAYMOND NOVELLI KNEW  
26 NOTHING ABOUT THE CONTRACTS THAT DAVID VOPNFORD ON BEHALF

1 OF THOUSAND ADVENTURES ENTERED INTO WITH CAMP COAST TO  
2 COAST. WE'LL BE ABLE TO PROVE THAT BECAUSE I ASKED  
3 MR. NOVELLI THAT QUESTION OR QUESTIONS TO THAT EFFECT IN  
4 DEPOSITION.

5 SO FOR THE PUPPETEER TO CONTINUE YES, YES,  
6 YES, YES, YES -- NOW COME ON. GET A REAL WITNESS ON. YOUR  
7 HONOR JUST OUGHT TO STAY WITH HIS RULING.

8 MR. MOSHENKO: YOU DON'T HAVE TO HAVE THE ACTUAL  
9 PERSON WITH THE ACTUAL KNOWLEDGE ABOUT THE CONTRACT FOR IT  
10 TO BE A BUSINESS RECORD CUSTODIAN OF RECORD INTRODUCTION.  
11 IF A.COM MERGES WITH B.COM MERGES WITH "C" AND GETS TAKEN  
12 OVER BY "D," NOBODY -- WHEN "D" COMES TO COURT, HE NEVER  
13 GOES BACK TO "A" AND BRINGS IN THE REPRESENTATIVES OF "A"  
14 WHO HAVE THE ACTUAL PERSONAL KNOWLEDGE.

15 PERSONAL KNOWLEDGE IS NOT NECESSARY TO OFFER  
16 A DOCUMENT THE WAY WE'RE OFFERING IT. THE EVIDENCE CODE  
17 ALLOWS IT TO GO WITHOUT THAT, AND IT SHOULD BE ALLOWED TO  
18 BE PRESENTED, AGAIN, BOTH FOR THE ACTUAL WRITTEN CONTRACT  
19 BUT ALSO AS SUPPORTING EVIDENCE FOR THE OTHER CAUSES OF  
20 ACTION WHICH ARE BEFORE THE COURT.

21 AND THEY'RE NOT BREACH OF CONTRACT CAUSES OF  
22 ACTION. THERE ARE OTHER CAUSES OF ACTION THAT THIS  
23 SUPPORTS OUR CLAIMS ON. AND THEN THERE IS THE IMPLIED  
24 CAUSE OF ACTION THAT THESE SUPPORT. THEY -- PERHAPS THEY  
25 COULD EVEN BE LET IN FOR A LIMITED PURPOSE.

26 THE COURT: SUBMITTED?

1 MR. MOSHENKO: SUBMITTED.

2 MR. SHERMAN: YES.

3 THE COURT: I'M GOING TO STAND BY MY RULING WITH  
4 THE UNDERSTANDING THAT YOU'RE NOT PRECLUDED FROM GETTING  
5 THEM IN THROUGH OTHER WITNESSES.

6 MR. MOSHENKO: OKAY. JUST SINCE WE'RE ON THE  
7 RECORD AND THERE WAS ANOTHER ISSUE I WANTED TO PUT ON THE  
8 RECORD, YOUR HONOR, WE'VE HAD A DISCUSSION ABOUT THIS IN  
9 CHAMBERS, AND I'M UNCLEAR WHAT THE PLAINTIFFS' POSITION IS.  
10 AND SINCE WE'RE NOW HEARING PERHAPS WE NEED TO BRING IN  
11 OTHER WITNESSES, POTENTIALLY --

12 THE COURT: YOU'RE UNCLEAR WHAT YOUR POSITION IS.

13 MR. MOSHENKO: WHAT YOUR POSITION IS -- WHAT OUR --  
14 OUR. THE ROYAL US -- ON THIS ISSUE.

15 MR. SHERMAN: I'M PRETTY CLEAR.

16 MR. MOSHENKO: I'M NOT TALKING ABOUT WHAT WE JUST  
17 ARGUED. IT'S RELATING TO ROGER RYMAN. I JUST HEARD BRING  
18 IN ANOTHER COAST TO COAST WITNESS, MAYBE OFFER THEM THROUGH  
19 THAT WITNESS. ARE WE PRECLUDED FROM USING ROGER RYMAN?  
20 BECAUSE IN MID-REDIRECT MR. RYMAN SAID HE HAD TO GO  
21 SOMEWHERE, AND WE ACCOMMODATED HIS SCHEDULE. AND THEN WE  
22 BROUGHT IT UP IN CHAMBERS, AND I'M NOT CLEAR. WHAT'S THE  
23 COURT'S POSITION ON THIS? CAN WE EXPECT HIM TO RETURN? IT  
24 SEEMS --

25 THE COURT: I THOUGHT THAT WAS CLEAR.

26 MR. MOSHENKO: -- HE SHOULD RETURN.

1           MR. SHERMAN: I THOUGHT THE TWO OF US AND EVEN  
2 MR. MOSHENKO HAD A PRETTY CLEAR UNDERSTANDING THAT IN  
3 DEFENDANTS' CASE IN CHIEF, THEY CAN EXPECT TO SEE  
4 MR. RYMAN. AND WE HAVE NO OBJECTION TO THEIR GOING BEYOND  
5 THE SCOPE OF OUR DIRECT EXAMINATION OF HIM AT THAT TIME  
6 WITH THE UNDERSTANDING, YOUR HONOR, THAT THEY HAD HIM ON  
7 THE WITNESS STAND FOR ABOUT TWO DAYS. AND ALL GOOD THINGS  
8 MUST COME TO AN END.

9           MR. MOSHENKO: YOUR HONOR, THAT COULD WORK. BUT  
10 FOR THE EXPECTATION THAT THERE WILL BE MOTIONS AT THE  
11 RESTING OF THE PLAINTIFFS' CASE, AND WE ARE GOING TO BE --  
12 IF THAT'S THE WAY THE COURT WANTS TO DO IT, WITHOUT THERE  
13 BEING MOTIONS, THAT CAN BE AFFECTED BY HIS ABSENCE, SO BE  
14 IT. WE CAN LIVE WITH THAT.

15                       BUT IF COUNSEL IS GOING TO COME IN HERE WITH  
16 A BUNCH OF MOTIONS AND SAY THE STATE OF THE RECORD IS THIS  
17 IS MISSING AND THIS IS MISSING AND THIS IS MISSING AND IT  
18 COULD HAVE BEEN SHOWN THROUGH MR. RYMAN, THIS VERY ISSUE,  
19 MR. RYMAN CAN LAY THE FOUNDATION FOR THESE CONTRACTS,  
20 PERHAPS. WE SHOULD BE ABLE TO LAY THE FOUNDATION OR HE  
21 SHOULD BE PRECLUDED FROM ARGUING THE ABSENCE OF THOSE  
22 ISSUES.

23           MR. SHERMAN: YOUR HONOR, WITH RESPECT TO ANY  
24 POTENTIAL EXPECTED MOTIONS FOR DIRECTED VERDICT AT THE  
25 RESTING OF PLAINTIFFS' CASE, IF AS AND WHEN THE ISSUE THAT  
26 MR. MOSHENKO RAISES BECOMES A REAL ISSUE AS OPPOSED TO A

1 THEORETICAL OR POSSIBLE ISSUE, YOUR HONOR HAS SHOWN A GREAT  
2 FACILITY FOR DEALING WITH PRACTICAL PROBLEMS. I'M SURE WE  
3 CAN DEAL WITH IT THEN.

4 THE COURT: WE'LL HANDLE IT.

5 MR. MOSHENKO: SO IT MEANS WE -- FOR NOW WE ARE  
6 PRECLUDED FROM MR. RYMAN UNTIL THEY BRING HIM ON THE  
7 DEFENSE SIDE OF THE CASE?

8 THE COURT: YOU'RE GOING TO BE CALLING MR. NOVELLI,  
9 AREN'T YOU?

10 MR. MOSHENKO: YES, SIR, WE ARE.

11 THE COURT: LET'S SEE WHAT HAPPENS AFTER HE  
12 TESTIFIES.

13 MR. MOSHENKO: VERY WELL. THANK YOU.

14 THE COURT: READY TO GO?

15 MR. MOSHENKO: WE ARE. THANKS FOR THE TIME.

16 (THE FOLLOWING PROCEEDINGS WERE HELD IN OPEN  
17 COURT IN THE PRESENCE OF THE JURY:)

18 THE COURT: GOOD AFTERNOON, LADIES AND GENTLEMEN.

19 THE JURY: GOOD AFTERNOON.

20 MR. SHAW: THANK YOU, YOUR HONOR.

21 DIRECT EXAMINATION (CONTINUED)

22 BY MR. SHAW: Q MRS. ARCHIBALD, I WANT TO FINISH  
23 WHERE WE ENDED BEFORE WE TOOK OUR LUNCH BREAK, AND THAT IS  
24 WITH THE AFFILIATION AGREEMENTS FOR WHICH YOU WERE THE  
25 CUSTODIAN OF RECORDS. AND I'D LIKE TO JUST MOVE THROUGH  
26 SOME OF THESE EXHIBITS.

1                   AND EXHIBIT 129 IS AN AFFILIATION AGREEMENT  
2 FOR WHICH YOU WERE THE -- YOU KEPT AS A BUSINESS RECORD?

3           A        YES.

4           Q        AND EXHIBIT 179 IS ALSO AN AFFILIATION  
5 AGREEMENT THAT YOU KEPT?

6           A        YES.

7           Q        CUSTODY OF AS A BUSINESS RECORD?

8           A        YES.

9           Q        AND EXHIBIT 233 IS AN AFFILIATION AGREEMENT  
10 FOR WHICH YOU KEPT CUSTODY AS A BUSINESS RECORD?

11          A        YES.

12           MR. SHERMAN: YOUR HONOR, PERHAPS TO MOVE THIS  
13 ALONG, MR. SHAW AND I DID DISCUSS THE SPECIFIC NUMBERS.  
14 MAYBE WE CAN JUST READ THOSE NUMBERS IN. WE COULD OBJECT  
15 ON THE GROUNDS OF IRRELEVANCY AS TO SOME OF THESE EXHIBITS.  
16 YOUR HONOR CAN TAKE IT UNDER SUBMISSION, AND WE CAN HASH  
17 THIS OUT WITHOUT SPENDING ALL THESE GOOD PEOPLE'S TIME.

