

HOW NEAR IS THE END?

"Well, the end is getting nearer by the minute". TAI has once again disappointed its Florida members and winter visitors by failing to get the money it needed, and by failing to present a comprehensive business plan, to save the TAF (Florida) parks. At the last court hearing, representatives of TAI promised Judge Briskman that they had a loan for more than \$20 million dollars, and that they would supply to the Trustee \$1 million dollars in five installments of \$200 thousand dollars per week. If this was true, the Trustee could save the Florida parks while a business plan was developed.

TAI has failed to supply proof of the loan and as of March 25, 1997, the US Federal Bankruptcy Court has granted the motion of Mr Cuthill, the bankruptcy trustee, to convert this Chapter 11 case to a Chapter 7 case, which means the liquidation of the assets of TAF. Mr Cuthill, has determined that it is hopeless, both now and in the future, to think that TAI nor TAF will be able to run its Florida parks in a responsible and profitable way. Mr Cuthill is in the process of selling off the TAF assets, including the parks and everything in them, to generate cash to pay the creditors. His job now is to preserve the assets, or at least the value of the assets, for the people that TAF owes money to. This includes the secured creditors, who have lent TAF money over the years with an asset as collateral, like mortgage holders, and also unsecured creditors, who do not have an asset to claim, but rather have been promised money, goods or services that TAF has not delivered. The members all fall into this category of unsecured creditors. If there is any money left over after the secured creditors get their share, the members, get a refund.

Proof of Claim Forms

The Court will use the proof of claims that you all have filed, to determine who gets what. If you have already filed a proof of claim in the Chapter 11 case, you do not have to file another one in the Chapter 7 case. Everyone else has until July 28, 1997 to file their claim. Be sure when filing your proof of claim that you include a copy of your contract.

Liquidation

This process of liquidation is going on right now, with offers for the parks being entertained by Mr Cuthill. We are told that many potential buyers are reluctant to make bids because of the high mortgage debt that each park carries, and the other debts owed for services, like gas deliveries, trash pick up, and also delinquent property taxes that must be paid. Most of the offers are too low for this reason, and as of today we have not been notified that Mr Cuthill has been able to sell a park. This does not mean that TAI or TAF members can use the parks prior to sale. Each day that the members use the parks, these debts get higher, and the assets (the value of the parks) gets lower. This conflicts with Mr Cuthill's duty of preserving the assets, so he has no choice but to close the doors.

The Big 'O'

There are a number of grass root efforts by members in the parks to try to remain through the sales or foreclosures, and to wait for a new owner to negotiate their new terms. This applies to leases and deeded lots that are being affected by the park closures. Mr Cuthill wants to close the parks, the lessees and the deeded lot owners want to keep the parks open. It has been a chess battle at the Big O, with the folks still here, around 125 strong, consulting lawyers, petitioning the utility companies, taking collections for bills, and in general doing all they can do to learn their rights in a bankruptcy case where they have a contract that should be honored. Many of the lessees from around Florida transferred into the Big O when they were told to leave their parks. The folks at the Big O have developed some contacts that could help them battle being evicted. Newspapers and TV stations from Okeechobee and West Palm Beach have been involved in publicizing the owners' predicament. It remains to be seen what will come of all the effort They are doing all they can to protect their investment. Never the less, it appears at this time that the Trustee will close the park, despite the protests of the residents. The situation changes daily. For more info about that situation and how it might apply to you, call the Big O at 941-467-5515. Ask for George or Bonnie, or Marlene Burns.

Should I Pay?

