

March 12, 1998  
**THOUSAND ADVENTURES OF FLORIDA  
GOES OUT OF BUSINESS**

As you all know by now, all TAF parks- will be closed by Trustee Cuthill effective March 17, 1997.

I will try to explain the series of events that led up to today, the rational for closing the parks, and what you should do now.

### **TAI History**

Prior to August 1996, TAI, Nebraska, had developed a nationwide habit of not paying taxes, mortgages, utilities, nor employees, in some cases going back to 1992. Unknown to the members, there had been a series of foreclosures and re-mortgages that go back years, where the equity in TAF (Florida), and probably TAI (Nebraska), parks and assets was systematically used up as collateral for loan after loan after loan. Not only were the tangible assets used, but also the future earnings, dues payments, and installment payments that some of us make. According to Mr. Vopnford, they were hypothecated, meaning borrowed against, or sold to other financial institutions. The IOUs from me and you were used to finance TAI. No one knows what happened to the money TAI received from sales, leases, dues, fees, loans, etc, etc. TAI in Blair claims it is broke now. We heard from a member who attended an RV show in Mississippi that Steve Alleman, VP of TAI, was selling a memberships for a group called Leisure Campers of America--;- so beware before you buy!! We don't know if it is a TAI company, or not!!

### **Foreclosures... Foreclosures... Foreclosures...**

In 1996 there were a series of foreclosure actions before the Courts by the individual lien holders of about one half of the TAF parks. Seagrove Beach was the first, back in August of 1996. There was a monetary judgement issued against Seagrove for a lien holder named Filios from Las Vegas. He also has a one million dollar lien against the property. TAI members were never told, and Mr. Filios has made no demand for his park back.

In November 1996, the foreclosure action against Heritage Plantation in Arcadia was completed and returned to the lien holder. The foreclosure of Theme World was almost completed when TAF filed Chapter 11. We know now that there were about six parks that were being foreclosed on, all basically for the same reason, that the mortgages were not being paid. Additionally, taxes, utilities and wages were not being paid either.

As of the filing date of November 11, 1996 there were half a dozen foreclosure actions before the courts. When you file for Chapter 11 protection under the federal bankruptcy code, there is a STAY, that is a temporary stop, put on all your PRE-PETITION bills. You are, however, obligated to pay all your POST-PETITION bills, like mortgages, utilities, wages, and taxes. TAI nor TAF paid their post petition bills. Workers, utilities, taxes, and mortgages all went unpaid. Because of these delinquencies, each creditor filed a motion for RELIEF FROM STAY with the, courts, in effect reactivating the foreclosure preceding.

In addition, on the day that TAF filed Chapter 11, the mortgagors that had not previously filed a foreclosure motion, all did. In the mortgages there is a clause that reads that if TAF files bankruptcy, they have breached their contract and the entire mortgage is due. So now TAF had all the mortgage holders filing foreclosure actions for the return of their property.

Neither TAI nor TAF appeared to have the money to pay the mortgages before or after the Chapter 11 filing.

### **Trustee Appointed**

The mortgagors of Theme World got their Relief From Stay when TAI did not oppose it, and took possession of the park in January 1997. TAI and TAF were powerless to stop the foreclosures and loss of the parks because they could not pay the bills, and TAI was not able to convince Federal Bankruptcy Judge Arthur Briskman that they were able to run their own business in a responsible way, nor were they able to supply a financial plan to show how they were solving their financial problems. Judge Briskman appointed Trustee Cuthill to run TAF while TAI found a way to solve its financial problems. Mr. Cuthill works for Federal Bankruptcy Judge Briskman.

## **Not in the "Campground Business"**

### **In the "Selling Memberships" Business**

The Trustee has found that the parks are not profitable now, and probably never were, and he was unable to pay the Post Petition bills of TAF, one of the conditions of being able to operate in Chapter 11. TAI has no money to pay TAF bills and in fact, it appears that the same financial problems and foreclosure actions, are going on unopposed in the other states where TAI operates. It seems that TAI is not in the business of running profitable camping resorts, but rather they are in the business of selling you memberships. If sales slump or stop, the parks cannot sustain themselves.

This brings us to today. The Trustee is unable to pay the insurance on the parks which is required by all mortgagors to keep the parks open. This insurance runs out by the end of the month. TAI is unwilling or unable to pay the insurance either. So, because the parks have no insurance, because TAI nor TAF can pay the mortgages, or taxes, and because in Florida the daily operating expenses exceed income, Mr. Cuthill has no choice but to close all Florida (TAF) parks. By closing the parks, he starts a process of turning the parks back to the mortgagors, which should be complete in 30-45 days. TAF will not cease to exist, but they will have no parks. I don't know the status of Seagrove because it is not owned by TAF. The individual mortgagors may or may not decide to keep the parks open prior to the sale to the new owners. All the operating expenses will come out of the mortgagors pocket, and we don't know what a members cost will be if the mortgagor decides to keep the park open as a private park.

### **Advice to Members**

All transient members who come to visit Florida in the Winter should leave the parks by March 17, 1997 as requested. All leasees should check with a local real estate or bankruptcy attorney in the county where your park is located to see if leasees have specific rights in a bankruptcy proceeding. All deeded lot owners should do the same thing. Mr. Cuthill will not pay the utilities after a certain day, March 17 probably, so you have to do what it takes to learn about your particular situations.

A member also told us that, since they paid for their TAI membership with a credit card, that the card company told them they would dispute the amount charged because "the services were no longer available." Members should question their own credit card company.

### **Keep Informed**

We have been setting up, lines of communication between our liaisons, park managers, and individuals to try to keep you informed as to what was going on in Florida. We will continue to post notices where we can. We will try to keep you informed at the other TAI parks all over the country in regards to the Florida bankruptcy, especially in light of the fact that the same types of things are going on around the country. The official Unsecured Creditors Committee will cease to exist if TAF files Chapter 7, liquidation of assets. That appears very likely. We have set up a members hotline, which we will maintain for a while, to keep you informed. The instructions are attached. It will be updated periodically with current information that might help. It is very important that all TAF members file a PROOF-OF CLAIM against TAF. We have a supply of them, which we will send you if you send us a self addressed stamped envelope.

### **And the Best Part**

Thank you very much for your support in the past. The Committee has learned too much about the process in a bankruptcy case. We have seen genuine hardships, rage, despair, and prejudice. We have also seen the good side of people, the camaraderie, and sincerity and trust. We have seen people who have been taken advantage of, abused, and confused. We have seen it all, and we hope we see you again next year. If The Committee gets any news that seems appropriate, we will send it along in your self addressed stamped envelope. Keep in touch with the hot line.

Thank you for now,

Carl L Roland, Dan, Ray, Elaine., Barbara, Mike, Jackie, and Ruby  
The official Unsecured Creditors Committee