

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 1, 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.

RUTAN & TUCKER
BY: IRA G. RIVIN, ESQ.

LINDA SIMPSON, C.S.R. #2266
COURT REPORTER PRO TEM

INDEX

WITNESSES FOR THE PLAINTIFFS:

	DIRECT	CROSS	REDIRECT	RE CROSS	VOIR DIRE
ROGER K. RYMAN (776) (CONTINUED)					
BY MR. SHERMAN:			2414		
BY MR. MOSHENKO:				2528	

I N D E X

EXHIBIT	IN EVIDENCE
EXHIBIT NOS. 1568, LETTER DATED AUGUST 16, 1995, AND 1569, LETTER	2435
EXHIBIT NOS. 949-831 AND 832, TRANSFER FORMS	2453
EXHIBIT NO. 807, CERTIFIED LETTER	2455
EXHIBIT NO. 971-005, PORTION OF INSIDE NEWS	2480
EXHIBIT NO. 949-016 THROUGH 019	2501
EXHIBIT NO. 949-28	2506
EXHIBIT NO. 949-036	2508
EXHIBIT NOS. 949-834 AND 835	2509
EXHIBIT NO. 949-028, LETTER TO COAST MEMBERS	2519

1 WESTMINSTER, CALIFORNIA - THURSDAY, JUNE 1, 2000

2 MORNING SESSION

3 (THE FOLLOWING PROCEEDINGS WERE HELD IN
4 CHAMBERS:)

5 THE COURT: WHERE DO WE STAND?

6 MR. SHAW: WELL, I GUESS --

7 THE CLERK: I'M STANDING.

8 THE COURT: MORNING, GENTLEMEN.

9 MR. DURAN. MORNING, YOUR HONOR.

10 THE COURT: AN ATTORNEY THAT JUST CAME THROUGH THE
11 DOORWAY THERE.

12 THE CLERK: IT'S THREE-QUARTERS NOW.

13 MR. SHAW: YOUR HONOR, I'VE GOT THREE THINGS. ONE
14 IS JUST VISITING THIS HANDWRITTEN NOTE. I'D LIKE TO JUST
15 FINISH WITH MR. RANDALL SINCE I CAN'T USE IT AS
16 IMPEACHMENT.

17 MR. MOSHENKO: RYMAN, YOU MEAN?

18 MR. SHAW: EXCUSE ME.

19 I UNDERSTAND THE COURT'S ORDER. I'M NOT
20 GOING BACK THERE. BUT JUST TO REFRESH HIS RECOLLECTION,
21 I'D LIKE TO JUST ASK HIM A COUPLE OF QUESTIONS AND THEN
22 END --

23 THE COURT: OKAY.

24 MR. SHAW: -- WITH THAT.

25 MR. SHERMAN: CAN I SPEAK TO THAT ISSUE?

26 THE COURT: SURE.

1 MR. SHERMAN: YOUR HONOR, I SORT OF FEEL LIKE I'M
2 RUNNING AN AIRLINE RIGHT NOW AS FAR AS THE TIMING. I
3 PROMISED THE COURT YESTERDAY THAT I WOULD FINISH
4 MR. RYMAN'S EXAMINATION BY NOON.

5 THE COURT: UH-HUH.

6 MR. SHERMAN: I WILL. I HAVE MY OUTLINE LITERALLY
7 CARVED INTO FIVE-MINUTE SEGMENTS. I WOULD LIKE TO BEGIN
8 WITH MR. RYMAN AT 9:00 A.M., AND I WILL TAKE OUR 20-MINUTE
9 BREAK, AND I'LL END AT NOON. AND MR. SHAW CAN DO WHATEVER
10 HE WANTS.

11 MR. SHAW: CAN I JUST DO IT ON REDIRECT THEN?

12 MR. SHERMAN: I HAVE NO OBJECTION TO THAT.

13 MR. SHAW: AS LONG AS I DON'T GET, "IT'S OUTSIDE
14 THE SCOPE."

15 THE COURT: OKAY.

16 MR. SHERMAN: I'M NOT GOING TO HAVE A PROBLEM WITH
17 THAT.

18 MR. SHAW: THAT TAKES CARE OF ISSUE NUMBER ONE.

19 ISSUE NUMBER TWO ARE THESE OWNERS' LETTERS
20 TO COAST TO COAST MEMBERS THAT HAVE BEEN TAKEN UNDER THE
21 SUBMISSION. I -- IT BECOMES MORE GERMANE BECAUSE I'VE BEEN
22 GIVEN, I THINK, ABOUT TEN LETTERS JUST A MINUTE AGO THAT
23 MR. SHERMAN WANTS TO USE THAT ARE HEARSAY, LETTERS FROM
24 MEMBERS, COAST TO COAST MEMBERS TO -- I DON'T KNOW WHO THEY
25 ARE, HE'S GOING TO LAY SOME FOUNDATION FOR THEM, I TAKE
26 IT. BUT I BELIEVE THESE LETTERS ARE HEARSAY, JUST LIKE

1 THESE OWNERS' LETTERS ARE HEARSAY.

2 SO HOWEVER HE'S GOING TO DEAL WITH THOSE, I
3 JUST WANTED TO GIVE THE COURT A HEADS-UP THAT I'M GOING TO
4 BE MAKING OBJECTIONS FOR HEARSAY ON THESE LETTERS.

5 MR. SHERMAN: CAN I SPEAK?

6 THE COURT: YOU OBJECT TO THOSE ON HEARSAY?

7 MR. SHAW: HE OBJECTED TO THE OWNERS ON HEARSAY.

8 THE COURT: YEAH.

9 MR. SHERMAN: CAN I SPEAK TO THAT?

10 MR. SHAW: IT'S UNDER SUBMISSION.

11 NOW THESE ARE GOING TO BE COMING UP THAT ARE
12 MEMBERS' LETTERS, AND I'M GOING TO BE MAKING THE SAME
13 HEARSAY OBJECTION.

14 THE COURT: OKAY.

15 MR. SHERMAN: ALL RIGHT. WHAT I DID THIS MORNING,
16 BECAUSE I HAD HEARD THE CLERK VERY LOUD AND CLEAR
17 YESTERDAY. SHE WASN'T LOUD, BUT I HEARD IT LOUD AND
18 CLEAR --

19 THE CLERK: I PROBABLY WAS.

20 MR. SHERMAN: -- THAT WE START AT 9:00 A.M. AND
21 WHAT I THOUGHT I WOULD DO, BECAUSE I DO HAVE MY AIRLINE
22 SCHEDULE WITH ME -- MAYBE IT'S A TRAIN SCHEDULE. I DON'T
23 KNOW. BUT I HAD GIVEN TO MR. SHAW SEVERAL DOCUMENTS IN
24 ADVANCE, FIGURING LET'S NOT -- LET'S NOT WASTE TIME IN
25 FRONT OF THE JURY. AND I PROVIDED TO MR. SHAW A HANDFUL,
26 ABOUT -- ABOUT FIVE OR SIX DOCUMENTS. THESE ARE LETTERS,

1 COMMUNICATIONS THAT COAST HAD WITH ITS MEMBERS WHERE
2 MEMBERS OF COAST WOULD WRITE TO COAST ABOUT DIFFERENT
3 THINGS.

4 THEY ARE, YOUR HONOR, EXACTLY THE SAME AS
5 THE LETTERS THAT THE PLAINTIFFS RECEIVED. REMEMBER THAT
6 EXHIBIT 69 PACK WE'VE BEEN WORKING WITH? THEY ARE NO
7 DIFFERENT THAN THE ONES WE'VE USED FROM EXHIBIT 69.

8 THE COURT: WE'LL LET THEM ALL ON.

9 MR. SHERMAN: AND PLAINTIFFS HAVE USED FROM 69.
10 THE ISSUE IS NOT HEARSAY. WE CROSSED THAT BRIDGE A LONG
11 TIME AGO WHEN YOUR HONOR DETERMINED THAT THE WRITTEN
12 COMMUNICATIONS ARE MORE RELIABLE THAN THE ORAL
13 COMMUNICATIONS.

14 THE ISSUE, THOUGH, IS ONE OF FOUNDATION.
15 IT'S NOT ONE OF HEARSAY. THAT WAS MY OBJECTION YESTERDAY.
16 MY OBJECTION WAS THAT THEY SHOWED TO MR. RYMAN -- MR. SHAW
17 SHOWED TO MR. RYMAN DOCUMENTS THAT HE HAD NEVER SEEN
18 BEFORE, THAT HE HAD NO KNOWLEDGE OF, THAT HE COULDN'T SAY
19 ANYTHING ABOUT, OTHER THAN HE RECOGNIZED THAT THERE WERE
20 SOME RESORTS OUT THERE, AND THEY MIGHT HAVE HAD SOMETHING
21 TO DO WITH THAT.

22 NOW, IF -- IF PLAINTIFFS CAN COME IN AND LAY
23 A FOUNDATION FOR THOSE DOCUMENTS AT SOME POINT, THAT'S
24 FINE. BUT THOSE DOCUMENTS SENT BY PURPORTED RESORT
25 DEVELOPERS TO -- TO MEMBERS OUT THERE, THAT'S A BIRD OF A
26 DIFFERENT FEATHER THAN LETTERS THAT MR. RYMAN IS PREPARED

1 TO SAY IN THE ORDINARY COURSE OF BUSINESS COAST RECEIVES
2 THESE LETTERS, AND THESE ARE LETTERS THAT COAST RECEIVED.
3 THEY ARE NOT THE SAME.

4 THE COURT: WELL, I CAN'T SEE ANY -- ANY WAY TO
5 DISTINGUISH THEM. I THINK THEY ARE THE SAME.

6 MR. SHERMAN: THEY ARE NOT THE SAME BECAUSE
7 MR. RYMAN AND MR. RANDALL CAN LAY A FOUNDATION FOR THOSE.
8 I -- I WILL ASK THE COURT TO INQUIRE OF MR. SHAW, WHO'S
9 GOING TO LAY A FOUNDATION FOR THE LETTERS -- THE PORPOTED
10 LETTERS SENT BY THOSE RESORT DEVELOPERS?

11 MR. SHAW: MR. RYMAN ALREADY DID. HE SAID THAT HE
12 KNEW THAT OWNERS WERE COMMUNICATING; THEY GAVE THEM THE
13 AUTHORITY TO COMMUNICATE. AND THEY WERE -- THESE LOOK LIKE
14 THE LETTERS THAT WERE -- THAT WERE BEING COMMUNICATED. HE
15 DID LAY THE FOUNDATION. IT'S IN THE -- IT'S IN THE
16 BUSINESS RECORD ASPECT.

17 MR. SHERMAN: WHOSE BUSINESS RECORD?

18 MR. SHAW: HE'S THE PRESIDENT OF THE COMPANY THAT
19 WAS INVOLVED IN THE MASS TRANSFER IN 1996, AND THESE ARE
20 DOCUMENTS THAT OCCURRED BECAUSE OF THE MASS TRANSFER.

21 MR. SHERMAN: YOUR HONOR.

22 MR. SHAW: HE RECOGNIZED THEM.

23 MR. SHERMAN: YOUR HONOR, THOSE LETTERS, A, DON'T
24 COME OUT OF COAST FILES; B, MAY BE A FORGERY; AND C,
25 MR. RYMAN'S NAME ISN'T SHOWN ANYWHERE ON THEM, AND HE
26 DIDN'T EVEN INDICATE THAT HE HAD SEEN THEM BEFORE.

1 THE COURT: WELL, I THINK YOU CAN ELIMINATE THE
2 FORGERY PART.

3 MR. SHERMAN: WELL, I DON'T KNOW. I MEAN, WITH
4 MR. NOVELLI AND HIS BACKGROUND, I DON'T PUT ANYTHING PAST
5 HIM.

6 MR. SHAW: I OBJECT VEHEMENTLY FOR THE RECORD.

7 THE COURT: DID YOU WRITE THOSE, MR. SHAW?

8 MR. SHERMAN: I DON'T BELIEVE MR. SHAW WROTE THEM,
9 BUT I DO HAVE SOME CONCERN ABOUT WHO ELSE MIGHT HAVE.

10 MR. MOSHENKO: MY COMMENT IS, I SEE A DIFFERENCE.
11 BUT IN THE OPPOSITE WAY THAT MR. SHERMAN ARGUES, YOUR
12 HONOR, THESE ARE BY ACKNOWLEDGED AGENTS OF THE DEFENDANTS,
13 AND, THEREFORE, THEY ARE SUBJECT TO A HEARSAY EXCEPTION.
14 WE DON'T HAVE TO WORRY ABOUT THE -- THE THINGS THAT
15 MR. SHERMAN IS TALKING ABOUT.

16 AND I ALSO WOULD POINT OUT TO THE COURT THAT
17 WITH RESPECT TO THE ONES THAT WERE HANDED TO US THIS
18 MORNING, SEVERAL OF THEM PREDATED MY CLIENT'S INVOLVEMENT.
19 SEVERAL OF THEM INVOLVE TRAVEL -- THOUSAND ADVENTURES AND
20 PREDATE MY CLIENT'S TAKING OVER THOUSAND ADVENTURES
21 MEMBERSHIPS. AND SO THEY HAVE TO DO WITH, AGAIN, EVENTS
22 THAT HAPPENED BACK WHEN MR. VOPNFORD HAD THE COMPANY AND
23 BEFORE WE GOT THE COMPANY. SO THOSE CERTAINLY BASED ON A
24 TIME FACTOR SHOULD GO OUT.

25 MR. SHERMAN: THEY ARE EARLY '97, YOUR HONOR.

26 MR. MOSHENKO: NONE OF THESE APPEAR FROM THE

1 CONTENT TO BE LETTERS WHERE A MEMBER SAYS, "YOU'VE
2 TRANSFERRED ME TO RESORT A. I WANT TO GO TO RESORT B."

3 THE SUGGESTION HERE IS THAT THESE PEOPLE
4 WERE TRANSFERRED TO RESORT A BY COAST, CALLED UP AND SAID,
5 "HEY, I DON'T WANT TO BE IN THAT ONE, BUT I'LL TAKE THE
6 OTHER ONE."

7 COAST TOLD THEM TO WRITE A LETTER TELLING
8 US, YOU WANT TO BE IN THE OTHER ONE. THESE MAY HAVE BEEN
9 GENERATED -- IN EFFECT, GENERATED BY COAST, INSTRUCTIONS TO
10 THESE PEOPLE WHAT TO WRITE.

11 MR. SHERMAN: YOUR HONOR, LET ME MAKE A
12 SUGGESTION.

13 I THINK I SEE WHERE THE COURT IS GOING. I'M
14 NOT GOING TO FIGHT LIMITED -- OR TAKING THESE DOCUMENTS
15 UNDER -- EITHER SIDED DOCUMENTS UNDER SUBMISSION.
16 MR. SHAW WANTS TO SHOW THEM TO THE JURY THIS AFTERNOON ON
17 HIS -- ON HIS TAKING MR. RYMAN AGAIN. FINE. I'M NOT GOING
18 TO ARGUE OVER IT.

