

NAM *Members' Committee*

28 December 2000

"We stand alone and our voice is small. — We stand together and we will be heard." Barbara Mozingo, NAM

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TAI CLASS ACTION SETTLEMENT

The Iowa Civil Court has approved the settlement with one of the finance companies (PrinCap). The bankruptcy judge, Judge Jackwig, however, has asked for additional information before giving it her blessing. The Chapter 7 Trustee, Mr. Lam, will provide the additional information for her consideration after which she will decide if the settlement is adequate. We will report her decision in our next newsletter.

Some of the other finance companies may also decide to own up to their wrongdoing. We'll have to wait and see what happens with them.

NOTE:

Do NOT fill out the 'Opt-out' form included with the notice from Mr. Napier unless you do not wish to be included in the class action settlements that Mr. Napier is negotiating or unless you believe that there is some reason that you should not participate.

So far, only 3 members have decided that they should NOT participate in the settlement. These members either sold their memberships or settled via actions of their respective Attorney General's office.

IMPORTANT NOTICE

How can they send you money if they don't have your current address?

Be sure that the Ohio Bankruptcy court, Travel America's Attorney (Ms. Daneman), the Iowa Bankruptcy court, the Iowa Chapter 7 Trustee (Mr. Lam), and the Class-action attorney (Mr. Napier) have your current address and phone number.

If you have an approved claim in the Ohio bankruptcy you should also make sure that Mr. Pettigrew, the attorney for Ohio members has your current address and phone number.

Let us know if you need information on how to contact these people.

ARIZONA JUDGE RULES NOVELLI "NOT A CREDIBLE WITNESS"

In September 1997 US District Court Judge Strand ruled in a "Finding of Fact" that "Mr. and Mrs. Ray Novelli are not credible witnesses", that they had violated court orders. Novelli's company, All Seasons, had failed to pay withheld wages from employees checks to the IRS in payment of payroll taxes, and All Seasons defaulted on its numerous obligations **because** the revenue was diverted to improper uses outside of All Seasons.

OHIO COURT HEARING 8 JANUARY 2001

A hearing has been set for January 8, 2001, at 2:00 PM in the Bankruptcy Court in Columbus, Ohio (170 N. High Street).

It appears that Travel America thinks the Court should declare that they have completed the bankruptcy and that it should be dismissed.

We think that many members who are entitled to money have NOT received the money they are entitled to.

This could be a VERY important hearing. I plan to be there. You may also want to attend this one if you don't attend any other.

These people have a long history of broken promises, abandoned debts and creditors, and business practices that we believe are fraudulent.

Not only do we think this case should NOT be dismissed – we don't know why they are not in jail.

CALIFORNIA SUPERIOR COURT JUDGE RULES THAT RAYMOND NOVELLI IS NOT A CREDIBLE WITNESS

"...MISREPRESENTATIONS TO THE COURTS."

The Court's conclusion that Mr. Novelli is not a credible witness is supported by substantial and indeed 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.

Weighing the evidence before the Court, the inescapable conclusion is that Novelli's own witnesses enabled Defendants (Coast) to meet their burden of proving their affirmative defense of Novelli's unclean hands, even before Defendants opened their case-in-chief.

Unclean Hands

The egregiousness of his misconduct and the close relationship between that misconduct and his claimed injuries impels this Court to apply the unclean hands defense to defeat all of Plaintiff claims.

Unclean hands in connection with the formation and
(See Page 2 "Unclean Hands")

UNCLEAN HANDS

operation of Travel America are simply the latest in a series of improper tactics by the Novelli Organization to acquire and retain campground members... The record is replete with examples of the Novelli Organization 's pattern of:

- (1) acquiring membership campgrounds and treating the existing members as if they, too, had been acquired;
- (2) then attempting to sell services such as so-called upgraded memberships to the recently "acquired" members;
- (3) closing many of the campgrounds;
- (4) transferring the members to other campgrounds, most often without providing the members with advance notice or meaningful options;
- (5) defaulting on the debt to the campground sellers; and
- (6) placing the campground purchaser into bankruptcy to avoid the obligations to the sellers, **after having stripped the campground of its members.**

Plaintiffs engaged in affirmative misrepresentations to the courts supervising their bankruptcies (which the Court finds to have been for the improper purpose of taking an estate asset without payment to the estate or its creditors).

Mr. Novelli repeatedly and excessively misused the bankruptcy laws and the judicial system to frustrate creditors, business partners, and the Government...

The record keeping and 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 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.

Can anyone wonder why former campground members are filled with fear and trepidation at the prospect that the Ohio bankruptcy might be dismissed before the Novelli organization has completed their obligation to creditors as prescribed by the "Reorganization Plan" in the Ohio bankruptcy?

Can anyone wonder why creditors pray that the Ohio Bankruptcy Court should audit their alleged compliance with the plan?

Given Novelli's long and dark history – and his failure to provide timely and useful information to Ohio creditors that will allow these creditors to verify compliance – such an audit should be conducted at the Debtor's expense!

- The next newsletter will focus on the bankruptcy of The Buffalo Corporation/Mississippi Adventures and the status of members in that bankruptcy.
- The Chapter 7 Trustee's 'Status Report' is published on his web site at: <http://www.msadventures.com>
- It is not very informative...
- What is the current relationship with Travel America?, RPI? Coast to Coast? Lifetime Memberships? Frozen Dues? Resale Agreements? Who owns the company if the reorganization succeeds? What do members get in exchange for increased fees they are being asked to pay? If we cut through the smoke, why should members care who owns the parks?

Information from the Ohio Members' Committee is published as a courtesy to that organization.

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This newsletter is provided for information and educational purposes by the National Association for Members.

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