

NAM *Members' Committee*

15 November 2000

"We stand alone and our voice is small. — We stand together and we will be heard." Barbara Mozingo, NAM
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NOVELLI COMPANIES (TRAVEL AMERICA, ETC...) ABUSE MEMBERS AND THE BANKRUPTCY COURT SYSTEM ACCORDING TO CALIFORNIA JUDGE (1)

Companies owned or controlled by Ray Novelli filed a lawsuit against Coast to Coast on February 7, 2000. The Court ruled for Judgment against those companies on July 25, 2000. The Novelli Organization's own witnesses defeated their case even before Coast had a chance to present their side. The only fraud or injustice presented by this case, the Court found, would have been the injustice of permitting the case to continue. The Plaintiffs went into Court with unclean hands.

UNCLEAN HANDS

Novelli Companies' unclean hands were evidenced by repeated failure to comply with their obligation to disclose this lawsuit to their creditors and to other courts, including the US Bankruptcy Courts in the bankruptcies of Apollo Group, Inc., Thousand Adventures of Ohio, Inc., and Thousand Adventures of Alabama, Inc. By not disclosing this lawsuit as required, the Novelli Companies engaged in affirmative misrepresentations to the courts supervising their bankruptcies (which the Court found to have been for the improper purpose of taking an estate asset without payment to the estate or its' creditors). Those Plaintiffs also took positions in other bankruptcy cases diametrically inconsistent with those asserted before this Court.

The lack of bona fides of the various Plaintiff entities, and the sham nature of the Novelli Companies, is another factor that the Court took into account in finding that Plaintiffs' claims failed because of their unclean hands.

NOVELLI WAS NOT A CREDIBLE WITNESS Cont'd on Page 2 (Travel America)

OHIO

The attorney for the debtor in the bankruptcy of Thousand Adventures of Ohio alleges that the case should be closed because Travel America has transferred the property out of the bankrupt estate and they have allegedly "started" to make payments to priority unsecured creditors.

A list of alleged payments has been filed with the court but it does not contain information that can be used to verify that the required payments were actually made. Many people with approved claims have NOT received checks.

The attorney for former members has appropriately objected to the request for a court order dismissing the case. Payments promised in the reorganization plan to members must be completed before a dismissal would be appropriate.

The people who now run this company have a sordid history of broken promises for payment, etc... We just don't trust them to make the payments they promised.

CLASS-ACTION LAWSUIT

Mr. Doug Napier, attorney for members in the Class Action against Thousand Adventures and certain finance companies, joined the Iowa Bankruptcy attorney (Mr. Lam) in certain claims against Travel America in which they have a common interest. Travel America consistently refused to provide information that was demanded of them by both attorneys.

The obstructive tactics of Travel America failed again.

Despite attempts to thwart the members inquiry into TRUTH, the Iowa Judge (Jackwig) ruled that Travel America must turn over EVERYTHING that was asked for, and to do it within 30 days. Mr. Napier pointed out that most of the information he asked for was probably already marked as exhibits in the California lawsuit.

Travel America's attorney claimed he didn't know anything about the California suit. Mr. Napier informed Judge Jackwig that she would be hearing a whole lot more about the California lawsuit in the coming weeks. The next question is: "Will Travel America: 1) defy the court order; 2) stall and take their chances on sanctions; 3) provide meaningless garbage and claim that is all they have; 4) dive behind the shield of bankruptcy. Anybody laying odds?"

Judge Jackwig's decision is important for a couple of reasons. It shows she wants the truth and that she has little sympathy for Travel America's tactics. It also reveals her interest in not micromanaging this case, but forcing the issues to a point of resolution or trial.

A home run for the home team. A foul ball for Novelli's game. It appears that at least some of the federal judges are getting wise to the obstructive and delaying tactics of these guys.

Register with Mr. Napier for the class-action settlement so that he will know who you are.

We can provide a form and help you fill it out if you want.

Forms and other information can be obtained from the NAM web site or by writing us and providing Self-Addressed, Stamped Envelopes for us to reply. Our address is on page 3.