19 I DON'T WANT TO HEAR THE ARGUMENT NOW ABOUT
20 OUR SHOWING LETTERS THAT COAST RECEIVED THAT ARE DIRECTLY
21 RELEVANT TO THE ISSUES.

22 IN FACT, YOUR HONOR WILL RECALL THAT
23 MR. MITCHELL HAS ALREADY EXTENSIVELY TESTIFIED ABOUT WHAT
24 WAS GOING ON WITH THOUSAND ADVENTURES IN 1997 AND EVEN IN
25 LATE 1996. SO I SAY LET'S JUST LET THEM ALL IN UNDER
26 SUBMISSION, AND WE'LL SORT IT OUT.

1 THE COURT: FAIR ENOUGH.

2 MR. SHERMAN: OKAY. YOUR HONOR, I HAD A COUPLE OF
3 OTHER ITEMS OF -- JUST, AGAIN, TO MAKE THINGS RUN SMOOTHLY
4 IN FRONT OF THE JURY.

5 I BELIEVE THE COURT WILL RECALL THAT
6 MR. RYMAN WAS SHOWN MULTIPLE DIRECTORIES YESTERDAY. I'M
7 NOT SURE EXACTLY WHICH ONE. I DO PLAN ON SHOWING MR. RYMAN
8 THE 1998 POCKET DIRECTORY.

9 I ALSO DO PLAN ON SHOWING MR. RYMAN THE
10 JANUARY-FEBRUARY 1998 COAST MAGAZINE, ADDITIONALLY. AND
11 LAST, I BELIEVE AS FAR AS THE DOCUMENT --

12 MR. SHAW: IS THAT THE INSIDE NEWS? I'M SORRY.

13 MR. SHERMAN: NO. THE COAST MAGAZINE.

14 MR. SHAW: THE COAST MAGAZINE. OKAY. I COULDN'T
15 SEE BEHIND ME.

16 MR. SHERMAN: THAT'S OKAY. OKAY. YOU DON'T HAVE
17 EYES IN THE BACK OF YOUR HEAD.

18 MR. MOSHENKO: HAS COAST MAGAZINE BEEN DESIGNATED
19 AS AN EXHIBIT?

20 MR. SHERMAN: ABSOLUTELY. 863. WE DON'T HAVE AN
21 EXTRA COPY OF THESE.

22 MR. RUTENBERG: THE DIRECTORY --

23 THE COURT: STATE YOUR NAME.

24 MR. RUTENBERG: CRAIG RUTENBERG,

25 R-U-T-E-N-B-E-R-G. EXCUSE ME.

26 MR. SHERMAN: HE'S THE MATH WHIZ.

1 MR. RUTENBERG: THAT'S RIGHT. THE DIRECTORIES ARE
2 863. I DON'T BELIEVE THE MAGAZINES ARE, BUT THEY ARE --

3 MR. SHERMAN: 862.

4 MR. RUTENBERG: VERY POSSIBLY.

5 MR. MOSHENKO: BEFORE HE MOVES AWAY FROM THE
6 DIRECTORY, I HEARD THE COMMENT YESTERDAY THAT THE DIRECTORY
7 OR SOME EXHIBITS IN OUR EXHIBIT BINDER WERE INCOMPLETE.
8 AND WHAT WE DID, YOUR HONOR, IS INSTEAD OF, IF I MAY,
9 COPYING A THOUSAND PAGES, WE COPIED THE RELEVANT PAGES FOR
10 PURPOSES OF WHAT WE WANTED TO USE THE DIRECTORY,
11 UNDERSTANDING THAT BOTH SIDES HAD ACCESS TO THE SAME
12 DOCUMENT.

13 MR. SHERMAN: YOUR HONOR, ONE LAST DOCUMENT ISSUE,
14 EVIDENCE ISSUE. TWO DAYS AGO -- NOT YESTERDAY, TWO DAYS
15 AGO MR. SHAW ASKED MR. RYMAN -- HE SHOWED MR. RYMAN A
16 LETTER, A LETTER FROM PATRICIA KENNEDY, PURPORTED LETTER
17 FROM PATRICIA KENNEDY, TO DENISE TUCCI, T-U-C-C-I, AND ALSO
18 ASKED MR. RYMAN ABOUT SOME ATTACHED CONTRACT LANGUAGE. HE
19 DIDN'T SHOW IT TO THE JURY.

20 MR. SHAW: IT DIDN'T COME IN, RIGHT.

21 MR. SHERMAN: BUT -- NO, YOU DIDN'T MOVE IT IN.
22 YOU DIDN'T ASK TO HAVE IT COME INTO EVIDENCE. I DO PLAN ON
23 SHOWING THIS TO MR. RYMAN. THIS -- MANY WITNESSES HAVE
24 AUTHENTICATED THIS -- I SHOULDN'T SAY MANY. MR. NOVELLI
25 HAS AUTHENTICATED THIS DOCUMENT.

26 MR. MOSHENKO: YOU WANT TO MOVE IT IN?

1 MR. SHERMAN: YEAH. I WANT TO MOVE IT INTO
2 EVIDENCE.

3 MR. MOSHENKO: WE'LL LET IT GO IN.

4 MR. SHERMAN: IT WILL BE EXHIBIT 3, DEFENDANTS'
5 EXHIBIT 3.

6 THE CLERK: BACK ON THE EXHIBIT LIST BECAUSE YOUR
7 EXHIBIT LIST STARTS WITH 4, DOESN'T IT?

8 MR. SHERMAN: IT SHOULDN'T. I DON'T --

9 THE CLERK: SO YOU WANT IT DEFENDANTS' 3?

10 MR. SHERMAN: YES.

11 THE CLERK: IT'S A LETTER DATED WHAT?

12 MR. SHERMAN: IT'S A LETTER DATED JANUARY -- I
13 CAN'T READ THE DATE. 1990. JANUARY 1990.

14 THE CLERK: AND THAT WAS FROM PATRICIA KENNEDY TO
15 DENISE TUCCI.

16 MR. RIVIN: T-U-C-C-I.

17 THE COURT: WE'RE OFF THE RECORD NOW.

18 (DISCUSSION OFF THE RECORD.)

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

21 THE COURT: GOOD MORNING.

22 THE JURY: GOOD MORNING.

23 THE COURT: DID YOU DUST THE JURY BOX?

24 A JUROR: NO, NOT YET.

25 THE COURT: OH, OKAY.

26 A JUROR: SHE'S WAITING TO TAKE A BREAK. WHEN SHE

1 STARTS, WE'LL ALL HAVE TO STOP.

2 THE COURT: PROCEED, COUNSEL.

3 MR. SHERMAN: THANK YOU, YOUR HONOR.

4 ROGER K. RYMAN,

5 CALLED AS A WITNESS ON BEHALF OF THE PLAINTIFFS UNDER

6 EVIDENCE CODE SECTION 776, HAVING BEEN PREVIOUSLY DULY

7 SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

8 REDIRECT EXAMINATION

9 BY MR. SHERMAN: Q. MR. RYMAN, GOOD MORNING.

10 A. GOOD MORNING, MR. SHERMAN.

11 Q. YOU'RE AWARE THAT I MADE A PROMISE TO THE

12 JUDGE THAT WE'LL FINISH YOUR TESTIMONY -- I'LL FINISH

13 ASKING YOU QUESTIONS BY NOON TODAY?

14 A. THAT'S CORRECT. AND I APPRECIATE IT. THANK

15 YOU.

16 Q. AND SO PLEASE DON'T GET ANNOYED IF FROM TIME

17 TO TIME I LOOK AT MY WATCH.

18 MR. MOSHENKO: JURY DOESN'T KNOW WE'RE STOPPING

19 ALREADY? MAYBE THEY'D LIKE TO KNOW.

20 THE COURT: YEAH. WE'RE GOING TO QUIT AT 3:00

21 TODAY.

22 A JUROR: OH, DARN.

23 A JUROR: YOU CAN SEE WE'RE DISAPPOINTED. WE'LL

24 CRY.

25 BY MR. SHERMAN: Q. MR. RYMAN, PAST COUPLE OF DAYS

26 MR. SHAW HAS MADE REFERENCES TO MASS TRANSFERS AND 34,000

1 OF MR. NOVELLI'S MEMBERS HAVING BEEN TRANSFERRED.

2 YOU RECALL THOSE KINDS OF QUESTIONS?

3 A. YES, I DO.

4 Q. MR. RYMAN, CAN YOU TELL THE LADIES AND
5 GENTLEMEN OF THE JURY WHAT HAPPENS AND WHAT IT MEANS WHEN
6 COAST TRANSFERS COAST'S MEMBERS?

7 A. CERTAINLY I CAN EXPLAIN THAT.

8 Q. OKAY.

9 A. COULD I USE THE BLACKBOARD?

10 THE COURT: SURE.

11 THE WITNESS: ABOUT THE EASIEST WAY TO DO THIS
12 WOULD BE TO DEPICT IT AS I SEE IT, THE WAY IT HAPPENS.

13 THERE IS A HOME RESORT SUCH AS THIS. COULD
14 BE MR. NOVELLI'S. IT COULD BE ONE OF ANY OF THE HUNDREDS
15 OF RESORTS THAT ARE AFFILIATED WITH COAST TO COAST. THAT
16 RESORT, SOMEONE IN THAT RESORT, SELLS A MEMBERSHIP TO THAT
17 RESORT WITH THEIR RESORT PRIVILEGES.

18 BY MR. SHERMAN: Q. MR. RYMAN, WHAT IS THAT THAT
19 YOU'VE JUST DRAWN?

20 A. THAT'S A CONTRACT. THAT'S -- I'M TRYING TO
21 SAY THAT'S A CONTRACT, AND THAT'S WHAT THEY DO.

22 Q. OKAY. SO YOU'VE GOT A CONTRACT WITH A
23 MEMBER WHO IS PURCHASING A HOME RESORT MEMBERSHIP IN ONE OF
24 MR. NOVELLI'S HOME RESORTS?

25 A. THAT'S CORRECT.

26 AT THE SAME TIME, OR MAYBE AT A LATER

1 TIME -- BUT THIS RESORT IS ABLE THROUGH THIS AGENT
2 RELATIONSHIP TO SELL -- NOT TO SELL, BUT TO PROVIDE AN
3 ENROLLMENT OF ANOTHER CONTRACT WHICH IS A COAST TO COAST
4 CONTRACT. THAT CONTRACT ALLOWS ANYBODY THAT IS A MEMBER OF
5 COAST TO COAST TO USE RESORTS ALL OVER THE COUNTRY.

6 Q. MR. RYMAN, LET ME STOP YOU THERE.
7 YOU REFERENCED ONE CONTRACT WITH THE MEMBER
8 THAT CREATES A MEMBERSHIP IN MR. NOVELLI'S HOME RESORT?

9 A. THAT'S CORRECT.

10 Q. IS THERE ANOTHER MEMBERSHIP?

11 A. CERTAINLY. THERE'S THE INDEPENDENT COAST TO
12 COAST MEMBERSHIP. IT'S A SEPARATE CONTRACT THAT'S MADE
13 WITH THE MEMBER. AND THAT IS THE CONTRACT THAT ALLOWS THEM
14 TO USE THE HUNDREDS OF COAST TO COAST RESORTS AND GET ALL
15 OF THE COAST TO COAST PRIVILEGES, THE MAGAZINES, AND ALL
16 THE THINGS THAT WE'VE TALKED ABOUT.

17 Q. MR. RYMAN, AT SOME POINT WAS THERE A
18 DISAFFILIATION?

19 A. YES.

20 Q. CAN YOU -- CAN YOU VISUALLY DESCRIBE THAT?

21 A. YES, I CAN DO THAT. BUT IF THERE'S ANY KIND
22 OF DISAFFILIATION, THAT MEANS THIS CONTRACT IS ELIMINATED
23 FROM MR. NOVELLI'S RESORT, OR A HOME RESORT, AND THIS
24 PERSON IS -- THEN HAS HIS SEPARATE COAST TO COAST
25 MEMBERSHIP. AND IT'S IN LIMBO. IT'S OUT HERE. CERTAINLY
26 THERE IS A TIME TO CURE. THE CLOCK IS TICKING. WE'VE

1 TALKED ABOUT FIVE TO 15 MONTHS, DEPENDENT UPON HOW -- HOW
2 THINGS WORK ALONG THAT LINE.

3 BUT THIS --

4 Q. MR. RYMAN --

5 A. -- ACTION.

6 Q. -- HOW DO YOU HAVE A COAST TO COAST
7 MEMBERSHIP THE WAY YOU'VE DEPICTED IT THERE WITHOUT HAVING
8 A COAST TO COAST AFFILIATED HOME RESORT?

9 A. BECAUSE THIS MEMBER IS GIVEN THIS TIME.
10 WE -- HE NEEDS TO HAVE A COAST TO COAST AFFILIATED RESORT
11 MEMBERSHIP TO HAVE HIS COAST TO COAST MEMBERSHIP ACTIVE.

12 Q. NOW, YOU REFERRED TO THE CLOCK TICKING. IS
13 THERE A GRACE PERIOD INVOLVED?

14 A. THAT'S WHAT I'M REFERRING TO.

15 Q. WHAT DO YOU MEAN BY THAT?

16 A. WE'VE GONE THROUGH IT IN THE LAST COUPLE OF
17 DAYS. BUT BASICALLY TO ASSIST THOSE MEMBERS, DEPENDING
18 UPON WHAT TIME OF YEAR THE DISAFFILIATION OCCURS -- AND
19 IT'S ANY DISAFFILIATION NO MATTER HOW IT OCCURS -- THE
20 MEMBER MAY HAVE THE REMAINDER OF THAT CALENDAR YEAR. BUT
21 IF IT'S GETTING DOWN TOWARD THE END OF THE YEAR, WE ALLOW
22 THEM TO RENEW SO THAT THEY CAN HAVE THE NEXT YEAR TOO,
23 WHICH PROVIDES THEM FLEXIBILITY.

24 BUT ONCE THAT'S OVER, THERE IS -- THEY
25 CANNOT USE THE BENEFITS OF COAST TO COAST.

26 Q. THE REMOVAL OF THE COAST MEMBERSHIP FROM THE

1 NOVELLI HOUSE, IF YOU WILL, THAT WAS -- THAT WAS THE
2 DISAFFILIATION YOU WERE REFERRING TO?

3 A. THAT WAS THE DISAFFILIATION. IT WAS MADE
4 STRICTLY UNILATERALLY, A DECISION BY MR. NOVELLI AND
5 MR. VOPNFORD, THAT THEY WOULD DISAFFILIATE WITH COAST TO
6 COAST.