18           THE COURT: JUST READ THE NUMBERS.

19           MR. SHAW: THANK YOU, YOUR HONOR.

20          Q        MRS. ARCHIBALD, 253.

21          A        YES.

22          Q        802, 1566, 1567, 1578, 1591, 1592, 1593,  
23 1594, 1595, 2073, 2074, 2075, 2076, AND 2079, AS TO THOSE  
24 EXHIBITS, MRS. ARCHIBALD, YOU WERE -- IN YOUR POSITION AS  
25 CONTRACT PROCESSOR FOR THE PLAINTIFFS IN THIS CASE, YOU  
26 KEPT THE CUSTODY OF THOSE DOCUMENTS AS BUSINESS RECORDS IN

1 YOUR FILES?

2 MR. SHERMAN: LACKS FOUNDATION.

3 THE COURT: SUSTAINED.

4 MR. SHAW: YOUR HONOR, THESE ARE THE ALL SEASONS  
5 RESORTS. THESE ARE NOT THE THOUSAND ADVENTURES. THESE ARE  
6 THE ALL SEASONS RESORTS -- THEY'RE THE -- SEPARATE THAN THE  
7 ISSUE WE JUST ARGUED ON THE RECORD.

8 MR. SHERMAN: RIGHT. BUT INDEED MANY OF THE  
9 DOCUMENTS THAT MR. SHAW READ OUT ARE DOCUMENTS THAT WERE  
10 NEVER PRODUCED IN DISCOVERY TO DEFENDANTS IN THIS CASE,  
11 DESPITE OUR REQUESTS FOR THEM. AND IN LIGHT OF THAT, HOW  
12 THIS WITNESS COULD HAVE BEEN IN POSSESSION OF THEM ESCAPES  
13 ME.

14 MR. SHAW: YOUR HONOR, THAT'S JUST ABSOLUTELY NOT  
15 THE CASE. WE'D ASK THIS BE TAKEN UNDER SUBMISSION.

16 THE COURT: UNDER SUBMISSION.

17 MR. SHAW: WE CAN SHOW THE COURT LINE BY LINE.

18 THANK YOU, MRS. ARCHIBALD. I DON'T HAVE ANY  
19 FURTHER QUESTIONS.

20 THE COURT: CROSS.

21 CROSS-EXAMINATION

22 BY MR. SHERMAN: Q MRS. ARCHIBALD, GOOD AFTERNOON.

23 A HI.

24 Q MRS. ARCHIBALD, AS THE CONTRACT PROCESSOR  
25 WITH THE NOVELLI ORGANIZATION, YOU NEVER HANDLED OR  
26 PROCESSED ANY CONTRACT BETWEEN A BUSINESS ENTITY KNOWN AS

1 TRAVEL AMERICA, INC., AND CAMP COAST TO COAST; CORRECT?

2 A CORRECT.

3 Q AND THE REASON YOU NEVER PROCESSED ANY SUCH  
4 DOCUMENT OR AGREEMENT IS BECAUSE NONE EVER EXISTED;  
5 CORRECT?

6 A CORRECT.

7 Q AND SIMILARLY AS THE CONTRACT PROCESSOR FOR  
8 THE NOVELLI ORGANIZATION, YOU NEVER PROCESSED ANY CONTRACT  
9 BETWEEN AN ENTITY KNOWN AS THE APOLLO GROUP, INC., AND CAMP  
10 COAST TO COAST; CORRECT?

11 A I DON'T BELIEVE -- I DON'T BELIEVE THAT'S  
12 CORRECT.

13 Q WELL --

14 A IT WOULD BE POSSIBLE THAT I WOULD HAVE.

15 Q OKAY. LET ME SHOW YOU, IF I MAY, THE  
16 DOCUMENTS THAT MR. SHAW --

17 MR. SHAW: GO RIGHT AHEAD.

18 MR. SHERMAN: CAN I LOOK OVER MISS ARCHIBALD'S  
19 SHOULDER ON THIS ONE?

20 THE COURT: SURE.

21 BY MR. SHERMAN: Q MAYBE WE CAN JUST FLIP THROUGH  
22 IT TOGETHER TO SEE IF THERE'S AN APOLLO CONTRACT.

23 WHY DON'T YOU STOP ME WHEN WE GET TO AN  
24 APOLLO CONTRACT. OKAY? I'M FLIPPING THROUGH THE ENTIRE  
25 BINDER.

26 A WELL, WHAT I REALLY HAVE TO LOOK AT IS THE

1 SIGNATURE.

2 Q OH, OKAY.

3 WELL, WHY DON'T WE START AT THE BEGINNING  
4 THEN.

5 FIRST ONE IS ALL SEASONS. THAT'S NOT  
6 APOLLO; RIGHT?

7 A YOU KNOW, I DON'T KNOW.

8 Q IS ALL SEASONS APOLLO?

9 A I DON'T KNOW WHICH RESORTS ARE APOLLO.

10 Q OKAY. WAS THIS A CONTRACT BETWEEN CAMP  
11 COAST TO COAST AND APOLLO?

12 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT. NOW HE IS  
13 ASKING FOR A LEGAL CONCLUSION OF THIS WITNESS.

14 MR. SHERMAN: LET ME REPHRASE THE QUESTION, IF I  
15 MAY. MAYBE I CAN CLARIFY.

16 Q TALKING NOW ABOUT A COMPANY CALLED "APOLLO,"  
17 "APOLLO GROUP" OR "APOLLO GROUP, INC.," DID THAT COMPANY,  
18 DID THAT NAME, OR ANY OF THOSE NAMES, EVER ENTER INTO A  
19 WRITTEN CONTRACT WITH MY CLIENT?

20 A I DON'T KNOW.

21 Q WELL, YOU'VE NEVER SEEN IT?

22 A I DIDN'T SAY THAT. I DON'T KNOW. I KNOW  
23 APOLLO OWNS PROPERTY. I DON'T KNOW -- I DIDN'T FILL OUT --  
24 I WAS NOT PART OF THE SIGNING OF THE CONTRACT. SO I DON'T  
25 KNOW ON THE OWNERSHIP OR WHO IT WAS.

26 Q APOLLO IS NOT A MEMBERSHIP CAMPGROUND

1 ORGANIZATION, IS IT? IT'S AN OWNER OF REAL PROPERTY?

2 A RIGHT.

3 Q OKAY. SO FAR AS YOU KNOW, AS THE ONE WHO  
4 DID THE PROCESSING OF THE CONTRACTS, APOLLO GROUP NEVER  
5 HAD -- RAN MEMBERSHIP CAMPGROUNDS?

6 A MY INVOLVEMENT, IF I CAN SPEAK, IS COAST TO  
7 COAST WOULD SEND THESE TO ME. I DIDN'T -- THE ONLY THING I  
8 WOULD FILL OUT ARE THE AMENITIES OF THE RESORT. AS FAR AS  
9 WHO SIGNED THEM, THAT DIDN'T GO TO ME. I WOULD PASS THOSE  
10 TO THE -- TO SOMEONE ELSE WHO TOOK CARE OF THAT.

11 Q OKAY. BUT LET'S JUST STATE NOW ON APOLLO,  
12 AS OPPOSED TO YOUR DUTIES, WHAT YOU KNOW ABOUT APOLLO.

13 SO FAR AS WENDY ARCHIBALD KNOWS, APOLLO HAS  
14 NEVER BEEN IN THE BUSINESS OF OPERATING MEMBERSHIP  
15 CAMPGROUND RESORTS?

16 A I DON'T KNOW. I KNOW THEY OWNED RESORTS. I  
17 DON'T KNOW HOW IT WORKS.

18 Q RIGHT.

19 I'M DISTINGUISHING NOW BETWEEN MAYBE OWNING  
20 THE REAL PROPERTY AND OPERATING THE RESORT.

21 APOLLO DOESN'T DO THE OPERATION; RIGHT?

22 A CORRECT.

23 Q APOLLO DOESN'T HAVE MEMBERS; CORRECT?

24 A CORRECT.

25 Q APOLLO NEVER HAD MEMBERS?

26 A I REALLY --

1 Q SO LONG AS YOU KNOW?

2 A I DON'T KNOW. I DON'T KNOW HOW IT WORKS.

3 Q LET'S JUST TALK ABOUT FROM 1986 ON AS YOU'VE  
4 BEEN PROCESSING CONTRACTS; YOU KNOW THEY DON'T HAVE MEMBERS  
5 TODAY; RIGHT?

6 MR. SHAW: YOUR HONOR, I OBJECT. THAT CALLS FOR A  
7 LEGAL CONCLUSION OF THIS --

8 THE WITNESS: I DON'T KNOW.

9 MR. SHAW: ASKED AND ANSWERED.

10 THE COURT: SUSTAINED.

11 BY MR. SHERMAN: Q OKAY. WELL, YOU WERE THE ONE  
12 WHO HANDLED ALL THE PAPERWORK ON THE CONTRACTS THAT CAME  
13 IN; IS THAT RIGHT?

14 A I MADE SURE ANYTHING WE RECEIVED FROM COAST  
15 TO COAST WAS FILLED OUT AND SENT BACK TO COAST TO COAST.  
16 BUT I DIDN'T NECESSARILY -- I NEVER SIGNED ANY OF THEM. I  
17 JUST MADE SURE THEY WENT BACK TO COAST TO COAST.

18 Q RIGHT.

19 YOU NEVER READ THE CONTRACTS?

20 A I MAY HAVE SOME TIME AGO, BUT IT WAS NOT MY  
21 RESPONSIBILITY TO DO THAT.

22 Q OKAY. SO IT WASN'T YOUR RESPONSIBILITY TO  
23 READ THEM, AND YOU DIDN'T SIGN THEM; RIGHT?

24 A CORRECT.

25 Q AND YOU JUST PASSED THEM ON TO OTHERS?

26 A CORRECT.

1 Q AND YOU DON'T REMEMBER EVER DISCUSSING THE  
2 TERMS OF ANY OF THE CONTRACTS WITH ANYONE AT CAMP COAST TO  
3 COAST?

4 A CORRECT.

5 Q AND, IN FACT, YOU NEVER DISCUSSED THE TERMS  
6 OF CONFIDENTIALITY OF MEMBER LISTS OR COAST'S OWNERSHIP OF  
7 ITS MEMBERS WITH ANYONE AT CAMP COAST TO COAST?