The web site is:
<http://www.natlassoc.com>

BANKRUPTCY OF THOUSAND ADVENTURES, INC.	3
HARASSMENT OF FORMER THOUSAND ADVENTURES MEMBERS (NEW ALERT – OLD PROBLEM)	3
CONFERENCE PROLOGUE (OPENING REMARKS)	4
NAM CONFERENCE REPORT	5
BUFFALO/MISSISSIPPI ADVENTURES (TEXAS BANKRUPTCY..)	6

Cont'd from Page 1 (Travel America)

The Court's conclusion that Mr. *Novelli* was not a credible witness was supported by substantial and overwhelming evidence, including:

1. the numerous and material inconsistencies between Mr. Novelli's trial testimony and his deposition testimony;
2. the pattern by Mr. Novelli of giving incredible testimony and of engaging in deceptive practices (both personally and on behalf of the Novelli Organization), and
3. Mr. Novelli's demeanor while testifying at trial.

DECEPTIVE AND MISLEADING

Novelli Companies engaged in deceptive and misleading tactics that included:

- 1) debt collection activities directed to individuals who were not justly indebted to the Novelli Organization,
- 2) misinformation provided to individuals about why Travel America was formed and why RPI (but not Coast) was now providing reciprocal network services as an exclusive provider, and
- 3) misinformation provided to individuals about their membership terms and conditions.
- 4) Plaintiffs' unclean hands in connection with the formation and operation of Travel America are simply the latest in a series of improper tactics by the Novelli Organization to acquire and retain campgrounds. The record is replete with examples of the Novelli Organization's pattern of:
- 5) acquiring membership campgrounds and treating the existing members as if they, too, had been acquired;
- 6) then attempting to sell services such as so-called upgraded memberships to the recently "acquired" members;
- 7) on occasion closing many of the campgrounds;
- 8) transferring the members to other campgrounds, most often without providing the members with advance notice or meaningful options;
- 9) defaulting on the debt to the campground sellers; and
- 10) placing the campground purchaser into bankruptcy to avoid the obligations to the sellers, after having stripped the campground of its' members.

IT'S ALL THE SAME COMPANY

The evidence established that Raymond Novelli, effectively controlled all aspects of the "Novelli Organization", and that those companies include All SeasonsResorts (ASR), First Nationwide Resort Management (FNRM), TAI subsidiaries, Adventure Resorts of America (ARA), Inc., and others.

There is substantial evidence supporting the conclusion that some of these "Novelli Organization" companies have no purpose other than to have been named as Plaintiffs in this action.

Novelli Companies never supplied evidence showing actual separateness among the different Plaintiff entities, or the reason for the jumble of different Plaintiffs, or their separate business purposes, functions or existence.

The evidence further proved that:

- a) Mr. Novelli moved individuals into and out of official capacities of these Plaintiffs on a recurrent basis without any legitimate business purpose, that
- b) Mr. Novelli has repeatedly and excessively misused the bankruptcy laws and the judicial system to frustrate creditors, business partners, and the Government (such as by regularly failing to deposit payroll taxes withheld from employees' paychecks), that
- c) the Novelli Organization has repeatedly ignored its' responsibilities to federal and local taxing authorities through the use of these various Plaintiff entities and other entities within the Novelli Organization, that
- d) the record keeping of books and records within the Novelli Organization were unreliable (with unexplained instances of one entity controlled by Mr. Novelli paying the debts of another named entity), and that
- e) **for all practical and legal purposes the conduct of one entity within the Novelli Organization (and among the Plaintiffs themselves) should be charged to all others, and specifically to Mr. Novelli, as well.**

The Court found that the sham nature of all these Plaintiff entities goes to the core of the transactions on which Novelli Companies predicate their claims in this action and further establishes Plaintiffs' unclean hands.

Evidence showed that one Novelli Company even presented altered, forged or unauthorized documents to Florida State authorities, in December 1999 in order to influence this California lawsuit.

ABUSE OF RV OWNERS

The evidence established, without contradiction, that Plaintiffs attempted to deprive RV Owners of the choice of whether to become part of Travel America by:

- (1) concealing from the predecessors' members the absence of any obligation to pay Travel America;
- (2) improperly billing members as if there was an existing and enforceable obligation between the member and Travel America; and
- (3) notifying Travel America's alleged members that their membership contracts were "automatically assumed" by Travel America. Memberships in ASR, FNRM and TAI were the property of their respective bankruptcy estates at the time those notifications were sent, and Travel America had neither sought nor received permission from their respective Bankruptcy Courts to substitute itself for the original provider of membership camping services.