7 Q. THAT WAS NOT COAST'S DECISION?

8 A. CERTAINLY NOT.

9 Q. WAS THAT THE MEMBERS' DECISION?

10 A. NO. IT WAS DONE INDEPENDENT OF THE
11 MEMBERS.

12 Q. SO WHAT HAPPENED NEXT?

13 A. WELL, WHAT COAST TO COAST DOES IS WE ATTEMPT
14 TO MAKE ARRANGEMENTS TO FACILITATE, TO ASSIST THESE COAST
15 TO COAST MEMBERSHIPS, AND WE PLACE THEM IN ANOTHER
16 AFFILIATED COAST TO COAST RESORT SO THAT THEY CAN CONTINUE
17 TO ENJOY THE BENEFITS; THEY HAVE THE FLEXIBILITY TO GO
18 AROUND. AND --

19 Q. I'M GOING TO STOP YOU THERE, MR. RYMAN.

20 WHEN COAST ASSISTED IN PUTTING THE COAST
21 MEMBERSHIP CONTRACT INTO THAT NEW HOME -- GO BACK UP TO
22 MR. NOVELLI'S HOME?

23 A. YES.

24 Q. THERE'S A CONTRACT THERE.

25 WHAT CONTRACT IS THAT, MR. RYMAN?

26 A. THAT'S MR. NOVELLI'S HOME RESORT CONTRACT;

1 GIVES HIM PRIVILEGES WITHIN THAT RESORT.

2 Q. THE EFFECT OF COAST ASSISTING COAST'S
3 MEMBERS IN PLACING THEIR COAST MEMBERSHIP IN A NEW HOME
4 RESORT, WHAT EFFECT DID THAT HAVE ON THE CONTRACT WE WERE
5 JUST REFERRING TO, THE ONE --

6 A. NOT -- NONE WHATSOEVER. THERE'S NO
7 INTERFERENCE WITH THIS CONTRACT. NO MEMBERS, NO --
8 NONE -- NO HOME RESORT MEMBERS WERE TRANSFERRED.

9 Q. WHAT DO YOU MEAN BY THAT?

10 MR. SHAW REPEATEDLY REFERENCED MASS
11 TRANSFERS. DID COAST MASS-TRANSFER THAT CONTRACT?

12 A. NO, WE CERTAINLY DID NOT.

13 Q. WHY DO YOU SAY THAT?

14 A. BECAUSE WE SWITCHED THE COAST-AFFILIATED
15 RESORT, THE COAST TO COAST MEMBERSHIP. TWO DISTINCT
16 MEMBERSHIPS.

17 Q. DID COAST TO COAST TAKE ANY ACTION FROM YOUR
18 PERSPECTIVE TO TRANSFER OR PURPORT TO TRANSFER OR INTERFERE
19 WITH THAT CONTRACT BETWEEN MR. NOVELLI'S MEMBER AND
20 MR. NOVELLI'S HOME RESORT?

21 A. NO, WE DID NOT.

22 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT AS LEADING.
23 THIS IS HIS WITNESS ON DIRECT EXAMINATION. AND THESE ARE
24 ALL -- THIS WHOLE LINE OF QUESTIONING IS LEADING.

25 THE COURT: SUSTAINED.

26 REPHRASE IT.

1 BY MR. SHERMAN: Q. WHEN THE DISAFFILIATION AND
2 TRANSFER TO THE NEW COAST-AFFILIATED RESORT OCCURRED, WHAT
3 EFFECT, IF ANY, DID THAT HAVE FROM YOUR PERSPECTIVE,
4 COAST'S PERSPECTIVE, ON THE CONTRACT BETWEEN THE MEMBER AND
5 MR. NOVELLI'S HOME RESORT?

6 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT. THAT ASKS
7 FOR A LEGAL CONCLUSION.

8 MR. SHERMAN: ASKING FOR THE OPERATIONS.

9 THE COURT: OVERRULED.

10 YOU MAY ANSWER.

11 THE WITNESS: THERE WAS NO INTERFERENCE WITH THIS
12 CONTRACT. THAT CONTRACT WITH MR. NOVELLI REMAINED IN
13 EFFECT.

14 BY MR. SHERMAN: Q. NOW, YOU WERE ASKED A LOT OF
15 QUESTIONS, MR. RYMAN, ABOUT LETTERS THAT COAST SENT TO
16 COAST'S MEMBERS. IS THAT RIGHT?

17 A. THAT'S CORRECT.

18 Q. AND THESE WERE LETTERS THAT MR. SHAW
19 REFERRED TO AS THE MASS-TRANSFER LETTERS. RECALL THAT?

20 A. YES, I DO.

21 Q. WHY DON'T WE PUT ONE OF THOSE LETTERS UP ON
22 THE -- ON THE BOARD.

23 A. I WOULD APPRECIATE THAT. THE ENTIRE LETTER.

24 Q. LET'S PUT UP --

25 A. BECAUSE WE HAVE TALKED ABOUT THE OPTIONS
26 THAT ARE AVAILABLE TO THIS MEMBERSHIP.

1 Q. LET'S PUT EXHIBIT 1563-002 UP ON THE BOARD,
2 MR. RYMAN.

3 MAY I APPROACH?

4 A. I'M FAMILIAR WITH IT.

5 Q. NOW IS THIS A LETTER THAT MR. RANDALL SENT
6 IN OCTOBER, 1997?

7 A. YES, IT IS.

8 Q. THIS IS ONE OF THESE SO-CALLED MASS-TRANSFER
9 LETTERS THAT MR. SHAW WAS REFERRING TO?

10 A. THAT'S CORRECT.

11 Q. OKAY. NOW, MR. SHAW ASKED YOU A LOT OF
12 QUESTIONS ABOUT THE FIRST COUPLE OF SENTENCES OF THE SECOND
13 PARAGRAPH. RIGHT?

14 A. YES, THAT'S CORRECT.

15 Q. WELL, LET'S GO TO SOME OF THE SENTENCES AND
16 PARTS OF THE LETTER THAT YOU WEREN'T ASKED ANY QUESTIONS
17 ABOUT.

18 YOU'LL -- LET'S GO TO THE SENTENCE "WHILE WE
19 BELIEVE"; OKAY?

20 BEFORE I ASK YOU QUESTIONS ABOUT THAT
21 SENTENCE, OBVIOUSLY LET'S ALL READ TO OURSELVES THE -- WHAT
22 PRECEDES THAT, "WHILE WE CANNOT UNDO THE ACTIONS OF
23 OTHERS."

24 NOW, MR. RANDALL WRITES IN THIS SENTENCE,
25 "WHILE WE BELIEVE THAT THIS IS AN EXCELLENT OPTION FOR YOU
26 TO CONTINUE YOUR COAST TO COAST BENEFITS, YOU ARE NOT

1 OBLIGATED TO ACCEPT THIS TRANSFER, NOR DOES THIS TRANSFER
2 RELIEVE YOU OF ANY OTHER CONTRACTUAL OBLIGATIONS YOU MAY
3 HAVE."

4 YOU SEE THAT SENTENCE?

5 A. YES, I DO.

6 Q. NOW, LET'S GO BACK TO THE BOARD, MR. RYMAN.
7 THE REFERENCE TO THE "EXCELLENT OPTION," CAN
8 YOU SHOW WHERE ON THE BOARD THAT IS DEPICTED, THE EXCELLENT
9 OPTION?

10 A. WOULD BE TO MOVE TO HERE.

11 Q. THAT'S WHAT COAST --

12 A. THAT'S ONE OF A NUMBER OF OPTIONS THAT WERE
13 AVAILABLE.

14 Q. IS THAT WHAT COAST BELIEVED?

15 A. YES.

16 Q. THAT THAT WOULD BE AN EXCELLENT OPTION IN
17 THAT CASE?

18 A. CORRECT.

19 Q. OKAY. NOW, THE REFERENCE IN THE SENTENCE,
20 "YOU ARE NOT OBLIGATED TO ACCEPT THIS TRANSFER," WHAT IS
21 THAT REFERRING TO ON THE BOARD?

22 A. THAT REFERS TO A VARIETY OF OPTIONS THAT ARE
23 AVAILABLE. THE MEMBER COULD JUST NOT USE COAST TO COAST
24 AND ABANDON IT. THE MEMBER COULD -- A LOT OF MEMBERS WHEN
25 WE TALKED ABOUT IT EARLIER ALREADY HAVE A SECOND RESORT
26 MEMBERSHIP FOR ONE REASON OR THE OTHER SOMEWHERE IN THE

1 COUNTRY. SO THEY COULD TRANSFER THAT MAYBE OUT TO THE ONE
2 THAT THEY ALREADY HAVE A MEMBERSHIP IN. IT'S AFFILIATED
3 WITH COAST TO COAST; THAT WOULD SOLIDIFY THEIR BENEFITS AND
4 THEIR COAST TO COAST MEMBERSHIP.

5 OR THEY MAY JUST WANT TO CONTINUE TO TRAVEL
6 AROUND AND TRY AND FIND ONE THEMSELVES. AND IF THEY DO,
7 THEY LET US KNOW. AND THEY CAN THEN BE TRANSFERRED TO THAT
8 ONE.

9 Q. THE SENTENCE CONTINUES ON, "NOR DOES THIS
10 TRANSFER RELIEVE YOU OF ANY OTHER CONTRACTUAL OBLIGATIONS
11 YOU MAY HAVE."

12 CAN YOU DEPICT VISUALLY THERE ON THE BOARD
13 WHAT THAT'S REFERRING TO?

14 A. THAT MEANS WHATEVER OBLIGATION THEY HAD BY
15 THIS CONTRACT, THIS TRANSFER DOES NOT AFFECT THAT.

16 Q. WELL, WHEN YOU SAY "THIS CONTRACT," SINCE
17 WE'VE GOT A COURT REPORTER TAKING IT DOWN --

18 A. MR. NOVELLI'S CONTRACT, THE HOME RESORT
19 CONTRACT.

20 Q. OKAY. SO -- SO THE REFERENCE TO "THIS
21 TRANSFER NOT RELIEVING YOU OF ANY OTHER CONTRACTUAL
22 OBLIGATIONS YOU MAY HAVE," THAT'S WITH REFERENCE TO
23 MR. NOVELLI'S CONTRACT?

24 A. THAT'S CORRECT.

25 Q. WAS IT COAST'S INTENT IN SENDING OUT THESE
26 LETTERS TO DO ANYTHING TO MR. NOVELLI'S CONTRACT WITH HIS

1 MEMBERS?

2 MR. SHAW: OBJECTION. LEADING.

3 THE COURT: OVERRULED. OVERRULED.

4 THE WITNESS: NO, IT CERTAINLY WASN'T. AND THAT'S
5 EXACTLY WHY WE'RE SPECIFIC IN EVERY ONE OF THE LETTERS TO
6 INCLUDE THAT PORTION.

7 BY MR. SHERMAN: Q. NOW LET'S GO ON.

8 THE NEXT SENTENCE, ANOTHER SENTENCE THAT
9 MR. SHAW DIDN'T SHOW YOU, "THERE MAY BE ANOTHER RESORT THAT
10 BETTER SUITS YOUR NEEDS." YOU SEE THAT?

11 A. YES.

12 Q. WHAT IS THAT IN REFERENCE TO AS YOU VISUALLY
13 DEPICTED?

14 A. WELL, THAT'S WHAT I SAID. THERE'S HUNDREDS
15 OF RESORTS OUT THERE. MAYBE SINCE THEY HAD THEIR ORIGINAL
16 MEMBERSHIP THEY MAYBE DIDN'T BUY ONE IN SOME OTHER RESORT,
17 BUT THEY MAY LIKE ONE THAT THEY VISIT. THEY MAY WANT TO
18 TRANSFER THEIR MEMBERSHIP TO THERE.

19 Q. AND LET'S GO TO THE NEXT FIVE WORDS, "THAT
20 IS UP TO YOU."

21 WHAT'S THAT ALL ABOUT?

22 A. IT'S THEIR INDEPENDENT DECISION. THEY CAN
23 USE ANY OPTION THEY WANT OF THE -- THOSE THAT I MENTIONED.

24 Q. NOW, DID COAST MOVE ONE MEMBER OUT OF A
25 NOVELLI PARK HOME RESORT MEMBERSHIP?

26 A. NO, WE DIDN'T.

1 Q. DID COAST TRANSFER ONE MEMBER OUT OF A
2 NOVELLI PARK HOME MEMBERSHIP?

3 A. NO, WE DID NOT.

4 Q. NOW, WE WERE TALKING ABOUT OPTIONS EARLIER,
5 AND YOU REFERENCED SOME COAST MEMBERS POTENTIALLY WANTING
6 ANOTHER PARK, OTHER THAN THE ONE THAT COAST HAD ASSIGNED
7 FOR RECORD PURPOSES.

8 A. THAT'S CORRECT. AND THAT'S WHAT WE'RE
9 REFERRING TO WHEN WE SAY, "THIS IS UP TO YOU."

10 Q. WERE THERE COAST MEMBERS WHO IN RESPONSE TO
11 LETTERS LIKE THIS CONTACTED COAST TO INDICATE THEY WANTED A
12 DIFFERENT HOME RESORT FOR THEIR COAST MEMBERSHIP?

13 A. THERE WERE NUMEROUS CONTACTS OF THAT NATURE
14 AND IN -- IN EACH OF THE OTHER CATEGORIES AS WELL.

15 Q. I'D LIKE TO ASK YOU ON THE SUBJECT OF THE
16 CONTEXT FROM COAST MEMBERS, DID COAST MEMBERS COMMUNICATE
17 WITH COAST IN RESPONSE TO THE OCTOBER LETTER?

18 A. THERE WAS TREMENDOUS COMMUNICATIONS. AND
19 I -- I STILL FEEL AND THEY INDICATED THAT IT WAS VERY CLEAR
20 TO THEM --

21 MR. SHAW: YOUR HONOR.

22 THE WITNESS: -- WHAT WAS HAPPENING, WHAT THEIR
23 OPTIONS WERE.

24 MR. SHAW: OBJECT. NONRESPONSIVE.

25 THE COURT: SUSTAINED.

26 THE WITNESS: PARDON?

1 THE COURT: SUSTAINED..

2 BY MR. SHERMAN: Q. MR. RYMAN, DID COAST RECEIVE
3 LETTERS BACK FROM MEMBERS?

4 A. YES, WE DID.

5 Q. DID YOU HAVE AN OPPORTUNITY AS PRESIDENT OF
6 COAST TO LOOK AT SOME OF THOSE LETTERS?

7 A. YES, I DID.

8 Q. DID YOU --

9 A. I --

10 Q. -- RECEIVE THOSE LETTERS THROUGH THE
11 ORDINARY COURSE OF COAST'S BUSINESS?

12 A. THAT'S CORRECT.

13 THE COURT: THE WITNESS RESUME THE STAND?

14 MR. SHERMAN: YES.

15 WHY DON'T YOU DO THAT, MR. RYMAN. THANK
16 YOU.

17 Q. LIKE TO SHOW YOU ONE OF THOSE LETTERS,
18 EXHIBIT 949-044.

19 MAY I APPROACH?

20 THE COURT: YOU MAY.

21 MR. SHERMAN: AND, YOUR HONOR, GIVEN THE DISCUSSION
22 WE HAD EARLIER, CAN WE PUT THIS UP ON THE BOARD NOW?

23 THE COURT: YES.

24 BY MR. SHERMAN: Q. OKAY. MR. RYMAN, WHAT IS
25 THIS?

26 A. IT'S A LETTER FROM A COAST TO COAST MEMBER

1 THAT RECEIVED ONE OF OUR OCTOBER 1977 LETTERS. AND THEY
2 OBVIOUSLY CHOSE TO RETURN TO A RESORT THAT THEY HAD BEEN
3 AFFILIATED WITH EARLIER.