8 A NO, I DIDN'T.

9 Q AND YOU'VE NEVER BEEN PRESENT AT ANY MEETING  
10 WITH ANYONE FROM COAST WHERE THE ISSUE OF OWNERSHIP OF  
11 MEMBERSHIP LISTS OR CONFIDENTIALITY OF MEMBERSHIP LISTS WAS  
12 DISCUSSED?

13 A NO.

14 Q IS THAT CORRECT?

15 A THAT'S CORRECT.

16 Q BUT YOU HAVE HEARD OF SITUATIONS OVER THE 14  
17 YEARS THAT YOU'VE BEEN WITH ALL SEASONS WHERE AN EMPLOYEE  
18 TOOK A MEMBERSHIP LIST OF ALL SEASONS OR TRAVEL AMERICA AND  
19 SOLD IT; IS THAT RIGHT?

20 A I'VE HEARD THAT THERE WAS A LIST STOLEN, YES.

21 Q I MEAN, THAT -- THAT DOES HAPPEN FROM TIME  
22 TO TIME IN YOUR BUSINESS?

23 A I KNOW OF ONE TIME, YES.

24 Q AND SINCE YOU WERE INVOLVED TO SOME EXTENT,  
25 AS YOU TESTIFIED, IN SOME LIMITED ASPECT OF SALES, YOU KNOW  
26 THAT SALESPEOPLE HAD THE MEMBER LISTS; RIGHT?

1           A           IF A SALESPERSON WERE SENT LISTS, IT WOULD  
2 HAVE A PHONE NUMBER. I DON'T THINK ADDRESSES WOULD HAVE  
3 EVER BEEN SENT OUT OF OUR OFFICES.

4           Q           AND THE GUARDS AT THE GATES OF RESORTS HAD  
5 MEMBER LISTS?

6           A           IF THEY DID, IT WOULD ONLY HAVE NAMES AND  
7 NUMBERS AND IF THEY WERE PROBABLY CURRENT OR NOT. BUT VERY  
8 LIMITED ON WHAT WOULD BE SENT OUT OF THE OFFICE.

9           Q           AND THE GUARDS HAD LISTS SO THEY COULD  
10 VERIFY IF THE PEOPLE COMING UP WERE IN FACT MEMBERS OR NOT;  
11 RIGHT?

12          A           THEY WOULD MOST LIKELY HAVE A LIST OF THE  
13 HOME PARK MEMBERS OF THAT RESORT.

14          Q           AND YOU KNOW A WOMAN BY THE NAME OF  
15 LINDA LAUGHLIN WHO GOT AHOLD OF THE ALL SEASONS LIST;  
16 RIGHT?

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

18          Q           WELL, YOU'RE FAMILIAR WITH RESALE COMPANIES,  
19 AREN'T YOU?

20          A           YES.

21          Q           RESALE COMPANIES ARE COMPANIES THAT IN SOME  
22 RESPECTS HAVE OVER THE YEARS COMPETED WITH ALL SEASONS AND  
23 IN TERMS OF RESELLING MEMBERSHIPS; RIGHT?

24          A           I NEVER THOUGHT OF IT AS COMPETITION, NO.

25          Q           BUT THEY RESELL MEMBERSHIPS?

26          A           THEY RESELL EXISTING MEMBERS' MEMBERSHIPS,

1 YES.

2 Q AND YOU'VE HEARD OF INSTANCES WHERE RESALE  
3 COMPANIES HAD ACCESS TO MEMBER LISTS; RIGHT?

4 A NO, NEVER.

5 MR. SHAW: YOUR HONOR, I'M SORRY. I JUST WANT TO  
6 OBJECT TO THIS LINE OF QUESTIONING. THIS WAS A CUSTODIAN  
7 OF RECORDS WHO WAS BROUGHT HERE TO TESTIFY ABOUT LETTERS  
8 THAT CAME INTO HER PRESENCE AND HER POSSESSION AND ABOUT  
9 CONTRACTS. AND NOW WE'RE TALKING ABOUT MEMBERSHIP LISTS  
10 BEING STOLEN AND REALES AND THINGS THAT ARE TOTALLY  
11 OUTSIDE THE SCOPE OF THIS WITNESS.

12 THE COURT: I WAS WONDERING WHEN YOU WERE GOING TO  
13 OBJECT. IT'S CERTAINLY FAR BEYOND THE SCOPE.

14 MR. SHAW: IT TAKES ME A WHILE SOMETIMES, YOUR  
15 HONOR. THANK YOU.

16 MR. SHERMAN: YOUR HONOR, THERE WAS A GOOD BIT THAT  
17 WAS NOT CUSTODIAN-OF-RECORDS-RELATED AT ALL. WE CAN CALL  
18 MISS ARCHIBALD BACK IN OUR CASE IN CHIEF, IF NEED BE. THE  
19 COURT HAS SHOWN SOME DEFERENCE ALONG THE WAY SO AS NOT TO  
20 INCONVENIENCE WITNESSES.

21 THE COURT: PROCEED. IF YOU WANT TO CALL HER BACK,  
22 YOU CAN CALL HER IN YOUR CASE.

23 MR. SHAW: WE'LL OFFER TO MAKE HER AVAILABLE  
24 WHENEVER MR. SHERMAN WANTS HER AS THE CASE IN CHIEF.

25 MR. SHERMAN: OKAY. WITH THAT OFFER, LET ME GO TO  
26 MANY OF THE ISSUES THAT MR. SHAW COVERED AND THOSE THAT ARE

1 APPROPRIATELY THE SUBJECT OF ADDITIONAL CROSS-EXAMINATION.

2 Q NOW, YOU FIRST BECAME INVOLVED IN CUSTOMER  
3 SERVICE IN 1998; IS THAT RIGHT?

4 A THAT'S CORRECT.

5 Q BECAUSE PRIOR TO THAT TIME, MARK MOLVAR WAS  
6 THE HEAD OF CUSTOMER SERVICE?

7 A YES.

8 Q MARK MOLVAR HAD BEEN WITH THE NOVELLI  
9 ORGANIZATION FOR A NUMBER OF YEARS IN THAT POSITION; RIGHT?

10 A YES.

11 Q AND, IN FACT, MARK MOLVAR WAS ALSO  
12 RESPONSIBLE FOR COLLECTING ACCOUNTS RECEIVABLE AT THE  
13 NOVELLI ORGANIZATION PRIOR TO THE TIME HE LEFT; IS THAT  
14 RIGHT?

15 A YES.

16 Q AND SO AS FAR AS THE PERSON IN MANAGEMENT AT  
17 THE NOVELLI ORGANIZATION AS OF EARLY '98 WHO WAS CHIEFLY  
18 RESPONSIBLE FOR CUSTOMER SERVICE AND ACCOUNTS RECEIVABLE,  
19 THAT WAS MR. MOLVAR?

20 A I'M SORRY. IN '98?

21 Q PRIOR TO HIS LEAVING IN EARLY '98.

22 A PRIOR TO '98, YES, IT WAS.

23 Q AND HE LEFT IN APPROXIMATELY JANUARY, 1998?

24 A I THINK SO.

25 Q BECAUSE YOU TOOK OVER HIS JOB AS FAR AS  
26 CUSTOMER SERVICE WAS CONCERNED?

1 A RIGHT.

2 Q AND LET'S TALK ABOUT YOUR HIRING.

3 YOU TESTIFIED THAT YOU WERE HIRED INTO ALL  
4 SEASONS BEGINNING IN 1986; IS THAT RIGHT?

5 A YES.

6 Q AND UP UNTIL 1996, FOR ABOUT 10 YEARS, YOUR  
7 IMMEDIATE SUPERVISOR WAS PATRICIA WALDEN; IS THAT RIGHT?

8 A YES.

9 Q YOU, IN EFFECT, WORKED FOR HER?

10 A YES, I DID.

11 Q YOU REPORTED TO HER?

12 A YES.

13 Q BECAUSE SHE WAS THE HEAD OF SALES AND  
14 MARKETING IN THE NOVELLI ORGANIZATION?

15 A YES.

16 Q AND LET'S JUST FOCUS ON A COUPLE OF THE  
17 CONTRACT PROCESSING YOU DID.

18 YOU DID CONTRACT PROCESSING FOR ALL SEASONS  
19 RESORTS?

20 A YES.

21 Q AND FOR ADVENTURE RESORTS OF AMERICA?

22 A YES.

23 Q AND FOR FIRST NATIONWIDE?

24 A YES.

25 Q AND FOR REVCON?

26 A YES.

1 Q AND YOU ALSO HANDLE SOME CONTRACT PROCESSING  
2 FOR THE SCHULZ TRUST?

3 A YES.

4 Q AND SO -- AND YOU ALSO HANDLED CONTRACT  
5 PROCESSING FOR THE PRESIDENT'S TRAVEL CLUB?

6 A CORRECT.

7 Q SO, IN EFFECT, YOU HANDLED CONTRACT  
8 PROCESSING FOR ALL OF MR. NOVELLI'S COMPANIES; RIGHT?

9 A YES, I DID.

10 Q YOUR PAYCHECK WAS FROM ALL SEASONS WITH THE  
11 PRESIDENT'S TRAVEL CLUB; RIGHT?

12 A YES.

13 Q BUT YOU HANDLED CONTRACTS FOR ALL THESE  
14 DIFFERENT COMPANIES, AS WELL?

15 A CORRECT.

16 Q NOW, AS FAR AS SALE OF COAST MEMBERSHIPS IS  
17 CONCERNED, COAST MEMBERSHIPS WERE SOLD BY THE NOVELLI  
18 ORGANIZATION TO PEOPLE WHO WANTED TO BECOME MEMBERS OF  
19 COAST WHEN THEY JOINED A HOME RESORT AS WELL; CORRECT?

20 A COAST MEMBERSHIPS WERE INCLUDED IN THE  
21 MEMBERSHIP, YES.

22 Q AND FREQUENTLY THE SALES THAT WERE MADE BY  
23 THE NOVELLI ORGANIZATION OF THESE HOME RESORT MEMBERSHIPS,  
24 THESE WERE THOUSANDS OF DOLLARS; RIGHT?

25 A YES.

26 Q AND WHEN YOU SAY THEY WERE INCLUDED -- OR I

1 KNOW EARLIER YOU TALKED ABOUT A FREE FIRST YEAR'S  
2 MEMBERSHIP. IN FACT, ABOUT 29 OR \$39 WAS PAID EACH TIME BY  
3 ALL SEASONS OR WHATEVER NOVELLI COMPANY WAS DOING THE  
4 SELLING, TO MY CLIENT, CAMP COAST TO COAST, FOR THAT FIRST  
5 YEAR?