Moreover, as noted by one of Novelli's own witnesses, Travel America could not call an individual a "member" unless and until that person manifested his or her consent to become a member of Travel America. Travel America ignored that fundamental precept and simply treated all of those people as its' members for the improper purpose of trying to collect from them money to which Travel America had no legal right.

The evidence established that the purported transfer of membership relationships into Travel America, coupled with Travel America's concurrent announcement of a new "exclusive" reciprocal provider relationship with Resort Parks

BANKRUPTCY OF THOUSAND ADVENTURES, INC.

The bankruptcy of Thousand Adventures, Inc., in Iowa is moving along slowly - but moving along. The Iowa Trustee, Mr. Lam is having some success in settling claims against some companies that got money from TAI they weren't entitled to. Not fraud, but transfers of money that he is entitled to recover according to the bankruptcy rules.

The larger claims have not been settled yet but some of them look promising.

IMPORTANT

If any of you former members of TAI have not filed proofs of claim in that bankruptcy yet you should do so immediately. There will come a time soon when the court will decide that you have had enough time and put an end to the claims filing. I will not harass you further on this point. **IF YOU DON'T FILE - YOU ARE NOT ENTITLED TO ANY SETTLEMENT FROM THAT BANKRUPTCY.**

What do you do if someone tries to extort money from you for an alleged debt related to your membership in a campground that is bankrupt?

Complain to your Attorney General.

 If it happens 3 times – report it 3 times.

 If it happens 10 times – report it 10 times.

Include documents with our complaint that will help explain the problem. These documents should include a copy of your own personal memo that documents their offensive activities (signed and dated). (Repeated phone calls, etc.)

You should also report it to your class action attorney, Mr. Napier. His address is in the next column.

IF YOU DO 'NOT' USE THE PARKS

and they have violated your contract – we believe that there is no obligation for you to pay anything.

If you remember my 'Baked Bean' recipe from our last newsletter, I have to tell you that my wife says that apples and beans together is a dumb idea. Well, I tried it. She was right. My next experiment will be the orange part of the orange peel in chicken sauce for soup or gravy.

It could work...

– Dan H.

Busy us!!!

This has been a very busy season for us. We started out trying to help Thousand Adventures members. As we met with some success and word got out we were contacted by people who had problems with American Adventures, AOR, Elite, 5 Star, Presidents Club, All Seasons, etc. We emphasize each time the members MUST work together.

We have maintained a web site for the NAM, published several newsletters (when money permits or circumstances require it). We maintain a web site for the Iowa Trustee, another for the Texas Chapter 7 trustee, and of course our own web site. This helps us find information important to members in a timely way.

We also recently finished our first conference to discuss the problems and possible solutions campground members have with the less honorable campground 'marketeers'.

HARASSMENT OF FOMER THOUSAND ADVENTURES MEMBERS – NEW ALERT – OLD PROBLEM –

Former members of Thousand Adventures are again getting demands for money from companies that the companies do NOT appear to be entitled to.

These former TAI members are being told that their memberships have been transferred (without their permission or consent) to Mississippi or Ohio and that Travel America is now demanding dues payments. Such claims, we are convinced, are FRAUDULENT. Former Ohio members have been told by the bankruptcy court that they do NOT have to continue any relationship with Travel America or Thousand Adventures of Ohio. The Chapter 7 Trustee has told former members of Mississippi that they do NOT have to continue to be members of that organization if they do not want to pay the dues.

ANOTHER SCHEME involves recent communications from a former associate of Mr. Dave Vopnford, in who claims that former TAI members must pay what he calls 'outstanding balances' on membership contracts with the bankrupt Thousand Adventures. He claims to be representing finance companies that purchased those defunct contracts. Such claims, we believe, are fraudulent and should be reported immediately to Mr. Napier, the Class Action attorney for former TAI members. His address is:

Mr. Douglas Napier, Attorney
Napier, Wolf & Napier
607 8th St.
Ft. Madison, IA 52627

We believe that your best reply to any telephone demand is that they contact your attorney, Mr. Napier, and that they never call you or contact you again. Make a record of the conversation and provide it to Mr. Napier right away. You should also file another complaint with your state consumer protection agency. If you have troubles finding their address let us know and we will get it for you.