4 Q. NOW YOU SAY "THEY OBVIOUSLY CHOSE." ARE YOU
5 REFERRING TO THE LAST TWO SENTENCES IN THE -- IN THE FIRST
6 PARAGRAPH?

7 A. YES. "I WOULD PREFER TO HAVE MY MEMBERSHIP
8 RETURNED TO TREASURE LAKE RESORT IN BRANSON, MISSOURI WHICH
9 WAS MY ORIGINAL RESORT IN 1992."

10 Q. '92?

11 THE COURT: '82.

12 THE WITNESS: '82. EXCUSE ME.

13 BY MR. SHERMAN: Q. AND FROM THIS LETTER, WHAT
14 RESORT HAD THEY BEEN ASSIGNED TO?

15 A. SPARKLING SPRINGS.

16 Q. AND AFTER SPARKLING SPRINGS, DID COAST
17 REASSIGN THAT PERSON TO HONEY BEND RESORT?

18 A. I PRESUME SO BY THIS CORRESPONDENCE.

19 Q. OKAY.

20 A. I DON'T KNOW --

21 Q. SO USING THE VISUAL THAT YOU PUT UP ON THE
22 BLACKBOARD, WAS SPARKLING SPRINGS THE ORIGINAL HOME RESORT
23 FOR PURPOSES OF THEIR COAST AFFILIATION?

24 A. THAT'S CORRECT.

25 Q. SO IT WENT FROM SPARKLING SPRINGS --
26 ACCORDING TO THIS LETTER, IT WENT FROM SPARKLING SPRINGS,

1 AND THEN COAST SENT A LETTER IN OCTOBER 1997?

2 A. YES.

3 Q. AND IN COAST'S OCTOBER 1997 LETTER, JUST BY
4 LOOKING AT THIS EXHIBIT 949-044, CAN YOU TELL WHERE COAST
5 HAD TRANSFERRED THEM ADMINISTRATIVELY FOR RECORD-KEEPING?

6 A. TO THE OTHER COAST-AFFILIATED RESORT ON THE
7 DIAGRAM, IN THE HOLDING PATTERN.

8 Q. OKAY. BUT -- BUT THAT PERSON SAID THEY
9 DIDN'T WANT THAT?

10 A. THAT'S CORRECT.

11 Q. LET ME SHOW YOU ANOTHER LETTER, EXHIBIT
12 949-040.

13 MAY I APPROACH?

14 THE COURT: YES.

15 BY MR. SHERMAN: Q. NOW, THIS LETTER -- I REALIZE
16 IT'S A LITTLE HARD TO READ BECAUSE OF THE HANDWRITING.
17 THIS LETTER IS DATED, WHAT, NOVEMBER 11, 1997? DO YOU SEE
18 THAT IN THE UPPER LEFT-HAND CORNER?

19 A. I'M SORRY. YES, I DO. I APOLOGIZE.

20 Q. OKAY. THIS LETTER IS SENT TO COAST TO COAST?

21 A. YES.

22 Q. OKAY. LET ME JUST READ IT OUT LOUD.

23 "TO WHOM IT MAY CONCERN. PLEASE ACKNOWLEDGE
24 OUR DECLINE TO TRANSFER OUR COAST TO COAST HOME PARK
25 MEMBERSHIP, THE BEACHCOMBER OUTDOOR RESORT, ST. AUGUSTINE,
26 FLORIDA AND ACKNOWLEDGE OUR ACCEPTANCE FOR OUR COAST TO

1 COAST HOME PARK TO BE ELITE RESORTS OF AMERICA."

2 WAS THIS ONE OF THE LETTERS THAT COAST
3 RECEIVED AFTER SENDING OUT THE OCTOBER 1997 LETTERS?

4 A. I PRESUME SO, YES.

5 Q. AND BY LOOKING AT THIS -- THIS LETTER,
6 WAS -- WAS -- WERE THE CAMPBELLS CONFUSED?

7 MR. SHAW: OBJECTION. CALLS FOR SPECULATION.

8 THE COURT: OBJECTION SUSTAINED.

9 BY MR. SHERMAN: Q. LET ME SHOW YOU ANOTHER
10 DOCUMENT, EXHIBIT 949-044 AND 045.

11 JUST 045? OKAY.

12 NOW, JUST READING FROM THIS LETTER, THIS IS
13 FROM THE COSTAS ON OCTOBER 22, 1997. THIS IS DIRECTED TO
14 MR. RANDALL.

15 "DEAR MR. RANDALL, WE ARE IN RECEIPT OF YOUR
16 LETTER RE DELTA ISLE'S LEAVING THE COAST TO COAST SYSTEM."
17 LET ME STOP RIGHT THERE.

18 DID DELTA ISLE LEAVE THE COAST TO COAST
19 SYSTEM?

20 A. YES. THEY DISAFFILIATED. DISAFFILIATED.
21 EXCUSE ME. I'M SORRY.

22 Q. AND THEN THE COSTAS GO ON TO SAY, "WHILE WE
23 APPRECIATE YOUR OFFER TO WORK TOWARD OUR CONTINUING OUR
24 AFFILIATION WITH COAST TO COAST, (SIC) WE ARE NOT
25 INTERESTED IN TRANSFERRING TO RANCHO EL DORADO RESORT."

26 IS THAT WHAT THE COSTAS WROTE?

1 A. THAT'S CORRECT.

2 Q. NOW, DID THE COSTAS WANT TO GO ELSEWHERE?

3 A. YES. THEY GOT A MEMBERSHIP AT LEWIS AND
4 CLARK AS REFLECTED IN THE NEXT SENTENCE.

5 Q. NOW, AS FAR AS THE OPTIONS, MR. RYMAN, THAT
6 YOU'VE BEEN REFERRING TO THAT COAST GAVE TO COAST'S
7 MEMBERS, AND I SHOWED YOU -- LET'S GO BACK ACTUALLY, MIKE,
8 TO EXHIBIT 1563-002.

9 AS FAR AS THOSE OPTIONS THAT COAST PROVIDED
10 TO COAST'S MEMBERS AS FAR AS NOT BEING OBLIGATED TO
11 TRANSFER, THE NEVER -- NOR RELIEVING YOU OF ANY OTHER
12 CONTRACTUAL OBLIGATIONS, WHERE THERE MAY BE ANOTHER RESORT
13 THAT BETTER SUITS YOUR NEEDS, THAT'S UP TO YOU, WAS THAT
14 LANGUAGE IN ALL OF THE OTHER LETTERS?

15 A. YES, IT WAS.

16 Q. WHY DID YOU WANT THAT LANGUAGE IN ALL THE
17 LETTERS?

18 A. I JUST WANTED TO MAKE IT AS CLEAR AS WE
19 COULD. I WAS CONCERNED THAT THE MEMBERS UNDERSTAND WHAT
20 WAS GOING ON.

21 Q. I'D LIKE TO NOW MOVE, MR. RYMAN, TO THE
22 SUBJECT OF ORPHANS. YOU'VE HEARD THAT TERM BEFORE USED IN
23 THE CONTEXT OF THE RECIPROCAL MEMBERSHIP BUSINESS?

24 A. I HAVE.

25 Q. WHAT IS AN ORPHAN?

26 A. AN ORPHAN'S A SLANG TERM THAT WAS IN THE

1 INDUSTRY WHEN I CAME. AND IT'S ALWAYS REFERRED TO.
2 AND -- AND WHAT IT IS IS A -- A COAST TO COAST MEMBER WHOSE
3 HOME RESORT IS NO LONGER AFFILIATED WITH COAST TO COAST FOR
4 ANY REASON.

5 Q. WHEN YOU SAY, "FOR ANY REASON," YOU MEAN
6 THAT?

7 A. CERTAINLY.

8 Q. SO IF A HOME RESORT CLOSES AND BY VIRTUE OF
9 CLOSING IT IS NO LONGER AFFILIATED, IS THAT ANY REASON?

10 A. CERTAINLY.

11 Q. WHAT OTHER CONTEXT OR CIRCUMSTANCES CAN GIVE
12 RISE TO A DISAFFILIATION FOR ANY REASON?

13 A. RESORT MIGHT BE SOLD, AND THE NEW PEOPLE
14 MIGHT NOT WANT TO BE AFFILIATED WITH COAST TO COAST.
15 CERTAINLY AN -- A VOLUNTARY DISAFFILIATION LIKE MR. NOVELLI
16 AND MR. VOPNFORD DID. SOMETIMES IN THE BANKRUPTCY COURTS
17 THAT OCCURS.

18 Q. WHY IS THE ORPHAN PROGRAM IMPORTANT?

19 A. IT'S IMPORTANT FOR A NUMBER OF REASONS, AND
20 CERTAINLY PRIMARILY RELATED TO THE MEMBERS, IN HELPING THE
21 MEMBERS. THEY FEEL THEY HAVE SOMETHING, AND ALL OF A
22 SUDDEN, THEY DON'T HAVE IT ANYMORE.

23 AND, IN FACT, WE START GETTING LETTERS, AND
24 PEOPLE ARE CONCERNED, "WHAT'S HAPPENING? I'M GOING TO THIS
25 RESORT. IT'S CLOSED." WE TRY AND FIND OUT WHAT THE -- THE
26 SITUATION IS. AND THESE POOR MEMBERS OUT THERE NOT HAVING

1 ANY IDEA WHAT'S HAPPENING -- HE MAY BE CALLING HIS HOME
2 OFFICE. HE'S NOT GETTING ANY ANSWERS THERE.

3 SO IT'S -- IT'S VERY IMPORTANT. AND -- AND
4 THE OTHER REASON, I WOULD SAY, IS WHEN THERE'S A LOT OF
5 PEOPLE OUT THERE THAT ARE VERY UNHAPPY AND GOING ON. THEY,
6 LOGICALLY, AS I WOULD DO, TURN TO THEIR ATTORNEY GENERAL.
7 THEY PLACE A COMPLAINT WITH THE BETTER BUSINESS BUREAU OR
8 SOMEBODY OF THIS NATURE.

9 MR. SHAW: YOUR HONOR, I'LL OBJECT AS BEING NOT
10 RESPONSIVE AND MAKE A MOTION TO STRIKE.

11 THE COURT: MOTION GRANTED.

12 PROCEED.

13 BY MR. SHERMAN: Q. MR. RYMAN, YOU REFERRED A
14 MOMENT AGO TO PEOPLE FEELING THAT THEY HAVE SOMETHING IN
15 THE CONTEXT OF WHY THE ORPHAN PROGRAM?

16 A. THAT'S RIGHT.

17 Q. WHAT IS THAT SOMETHING THAT PEOPLE FEEL THEY
18 HAVE THAT THE ORPHAN PROGRAM IS DESIGNED TO DEAL WITH?

19 A. THE RECIPROCAL ELEMENT, THE ABILITY TO MOVE
20 AROUND THE COUNTRY FOR A MINIMAL COST, SOMETHING THAT
21 THEY'VE COME -- IN MANY CASES HAVE, YOU KNOW, COME TO
22 DEPEND UPON.

23 Q. HOW DOES THE ORPHAN PROGRAM WORK?

24 A. WELL, THERE'S -- THERE'S A VARIETY OF WAYS
25 THAT IT WORKS, BUT THE BASIC IDEA IS THAT WE WILL ASSIST --
26 COAST TO COAST WILL ASSIST THE MEMBERS IN FINDING A NEW

1 COAST TO COAST AFFILIATED RESORT.

2 Q. AND WHEN YOU SAY YOU'LL ASSIST IN HELPING
3 THEM FIND A NEW COAST TO COAST AFFILIATED RESORT, GOING TO
4 THE BLACKBOARD, IS THAT THE ARROW THAT YOU'VE GOT THERE?

5 A. THAT'S CORRECT. THAT'S TAKING THE MEMBER
6 THAT -- OR THE COAST TO COAST MEMBERSHIP THERE AND PUTTING
7 IT INTO A NEW COAST TO COAST AFFILIATED RESORT.

8 Q. NOW YOU MAY REMEMBER YESTERDAY MR. SHAW
9 SHOWING YOU A LETTER THAT COAST SENT TO COAST'S MEMBERS WHO
10 WERE ALSO MEMBERS OF THE SIERRA PACIFIC HOME RESORT?

11 A. YES, I DO.

12 Q. AND DO YOU REMEMBER MR. SHAW ASKING YOU
13 QUESTIONS TRYING TO DRAW A COMPARISON BETWEEN THAT KIND OF
14 LETTER THAT YOU SENT OUT TO THE COAST MEMBERS WHO WERE
15 MEMBERS OF THE SIERRA PACIFIC AND THE LETTERS THAT COAST
16 SENT ITS MEMBERS AFTER THE NOVELLI/VOPNFORD PULL-OUT?

17 A. YES, I DO.

18 Q. AND MR. SHAW SUGGESTED THAT COAST HAD ONE
19 CUSTOM AND PRACTICE BACK THEN WITH SIERRA PACIFIC AND
20 DIDN'T FOLLOW THAT CUSTOM AND PRACTICE. DO YOU RECALL
21 THAT?

22 A. YES, I RECALL THAT.

23 Q. LET ME PUT YOUR -- THE QUESTION AND ANSWER
24 UP FROM YESTERDAY, PAGE 2342, LINE -- BEGINNING ON LINE 2
25 THROUGH LINE 16.

26 SEE MR. SHAW SAID, "THAT'S A BREACH OF YOUR

1 CUSTOM AND PRACTICE, AND THE WAY THAT YOU TREATED TRANSFERS
2 OF HOME RESORT MEMBERS UNDER THIS SYSTEM; ISN'T THAT
3 CORRECT?"

4 YOUR ANSWER WAS, "NO, THAT'S NOT CORRECT."

5 AFTER THE -- WELL, CONTINUED ON, "THAT'S A
6 PROCEDURE THAT HAD BEEN USED, I BELIEVE, AS FAR BACK AS
7 1995."

8 THEN MR. SHAW SAID, "YOU DIDN'T USE IT IN
9 THE 1996 LETTER TO" --

10 ANSWER, "WE DID IN THIS PARTICULAR ONE. WE
11 HAD A VARIETY."

12 QUESTION, "ISN'T IT TRUE THAT YOU USED THE
13 ALREADY-TRANSFERRED LETTER BECAUSE THEY WERE MR. NOVELLI'S
14 RESORTS; ISN'T THAT CORRECT."