6 A YES. WE'D SUBMIT IT WITH A CHECK FOR  
7 ANYWHERE BETWEEN 20, 27.

8 Q AT LEAST FROM CAMP COAST TO COAST'S  
9 PERSPECTIVE, THERE WAS NOTHING FREE IN THAT?

10 A NO. WE SUBMITTED THE APP TO THEM WITH A  
11 CHECK.

12 Q BECAUSE YOU PAID FOR THIS MEMBERSHIP THAT  
13 YOU INCLUDED IN THE SALES?

14 A CORRECT.

15 Q AND YOU WEREN'T DOING THAT BECAUSE YOU JUST  
16 WANTED TO BE NICE TO MY CLIENT; RIGHT?

17 A NO.

18 Q I MEAN, IT HAD A VALUE -- IT HAD A VALUE TO  
19 YOUR ORGANIZATION TO INCLUDE THIS COAST MEMBERSHIP; RIGHT?

20 A YEAH, IT MAY HAVE, FOR ANYONE THAT WANTED  
21 IT, YES.

22 Q SURE.

23 I MEAN, BECAUSE IN CONNECTION WITH THE  
24 RESPONSIBILITIES THAT YOU TESTIFIED TO IN CONNECTION WITH  
25 SOME SALES AND MARKETING THAT YOU GOT INVOLVED WITH, YOU  
26 DID REALIZE THAT THE COAST MEMBERSHIP WOULD HELP CLOSE THE

1 SALE?

2 A I'M NOT SURE HOW IT WAS USED. I WASN'T  
3 PRESENT, BUT --

4 Q SO YOU LACK ALL INFORMATION AS TO WHY THE  
5 NOVELLI ORGANIZATION IS PAYING 29 OR \$39 EACH TIME?

6 A IT WAS JUST SOMETHING EXTRA FOR SOMETHING  
7 THAT THEY COULD TRY, AND IF THEY LIKED IT COULD KEEP IT.

8 Q RIGHT.

9 AND SO THIS WAS AN ADDED INCENTIVE?

10 A SURE. UH-HUH.

11 Q AN ADDED INCENTIVE SO THE NOVELLI  
12 ORGANIZATION CAN SELL MORE MEMBERSHIPS?

13 A I DON'T KNOW IF I WOULD SAY THAT EXACTLY.  
14 BUT IT WAS AN ADDED BENEFIT FOR SOMEONE TO TRY, YES.

15 Q RIGHT.

16 AND ALL SEASONS, MR. NOVELLI, AND ALL YOU  
17 FOLKS, THOUGHT THAT THAT WAS A GOOD IDEA?

18 A SURE.

19 Q AND AS FAR AS THE SELLING PROCESS ITSELF WAS  
20 CONCERNED, YOUR MEMBERS -- THEY WEREN'T GIVEN AN  
21 ITEMIZATION LIKE YOU'RE PAYING \$2,000 FOR THE HOME RESORT  
22 AND \$1,000 FOR ALL SEASONS AND ANOTHER THOUSAND DOLLARS FOR  
23 CAMP COAST TO COAST; THEY WEREN'T TOLD ANYTHING LIKE THAT  
24 SO FAR AS YOU KNOW; RIGHT?

25 A NO.

26 Q IT WAS JUST ONE BIG PACKAGE THAT THEY WERE

1 GIVEN; RIGHT?

2 A YES.

3 Q SO FOR \$4,000 OR \$5,000 OR \$6,000, YOU GET A  
4 HOME RESORT, YOU GET ALL SEASONS, AND YOU GET COAST?

5 A YES.

6 Q NOW, I KNOW THAT IN YOUR DIRECT EXAMINATION  
7 MR. SHAW HAD ASKED YOU SOME QUESTIONS, SHOWED YOU SOME  
8 DOCUMENTS DEALING WITH TRANSFERS OF MEMBERSHIPS; DO YOU  
9 RECALL THAT?

10 A TRANSFERS OF MEMBERSHIPS?

11 Q SURE.

12 HE SHOWED YOU SOME DOCUMENTS DEALING WITH  
13 THE SUBJECT OF WHETHER MEMBERS COULD BE TRANSFERRED OR  
14 UNDER WHAT CIRCUMSTANCES?

15 A ARE YOU TALKING ABOUT THE MANUAL, THE  
16 LICENSE MANUAL?

17 Q I'M TALKING ABOUT A NUMBER OF THE QUESTIONS.

18 A GO AHEAD.

19 Q I WANT TO ASK YOU SOME QUESTIONS ON THAT  
20 SUBJECT.

21 A GO AHEAD.

22 Q ONE OF YOUR JOBS DID INVOLVE TRANSFERRING  
23 MEMBERS; IS THAT RIGHT?

24 A CORRECT.

25 Q AND YOU DID TRANSFER A LOT OF MEMBERS FROM  
26 ONE NOVELLI RESORT TO ANOTHER OVER THE YEARS?

1 A YES, I DID.

2 MR. SHAW: I'LL OBJECT. I DIDN'T GET INTO THIS  
3 AREA ABOUT TRANSFERRING ANY MEMBERS AT ALL.

4 THE WITNESS: I DIDN'T THINK --

5 MR. SHERMAN: IT WAS IN THE LICENSE MANUAL THAT WAS  
6 SHOWN. IT WAS IN THE TWO DOCUMENTS THAT WERE PUT UP ON THE  
7 BOARD.

8 MR. SHAW: I SHOWED ONE PARAGRAPH IN THE LICENSE  
9 MANUAL AND A COUPLE PARAGRAPHS IN THE APPLICATION REGARDING  
10 THE APPLICATION, NOTHING ABOUT TRANSFERS.

11 THE COURT: I'LL SUSTAIN THE OBJECTION.

12 BY MR. SHERMAN: Q NOW, WHEN YOU FIRST BECAME IN  
13 CHARGE OF THE CUSTOMER SERVICE DEPARTMENT, THAT WAS  
14 ACTUALLY FEBRUARY, 1998?

15 A YES.

16 Q AND FROM TIME TO TIME YOU WOULD LEARN ABOUT  
17 LETTERS COMING IN FROM MEMBERS; RIGHT?

18 A YES.

19 Q AND YOU NEVER ACTUALLY READ A LETTER FROM A  
20 MEMBER BACK IN THE '98 TIME FRAME AND THEN PICKED UP THE  
21 PHONE AND CALLED THAT MEMBER, CORRECT;

22 A CORRECT.

23 Q AND ALSO IN THE '98 TIME FRAME WHEN YOU WERE  
24 THE HEAD OF CUSTOMER SERVICE, IT WAS NOT YOUR JOB TO DEAL  
25 WITH MEMBERS ON THE PHONE; CORRECT?

26 A UNLESS THERE WAS A PROBLEM, CORRECT.

1 Q BUT AS A GENERAL RULE, YOU DIDN'T PICK UP  
2 THE PHONE --

3 A RIGHT.

4 Q -- AND DEAL WITH MEMBERS?

5 A CORRECT.

6 Q AS A GENERAL RULE, YOU DIDN'T READ LETTERS  
7 AND THEN PICK UP THE PHONE AND CALL THEM EVER?

8 A NO. I WOULD HAVE GIVEN IT TO A  
9 REPRESENTATIVE TO CALL.

10 Q AND, IN FACT, YOU'LL RECALL YOUR DEPOSITION  
11 WAS TAKEN IN THIS CASE?

12 A YES.

13 Q AND YOU WERE ASKED AT YOUR DEPOSITION IF YOU  
14 KNEW THE NAME OF ANY MEMBER YOU'D EVER SPOKEN TO WHO HAD  
15 EXPRESSED CONFUSION; DO YOU RECALL THAT?

16 A I BELIEVE SO, YES.

17 Q AND YOU DIDN'T KNOW THE NAME OF ANY MEMBER;  
18 RIGHT?

19 A RIGHT.

20 Q AND YOU STILL DON'T; RIGHT?

21 A I COULD PROBABLY COME UP WITH ONES THAT I  
22 READ THE LETTERS FROM THIS MORNING, BUT OTHER THAN THAT,  
23 NO.

24 Q OTHER THAN THE SIX THAT MR. SHAW SHOWED YOU  
25 THIS MORNING?

26 A I DON'T THINK OF ANY NAMES. NO, I CAN'T

1 THINK OF THE NAMES.

2 Q AND, MISS ARCHIBALD, YOU'VE BEEN AWARE THAT  
3 THIS LAWSUIT HAS BEEN PENDING FOR A COUPLE OF YEARS NOW;  
4 RIGHT?

5 A YES.

6 Q AND DURING THE COURSE OF THIS CASE, YOU'RE  
7 AWARE THAT DEFENDANTS, MY CLIENTS, ASKED FOR DOCUMENTS AND  
8 WRITTEN INFORMATION FROM TRAVEL AMERICA AND THE OTHER  
9 PLAINTIFFS; RIGHT?

10 A YES.

11 Q AND YOU ASSISTED IN PROVIDING THAT  
12 INFORMATION? YOU ASSISTED THE LAWYERS AND MR. NOVELLI AND  
13 OTHERS; RIGHT?

14 A YES.

15 Q AND, IN FACT, DURING THE COURSE OF THIS  
16 CASE, YOU'RE AWARE THAT MY CLIENTS ASKED FOR EVERY ONE,  
17 EVERY ONE OF THE COMMUNICATIONS WITH ANY MEMBERS THAT YOU  
18 CLAIM THAT COAST CAUSED PLAINTIFFS TO LOSE; YOU'RE AWARE WE  
19 ASKED FOR THAT?

20 A YES.

21 Q AND YOU'RE AWARE WE ASKED REPEATEDLY FOR  
22 THAT?

23 A YES.

24 Q AND YOU'RE AWARE THAT THE COURT -- NOT  
25 JUDGE SMITH, ANOTHER JUDGE SMITH -- ORDERED TWO TIMES THAT  
26 ALL SUCH COMMUNICATIONS BE PRODUCED?

1 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT TO THAT.  
2 IT MISSTATES THE EVIDENCE AND IT LACKS FOUNDATION AS TO ANY  
3 OTHER ORDERS. IMPROPER QUESTION. ARGUMENTATIVE.