Attorney Scott Shuker, the attorney for the Trustee, has advised all members that are being harassed for payments that they feel that they should not have to make any more, mainly because of the situation TAF is in, to have a consumer protection lawyer write a letter to whoever is pestering you for payment, specifically Travel Data in Carlsbad, CA, clearly stating why you should not have to pay, and specifically cite The Fair Debt Collection Act and specifically state how it applies to you (because of TAI's breach of contract). That should protect you and your credit rating. Sam Zusmann, former attorney for the Unsecured Creditors Committee, has stated to us, that if you are making payments to use or lease a park that is not there any more, for whatever reason, that you do not have to make payments on it. They both feel that this letter will get the lessees and members off the hook, if they want to be. Another way to look at it, according to Mr Zusmann, is if you bought TAI to use the Florida parks, and the parks are no longer TAI then you should not pay. If you bought TAI to use the rest of the parks in the rest of the country, and you are willing to use what is left, by all means pay. Most contracts say that the contract is cancelable if TAI does not have the same number of total parks that it had when you joined. It looks like they don't now and probably never will. One member has hired a private attorney, and will be arguing his case in court for breach of contract in July. We will let you know the outcome.

One of Many Attorneys Who Might Help:

Consult a consumer protection lawyer to see what applies to you. One lawyer we found in Ft Pierce is Lee Dobbins, Phone # 407-464-7700.

What about Other States?

The same financial troubles that plague Florida also affect all of the other states where TAI does business. According to newspaper reports, the Attorney General of New York has ordered TAI to refund all money collected in NY because TAI misrepresented the quality of the park to potential buyers. The park has been condemned and closed by the state of NY. TAI owes that membership a refund of \$7 million dollars. The Attorney General of NY has also alerted all the other Attorney Generals in the states where TAI does business to investigate TAI for fraudulent claims made during sales presentations. Attorney Shuker has told us that he knew that the Kansas, Florida and Ohio Attorney Generals are, in fact, investigating TAI. We assume the rest are too. We have also been told that the parks in Ohio and Kentucky are all closed.

If you plan on using any TAI park this summer, it would be wise to call the park directly to see if it is open. We have been told by various sources that at least half of the parks are closed for lack of utilities, or foreclosure for lack of mortgage payments. We have not been able to verify the status of all the parks, but half seems conservative.

We have reports from members traveling through Mississippi, that TAI is still selling memberships, only they have added a new twist. A referral of a friend (?), will get you a kickback of \$50. If you attend the sales pitch with this friend (?), participate at all, and your friend (?) buys, you get \$125 kickback. We don't know how many other states are involved, nor whether you get real US currency or TAI Bucks!

Snake in the Henhouse?

We also hear from members, that Eddie Sheeks, former TAI Operations Manager, is now working for CCA. We hear Gene Lambert, Florida Regional Manager, has received an offer from CCA (rumor), but he may not take it. He says he might do troubleshooting instead. With Fast Eddie working there, we know he will have lots of trouble to shoot.

As of the conversion of the case to Chapter 7, the Official Unsecured Creditors Committee is dissolved. We, as an unofficial committee, will continue to give you as much information as we can. Send your self-addressed, stamped envelopes to Carl Roland, and check the Hotline. We will keep doing what we can until the money runs out.

Also, please drop Carl a line as to what is happening in the other states. You folks will be in a much better position than we will be to listen and learn. We need to know of park closures, sales activity, utility status, etc.

The financial statement for the Committee:

As of 4/9/97 Total Income.....\$2533.11
Total Expenses 2350.06
Balance 183.05

We will keep working for you 'til the money runs out.

Court Hearing about the Liquidation

The United States Trustee, Charles Edwards, scheduled an additional meeting of creditors pursuant to Section 341 of the US Bankruptcy Code, for April 28, 1997 at 1:00 PM in Suite 600, 135 West Central Blvd, Southtrust Bank Bldg, Orlando, FL. TAI and their attorney will be there and the other creditors. As members/creditors, you are urged to attend.

Attached are the instructions for the Members' Hotline. We have had a good response for this service, and we think it is one good way for you to keep in touch.

If you have any other suggestions, please let us know.

Remember

Proof of Claim Forms

Self-Addressed Stamped Envelopes

Members' Hotline

Court Date

Feedback

and "it ain't over till it's over".

Carl Roland