15 ANSWER, "IS THAT THE END OF THE QUESTION?
16 NO, THAT'S NOT CORRECT."

17 NOW, COAST HAS BEEN ACCUSED OF SOMEHOW
18 PICKING ON MR. NOVELLI OR TREATING HIM DIFFERENT; IS THAT
19 RIGHT?

20 A. THAT'S CORRECT.

21 Q. DID YOU PICK ON MR. NOVELLI?

22 A. NO, WE DIDN'T.

23 Q. DID YOU TREAT HIM DIFFERENT?

24 A. NO, WE DIDN'T.

25 Q. DID YOU DISCRIMINATE AGAINST HIM?

26 A. NO, WE DIDN'T.

1 Q. DID YOU DEAL WITH MR. NOVELLI DIFFERENT THAN
2 YOU HAD DEALT IN THE PAST WITH OTHER HOME RESORTS THAT HAD
3 DISAFFILIATED?

4 A. NO, WE DIDN'T.

5 Q. LET ME SHOW YOU EXHIBIT -- EXHIBITS 1568 AND
6 1569 THAT PLAINTIFFS HAVE PRODUCED IN THIS CASE,
7 PLAINTIFFS' TRIAL EXHIBIT LIST.

8 MAY I APPROACH, YOUR HONOR?

9 THE COURT: YOU MAY.

10 THE WITNESS: THANK YOU.

11 BY MR. SHERMAN: Q. MR. RYMAN, DO YOU RECOGNIZE
12 THOSE TWO DOCUMENTS?

13 A. YES, I DO.

14 Q. WHAT ARE THOSE DOCUMENTS?

15 A. THOSE ARE EXAMPLES OF WHERE WE MOVED THE
16 COAST TO COAST MEMBERSHIP OF ALL OF THE MEMBERS TO ANOTHER
17 RESORT.

18 Q. DO THESE LETTERS ARISE IN THE ORPHANING
19 CONTEXT, THE ORPHAN PROGRAM?

20 A. YES, THEY DO.

21 MR. SHERMAN: YOUR HONOR, I'D LIKE TO MOVE EXHIBITS
22 1568 AND 1569 INTO EVIDENCE.

23 MR. SHAW: NO OBJECTION, YOUR HONOR.

24 THE COURT: BE SO RECEIVED.

25 (WHEREUPON EXHIBIT NOS. 1568, LETTER DATED
26 AUGUST 16, 1995, AND 1569, LETTER, WERE RECEIVED IN

1 EVIDENCE.)

2 MR. SHERMAN: LET'S PUT EXHIBIT 1568 UP ON THE
3 BOARD. AND EXHIBIT 1568 -- DO YOU HAVE ANOTHER COPY? MY
4 EYES ARE GOING. THANKS.

5 Q. EXHIBIT 1568, THAT'S A LETTER DATED AUGUST
6 16, 1995?

7 A. YES, THAT'S CORRECT.

8 Q. NOW, WHAT WAS THIS ORPHAN PROGRAM ALL ABOUT,
9 MR. RYMAN?

10 A. THIS WAS ABOUT ASSISTING THE MEMBERS --
11 FORMER COAST TO COAST MEMBERS OF SPRING CREEK THAT -- WE
12 WERE ASSISTING THEM BY MOVING THEM INTO A TEMPORARY HOLDING
13 PATTERN, THE SAME WAY AS WE DID WITH THE OTHERS.

14 Q. NOW, WHEN YOU SAY A -- YOU MOVED THEM INTO A
15 TEMPORARY HOLDING PATTERN, TAKE A LOOK AT THE SECOND
16 PARAGRAPH.

17 MIKE, MAYBE YOU COULD EXPAND THAT A LITTLE
18 BIT.

19 "WE REALIZE THAT FINDING ANOTHER RESORT MAY
20 CREATE AN INCONVENIENCE FOR YOU. THEREFORE, WE WANT YOU TO
21 BE AWARE OF THE SPECIAL OFFER THAT IS AVAILABLE TO YOU AT
22 PYRAMID LAKES, NUMBER 1052, WHICH INCLUDES HOME PARK
23 PRIVILEGES AT THREE OTHER RESORTS.

24 "YOU WILL BE CONTACTED BY A REPRESENTATIVE
25 OF PYRAMID LAKES WITH FURTHER INFORMATION ABOUT THIS
26 SPECIAL ASSUMPTION OFFER.

1 "IN THE MEANTIME, FOR YOUR CONVENIENCE, WE
2 HAVE REFLECTED IN OUR FILES THE TRANSFER OF YOUR COAST TO
3 COAST MEMBERSHIP TO PYRAMID LAKES."

4 NOW, MR. RYMAN, THIS LETTER OF AUGUST 1995
5 TO MEMBERS OF SPRING CREEK RESORT, IS THAT ANY DIFFERENT
6 THAN WHAT YOU DID WITH MR. NOVELLI?

7 A. NO, IT'S NOT.

8 Q. LET'S GO TO THE NEXT PARAGRAPH OF THIS
9 LETTER.

10 DID YOU PROVIDE OPTIONS TO THE COAST TO
11 COAST MEMBERS OF SPRING CREEK RESORT IN THIS ORPHAN
12 PROGRAM?

13 A. YES, WE DID.

14 Q. AND WERE THOSE OPTIONS ANY DIFFERENT THAN
15 THE KINDS OF OPTIONS THAT ARE REFLECTED IN THE OCTOBER 1997
16 LETTERS?

17 A. NO. AND WE TELL THEM, YOU KNOW, THE
18 DECISION IS YOURS; THAT THEY CAN GO TO ANY RESORT THEY
19 DESIRE.

20 Q. NOW, WHY DON'T WE PUT EXHIBIT 1569 UP ON THE
21 BOARD.

22 AND, MR. RYMAN, MAYBE YOU CAN TELL THE JURY;
23 WHAT'S EXHIBIT 1569 ALL ABOUT?

24 A. IT'S A SIMILAR LETTER TO THE MEMBERS OF
25 COAST TO COAST MEMBERS AT FIESTA R.V. PARK.

26 Q. AND --

1 A. FIESTA WAS NO LONGER AFFILIATED, AND SO WE
2 DID THE SAME THING. ORIGINAL REGIONAL DIRECTORS TALKED TO
3 AN ORGANIZATION, AND THEY SAID THAT THEY WOULD GIVE THEM
4 SOME KIND OF A SPECIAL DEAL. THEY WOULDN'T BEAT UP ON THEM
5 AND, YOU KNOW, MAKE THEM PAY A LOT OF MONEY TO BE A MEMBER.
6 AND SO THE SAME THING OCCURRED. WE PROVIDED ALL THE
7 OPTIONS AND ALL THAT.

8 Q. NOW, THESE COAST TO COAST MEMBERS OF FIESTA
9 R.V. PARK, YOU SAY HERE IN THE SECOND PARAGRAPH THAT "IN
10 THE MEANTIME, FOR YOUR CONVENIENCE, WE'VE REFLECTED IN OUR
11 FILES THE TRANSFER OF YOUR COAST TO COAST MEMBERSHIP TO
12 HOLIDAY RETREATS."

13 DO YOU SEE THAT?

14 A. THAT'S CORRECT.

15 Q. WERE YOU PICKING ON THIS OWNER THAT TIME?

16 A. NO, WE CERTAINLY WEREN'T.

17 Q. WAS THIS PART OF THE WAY THAT COAST RAN ITS
18 ORPHAN PROGRAM?

19 A. YES, IT IS.

20 Q. NOW, AS FAR AS THE -- THE CUSTOM AND
21 PRACTICE -- I KNOW MR. SHAW WAS ASKING YOU ABOUT A LOT OF
22 CUSTOM AND PRACTICE QUESTIONS AS FAR AS THE ORPHAN PROGRAM
23 AND THE TRANSFERS.

24 HAS COAST HAD THE OPPORTUNITY TO DISCUSS
25 THE ORPHAN PROGRAM WITH MEMBERS OF THE PUBLIC?

26 A. YES, WE HAVE.

1 Q. WITH WHOM?

2 A. WITH MEMBERS AT ROUND-TABLES, WITH
3 DEVELOPERS. IT WAS A COMMON TOPIC WITH THEM. AND THAT'S
4 HOW WE GOT FIRST GOT EXPOSED TO THE -- THAT SLANG TERM WHEN
5 I ARRIVED, WAS AT A ROUND-TABLE. AND IT'S JUST A COMMONLY
6 ACCEPTED TERM. THE MEMBERS KNOW ABOUT IT, AND CERTAINLY
7 THE MEMBERS KNOW THAT WE WILL DO WHAT WE CAN DO THROUGH
8 THEIR MEMBERSHIP CONTRACT.

9 Q. HAS COAST TO COAST EVER RECEIVED INQUIRY
10 FROM ANY GOVERNMENT OFFICERS ABOUT THE ORPHAN PROGRAM?

11 A. YES, WE HAVE.

12 Q. IN WHAT CONTEXT HAS THAT ARISEN?

13 A. LETTERS FROM AN A.G. WITH A COMPLAINT, WHEN
14 THERE'S TURMOIL OUT IN THE INDUSTRY BECAUSE PEOPLE ARE
15 RUNNING INTO CLOSED RESORTS, AND THEIR RESORT IS NOT
16 AVAILABLE TO THEM. AND THEY FEEL THEY PAID THAT, AND THEY
17 ARE CONCERNED THAT THEY DON'T HAVE THEIR HOME RESORT, AND
18 THAT THEY DON'T HAVE THEIR COAST TO COAST MEMBERSHIP.

19 AND SO UNFORTUNATELY A LOT OF PEOPLE THINK
20 ALL THE COAST -- ALL AFFILIATED RESORTS ARE COAST TO COAST
21 OWNED, AND WE'RE -- THEY AREN'T. WE NEVER OWNED ANY. THEY
22 ARE INDEPENDENTLY OWNED.

23 BUT DURING A SALES PROCESS, OFTEN PEOPLE
24 MAKE THE ASSUMPTION THEY ARE COAST TO COAST RESORTS. SO WE
25 GET ROPED INTO A COMPLAINT TO THE A.G. OR BETTER BUSINESS
26 BUREAU. AND WE IMMEDIATELY --

1 MR. SHAW: YOUR HONOR, I'LL OBJECT AS NONRESPONSIVE
2 AND MAKE A MOTION TO STRIKE.

3 THE COURT: IT'S RECEIVED.

4 THE WITNESS: ALL I WAS GOING TO SAY IS THE LETTER
5 WE SENT BACK TO THE A.G., WE EXPLAIN EXACTLY WHAT THIS
6 PROCESS IS, AND THEY UNDERSTAND IT. AND THEY ARE PLEASED
7 WITH IT, AND WE DON'T HEAR ANY MORE.

8 BY MR. SHERMAN: Q. DOES COAST HIDE ITS ORPHAN
9 PROGRAM?

10 A. NO, IT CERTAINLY DOESN'T.

11 Q. YOU WERE REFERENCING MEMBERS' KNOWLEDGE OF
12 THE ORPHAN PROGRAM.

13 ARE THERE ANY DOCUMENTS THAT -- THAT
14 REFERENCE THIS KIND OF -- OF PROGRAM, EVEN IF NOT BY NAME?

15 A. IT'S -- MEMBERS KNOW IT AS AN ORPHAN PROGRAM
16 BECAUSE I'VE TALKED TO THEM AT RALLIES AND AT ROUND-TABLES
17 AND THINGS LIKE THAT.

18 BUT AS FAR AS THE MEMBERSHIP GOES, THEIR
19 RENEWAL CONTRACTS ALL REFLECT IT IN THE TERMS AND
20 CONDITIONS OF THAT CONTRACT. IT SAYS THAT IF YOUR
21 RESORT -- SOMETHING TO THE EFFECT -- BECOMES DISAFFILIATED
22 FOR ANY REASON, WE WILL ASSIST YOU IN FINDING A NEW RESORT.

23 Q. LET'S PUT THE MEMBERSHIP CONTRACT, EXHIBIT
24 72, UP ON THE BOARD.

25 LET'S GO TO THE SECOND -- THE SECOND PAGE,
26 THE HIGHLIGHTED UNDER ITEM 2.

1 IS THAT THE -- THE REFERENCE THAT YOU WERE
2 JUST TESTIFYING TO, MR. RYMAN?

3 A. THAT'S CORRECT.

4 Q. "IF YOUR HOME RESORT CEASES TO BE A COAST TO
5 COAST AFFILIATED RESORT FOR ANY REASON, YOUR COAST TO COAST
6 MEMBERSHIP WILL REMAIN IN EFFECT FOR THE REMAINDER OF THAT
7 CALENDAR YEAR, THEREBY ALLOWING YOU A REASONABLE PERIOD OF
8 TIME TO BECOME A MEMBER OF ANOTHER COAST TO COAST
9 AFFILIATED RESORT WITHOUT INTERRUPTING YOUR BENEFITS."

10 NOW, YOU ALSO MENTIONED RENEWAL FORMS. WHAT
11 ARE RENEWAL FORMS?

12 A. COAST TO COAST RENEWS THEIR MEMBERSHIPS -- A
13 MEMBER REAFFIRMS THEIR COAST TO COAST MEMBERSHIP ONCE A
14 YEAR. IT'S NOT ON A MONTHLY BASIS. WE MAIL THEM -- OR
15 COAST TO COAST MAILS THEM AROUND THE SEPTEMBER TIME FRAME
16 TO ALL OF THE MEMBERS. IT'S A QUARTER OF A MILLION
17 MEMBERS. THEY ALL GET THEIR RENEWAL AT ONE TIME. AND IN
18 THAT IS A RENEWAL FORM.

19 Q. IN THAT RENEWAL FORM DOES THAT LANGUAGE
20 APPEAR?

21 A. YES. THE TERMS AND CONDITIONS OF THE
22 CONTRACT ARE ALWAYS REAFFIRMED WITH THEM EVERY TIME THEY
23 SIGN UP ON AN ANNUAL BASIS.

24 Q. I THINK A FEW MOMENTS AGO YOU MAY HAVE USED
25 THE PHRASE "DEVELOPERS NOT MAULING THE" -- "THE ORPHANS."
26 WHAT DID YOU MEAN BY THAT?

1 A. I MEAN AGGRESSIVE SALES TACTICS AND THOSE
2 KINDS OF THINGS.

3 Q. HOW DOES THIS COME UP IN THE CONTEXT OF
4 ORPHAN PROGRAMS AND NOT WANTING DEVELOPERS TO MAUL?

5 A. WELL, DEVELOPERS MAY KNOW THAT THESE PEOPLE
6 ARE MADE -- THAT THEY ARE NOW AN ORPHAN, AND THEY ARE OUT
7 THERE. AND SO THEY WANT TO GET THEM INTO THEIR SALESROOM
8 AND ATTEMPT TO GIVE THEM A HIGH-PRESSURE SALE TO MAKE THEM
9 A MEMBER OF THEIR RESORT.

10 Q. SO WHAT DOES COAST DO?

11 A. WE DO EVERYTHING WE CAN DO TO PREVENT THAT.
12 AND ONE OF THE THINGS IS TO FACILITATE THE TRANSFER BY
13 PUTTING THEM IN, TELLING THEM WHAT THEY ARE -- PUTTING THEM
14 IN THIS TEMPORARY AFFILIATED COAST TO COAST RESORT AND
15 ALLOWING THEM TO TAKE WHATEVER OPTION THEY WANT. LET THEM
16 KNOW. WE EDUCATE THEM. WE COMMUNICATE WITH THEM.