4 THE COURT: I'LL SUSTAIN THE OBJECTION.

5 BY MR. SHERMAN: Q WELL, DO YOU KNOW WHETHER,  
6 DURING THE COURSE OF THIS LITIGATION, ON TWO SEPARATE  
7 INSTANCES PLAINTIFFS WERE ORDERED TO PRODUCE DOCUMENTS?

8 MR. SHAW: THE SAME OBJECTION. ARGUMENTATIVE.

9 THE COURT: SUSTAINED.

10 BY MR. SHERMAN: Q NOW, I'D LIKE TO MOVE INTO  
11 EVIDENCE AT THIS TIME, YOUR HONOR, ALL OF EXHIBIT 1618, NOT  
12 JUST THE SIX PAGES OR SIX LETTERS THAT MR. SHAW SHOWED  
13 MISS ARCHIBALD.

14 THE COURT: NO OBJECTION?

15 MR. SHAW: YOUR HONOR, I DON'T KNOW WHAT HE IS  
16 OFFERING.

17 MR. SHERMAN: I'M OFFERING PLAINTIFFS' TRIAL  
18 EXHIBIT 1618.

19 MR. SHAW: I NEED TO LOOK AT IT, YOUR HONOR. I'M  
20 SORRY. MAYBE THE COURT COULD TAKE IT UNDER SUBMISSION, AND  
21 I CAN TAKE A LOOK AT IT. I DON'T HAVE IN MIND EVERY PAGE.

22 THE COURT: UNDER SUBMISSION.

23 MR. SHERMAN: HAS YOUR HONOR TAKEN IT UNDER  
24 SUBMISSION?

25 THE COURT: IT'S UNDER SUBMISSION.

26 MR. SHERMAN: OKAY. THANK YOU.

1 BY MR. SHERMAN: Q NOW, LET ME SHOW YOU A LETTER  
2 THAT MR. SHAW DIDN'T SHOW YOU EARLIER, TRIAL EXHIBIT 307.

3 MR. SHAW: YOUR HONOR, THIS IS A LETTER THAT IS NOT  
4 A PARTY TO THIS ACTION. AND BEFORE COUNSEL QUESTIONS ANY  
5 FURTHER, I'D LIKE TO BE SEEN AT THE SIDEBAR.

6 THE COURT: BRING THE LETTER.

7 (DISCUSSION OFF THE RECORD.)

8 THE COURT: PROCEED.

9 BY MR. SHERMAN: Q OKAY. MISS ARCHIBALD,  
10 PRESIDENT'S TRAVEL CLUB IS ONE OF THE COMPANIES FOR WHICH  
11 YOU ARE RESPONSIBLE FOR HOLDING THE DOCUMENTS; RIGHT?

12 A YES.

13 Q AND THIS IS A LETTER THAT CAME OUT OF  
14 PRESIDENT'S TRAVEL CLUB FILES; ARE YOU AWARE OF THAT?

15 A YES.

16 MR. SHERMAN: I'D LIKE TO MOVE 307 IN EVIDENCE.

17 MR. SHAW: AND THE OBJECTION IS EVIDENCE CODE 352.  
18 THANK YOU, YOUR HONOR.

19 THE COURT: OVERRULED.

20 (WHEREUPON, EXHIBIT NO. 307, LETTER DATED  
21 OCTOBER 25, 1997, TO PRESIDENT'S TRAVEL CLUB, WAS RECEIVED  
22 IN EVIDENCE.).

23 BY MR. SHERMAN: Q SO, THIS IS A LETTER,  
24 MISS ARCHIBALD, DATED OCTOBER 25, 1997, TO THE PRESIDENT'S  
25 TRAVEL CLUB REGARDING REQUEST FOR CONTRACTS 65-5375 AND  
26 64-71613 TO BE ABSOLVED.

1 "GENTLEMEN, ON SEPTEMBER '95 MY WIFE AND I  
2 SIGNED A CONTRACT WITH P.T.C." -- THAT'S PRESIDENT'S TRAVEL  
3 CLUB; RIGHT?

4 A YES.

5 Q -- "AND HERMITAGE LANDING."

6 YOU'RE FAMILIAR WITH A RESORT PROPERTY KNOWN  
7 AS "HERMITAGE LANDING"?

8 A YES.

9 Q THAT WAS A PROPERTY THAT MR. NOVELLI OWNED  
10 AND OPERATED; RIGHT?

11 A YES.

12 Q UNTIL IT WENT INTO BANKRUPTCY AND WAS LOST;  
13 RIGHT?

14 A YES. I THINK.

15 Q AND THAT WAS NOT A SUCCESSFUL WORKOUT SO FAR  
16 AS YOU KNOW; RIGHT?

17 A I DON'T KNOW. IT WAS HANDLED BY A TRUSTEE.  
18 I DON'T KNOW.

19 Q OH, THERE WAS A BANKRUPTCY TRUSTEE INVOLVED  
20 IN THAT?

21 A IN THE SALE OF HERMITAGE LANDING, I BELIEVE.

22 Q OKAY. SO "SEPTEMBER '95 MY WIFE AND I  
23 SIGNED A CONTRACT WITH P.T.C. AND HERMITAGE LANDING AS A  
24 HOME PARK. THE FOLLOWING MONTH THIS PARK DEFAULTED AND  
25 FILED BANKRUPTCY. WE HAVE IN GOOD FAITH PAID YOUR COMPANY  
26 OVER \$2500 IN FEES. WE -- EVERY PHONE CALL WE MADE WE WERE

1 REASSURED THAT THIS WAS JUST A SMALL PROBLEM THAT YOU WERE  
2 WORKING ON, AND IT WOULD BE RESOLVED. AFTER TWO YEARS, THE  
3 PARK WAS SOLD. SO I CALL FOR TWO WEEKS IN JULY TRYING TO  
4 FIND OUT WHAT YOUR INTENT WAS ON TRANSFERRING US TO ANOTHER  
5 PARK."

6 NOW, LET ME JUST STOP YOU RIGHT THERE,  
7 MRS. ARCHIBALD.

8 THESE EVENTS THAT MR. WILKERSON IS REFERRING  
9 TO HERE, COAST TO COAST HAD NOTHING TO DO WITH THAT; IS  
10 THAT CORRECT?

11 A I WOULD SAY IT'S NOT CORRECT.

12 Q COAST TO COAST DIDN'T PUT THE PARK IN  
13 BANKRUPTCY, DID IT?

14 A WELL, I READ THE WHOLE LETTER. AND THE PARK  
15 THEY WERE TRANSFERRED TO WAS NOT IN BANKRUPTCY. IT WAS  
16 DEER RUN.

17 Q OKAY. MY QUESTION IS, MISS ARCHIBALD, COAST  
18 TO COAST DIDN'T PUT HERMITAGE LANDING IN BANKRUPTCY?

19 A NO, THEY DIDN'T PUT IT INTO BANKRUPTCY.

20 Q COAST TO COAST DIDN'T CAUSE HERMITAGE  
21 LANDING BACK IN '97 OR '96 TO DEFAULT ON DEBTS; RIGHT?

22 A CORRECT.

23 Q COAST TO COAST WASN'T THE ONE REASSURING  
24 MR. WILKERSON THAT IT WAS JUST A SMALL PROBLEM?

25 A CORRECT.

26 Q "OCTOBER '97 YOU FINALLY TRANSFERRED US TO

1 ANOTHER PARK, AND THE SAME DAY WE RECEIVED OUR PAPERWORK WE  
2 ALSO RECEIVED A LETTER FROM COAST TO COAST INFORMING US  
3 THAT THIS PARK WAS ALSO IN DEFAULT AND BANKRUPTCY.

4 "YOU KNOWINGLY TRANSFERRED US FROM ONE  
5 DEFAULTED PARK TO ANOTHER DEFAULTED PARK. I BELIEVE THIS  
6 IS CALLED FRAUD. THIS IS ALSO CALLED FRAUD BY THE LEGAL  
7 SYSTEM OF AMERICA. FRAUD IS THE ACT OF DELIBERATE  
8 DECEPTION PERPETRATED FOR UNLAWFUL OR UNFAIR GAIN.

9 "WE HAVE FOR TWO YEARS NOW HELD UP OUR  
10 CONTRACT BY PAYING YOU MONEY WHILE YOU TRANSFER US AROUND  
11 FROM ONE DEFAULTED PARK TO ANOTHER DEFAULTED PARK. IT IS  
12 NOT MY RESPONSIBILITY TO CALL EVERY ONE OF YOUR PARK THAT  
13 YOU SAY YOU HAVE IN YOUR SYSTEM TO SEE IF YOU REALLY DO AND  
14 IF THEY ARE NOT IN BANKRUPTCY. YOU HAVE MISREPRESENTED  
15 YOURSELF, AND THIS TIME IT WAS OUT-AND-OUT FRAUD. YOU  
16 DELIBERATELY DECEIVED US BY TRANSFERRING US TO A PARK THAT  
17 WAS IN TROUBLE, THE WHOLE TIME REASSURING US THAT HERMITAGE  
18 WAS JUST A FLUKE."

19 NOW, ON THE SUBJECT OF THIS LAST POINT, THE  
20 WHOLE TIME REASSURING US THAT HERMITAGE WAS JUST A FLUKE,  
21 FOCUSING ON THAT SENTENCE, MISS ARCHIBALD, COAST TO COAST,  
22 SO FAR AS YOU KNOW, NEVER SPOKE WITH THE WILKERSONS ABOUT  
23 WHETHER HERMITAGE WAS OR WAS NOT JUST A FLUKE; CORRECT?

24 A CORRECT.

25 Q "SO AT THIS POINT WE HAVE BEEN DEFRAUDED BY  
26 YOUR COMPANY NOT ONCE, BUT TWICE. WE REQUEST TO BE

1 ABSOLVED FROM THIS CONTRACT AND FROM P.T.C. WE ARE ALSO  
2 SENDING COPIES OF ALL OUR LETTERS AND PROOF THAT YOU  
3 TRANSFERRED US TO A DEFAULTED PARK TO THE FOLLOWING  
4 ORGANIZATIONS: STATE ATTORNEY GENERAL IN TENNESSEE, IN  
5 CALIFORNIA, IN ARKANSAS, AND BETTER BUSINESS BUREAU."