Be sure to include your notes (write a 'Memo for Record' and keep a copy for yourself) about the contact and copies of any documents you get from the bad guys.

Please note: We are not attorneys, however, we offer this information and opinions based on our best experience and information.

Get in touch with us:

INTERNET SITE: <http://www.natlassoc.com>

eMail Address: chmn@natlassoc.com

Voice Nr: (937) 236-2882

Get the newsletter: (There is no cost to you.)

Send us 5 or 6 Self-addressed, Stamped, size #10 (Business Size) Envelopes to:

Treasurer, Members' Committee (NAM)
4740 Silver Oak Street
Dayton, Ohio 45424-4650

OPENING REMARKS FROM THE FIRST NAM NATIONAL CONFERENCE IN TENNESSEE

Many of us have recently had some very sad experiences with particular membership campgrounds. It broke our hearts to see the dreams and promises we thought we had purchased - blown away. We were angry when the "Bad Guys" began demanding still more money, alleging that we had no right to ignore their new demands and they arbitrarily tried to change the provisions of our written contracts and the promises that were made when we first joined.

The Good:

We have also seen some of the more noble people in the membership campground industry. Our heartbreak might have prevented us from fully realizing who the "Good Guys" are. They are the people who offered us memberships in their campgrounds with no new significant "initiation fee". They are the reciprocal use systems that helped us find these "good" campground owners. You know who they are. There were many. The reciprocal use systems included Coast to Coast. Do you know of any other? Let us know if you do. We'll tell their story in our newsletter too.

It is not sufficient that we expose the antics of the Bad Guys. We need to find a way to elevate the Good Guys in this industry. We need to find a way for prospective campground members to tell the difference between the good and the bad.

Our Plan:

We expect to cooperate with campground developer associations, individual campground owners, reciprocal use systems, government officials, educational institutions, and others to develop a meaningful way for the "good guys" to stand out from the crowd; to be recognized as honest business people who offer a legitimate value for the fees they need to run their businesses.

The Bad and the Ugly:

It is important to let people know their rights when scam artists try to "rip them off".

Members of some organizations report being threatened with the loss of their car, their home, their credit rating, and their good name. All of this by people who commonly offer the promise of future camping services that they cannot deliver and have no apparent intention to deliver.

We call them the "Marketeers".

They sell promises and dreams for exorbitant amounts of money up front, or for promissory notes that they quickly convert to cash. This cash does not pay the bills, maintain the promised parks, nor even pay employees health insurance, federal taxes, or wages. It goes to the benefit of people who own the organizations. It is used to pay for private jet planes, yachts, villas in Mexico, expensive cars, horse farms, and more... Until the company files bankruptcy.

They convince the courts that the company can be "saved"; that the parks are assets that have value that can "save the company".

But to quote one of the Marketeers: "The campgrounds are not assets. They cost money. The members are the assets."

And so bankruptcies have evolved. The campgrounds have gone back to finance companies, the other assets at the

campgrounds disappear. Air conditioners, tractors, and other equipment reportedly get moved to other campgrounds controlled by the Marketeers. What is left? The memberships!

The Marketeers would have you believe that they own your contract (and your wallet). They conceal your right to escape payment demands for services that were promised when you first signed a contract.

Well-meaning bankruptcy judges are ignorant of the dilemma campground members are placed in. Not "stupid" mind you - just ignorant. They think they are preserving something of value by allowing your membership to be co-opted by the scheming Marketeers.

The most desirable solution may take many years and involve a multitude of state and federal offices. We can't wait that long. Too many people are being cheated NOW!

Our Plan:

There are two parts of this plan. Education and action.

Education

We need to develop and distribute educational materials that will help people know when the Marketeers are after them - before they become committed to endless payments, demands for more money, and broken promises. This will require input from educational institutions, government agencies, and very importantly, from industry officials. These materials need to be prepared and distributed in a manner and in a forum that will be most effective.

Action:

We have been aggressively cooperating with government officials, private attorneys, legitimate creditors, and others, by pointing the finger at the Marketeers wherever we find them.