17 Q. WELL, LET'S JUST FOCUS NOW ON DEVELOPERS
18 SUCH AS MR. BUTLER WHO TOOK IN SOME ORPHANS.

19 WHAT KINDS OF ARRANGEMENTS DOES COAST MAKE
20 WITH THOSE DEVELOPERS IN CONNECTION WITH THE ORPHAN
21 PROGRAM?

22 A. WE ALWAYS MAKE AN ARRANGEMENT -- AND I'M NOT
23 DOWN AT THE -- IN THE TRENCHES WITH IT. BUT THE REGIONAL
24 DIRECTORS THAT WORK FOR THE VICE PRESIDENT, THEY -- THEY
25 HAVE DAY-TO-DAY CONTACTS WITH ALL OF THE RESORTS ALL OVER
26 THE COUNTRY. THEY GO TALK TO THE DEVELOPERS, NORMALLY,

1 GENERALLY IN A REGION THERE. AND THEY WILL SAY, "WILL YOU
2 TAKE SOME? AND IF -- IF THEY COME TO YOU, WE WANT YOU TO
3 GIVE THEM A GOOD DEAL."

4 IN SOME CASES IT'S -- MORE AND MORE AS THE
5 INDUSTRY HAS BEEN DECLINING, IT'S COME TO WHERE THEY ARE
6 JUST HAPPY TO HAVE A DUES-PAYING MEMBER, AND THEY WILL BE
7 HAPPY TO TAKE THEM AND HOST THEM AS A COAST TO COAST -- OR
8 AS A HOME RESORT MEMBER AS WELL.

9 Q. SO WHEN YOU SAY, "THEY ARE JUST HAPPY TO
10 HAVE A DUES-PAYING MEMBER," WHAT HAPPENS TO THE INITIATION
11 FEES AND ALL THOSE HIGH UP-FRONT FEES?

12 A. THERE IS NONE AT THAT TIME.

13 Q. AND THERE'S NONE AT THAT TIME WHY?

14 A. BECAUSE WE MADE ARRANGEMENTS WITH THE
15 DEVELOPER TO DO IT THAT WAY.

16 Q. I'D LIKE --

17 A. WE FEEL THE MEMBERS -- YOU KNOW, HE'S
18 ALREADY PAID HIS PRICE, WHEREVER IT WAS.

19 Q. I'D LIKE TO MOVE TO THE SUBJECT OF THESE --
20 THESE TRANSFERS TO -- TO THE RANCHO EL DORADO,
21 EL CACHANILLA R.V. PARK.

22 YOU REMEMBER MR. SHAW ASKING YOU A LOT OF
23 QUESTIONS ABOUT THAT YESTERDAY?

24 A. I CERTAINLY DO.

25 Q. OKAY. AND MR. -- MR. SHAW SHOWED YOU SOME
26 OF THE COAST DIRECTORIES.

1 A. YES, HE DID.

2 Q. LET ME SHOW YOU SOMETHING FROM ONE OF THE
3 COAST DIRECTORIES FROM EXHIBIT 863, THE 1998 CAMP COAST TO
4 COAST DIRECTORY.

5 AND FROM PAGE 186, MR. SHAW.

6 MR. SHERMAN: MAY I APPROACH, YOUR HONOR?

7 THE COURT: YOU MAY.

8 BY MR. SHERMAN: Q. NOW, IN THAT 1988 COAST
9 DIRECTORY, THERE IS A REFERENCE TO MR. BUTLER'S RESORT; IS
10 THAT RIGHT?

11 A. THAT'S CORRECT.

12 Q. AND WHY DON'T YOU READ OUT LOUD FOR THE
13 LADIES AND GENTLEMEN OF THE JURY THE FIRST SENTENCE IN THE
14 1998 COAST DIRECTORY WHERE IT DESCRIBES THE RESORT.

15 A. FIRST OF ALL, THIS IS, THERE'S TWO SECTIONS
16 HERE. THERE'S A GOOD NEIGHBOR SECTION, AND THERE'S A
17 MEM- -- THE RESORT, PRIVATE RESORT MEMBERSHIP SECTION. AND
18 THIS IS IN THE PRIVATE RESORT SECTION, AND THEY ARE TALKING
19 ABOUT EL CACHANILLA R.V. PARK.

20 IT SAYS, "ABOUT TWO HOURS SOUTH OF THE
21 BORDER, YOU WILL DISCOVER EL DORADO RANCH."

22 THE COURT: SLOWER, PLEASE.

23 THE WITNESS: I'M SORRY.

24 "ABOUT TWO HOURS SOUTH OF THE BORDER, YOU
25 WILL DISCOVER EL DORADO RANCH WHERE EL CACHANILLA R.V. PARK
26 IS LOCATED. THIS AREA IS ONE OF THE UNTOUCHED VACATION

1 SPOTS WHERE THE SEA, DESERT, MOUNTAINS, AND SKY ALL MEET
2 AND JUST SEVEN MILES NORTH OF THE TOWN OF SAN FELIPE ON THE
3 SEA OF CORTEZ."

4 BY MR. SHERMAN: Q. MR. RYMAN, WAS THAT CONFUSING
5 IN YOUR MIND?

6 A. NO, IT WASN'T.

7 Q. DID YOU CONSIDER THE LETTER THAT MR. SHAW
8 SHOWED YOU YESTERDAY FROM COAST THAT USED THE REFERENCE TO
9 EL DORADO RANCH AS OPPOSED TO EL CACHANILLA R.V. PARK TO BE
10 SOME SORT OF CONFUSING OR DECEPTIVE PRACTICE?

11 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT TO THE
12 REFERENCE. THAT --

13 THE COURT: SUSTAINED.

14 MR. SHAW: -- MISSTATES THE EVIDENCE.

15 THE COURT: SUSTAINED.

16 BY MR. SHERMAN: Q. WAS THERE ANYTHING CONFUSING
17 ABOUT THOSE LETTERS?

18 A. I DON'T THINK SO. NOT AT ALL. AND IT'S
19 LIKE SOMEBODY SAYING --

20 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT AS
21 NONRESPONSIVE.

22 THE COURT: SUSTAINED.

23 BY MR. SHERMAN: Q. WHY DIDN'T YOU BELIEVE IT
24 CONFUSING?

25 A. BECAUSE IT'S LIKE SOMEBODY SAYING I WANT TO
26 GO TO DISNEYLAND WHEN THEY ARE GOING TO FRONTIERLAND. I

1 MEAN, IT'S JUST THE LARGER AREA. AND I MENTIONED
2 YESTERDAY, I BELIEVE IT'S AROUND 200,000 ACRES. THERE'S
3 TWO PARKS THERE, A GOOD NEIGHBOR AND A MEMBERSHIP PARK.
4 AND WE WOULDN'T TRANSFER ANY PRIVATE RE- -- WE'RE TRYING TO
5 PUT THEM INTO AN AFFILIATED COAST TO COAST RESORT. WITH
6 PROBABLY NO -- NO UP-FRONT COST TO THEM, CERTAINLY WE WOULD
7 PUT THEM INTO THE AFFILIATED COAST TO COAST RESORT
8 MEMBERSHIP.

9 Q. I'M GOING TO MOVE TO THE SUBJECT OF TRAVEL
10 INN. THAT WAS ANOTHER RESORT THAT MR. SHAW ASKED YOU A LOT
11 OF QUESTIONS ABOUT YESTERDAY.

12 A. YES, IT IS.

13 Q. AND LET'S PUT EXHIBIT 39 BACK UP ON THE
14 BOARD.

15 THIS WAS MR. NOVELLI'S PULL-OUT LETTER.

16 AND, MIKE, IF YOU CAN JUST HIGHLIGHT THE
17 RESORTS THAT WERE BEING REMOVED.

18 JUST LOOKING AT THOSE NAMES, MR. RYMAN, YOU
19 DON'T SEE TRAVEL INN ON THERE, DO YOU?

20 A. NO, I DON'T.

21 Q. SO BY THAT, MR. NOVELLI WAS NOT INTENDING TO
22 PULL TRAVEL INN OUT?

23 LET ME REPHRASE THAT, INSTEAD OF THE "INN
24 OUT."

25 TRAVEL INN WAS NOT INCLUDED IN THE

26 PULL-OUT --

1 A. THAT'S CORRECT.

2 Q. -- WAS IT?

3 AND THEN YESTERDAY, MR. SHAW SHOWED YOU
4 EXHIBIT 1563-0138 WHICH WE'LL PUT UP ON THE BOARD. AND YOU
5 WERE ASKED A LOT OF QUESTIONS ABOUT WHY MR. RANDALL WAS
6 WRITING MEMBERS OF TRAVEL INN RESORT ON SEPTEMBER 9, 1997.
7 YOU RECALL THAT?

8 A. I RECALL THAT.

9 Q. AND IN THIS LETTER, AS WAS BROUGHT OUT
10 YESTERDAY, AND AS IS CLEAR, COAST WROTE, TELLING THAT THEIR
11 COAST TO COAST HOME RESORT OF RECORD HAD BEEN CHANGED TO
12 WALLY WORLD IN LOUDONVILLE, OHIO.

13 IS THAT WHAT HAPPENED?

14 A. YES, THAT'S CORRECT.

15 Q. NOW THEN YOU WERE ASKED A SERIES OF
16 QUESTIONS ABOUT WHETHER COAST HAD CONCEIVED AND PLANNED TO
17 DO A MASSIVE TRANSFER, EVEN BEFORE IT RECEIVED THAT EXHIBIT
18 39, THE PULL-OUT LETTER; DO YOU RECALL THAT?

19 A. YES, I DO, VERY SPECIFICALLY.

20 Q. LET ME SHOW YOU SOME OF THOSE QUESTIONS FROM
21 PAGE 2282 OF YESTERDAY'S TRANSCRIPT.

22 "QUESTION, ISN'T IT TRUE, MR. RYMAN" --

23 MR. SHAW: COUNSEL, I'M SORRY. WHAT PAGE AND
24 NUMBER?

25 MR. SHERMAN: 2282, LINES 9 THROUGH 17.

26 MR. SHAW: THANK YOU.

1 BY MR. SHERMAN: Q. "ISN'T IT TRUE MR, RYMAN, THAT
2 THE PLAN TO DO THE MASSIVE TRANSFER BEGAN PRIOR TO
3 RECEIVING MR. NOVELLI'S EXHIBIT 39, HIS AUGUST 27, 1997,
4 LETTER?"

5 AND YOUR ANSWER WAS, "NO."

6 THERE MAY BE SOMETHING FURTHER DOWN ON THAT
7 PAGE.

8 "ISN'T IT TRUE THAT COAST TO COAST HAD
9 CONCEIVED AND PLANNED TO DO THIS MASSIVE TRANSFER EVEN
10 BEFORE IT RECEIVED MR. NOVELLI'S EXHIBIT 39?"

11 ANSWER, "NO. THAT'S INCORRECT."

12 AND YOU WERE ASKED A LOT OF QUESTIONS ABOUT
13 IF COAST HAD SOMEHOW CONCEIVED AND PLANNED ALL OF THIS
14 BEFORE IT SENT OUT THE SEPTEMBER 9 LETTER TO THE TRAIL INN
15 RESORT MEMBERS WHO WERE MEMBERS OF THE COAST TO COAST?

16 A. WE CERTAINLY WERE -- OR I WAS.

17 Q. NOW, DID YOU KNOW YESTERDAY WHEN YOU WERE ON
18 THE STAND TESTIFYING IF MR. NOVELLI OWNED TRAIL INN?

19 A. I HAD NO IDEA. AND I THINK I -- I SAID THAT
20 SOMEWHERE ALONG THE LINE.

21 Q. TRAVEL INN. DID I SAY TRAIL INN? I MEANT
22 TRAVEL INN.

23 AND YOU MENTIONED THAT THERE WAS A DOCUMENT
24 THAT YOU THOUGHT MIGHT HELP YOU?

25 A. I SAID THAT I'M SURE THAT SOMETHING
26 OCCURRED, AND IT WAS SOME KIND OF DOCUMENTATION, BEFORE WE

1 WOULD SEND OUT A LETTER LIKE THAT.

2 Q. NOW, MR. SHAW DIDN'T SHOW YOU THAT DOCUMENT
3 YESTERDAY, DID HE?

4 A. NO.

5 Q. WELL, LET ME SHOW IT TO YOU NOW. EXHIBIT
6 53.

7 MAY I APPROACH?

8 DO YOU RECOGNIZE EXHIBIT 53?

9 A. YES, I DO.

10 Q. WHAT IS EXHIBIT 53?

11 A. IT'S A LETTER DATED THE 31ST OF JULY, 1977,
12 SIGNED BY JIM RANDALL, TO THE PRESIDENT OF THOUSAND
13 ADVENTURES, TERMINATING A LONG LIST OF RESORTS.

14 Q. WELL, I THINK YOU MAY HAVE SAID 1977.

15 A. '97. EXCUSE ME.

16 MR. SHERMAN: OKAY. YOUR HONOR, I'D LIKE TO MOVE
17 EXHIBIT 53 INTO EVIDENCE.

18 THE COURT: SO RECEIVED.

19 MR. SHERMAN: JUST PUT IT UP ON THE BOARD, PLEASE,
20 MIKE.

21 Q. SO LETTER'S DATED JULY 31, 1997, SENT TO
22 THOUSAND ADVENTURES, ATTENTION DAVE VOPNFORD, PRESIDENT.
23 SEE THAT?

24 A. YES, I DO.

25 Q. OKAY. AND THEN IT GOES ON, "THIS LETTER IS
26 OFFICIAL NOTICE OF TERMINATION OF THE LICENSE AGREEMENT

1 BETWEEN CAMP COAST TO COAST, INC., AND THE FOLLOWING
2 THOUSAND ADVENTURE RESORTS DUE TO THE CLOSURE OF SOME
3 RESORTS AND NEW OWNERSHIP OF SOME OF THESE RESORTS."

4 THEN YOU MENTIONED A LONG LIST. THAT'S THE
5 LONG LIST RIGHT THERE, ISN'T IT?

6 A. THAT'S CORRECT.

7 Q. DO YOU SEE TRAVEL INN THERE?

8 A. YES, I DO.

9 Q. TRAVEL INN RESORT, HARTFORD, MISSISSIPPI.

10 AND SO WHEN YOU SENT -- WHEN MR. RANDALL
11 SENT A LETTER ON SEPTEMBER 9, 1997, TO THE COAST MEMBERS OF
12 TRAVEL INN RESORT, DID THAT HAVE ANYTHING TO DO WITH
13 MR. NOVELLI'S PULL-OUT LETTER?