6 NOW, IN FACT, THE HERMITAGE LANDING PARK WAS  
7 CLOSED?

8 A YES.

9 Q IT WAS CLOSED BY ONE OF THE NOVELLI  
10 COMPANIES?

11 A YES.

12 Q IT WAS NOT CLOSED BY MY CLIENT, CAMP COAST  
13 TO COAST; CORRECT?

14 A CORRECT.

15 Q AND WHEN HERMITAGE LANDING WAS CLOSED -- I  
16 KNOW YOU'VE TALKED EARLIER ABOUT SOME OF YOUR PARTICIPATION  
17 IN TRANSFERS -- THOSE MEMBERS FROM HERMITAGE LANDING WERE  
18 TRANSFERRED BY YOUR COMPANY; RIGHT?

19 A YES, TO DEER RUN.

20 Q YOU DO NOT KNOW FOR A FACT, AS YOU SIT HERE,  
21 THAT MR. WILKERSON WAS TRANSFERRED TO DEER RUN; CORRECT?

22 A I DO KNOW THAT THE HERMITAGE LANDING MEMBERS  
23 WERE TRANSFERRED, YES, TO DEER RUN. AND I KNOW BY HIS  
24 MEMBERSHIP NUMBER, 64, INDICATES DEER RUN.

25 Q YOU DO NOT KNOW WHAT PARK IN FACT  
26 MR. WILKERSON HEARD FROM YOU FOLKS THAT HE WAS BEING

1 TRANSFERRED TO?

2 A DEER RUN.

3 Q YOU SPOKE WITH MR. WILKERSON?

4 A NO. I'M SAYING THEY WOULD HAVE GOTTEN A  
5 LETTER FROM US TO TRANSFER THEM TO DEER RUN.

6 Q AND, IN FACT, THE DEER RUN PARK WAS PART OF  
7 FIRST NATIONWIDE; RIGHT?

8 A I'M REALLY NOT SURE. IT MAY HAVE BEEN.

9 Q DO YOU KNOW WHETHER FIRST NATIONWIDE AND ALL  
10 OF THE PARKS UNDER IT WENT INTO THEIR OWN BANKRUPTCY IN MAY  
11 OF 1996, MAY 24 TO BE EXACT?

12 A I KNOW THAT FIRST NATIONWIDE DID, YES.

13 Q AND YOU KNOW THAT THAT IMPACTED ON THE PARKS  
14 THAT WERE OWNED AND OPERATED BY FIRST NATIONWIDE?

15 A I'M NOT SURE WHAT YOU MEAN BY "IMPACTED."

16 Q WELL, FIRST NATIONWIDE OWNED PARKS; RIGHT?

17 A I BELIEVE SO.

18 Q AND THEY OPERATED PARKS; RIGHT?

19 A I BELIEVE SO, YES.

20 Q AND WHEN FIRST NATIONWIDE WENT INTO  
21 BANKRUPTCY, THE PARKS THAT WERE PART OF THE FIRST  
22 NATIONWIDE UMBRELLA WERE CONSIDERED BY YOU AND OTHERS TO BE  
23 PART OF THAT BANKRUPT COMPANY; RIGHT?

24 A I THINK SO.

25 Q NOW, I WANT TO SHOW YOU SOME OTHER LETTERS  
26 THAT PRESUMABLY YOU'D BECOME AWARE OF WHEN YOU TOOK OVER AS

1 THE HEAD OF CUSTOMER SERVICE.

2 LET'S GO TO EXHIBIT 69. EXHIBIT 69, BATES  
3 NUMBER 44, PAGE 2.

4 NOW, THESE BILLING STATEMENTS ARE BILLING  
5 STATEMENTS THAT YOU'RE FAMILIAR WITH; RIGHT,  
6 MRS. ARCHIBALD?

7 A YES.

8 Q SO THESE ARE BILLING STATEMENTS THAT YOUR  
9 COMPANY GENERATED; RIGHT?

10 A YES.

11 Q AND YOU'LL SEE HERE THE ARNOLDS WRITE BACK  
12 TO ALL SEASONS, "WE CANCELLED OUR MEMBERSHIP THIS YEAR AND  
13 OPTED TO STAY WITH COAST TO COAST."

14 DO YOU SEE THAT?

15 A YES.

16 Q AND THEN THEY WROTE DOWN THERE, "CANCELLED  
17 BY PHONE, THELMA ARNOLD AND HARLAND ARNOLD."

18 AND SO THE ARNOLDS -- MISS ARCHIBALD, THE  
19 ARNOLDS CHOSE TO CANCEL THEIR MEMBERSHIP WITH YOU FOLKS?

20 A YES. IT SPEAKS FOR ITSELF.

21 MR. SHERMAN: MOVE EXHIBIT 69-02 INTO EVIDENCE.

22 MR. SHAW: NO OBJECTION, YOUR HONOR.

23 THE COURT: IT WILL BE SO RECEIVED.

24 (WHEREUPON EXHIBIT NO. 69-02, BILLING  
25 STATEMENTS, WAS RECEIVED IN EVIDENCE.)

26 MR. SHERMAN: PERHAPS TO MOVE THIS ALONG IF --

1 MR. SHAW, IF YOU COULD GET YOURSELF YOUR OWN COPY OF YOUR,  
2 OUR VERSION OF EXHIBIT 69 THAT YOU HAVE, IT WOULD --

3 MR. SHAW: THE ENTIRE 69?

4 MR. SHERMAN: YES. IT WOULD HELP SPEED THIS ALONG.

5 AND THEN LET'S GO TO EXHIBIT 69-037.

6 MR. SHAW: COUNSEL, MINE AREN'T DESIGNATED THAT  
7 WAY. IS THERE A DIFFERENT WAY WE CAN -- IF YOU WILL JUST  
8 GIVE ME THE PAGE NUMBER AT THE BOTTOM.

9 MR. SHERMAN: OKAY.

10 BY THE WAY, BEFORE WE GET TO -- BEFORE WE  
11 GET TO 69-037, DO YOU HAVE EXHIBIT 1618 BEFORE YOU UP  
12 THERE? MR. SHAW, PERHAPS DO YOU HAVE THAT?

13 MR. SHAW: I WILL.

14 MR. SHERMAN: CAN I SHOW THAT DOCUMENT TO THE  
15 WITNESS, YOUR COPY OF IT?

16 Q MRS. ARCHIBALD, YOU'LL RECALL MR. SHAW  
17 SHOWED YOU ABOUT SIX LETTERS THIS MORNING; DO YOU RECALL  
18 THAT?

19 A YES.

20 Q AND HE MENTIONED THEY WERE COMING OUT OF  
21 EXHIBIT 1618; DO YOU RECALL THAT?

22 A NOT THE EXHIBIT NUMBER, NO. BUT OKAY.

23 Q MR. SHAW MENTIONED THAT THERE WERE --  
24 MR. SHAW USED THE PHRASE "THOUSANDS OF LETTERS"; DO YOU  
25 RECALL MR. SHAW SAYING THAT?

26 A I DON'T.

1 Q OKAY. WELL, LET'S JUST LOOK AT EXHIBIT  
2 1618, AND IF I COULD JUST TAKE IT APART FOR VISUALLY.

3 MRS. ARCHIBALD, THIS IS NOT THOUSANDS OF  
4 LETTERS, IS IT?

5 A NO. I THINK THOSE WERE LETTERS THAT I HAD  
6 PICKED UP.

7 Q RIGHT.

8 THIS IS ABOUT -- I DON'T KNOW -- 100, 150  
9 LETTERS RIGHT HERE?

10 A OKAY.

11 Q AND YOU SAVED ALL THE LETTERS THAT YOU GOT  
12 IN; ISN'T THAT RIGHT?

13 A THE ONES I SAW. BUT NOBODY WAS INSTRUCTED  
14 TO PULL THE LETTERS, I DON'T THINK.

15 Q NO LETTERS WERE THROWN OUT DELIBERATELY?

16 A NO. BUT I PRESUME THEY WOULD GO INTO A  
17 CANCELLATION. THEY WOULDN'T HAVE BEEN SEGREGATED BY COAST  
18 TO COAST. IT WOULD HAVE BEEN A CANCELLATION.

19 Q BUT YOU, AS A CUSTODIAN OF RECORDS, AS  
20 SOMEONE WHO HAS KNOWN ABOUT THIS LAWSUIT, YOU WANTED TO SEE  
21 TO IT THAT YOU COULD BRING IN AND SHOW ALL THE LETTERS THAT  
22 YOU BELIEVE SHOW CONFUSION; RIGHT?

23 A IF I RAN ACROSS A LETTER, YES, I TOOK IT.

24 Q OKAY.

25 A THE ONES I SAW.

26 Q SO, IN OTHER WORDS, IF IT'S NOT HERE, THEN

1 YOU DON'T HAVE IT?

2 A I PERSONALLY DON'T, NO.

3 Q WELL, AND PERSONALLY YOU'RE THE PERSON IN  
4 CHARGE OF THE RECORDS?

5 A I'M NOT IN CHARGE OF MEMBER CORRESPONDENCE  
6 RECORDS. I AM IN CHARGE OF CONTRACTS.

7 Q WELL, WHICH -- WHO AT THE PLAINTIFFS'  
8 ORGANIZATION HAS AS THEIR RESPONSIBILITY THE RESPONSIBILITY  
9 OF BEING IN CHARGE OF THESE LETTERS, IF NOT YOU?

10 A WELL, THEY'RE IN THE CUSTOMER SERVICE  
11 DEPARTMENT.

12 Q AND THAT'S YOU?

13 A ACTUALLY I'M NOT IN THE CUSTOMER SERVICE  
14 DEPARTMENT ANY LONGER. I WAS FOR TWO YEARS. BUT I'M NOT  
15 AT THIS POINT IN TIME.

16 Q OKAY. WELL, GOING BACK TO THE DOCUMENT,  
17 THIS SINGLE DOCUMENT I PLACE BEFORE YOU, EXHIBIT 69-37,  
18 THIS IS A BACK SIDE OF A TRAVEL AMERICA DUES PAYMENT  
19 ENVELOPE THAT WAS SENT BACK TO TRAVEL AMERICA; IS THAT  
20 RIGHT? IT'S THE SINGLE DOCUMENT?