We have done this through face-to-face contact with the victims, telephone calls, a "Hot Line" for people who are frightened and feel that they are alone with their dilemma, many newsletters, and a web site. We have held meetings with victims in Ohio, Florida, Iowa, Michigan, Nebraska, Kansas, Alabama, Tennessee, North Carolina, and other states across the country to help them deal with the Marketeers.

We have helped people write letters to their state consumer protection offices, and other state and federal offices that have the authority to intervene.

There is more that we have done - and more that we need to do. People we have helped and people who believe in what we are doing have given us the courage and the strength to continue.

They have also given us donations, usually ranging from .50 cents to \$10-\$25.

We want you to know that we care, we are trying hard, and we haven't given up.

Most importantly - we want you to know that what YOU do - matters. As much as we need new sources of funding - the most important thing that you can give to us are your ideas and your encouragement.

Dan Hopper, Chairman
National Association for Members (NAM)

NAM CONFERENCE REPORT (OCTOBER 25 – 27, 2000)

We were welcomed to the Mountain Lake Marina and Campground by the owner, Mr. Miles Owens. He was a gracious host. It was a very pleasant setting for the difficult tasks we had before us.

Mrs. Barbara Mazingo, NAM Vice President and Director identified the difficulties in getting help when a consumer suspects fraud or deceit in the sales and marketing of campground memberships. She also discussed the complexity of the multi-layered corporate structure of some membership organizations designed to keep consumers confused in their efforts to get help related to that kind of misconduct.

Mr. Dan Hopper, NAM Chairman, spoke about marketing and bankruptcy schemes.

- In the marketing scheme some owners are not in the campground resort business, but rather in the business of selling memberships. The target customers are most often in the 55-68 age bracket.
- In the bankruptcy scheme the owner buys a company, removes the assets (the dues paying membership base), and then uses bankruptcy to deprive the creditors of money they are rightfully due.
- The same philosophy is used in both schemes: "the parks are not assets, they cost you money. The members are the assets."

Mr. Don Mayes, Chairman of a group of members at Tennessee Lakes (Former TAI Park), has been fighting an uphill battle for ten years to get the state of Tennessee to honor its' non-disturbance clause in the campground membership act. TAI sold memberships and then abandoned the resort. The mortgage holder has tried several times to sell off portions of the resort and each time the property owners have had to hire an attorney to protect their rights. Each of these property owners had their contracts notarized and entered as legal documents in the county courthouse. Don recommended that everyone who purchases a lot at a campground do the same.

During the round-table discussions the consensus of the group was that it is necessary to work together to make changes to benefit and protect the consumers and the legitimate membership campground owners. The problems have been identified officially at a national conference and now it is time to take action to resolve the problems.

Some invited guests could not be there in time for the conference but participated via telephone. We discussed strategy and a plan of action.

This was an exciting conference.

We also made time to visit the Appalachian museum, took a scenic boat ride on Norris Lake, and went on a shopping spree at the most unique store I've ever seen. (Hammers, in Clinton, TN).

We would like to offer our special thank you to Frank and Lois Rhoades from Greenville, Ohio, who traveled to Tennessee to help manage the conference.

RESOLVING THE PROBLEMS

It is our responsibility to find a way to make changes that will prevent others from being hurt the way we were by the marketing and bankruptcy schemes.

We can do this if we work together. NAM has the background information members need to organize and seek help from the government agencies that can make a difference. We have teams in several states and expect to be working with still more.

We remain in contact with Attorneys General, bankruptcy and other federal officials throughout the country. This process is slow and deliberate.

Members helping members is the motto of NAM. Let's make it work!

SCHEDULE MEETINGS

You all know the saying "two heads are better than one"! Well, if two are better than one just think how much better ten would be.

If you can get a group of about ten people together we will come to your meetings and give you information on how changes can be made. NAM is the vehicle to use to make the changes, but we need support, input and influence from others.

Want to have a meeting? Let me know where and when, how many will attend and I will be there with training materials and information to get you going. Florida in January where people from several states will be in a more or less centralized location would be a good starting point.

You can contact Mrs. Mazingo at 1-800-513-9042 pin #2000 or by email at Barbara@natlassoc.com.