14 A. NONE WHATSOEVER. IT WAS IN EXCESS OF 30
15 DAYS AFTER THIS LETTER.

16 Q. THIS LETTER BEING EXHIBIT 53?

17 A. EXCUSE ME.

18 Q. AND WHY DID -- WHY DID MR. RANDALL SEND
19 THIS LETTER TO -- TO MR. VOPNFORD ON JULY 31, 1997?

20 A. ALL OF THE -- WE WERE CONS- -- WE WERE
21 INUNDATED WITH CALLS FROM MEMBERS, LETTERS FROM MEMBERS,
22 CLOSED RESORTS, BANKRUPTCIES. WE HAD ATTEMPTED FIRST
23 THROUGH THE REGIONAL DIRECTORS, THEN GENE, AND THEN MYSELF,
24 BECAUSE I KNEW MR. VOPNFORD. I CALLED HIM CONTINUOUSLY.
25 COULD GET -- NOT GET HIM TO RESPOND BECAUSE THERE WAS
26 DIFFERENT CONDITIONS OF ALL OF THESE RESORTS.

1 AND THERE WERE COURT ORDERS AND
2 BANKRUPTCIES, ALL KINDS OF THINGS GOING ON.

3 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT AS
4 NONRESPONSIVE. THE QUESTION WAS, "WHY DID MR. RANDALL SEND
5 THIS LETTER?"

6 MR. SHERMAN: I THINK --

7 THE COURT: IT'S RESPONSIVE.

8 PROCEED.

9 BY MR. SHERMAN: Q. YEAH. PLEASE CONTINUE.

10 A. I COMMUNICATED FINALLY BY CERTIFIED LETTER
11 TO MR. VOPNFORD TELLING HIM ALL THE PROBLEMS THAT WE ARE
12 SEEING, AND WE ARE BEING REPORT -- THAT ARE BEING REPORTED
13 TO US AND ASKED HIM TO SPECIFICALLY GET BACK TO ME. AND I
14 SENT THAT LETTER CERTIFIED.

15 Q. NOW, WHEN YOU SENT -- WHEN MR. RANDALL SENT
16 THIS JULY 31 LETTER, YOU -- WERE YOU AWARE THAT IT WAS
17 BEING SENT?

18 A. CERTAINLY.

19 Q. DID YOU AND MR. RANDALL HUDDLE TOGETHER AND
20 TALK ABOUT SOME GRAND SCHEME THAT YOU WERE EXPECTING, SOME
21 PULL-OUT LETTER FROM MR. NOVELLI A FEW WEEKS LATER?

22 A. NO, CERTAINLY NOT.

23 Q. DID THIS HAVE ANYTHING TO DO WITH ANY GRAND
24 SCHEME AT ALL?

25 A. NO, IT DIDN'T.

26 Q. NOW, YOU WERE ASKED YESTERDAY WHETHER YOU

1 WEREN'T GOOD ENOUGH IN COMMUNICATIONS WITH RESORT
2 DEVELOPERS. RECALL THAT?

3 A. YES, I DO.

4 Q. AND JUST A FEW MOMENTS AGO YOU WERE
5 TESTIFYING ABOUT SOME OF THE EFFORTS YOU MADE TO
6 COMMUNICATE WITH MR. VOPNFORD OF THOUSAND ADVENTURES; IS
7 THAT RIGHT?

8 A. THAT'S CORRECT.

9 Q. LET'S -- LET'S GO THROUGH SOME OF THESE
10 EFFORTS TO COMMUNICATE WITH RESORT DEVELOPER DAVID VOPNFORD
11 A LITTLE MORE CAREFULLY.

12 FIRST LET ME -- LET ME SHOW YOU EXHIBIT
13 949, 831, AND 832.

14 MAY I APPROACH?

15 THE COURT: YES.

16 BY MR. SHERMAN: Q. LET'S TAKE THIS SECOND PAGE
17 FIRST. ARE YOU WITH THE FORM OF -- THE SECOND PAGE MARKED
18 C.C.C. 09243?

19 A. YES, I AM.

20 Q. AND IS THIS FORM?

21 A. IT'S A COVER SHEET THAT'S PUT ON
22 CORRESPONDENCE IN THE TRANSFER DEPARTMENT.

23 Q. AND THERE IS A DATE STAMP HERE. DO YOU SEE
24 VARIOUS DATES ON IT?

25 A. YES, I DO.

26 Q. AND THOSE DATES ARE IN MARCH AND APRIL OF

1 1997?

2 A. THAT'S CORRECT.

3 Q. AND WERE THESE TRANSFER FORMS GENERATED IN
4 COAST IN THE ORDINARY COURSE OF BUSINESS?

5 A. YES, WITHIN THE TRANSFER DEPARTMENT. IT WAS
6 A TOOL THAT THEY USED THERE.

7 MR. SHERMAN: YOUR HONOR, I'D LIKE TO MOVE EXHIBIT
8 949-831 AND 832 IN EVIDENCE.

9 MR. SHAW: YOUR HONOR, WE JUST HAVE THE SAME
10 OBJECTION; THAT THIS IS NOT RELATED TO MR. NOVELLI'S -- ANY
11 OF MR. NOVELLI'S RESORTS, THE SAME OBJECTION AS IN
12 CHAMBERS.

13 THE COURT: THEY'LL BE ADMITTED.

14 (WHEREUPON EXHIBIT NOS. 949-831 AND 832,
15 TRANSFER FORMS, WERE RECEIVED IN EVIDENCE.)

16 BY MR. SHERMAN: Q. OKAY. SO THIS IS THE TRANSFER
17 FORM THAT YOU WERE JUST REFERRING TO, MR. RYMAN?

18 A. THAT'S CORRECT.

19 Q. AND -- AND SO IN THE TRANSFER FORM, YOU HAVE
20 VARIOUS INFORMATION ABOUT THE MEMBERS AND THE DATES AND
21 THINGS LIKE THAT?

22 A. YES, THAT'S CORRECT.

23 Q. AND THEN THERE'S A "FROM PARK" AND "TO
24 PARK." DO YOU SEE THAT?

25 A. YES, I DO.

26 Q. AND WHAT'S THAT ALL ABOUT?

1 A. WELL, THAT'S WHEN THERE'S AN INDIVIDUAL
2 TRANSFER AMONG AFFILIATED RESORTS FOR -- YOU KNOW, AS
3 INITIATED BY THE MEMBER.

4 Q. AND THIS MEMBER IS DONALD AND
5 BARBARA WILLIAMS?

6 A. CORRECT.

7 Q. AND HAD THE WILLIAMSES GIVEN COAST A REASON
8 WHY THEY WANTED TO TRANSFER?

9 A. YES. IT'S IN THERE, THE LETTER, THAT THE
10 MEM- -- MEMBER SERVICES REPRESENTATIVE WAS PROCESSING HERE.

11 Q. WHY DON'T WE PUT THAT LETTER UP, FIRST
12 PAGE.

13 "COAST TO COAST, DUE TO THE RECENT
14 BANKRUPTCY OF THOUSAND ADVENTURE ALABAMA QUEEN, MEMBERSHIP
15 NUMBER 116567, AND THE FAILURE OF THIS COMPLETE SYSTEM,
16 PLEASE TRANSFER OUR COAST TO COAST C.C.R. MEMBERSHIP NUMBER
17 982645 TO FAMILY LEISURE RESORTS, ADAIRSVILLE, GEORGIA,
18 MEMBER NUMBER C597. THANK YOU."

19 DID COAST RECEIVE LETTERS SUCH AS THIS IN
20 CONNECTION WITH THE FAILURE OF THE COMPLETE SYSTEM OF
21 THOUSAND ADVENTURES?

22 A. MANY. NOT ONLY LETTERS BUT LOTS OF PHONE
23 CALLS, TOO.

24 Q. NOW YOU MENTIONED A CERTIFIED LETTER THAT
25 YOU SENT TO MR. VOPNFORD IN CONNECTION WITH YOUR EFFORTS TO
26 COMMUNICATE?

1 A. THAT'S CORRECT.

2 Q. LET ME PLACE BEFORE YOU EXHIBIT 807.

3 MR. SHERMAN: MAY I APPROACH YOUR HONOR?

4 THE COURT: YOU MAY.

5 THE WITNESS: THANK YOU.

6 BY MR. SHERMAN: Q. IS THIS THE CERTIFIED LETTER
7 THAT YOU WERE REFERRING TO?

8 A. YES, IT IS.

9 Q. IS THIS A LETTER YOU SENT?

10 A. I CERTAINLY DID.

11 MR. SHERMAN: OKAY. I'D LIKE TO MOVE EXHIBIT 807
12 INTO EVIDENCE.

13 MR. SHAW: THE ONLY OBJECTION, YOUR HONOR, AGAIN,
14 FOR THE RECORD IS IT'S NOT RELATED TO ANY OF MR. NOVELLI'S
15 RESORTS. THANK YOU.

16 THE COURT: IT WILL BE DEEMED RECEIVED IN
17 EVIDENCE.

18 (WHEREUPON EXHIBIT NO. 807, CERTIFIED
19 LETTER, WAS RECEIVED IN EVIDENCE.)

20 MR. SHERMAN: PUT THAT UP ON THE BOARD.

21 RATHER THAN MY READING THROUGH THE ENTIRE
22 LETTER NOW, YOUR HONOR, IF I COULD JUST PAUSE FOR A MOMENT
23 SO THE JURY COULD HAVE AN OPPORTUNITY.

24 MAYBE WE COULD BLOW IT UP EVEN A LITTLE BIT
25 MORE, MIKE. GREAT. GO DOWN A LITTLE BIT.

26 GO ONTO THE NEXT PAGE? NO? HOLD ON.

1 GO TO THE NEXT PAGE.

2 Q. MR. RYMAN, I'D LIKE TO ASK YOU A COUPLE OF
3 QUESTIONS ABOUT THIS LETTER, EXHIBIT 807.

4 YOU BEGIN THE FIRST PAGE BY REFERENCING THAT
5 "OVER THE PAST FOUR MONTHS, YOU'VE BEEN RECEIVING CALLS,
6 LETTERS, COMPLAINTS, QUESTIONS AND OTHER COMMUNICATIONS
7 FROM THOUSAND ADVENTURES MEMBERS REGARDING THE STATUS OF
8 THEIR HOME RESORT MEMBERSHIP."

9 A. THAT'S CORRECT.

10 Q. HOW DID YOU KNOW THAT?

11 A. I'M IN MEMBER SERVICES. OFTEN PEOPLE WOULD
12 BRING THINGS TO US. PRIMARILY THEY WOULD BRING THEM TO JIM
13 IF THEY WERE REALLY SOMETHING SPECIAL, JIM RANDALL.

14 BUT THE WAY I OPERATED, AND IN MY TIME IN
15 THE MARINE CORPS IS I SPENT AN AWFUL LOT OF MY TIME IN
16 COMMAND. ONE OF THE THINGS I DID IS I GET THERE EARLY IN
17 THE MORNING, HOUR AND A HALF OR SOMETHING BEFORE WORK
18 STARTED. AND THE FIRST THING I'D DO IS SAY HI, ANYBODY IN
19 MY PARTICULAR AREA, DROP MY BRIEFCASE IN MY OFFICE AND THEN
20 WALK BACK TO MEMBER SERVICES AND MINGLE WITH THE MEMBER
21 SERVICES REPRESENTATIVES AS A MORALE, AND FOR ME TO GET A
22 FEEL FOR WHAT'S HAPPENING OUT IN THE FIELD. AND I SAY,
23 WHAT'S GOING ON, OR THIS AND THAT, OR WE HAVEN'T DONE THIS.
24 I'M ASKING, WHAT'S THE RENEWAL STATUS -- EXCUSE ME --
25 THINGS OF THIS NATURE.

26 IN FACT, SOMETIMES IN THE MIDDLE OF THE DAY

1 I'LL GO BACK, AND I WOULD PERIODICALLY PUT ON HEADSETS AND
2 LISTEN TO THEM CONVERSING WITH MEMBER SERVICES
3 REPRESENTATIVES. AND THEY DIDN'T KNOW WHEN I WAS DOING
4 THAT.

5 BUT THE OTHER THING IN THE MORNING I'D DO IS
6 I WOULD SWING BY THE TRANSFER DESK AND ASK HER HOW THINGS
7 WERE GOING, AND HOW MANY DO YOU HAVE, WHAT'S HAPPENING, AND
8 SHE'D SAY THINGS, TELL ME ABOUT THINGS, FREQUENTLY SHOW ME
9 THINGS.

10 AND FROM THERE I'D SWING BY AND SEE THE TWO
11 GIRLS IN THE CIRCULATION -- I MEAN IN THE -- EXCUSE ME --
12 THE CORRESPONDENCE SECTION, FIND OUT WHAT THE VOLUME IS;
13 ARE YOU STAYING UP WITH IT? YOU KNOW, HOW MANY DAYS IS IT
14 TAKING TO KEEP THE AVERAGE LETTER AND GET A RESPONSE TO THE
15 MEMBERS? ARE THERE ANY QUESTIONS?

16 SO I HAD A -- I HAD AN AWFULLY GOOD FEEL
17 FOR -- FOR THE KINDS OF COMMUNICATIONS WE WERE GETTING FROM
18 THE MEMBERS AS TO WHAT WAS OCCURRING IN THE FIELD BECAUSE
19 THEY -- WE'LL HEAR FROM THEM LONG BEFORE WE'LL HEAR
20 DIRECTLY FROM SOMEBODY INVOLVED, A DEVELOPER OR SOMETHING,
21 WHEN SOMETHING'S HAPPENING.

22 Q. AND -- AND WITH -- WITHOUT SIMPLY READING
23 FROM YOUR LETTER, I MEAN, JUST TELL -- TELL THE JURY IN
24 YOUR OWN WORDS, WHAT WERE YOU HEARING ABOUT THOUSAND
25 ADVENTURES IN THE SPRING OF '97?

26 A. IT WAS TURMOIL. I MEAN, FORECLOSURES. I

1 THINK IT'S IN THE LETTER. WE WERE GETTING A LITTLE BIT OF
2 EVERYTHING. AND -- AND THE MEMBERS WOULD CALL THERE, AND
3 THEY COULDN'T GET AN ANSWER THERE. IT WAS JUST A REAL BAD
4 SITUATION.

5 Q. NOW, YOU --

6 A. AND THAT'S WHY I BECAME INVOLVED AND TRIED
7 TO COMMUNICATE DIRECTLY WITH MR. VOPNFORD. AND I KNEW HIM.
8 I PAID CALLS ON HIM AT HIS OFFICE, AND SO WE HAD A GOOD
9 RELATIONSHIP. AND I WAS TRYING TO GET TO HIM. NOBODY
10 COULD FIND HIM. I.R.S. WAS LOOKING -- THERE WERE ALL
11 THINGS GOING ON AT THAT TIME.

12 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT, AGAIN, AS
13 NONRESPONSIVE AND HEARSAY AND MAKE A MOTION TO STRIKE.

14 THE COURT: MOTION TO STRIKE IS GRANTED.

15 BY MR. SHERMAN: Q. OKAY. MR. RYMAN, YOU WRITE
16 HERE IN THE LETTER THAT YOUR ATTEMPTS TO CONTACT HAVE BEEN
17 UNSUCCESSFUL, AND THAT IT IS IMPERATIVE THAT WE UNDERSTAND
18 THE SITUATION IN SUFFICIENT DEPTH SO THAT WE CAN RESPOND TO
19 THE MANY MEMBERS CALLS THAT WE HAVE BEEN RECEIVING.