21 A THE FIRST ONE YOU GAVE ME, OR THIS ONE IN  
22 THE BOOK?

23 Q MAYBE I DIDN'T GIVE IT TO YOU. IT'S  
24 POSSIBLE.

25 A IT MIGHT BE THIS ONE.

26 Q OH, IT IS THAT ONE.

1 A OKAY.

2 Q THAT'S THE BACK SIDE OF ONE OF YOUR BILLING  
3 STATEMENTS; RIGHT?

4 A THE ENVELOPE, YES. AND THE BACK SIDE, YES.

5 Q AND THIS WAS SENT BACK TO TRAVEL AMERICA BY  
6 THE BECKERS?

7 A YES.

8 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 6937 INTO  
9 EVIDENCE.

10 THE COURT: NO OBJECTION

11 MR. SHAW: NO OBJECTION, YOUR HONOR.

12 THE COURT: IT WILL BE SO RECEIVED.

13 (WHEREUPON, EXHIBIT NO. 69-37, DOCUMENT SENT  
14 BACK TO TRAVEL AMERICA BY THE BECKERS, WAS RECEIVED IN  
15 EVIDENCE.)

16 BY MR. SHERMAN: Q SO THESE ARE AMONG THE  
17 DOCUMENTS THAT YOU WANTED TO SAVE; RIGHT?

18 A YES.

19 Q AND THIS DOCUMENT DOESN'T SHOW ANY CONFUSION  
20 AT ALL, DOES IT?

21 A IT DOES TO ME.

22 Q WELL, THIS LETTER SAYS, "DEAR TRAVEL  
23 AMERICA, WE HAVE DECIDED TO CANCEL WITH YOU." DO YOU SEE  
24 THAT?

25 A YES, I SEE THAT.

26 Q "OUR COAST TO COAST MEANS TOO MUCH TO US,

1 AND WE CANNOT AFFORD DUES FOR BOTH. THANKS FOR CONSIDERING  
2 US. CANCEL."

3 DO YOU SEE THAT'S WHAT THE BECKERS WROTE  
4 BACK IN RESPONSE TO YOUR SOLICITATION FOR MORE DUES?

5 A YES, I CAN SEE IT.

6 Q THEY DIDN'T WANT TO PAY IT; CORRECT?

7 A THEY WANTED TO ONLY PAY COAST TO COAST.

8 Q THEY DIDN'T WANT TO PAY; RIGHT?

9 A TO PAY TRAVEL AMERICA, CORRECT.

10 Q THEY MADE A DECISION?

11 A CORRECT.

12 Q AND LET'S LOOK AT EXHIBIT 69-017. THIS WAS  
13 A LETTER SENT BACK TO TRAVEL AMERICA AGAIN IN RESPONSE TO  
14 TRAVEL AMERICA'S REQUEST FOR MORE MONEY FROM PEOPLE; RIGHT?

15 A FOR MAINTENANCE FEES, YES.

16 Q AND THIS WOULD HAVE BEEN SENT BACK TO YOUR  
17 GROUP, SINCE YOU WERE JUST TAKING ON DUTIES AS HEAD OF  
18 CUSTOMER SERVICE; RIGHT?

19 A YES.

20 MR. SHERMAN: MOVE EXHIBIT 69-017 INTO EVIDENCE.

21 MR. SHAW: NO OBJECTION, YOUR HONOR.

22 THE COURT: IT WILL BE SO RECEIVED.

23 (WHEREUPON, EXHIBIT NO. 69-017, LETTER SENT  
24 BACK TO TRAVEL AMERICA, WAS RECEIVED IN EVIDENCE.).

25 BY MR. SHERMAN: Q THIS IS FROM MARIAN LEVAI --  
26 DR. MARIAN LEVAI IN JACKSONVILLE, FLORIDA DATED JANUARY 29,

1 1998.

2 NOW, IF WE COULD JUST -- ACTUALLY, MIKE, IF  
3 YOU CAN GO TO THE REQUEST FOR PAYMENT, THE BILL THAT TRAVEL  
4 AMERICA WAS SENDING.

5 SO AS OF SOMETIME IN LATE '97, IF NOT  
6 EARLIER, TRAVEL AMERICA WAS SENDING BILLS FOR DUES TO  
7 PEOPLE; RIGHT?

8 A TO THEIR MEMBERS, YES.

9 Q TRAVEL AMERICA DIDN'T HAVE MEMBERS, DID IT?

10 A YES, I BELIEVE IT DID.

11 Q TRAVEL AMERICA PICKED UP THE VOIDED  
12 MEMBERSHIPS OF ALL SEASONS; CORRECT?

13 MR. MOSHENKO: OBJECT, YOUR HONOR. LACKS  
14 FOUNDATION AND IS ARGUMENTATIVE. MISSTATES THE PRIOR  
15 TESTIMONY IN EVIDENCE.

16 THE COURT: CALLS FOR LEGAL CONCLUSION, TOO.

17 MR. MOSHENKO: CALLS FOR LEGAL CONCLUSION, TOO.

18 THANK YOU. I ADOPT THAT ONE.

19 THE COURT: SUSTAINED.

20 BY MR. SHERMAN: Q YOU LEARNED IN LATE 1997,  
21 MISS ARCHIBALD, THAT THE MEMBERS OF ALL SEASONS -- THE  
22 MEMBERSHIP CONTRACTS OF ALL SEASONS WERE VOIDED; DIDN'T YOU  
23 LEARN THAT?

24 MR. MOSHENKO: OBJECTION. LACKS FOUNDATION. CALLS  
25 FOR A LEGAL CONCLUSION.

26 THE COURT: SUSTAINED.

1 MR. SHERMAN: I'D LIKE TO SHOW THE DEPOSITION  
2 TESTIMONY OF WENDY ARCHIBALD, PAGE 163, LINES 5 THROUGH 9.

3 MR. SHAW: YOUR HONOR, THE SAME OBJECTION. THE  
4 WORD -- THE USE OF THE WORD "VOIDED" LACKS FOUNDATION AND  
5 CALLS FOR A LEGAL CONCLUSION.

6 MR. SHERMAN: I'D LIKE YOUR HONOR TO SEE THE  
7 TESTIMONY. IT WAS WHAT SHE HEARD.

8 MR. SHAW: THEN IT'S IRRELEVANT.

9 MR. SHERMAN: SHE IS THE PERSON SENDING BILLS OUT.

10 MR. SHAW: AND IT'S HEARSAY.

11 THE COURT: I'M GOING TO SUSTAIN THE OBJECTION,  
12 COUNSEL.

13 MR. SHERMAN: CAN I SHOW THE COURT THE DEPOSITION  
14 TRANSCRIPT?

15 THE COURT: I THINK -- I KNOW.

16 MR. SHERMAN: LET ME SEE IF WE CAN DO IT A LITTLE  
17 DIFFERENTLY; THEN IT'S NOT OBJECTIONABLE.

18 Q YOU WOULD NOT HAVE THOUGHT IT PROPER TO BILL  
19 PEOPLE FOR DUES IF THEY WEREN'T MEMBERS; CORRECT?

20 A CORRECT.

21 Q YOU ONLY WANTED TO BILL MEMBERS; IS THAT  
22 YOUR POSITION?

23 A CORRECT.

24 Q NOW, IN LATE '97 OR EARLY '98, DID YOU TRY  
25 TO MAKE SOME EFFORT TO DETERMINE IF PEOPLE WERE MEMBERS OR  
26 NOT?

1           A           I'M NOT SURE I UNDERSTAND YOUR QUESTION.

2           Q           WELL, DID YOU LEARN THAT ALL SEASONS RESORTS  
3 HAD ALL THEIR PROPERTY SOLD AND THEIR MEMBER CONTRACTS  
4 VOIDED BY THE BANKRUPTCY COURT?

5           MR. SHAW:   YOUR HONOR, AGAIN, I'LL OBJECT.  ASSUMES  
6 FACTS NOT IN EVIDENCE.  MISCHARACTERIZES THE EVIDENCE ABOUT  
7 VOIDED.

8           MR. SHERMAN:  THE FACTS ARE IN EVIDENCE.

9           THE COURT:  I THINK THEY ARE, YEAH.  OVERRULED.

10          BY MR. SHERMAN:  Q  DID YOU LEARN THAT ALL SEASONS'  
11 PROPERTIES HAD BEEN SOLD AND THE MEMBERSHIP CONTRACTS  
12 VOIDED?

13          A           I KNEW THE PROPERTIES HAD BEEN SOLD.  I  
14 REALLY DON'T UNDERSTAND BANKRUPTCIES.

15          Q           I'M NOT ASKING YOU IF YOU UNDERSTAND IT.

16          A           I DON'T KNOW WHAT VOIDED AND THAT LANGUAGE  
17 REALLY MEANS.

18          Q           AND YOU DIDN'T KNOW WHAT IT MEANT IN LATE  
19 '97 OR '98 WHEN YOU WERE SEEKING TO COLLECT DUES EITHER;  
20 RIGHT?

21          A           I REALLY DON'T KNOW WHAT IT MEANS.

22          Q           AND YOU DIDN'T KNOW THEN; RIGHT?

23          A           CORRECT.

24          Q           AND SO THE LEVAIS RECEIVED THE BILL FROM  
25 TRAVEL AMERICA; IS THAT RIGHT?

26          A           YES.

1 Q AND THEY WROTE BACK RIGHT THERE. "PLEASE  
2 CANCEL OUR MEMBERSHIP. WE ARE ALREADY MEMBERS OF COAST TO  
3 COAST FOR OVER 10 YEARS."

4 AND THEN ON THE LETTER, IF WE CAN GO TO THE  
5 LETTER, MISS LEVAI WRITES BACK THAT "WE'VE BEEN MEMBERS OF  
6 COAST TO COAST FOR MANY YEARS AND HAVE DECIDED TO KEEP OUR  
7 MEMBERSHIP WITH THEM. PLEASE CANCEL OUR TRAVEL AMERICA  
8 MEMBERSHIP."

9 YOU UNDERSTOOD THAT MISS LEVAI HAD THE RIGHT  
10 TO CANCEL HER TRAVEL AMERICA MEMBERSHIP; RIGHT?

11 A YES.

12 Q YOU KNEW THAT SHE DIDN'T HAVE TO STAY WITH  
13 TRAVEL AMERICA IF SHE DIDN'T WANT TO; RIGHT?

14 A RIGHT.

15 Q IN FACT, YOU KNEW THAT TRAVEL AMERICA AS OF  
16 THIS TIME WAS A PRETTY NEW; COMPANY IT HAD JUST BEEN  
17 FORMED; RIGHT?