Dan Hopper, Chmn, and Barbara Mazingo, Vice President and Director

NAM

CHURCH SIGNS

- "Try our Sundays. They are better than Baskin-Robbins."
- "Searching for a new look? Have your faith lifted here!"
- "How will you spend eternity-Smoking or Nonsmoking?"
- "This is a ch__ ch. What is missing?" — (U R)
- "In the dark? Follow the Son."
- "Running low on faith? Stop in for a fill-up."
- "If you can't sleep, don't count sheep. Talk to the Shepherd."

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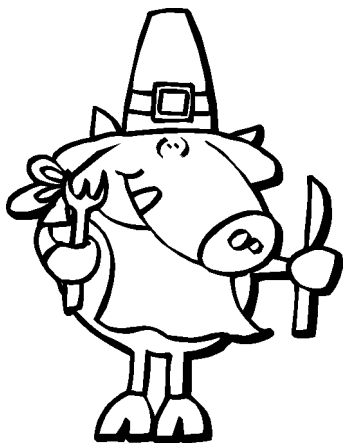
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Cont' from Page 2 (Travel America)

International ("RPI", a competitor of Coast), was engineered by the Novelli Organization:

- (1) without regard to the interests of the members themselves;
- (2) without regard to whether the members in fact wanted or agreed to become members of Travel America, and indeed without prior notice to the members;
- (3) without regard to whether RV park members who were also Coast members valued their Coast membership and wanted to maintain their Coast membership;
- (4) without regard to and in derogation of the rights of various bankruptcy estates and their trustees and creditors, all of whom had an interest in membership contracts that Travel America effectively stripped out of bankruptcy estates without compensation to the bankruptcy estates and without advance orders from bankruptcy courts;
- (5) without regard to either the spirit or effect of various State Attorney General actions that had been taken against TAI;
- (6) without regard to the rights of secured and unsecured creditors of the Novelli Organization who were owed substantial sums of money – some of whom even had rights to the membership contracts themselves; and
- (7) without regard to Coast's interest in maintaining existing and prospective relationships with its' own members.

⁽¹⁾ *This article reflects our best understanding of the official decision of the Judge in the California lawsuit.*



HAPPY
THANKSGIVING

**THE 'TEXAS' BANKRUPTCY OF THE BUFFALO CORP.
/MISSISSIPPI ADVENTURES
(THOUSAND ADVENTURES OF MISSISSIPPI)**

This bankruptcy is progressing as most former members expected. Records are sparse, cooperation from the former owners/operators nonexistent, and no one knows where the money went.

The Chapter 7 Trustee, Mr. W. Steve Smith, appears to be doing his personal best to try to make the company survive.

There remains several important concerns that have been expressed by members.

1. It appears that members are being deprived of their rightful status as 'Priority Creditors' in the bankruptcy – particularly since Mississippi Adventures has apparently been identified as co-debtors in the bankruptcy. Members have never been notified of their right to file a claim.
2. Members are being asked to voluntarily give up rights and privileges specified in their contracts without any real explanation of what they might expect in exchange. There was a 'meeting of the minds' when the contract was signed – there should be a similar 'meeting of the minds' if that contract is to be modified, or one might expect that there is no contract.
3. Oral reports on the status of the bankruptcy are made to the Texas Bankruptcy Judge – but members who cannot attend those oral reports are not informed in any real way about the status of the bankruptcy or the position of members in the proceedings.

ON THE PLUS SIDE

The Trustee has made an effort to have official pleadings posted on his web site. They can be viewed on the internet at: <http://www.msadventures.com>

He also appears to be making an aggressive effort to organize activities at the campgrounds and to maintain the properties and pay the bills. He appears to be a good and honest person, but we would like to see the members get more respect as he does what he thinks he must to make the company survive.

God Bless our traveling home
And guide us everywhere we roam.
Help us to find the roads we seek
And please don't let the plumbing leak.
Save us Lord from engine trouble
And mechanics who charge us double.
As we cross the U.S.A.
Bless us with sunshine everyday.
Oh Lord who watches over all
Please make gas prices fall.
Lead us toward good food and friends
And when at last our journey ends,
Grant our rolling home sweet rest
Until its' next endurance test.

(Author Unknown)