18 A YES.

19 Q AND TRAVEL AMERICA HADN'T GONE OUT ON ITS  
20 OWN AND SOLICITED ANY MEMBER CONTRACTS; IT JUST TOOK THEM  
21 FROM OTHER COMPANIES; RIGHT?

22 A YES.

23 Q AND SO WHEN THE LEVAIS WROTE IN AND SAID TO  
24 TRAVEL AMERICA, IN EFFECT, WE WANT OUT, YOU KNEW THAT THAT  
25 WAS THEIR CHOICE?

26 A YES.

1 Q THERE'S NOTHING WRONG WITH THE LEVAIS DOING  
2 THAT, IS THERE?

3 A CAN'T -- NO.

4 Q 69-018.

5 MR. SHAW: COUNSEL, IS THERE A NUMBER ON THE BOTTOM  
6 OF THE PAGE?

7 MR. SHERMAN: YEAH. 94.

8 Q NOW, THIS IS A HANDWRITTEN NOTE TALKING  
9 ABOUT CANCELLING MEMBERSHIP IN TRAVEL AMERICA. THAT WOULD  
10 HAVE BEEN A COMMUNICATION THAT YOU WOULD HAVE RECEIVED;  
11 RIGHT?

12 A YES.

13 MR. SHERMAN: I'M GOING TO MOVE EXHIBIT 69-018  
14 INTO EVIDENCE.

15 MR. SHAW: NO OBJECTION, YOUR HONOR.

16 THE COURT: IT WILL BE SO RECEIVED.

17 (WHEREUPON, EXHIBIT NO. 69-018, HANDWRITTEN  
18 NOTE FROM MRS. KACHELMEIER, WAS RECEIVED IN EVIDENCE.)

19 BY MR. SHERMAN: Q "DEAR SIR, WE ARE CANCELING  
20 OUR MEMBERSHIP IN TRAVEL AMERICA. YOU ARE NOT PART OF  
21 COAST TO COAST WHICH WE HAD WITH ALL SEASONS. AND WE ARE  
22 STAYING WITH COAST TO COAST. FROM MRS. KACHELMEIER."

23 Q MRS. KACHELMEIER MADE A CHOICE?

24 A YES.

25 Q SHE CHOSE NOT TO GO WITH TRAVEL AMERICA?

26 A YES.

1 Q THERE'S NOTHING WRONG WITH WHAT SHE DID?

2 A NO.

3 Q SHE HAD THE RIGHT TO DO THAT?

4 A OF COURSE.

5 Q OF COURSE SHE DID. BECAUSE --

6 A YOU CAN BUY 100 MEMBERSHIPS.

7 Q -- SHE HAD THE RIGHT TO DECIDE TO CHOOSE TO

8 STAY WITH A MEMBERSHIP IN COAST TO COAST WITH ANOTHER

9 COAST-AFFILIATED PARK, IF THAT'S WHAT SHE WANTED TO DO;

10 CORRECT?

11 A MEMBERS HAVE A RIGHT TO MAKE DECISIONS, YES.

12 Q BECAUSE THEY'RE NOT HANDCUFFED TO TRAVEL

13 AMERICA; RIGHT?

14 A NO. THEY CAN HAVE 100 MEMBERSHIPS IF THEY

15 LIKE.

16 Q AND IF THEY WANT TO HAVE ONLY ONE MEMBERSHIP

17 AND GO WITH A COAST-AFFILIATED PARK, THAT'S THEIR RIGHT?

18 A YES.

19 Q AND YOU'VE KNOWN THAT AS THE PERSON WHO IS

20 RESPONSIBLE FOR DEALING WITH CUSTOMER SERVICE; RIGHT?

21 A THAT PEOPLE HAVE RIGHTS? YEAH.

22 Q AND THEY HAVE THE RIGHT TO GO WITH THE

23 COAST-AFFILIATED PARK IF THAT'S WHAT THEY WANT TO DO?

24 A YES.

25 THE COURT: HOW MUCH LONGER ARE YOU GOING TO BE

26 WITH THIS WITNESS?

1 MR. SHERMAN: PROBABLY ABOUT ANOTHER -- ON THESE  
2 LIMITED AREAS, PROBABLY ABOUT ANOTHER HALF HOUR, 45  
3 MINUTES.

4 THE COURT: WE HAVE A LADY THAT HAS TO GET HER FACE  
5 WASHED, YOU KNOW.

6 MR. SHERMAN: YOUR HONOR, I'VE GOT NO PROBLEM, IF  
7 WE CAN GO FOR ANOTHER FEW MINUTES. AND THEN WE'LL BRING  
8 MRS. ARCHIBALD BACK.

9 THE COURT: THAT'S GOOD.

10 MR. SHERMAN: IS THAT OKAY?

11 THE COURT: WE'LL RECESS AT 3:00.

12 MR. SHERMAN: OKAY.

13 JUROR 17: I DON'T REALLY NEED IT.

14 BY MR. SHERMAN: Q MRS. ARCHIBALD, YOU'RE  
15 FAMILIAR, AREN'T YOU, WITH THE NOVELLI ORGANIZATION'S NEWS  
16 AND VIEWS; IS THAT RIGHT?

17 A YES.

18 Q AND NEWS AND VIEWS IS SENT OUT TO MEMBERS OF  
19 THE NOVELLI ORGANIZATION; RIGHT?

20 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT. OUTSIDE  
21 THE SCOPE. SHE HAS GOT NOTHING ON DIRECT EXAMINATION ABOUT  
22 NEWS AND VIEWS.

23 MR. SHERMAN: WELL, IT'S FOUNDATIONAL BECAUSE WE'RE  
24 GETTING TO ALL THE MAIL THAT THE COMPANY RECEIVED. SO LET  
25 ME GET RIGHT TO IT.

26 THE COURT: ALL RIGHT.

1           MR. SHERMAN: I BELIEVE THIS NEWS AND VIEWS HAS  
2 ACTUALLY BEEN ADMITTED INTO EVIDENCE. I DON'T KNOW THE  
3 NUMBER OFFHAND, BUT WE'VE CERTAINLY SEEN THE COUPLE WALKING  
4 ALONG THE BEACH.

5           Q           THIS IS AN ARTICLE THAT APPEARED IN THE  
6 SPRING 1998 NEWS AND VIEWS?

7           A           YES.

8           Q           AND THIS ARTICLE FROM SPRING 1998 REFERENCED  
9 ALL THE MEMBERSHIP RECORDS THAT TRAVEL AMERICA WAS  
10 HANDLING, AND THEN THERE WAS SOME PICTURES AND TELLING  
11 PEOPLE WHAT THEY OUGHT TO DO IF THEY WANT TO COMMUNICATE  
12 WITH TRAVEL AMERICA; IS THAT RIGHT?

13          A           YES.

14          Q           AND IN THIS NEWS AND VIEWS, YOU'VE EVEN GOT  
15 PICTURES OF THE MAIL, AND STATEMENT, "WE REALLY WANT TO  
16 HELP SO YOU CAN HAVE FUN"; RIGHT?

17          A           UH-HUH.

18          Q           AND -- BUT YOU TOLD PEOPLE IN THAT ARTICLE,  
19 BASICALLY, IF THEY HAD SOMETHING THAT THEY WANTED TO TELL  
20 YOU FOLKS, TO USE A FORM, JUST SEND IN A FORM; RIGHT?

21          A           IF IT APPLIED.

22          MR. SHAW: IT'S OUTSIDE THE SCOPE.

23          THE COURT: IT IS. SUSTAINED.

24          MR. SHERMAN: I'M SIMPLY TALKING ABOUT HER EFFORTS  
25 AT HANDLING COMMUNICATIONS AND CORRESPONDENCE, YOUR HONOR.  
26 AND THAT'S WHAT I'LL LIMIT MYSELF TO.

1 THE COURT: ALL RIGHT. LIMIT.

2 BY MR. SHERMAN: Q YOU DID NOT RESPOND TO LETTERS  
3 THAT WERE SENT TO TRAVEL AMERICA; CORRECT?

4 CUSTOMER SERVICE DEPARTMENT DID NOT DO THAT?

5 A THAT'S NOT CORRECT.

6 Q WELL, IN FACT, THE CUSTOMER SERVICE  
7 DEPARTMENT DIDN'T WANT TO RESPOND TO LETTERS AND THEN CAME  
8 UP WITH THIS FORM SO THAT PEOPLE COULD JUST SEND IN THEIR  
9 ISSUE; RIGHT?

10 A WE DID IT TO HELP MEMBERS. A LOT OF TIMES  
11 WE'D GET A THREE-PAGE HANDWRITTEN LETTER, AND AT THE VERY  
12 BOTTOM THEY MIGHT WANT A CARD. WE DID IT TO TRY TO MAKE IT  
13 EASIER FOR THEM SO WE COULD QUICKLY SERVICE THEM BY THIS,  
14 IF IT APPLIED. IT WAS THE MOST COMMONLY USED, YOU KNOW,  
15 REQUEST.

16 Q AND THERE'S NO -- THERE'S NO FORM ON THAT --  
17 THERE'S NO BOX ON THAT FORM IF THE MEMBER WANTS TO BE  
18 CANCELLED OR HAS HAD ENOUGH OF THE NOVELLI ORGANIZATION;  
19 RIGHT?

20 A NO, THERE'S NOT.

21 Q AND IN RESPONSE TO THE VARIOUS LETTERS THAT  
22 I'VE SHOWN YOU THIS AFTERNOON AND ALL THE OTHER LETTERS OUT  
23 THERE, IT WAS NOT TRAVEL AMERICA'S POLICY TO RESPOND TO  
24 EACH OF THOSE LETTERS, WAS IT?

25 A ACTUALLY, I WOULD SAY IT IS.

26 Q BUT IT DIDN'T HAPPEN?

1           A           DURING THE TIME I WAS INVOLVED, I HOPE IT  
2 HAPPENED, YES.

3           MR. SHERMAN: YOUR HONOR, WHY DON'T WE RESUME THIS  
4 EXAMINATION AT ANOTHER TIME WHEN WE'LL BRING MISS ARCHIBALD  
5 BACK IN OUR CASE IN CHIEF.

6           THE COURT: ALL RIGHT. YOU HAVE A LONG BREAK. SEE  
7 YOU MONDAY MORNING AT 9:00.

8                       (WHEREUPON THE COURT WAS IN RECESS UNTIL  
9 MONDAY, JUNE 26, 2000, 9:00 A.M.)

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