20 I TAKE IT THAT -- THAT YOUR EFFORTS TO
21 COMMUNICATE WITH HIM WERE UNSUCCESSFUL?

22 A. UNSUCCESSFUL. EXCEPT FOR ONE TIME I DID GET
23 AHOLD OF HIS WIFE, BARBARA. SHE ANSWERED THE PHONE IN THE
24 EARLY STAGES, AND SHE SAID, "OH, WE'LL GET" -- "WE'LL GET
25 YOU A LIST OF WHAT'S GOING ON." AND "I DON'T KNOW, AND I
26 CAN'T GET AHOLD OF DAVE," AND THAT WAS THE END OF IT.

1 Q. SO NOW AFTER YOU SENT THIS LETTER, DID YOU
2 GET A RESPONSE?

3 A. NO, I DIDN'T.

4 Q. SO WHAT DID YOU DO NEXT?

5 A. WELL, WE TRIED TO CONFIRM EVERYTHING THAT WE
6 COULD RELATIVE TO THESE RESORTS.

7 Q. DID YOU SEND A LETTER TO MEMBERS?

8 A. YES, WE DID.

9 Q. LET ME SHOW YOU A DOCUMENT, EXHIBIT 543.
10 MAY I APPROACH?

11 THE COURT: YES.

12 MR. SHERMAN: THANK YOU.

13 Q. HAVE YOU SEEN THIS LETTER BEFORE?

14 A. YES, I HAVE.

15 Q. WHAT IS THIS LETTER?

16 A. THIS IS A LETTER DATED THE 5TH OF JUNE,
17 SIGNED BY JIM RANDALL, THE DIRECTOR OF OPERATIONS, GOING
18 OUT TO THE THOUSAND ADVENTURE MEMBERS TELLING THEM, WE
19 UNDERSTAND, WE HEAR ALL THINGS ARE HAPPENING. AS SOON AS
20 WE GET A FINAL DISPOSITION IN THESE CASES, WE'LL LET YOU
21 KNOW. WE TRY TO GIVE THEM A WARM-FUZZY THAT THE WORLD
22 ISN'T FALLING APART AND THAT COAST TO COAST IS STILL
23 THERE.

24 Q. WELL, WASN'T THIS PART OF SOME GRAND SCHEME?

25 A. NO, IT WASN'T.

26 Q. YOU MEAN YOU WEREN'T SCHEMING HERE TO

1 DESTROY MR. VOPNFORD AND MR. NOVELLI?

2 A. CERTAINLY NOT.

3 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 543 INTO
4 EVIDENCE.

5 MR. SHAW: YOUR HONOR, THE SAME OBJECTION. THIS
6 HAS NOTHING TO DO WITH ANY OF THE PLAINTIFFS IN THIS CASE
7 OR MR. NOVELLI. IT'S NOT RELEVANT TO THE ISSUES IN THIS
8 CASE.

9 MR. SHERMAN: YOUR HONOR, THOUSAND ADVENTURES,
10 INC., ALABAMA AND THOUSAND ADVENTURES OHIO ARE PLAINTIFFS
11 IN THIS CASE, AND THE WITNESSES HAVE TESTIFIED THAT
12 THOUSAND ADVENTURES MEMBERS WERE POURED INTO TRAVEL
13 AMERICA.

14 MR. SHAW: YOUR HONOR, THAT'S JUST SIMPLY NOT THE
15 CASE. THERE WAS A BANKRUPTCY. MR. MITCHELL TESTIFIED
16 ABOUT THE MEETINGS THAT TOOK PLACE WHERE MR. NOVELLI WAS
17 BROUGHT IN TO RESCUE THE SITUATION. THIS ALL HAPPENED
18 BEFORE THAT TIME PERIOD.

19 THE COURT: I'LL TAKE IT UNDER SUBMISSION.

20 GO AHEAD.

21 BY MR. SHERMAN: Q. MR. RANDALL'S WRITING TO DEAR
22 COAST TO COAST MEMBERS; IS THAT RIGHT?

23 A. THAT'S CORRECT.

24 Q. "WE ARE WRITING TO YOU AS A MEMBER, WHOSE
25 HOME RESORT IS WITHIN THE THOUSAND ADVENTURES, INC., SYSTEM
26 TO ASSURE YOU THAT WE ARE MAKING EVERY EFFORT TO DETERMINE

1 THE STATUS OF EACH T.A.I. RESORT.

2 "WE ARE AWARE THAT THERE HAVE BEEN SOME
3 FORECLOSURES, SALE OF RESORTS AND REPOSSESSIONS OF SOME OF
4 THE T.A.I. RESORTS. IN THOSE CASES OF WHICH WE ARE AWARE,
5 WE ARE WORKING WITH THE NEW OWNERS TO FACILITATE AN ORDERLY
6 AND APPROPRIATE TRANSITION.

7 "TO THAT END, WE WANT TO REASSURE YOU THAT
8 IF YOU HAVE RENEWED YOUR COAST TO COAST MEMBERSHIP FOR
9 CALENDAR YEAR 1997, YOUR MEMBERSHIP PRIVILEGES WILL REMAIN
10 ACTIVE THROUGH THE END OF CALENDAR YEAR 1997."

11 LET ME JUST STOP RIGHT THERE.

12 DID YOU BELIEVE THIS LETTER TO BE FACTUALLY
13 ACCURATE WHEN IT WAS SENT OUT?

14 A. YES.

15 Q. DO YOU BELIEVE IT TO BE FACTUALLY ACCURATE
16 TODAY?

17 A. YES.

18 Q. DID YOU BELIEVE THERE TO BE ANYTHING
19 CONFUSING ABOUT IT?

20 A. NO, I DON'T.

21 Q. NOW AFTER THIS JUNE 5TH LETTER WAS SENT --
22 AND -- AND WITH SPECIFIC REFERENCE TO YOUR -- YOUR MAY 22ND
23 LETTER, THE ONE THAT WENT BY CERTIFIED MAIL?

24 A. YES.

25 Q. DID YOU EVER GET A RESPONSE TO THAT MAY 22ND
26 LETTER FROM MR. VOPNFORD?

1 A. NO, I DIDN'T.

2 Q. OR THE NEW OWNERS OF THOUSAND ADVENTURES
3 MEMBERS OR PARKS?

4 A. NO, I DIDN'T.

5 Q. AND EXHIBIT 53, IF WE COULD PUT THAT BACK UP
6 ON THE BOARD. IS IT -- THE SITUATION THAT YOU'VE NOW BEEN
7 TESTIFYING TO, IS THAT WHAT RESULTED IN THIS LETTER --

8 A. YEAH.

9 Q. -- THE JULY 31 LETTER BEING SENT?

10 A. YES, THAT'S CORRECT.

11 Q. NOW I'D LIKE TO SHOW YOU EXHIBIT 949-170.

12 MAY I APPROACH?

13 THE WITNESS: THANK YOU.

14 BY MR. SHERMAN: Q. YOU WERE REFERENCING A FEW
15 MOMENTS AGO YOUR -- YOUR -- I WAS GOING TO DO TOURS OF
16 DUTY, BUT I DON'T THINK THAT'S THE RIGHT PHRASE HERE. TOUR
17 IN THE MEMBER SERVICES DEPARTMENT --

18 A. YES.

19 Q. -- EVERY MORNING, AND -- AND --

20 A. THAT I WAS IN TOWN.

21 Q. WHEN YOU WERE IN TOWN.

22 AND THE MEMBER -- DID THE MEMBER SERVICES
23 DEPARTMENT RECEIVE LETTERS REQUESTING TRANSFERS?

24 A. YES, ALL THE TIME.

25 Q. IS THIS ONE OF THOSE LETTERS?

26 A. YES, IT IS.

1 MR. SHERMAN: I'D TO MOVE EXHIBIT 949-170 INTO
2 EVIDENCE.

3 MR. SHAW: SAME OBJECTIONS. THESE DON'T RELATE TO
4 ANY OF THE PLAINTIFFS IN THIS CASE, YOUR HONOR.

5 THE COURT: UNDER SUBMISSION.

6 BY MR. SHERMAN: Q. NOW, THIS IS A LETTER TO
7 DEBBIE HILBERT FROM FRANK KARBEN IN RICHFIELD, WASHINGTON
8 DATED JUNE 13, 1997. FRIDAY AFTERNOON.

9 YOU WROTE, "DEAR DEBBIE, I TALKED TO YOU" --
10 BY THE WAY, DEBBIE HILBERT, SHE'S MEMBER SERVICES?

11 A. YES. I WAS TRYING TO THINK OF HER NAME THE
12 OTHER DAY. I WAS ASKED ABOUT MARY URIOSTE. DEBBIE WAS HER
13 PREDECESSOR.

14 Q. SO -- SO MR. KARBEN WRITES TO
15 DEBBIE HILBERT, "I TALKED TO YOU YESTERDAY, AND AT THE END
16 OF OUR CONVERSATION YOU SAID I SHOULD WRITE YOU A LETTER
17 REQUESTING THAT OUR HOME PARK BE CHANGED FROM ALUM COVE IN
18 OHIO TO WHISKY CREEK IN MICHIGAN.

19 "WHY I CALLED YOU WAS THE FORM LETTER WE
20 RECEIVED FROM COAST TO COAST ASSURING MEMBERS OF THOUSAND
21 ADVENTURES, INC., THAT COAST TO COAST WOULD WORK WITH THEM
22 IF THEY WERE AFFECTED BY ANY PROBLEMS WITH THEIR T.A.I.
23 RESORT.

24 "I CALLED YOU BECAUSE YOU'RE NO LONGER
25 MEMBERS OF ALUM" -- "WE'RE NO LONGER MEMBERS OF ALUM COVE
26 AND HAVE BEEN MEMBERS OF WHISKY CREEK FOR A YEAR NOW."

1 AND THEN MR. KARBEN GOES ON TO EXPLAIN WHY
2 THEY STOPPED USING ALUM COVE.

3 DO YOU SEE THAT?

4 A. YES, I DO.

5 Q. AND MR. KARBEN TALKS ABOUT THEIR DUES BEING
6 RAISED; DO YOU SEE THAT?

7 A. YES, I DO.

8 Q. MR. KARBEN WRITES, "AFTER A FEW YEARS,
9 T.A.I. BOUGHT ALUM COVE AND IMMEDIATELY RAISED OUR YEARLY
10 DUES 10 PERCENT. TWO YEARS LATER THEY RAISED THEM 10
11 PERCENT AGAIN. AFTER A FEW MORE YEARS AND THE THIRD TIME
12 THEY WERE GOING TO RAISE THE YEARLY DUES ANOTHER 10
13 PERCENT, WE CALLED THEM AND TOLD THEM WE WERE FINISHED WITH
14 THEM AND WEREN'T GOING TO REMAIN A MEMBER WITH THEM.

15 "WE STOPPED USING THEIR ALUM COVE CARD AND
16 HAD PAID THEM THEIR DUES UP UNTIL THAT TIME."

17 AND YOU SEE MR. KARBEN SAYS IN THE LAST
18 COUPLE OF SENTENCES, "SINCE THEN, WE KEEP GETTING QUARTERLY
19 STATEMENTS FROM THEM WITH EVER-INCREASING FEES, AND OUR
20 LAWYER SAYS JUST TO THROW THEM AWAY. THIS IS WHY WE
21 REQUEST TO HAVE WHISKY CREEK AS OUR HOME PARK."

22 NOW, IN RESPONSE TO YOUR -- MR. RANDALL'S
23 LETTER OF JUNE 5TH, DID COAST RECEIVE COMMUNICATIONS LIKE
24 THIS?

25 A. MANY OF THEM.

26 Q. NOW, THERE HAVE BEEN SOME REFERENCES TO THE

1 COAST TO COAST MAGAZINE THAT YOU SEND OUT ON AN
2 EIGHT-TIMES-A-YEAR BASIS?

3 A. CORRECT.

4 Q. AND I'VE GOT IN MY HANDS THE MAGAZINE FROM
5 JANUARY-FEBRUARY 1998, COAST TO COAST EDITION.

6 THIS -- WAS THIS ONE OF THE MAGAZINES YOU
7 LOOKED AT BEFORE YOU LEFT?

8 A. NO, I DON'T THINK SO.

9 Q. DID YOU SEE THIS MAGAZINE AFTER YOU LEFT?

10 A. YES.

11 Q. AND THERE'S A -- IN THE COAST MAGAZINES --
12 THESE WERE MAGAZINES THAT WERE SENT TO MEMBERS; IS THAT
13 RIGHT?

14 A. THAT'S CORRECT. EVERY MEMBER RECEIVES THEM.

15 Q. EXCUSE ME?

16 A. EVERY MEMBER RECEIVES THEM EIGHT TIMES A
17 YEAR.

18 Q. OKAY. AND IN THESE MAGAZINES, THERE'S A
19 SECTION -- IF I MAY APPROACH, YOUR HONOR.

20 THE COURT: YOU MAY.

21 BY MR. SHERMAN: Q. THERE'S A SECTION ENTITLED
22 "RESORT UPDATES."

23 "THE FOLLOWING LIST CONTAINS CHANGES AND
24 ADDITIONS TO THE 1998 CAMP COAST TO COAST DIRECTORY.
25 RESORTS ARE LISTED ALPHABETICALLY."

26 AND LET ME PLACE THAT IN FRONT OF YOU,

1 MR. RYMAN.

2 WHAT IS THE -- IS THAT A REGULAR FEATURE
3 THAT APPEARS?

4 A. YES. I THINK I MENTIONED IT YESTERDAY.
5 IT'S HOW WE KEEP THE MEMBERS ABREAST OF ANY CHANGES TO THE
6 DIRECTORIES. YOU'LL RECALL I SAID THAT THEY ARE PRINTED
7 IN. THEY GO TO THE PRESS IN AUGUST, AND THEN BY THE TIME
8 THEY COME OUT, THERE'S ALREADY SOME CHANGES, WE PRINT IT IN
9 THE INSIDE NEWS FOR THE DEVELOPERS, AND WE PRINT IT IN THE
10 MAGAZINE WHICH HAS A MUCH LONGER LEAD TIME, AND DOESN'T
11 COME OUT AS FREQUENTLY.

12 BUT IT ALLOWS THE MEMBERS -- AND MANY OF
13 THEM CUT AND PASTE AND CHANGE THINGS, OR THEY PENCIL IN THE
14 CHANGES THAT ARE REFLECTED IN THE THING. IT IS A
15 CUMULATIVE THING. SO THERE'S NOT AS MANY IN THE
16 SEPTEMBER-OCTOBER EDITION. THERE'S MORE IN THE NEXT ONE,
17 MORE -- AND BY THE TIME YOU GET AROUND TO THE SPRING, WE'RE
18 READY FOR PUBLICATION. THERE'S A LENGTHY THING. SO IT IS
19 CUMULATIVE.

20 Q. AND SO WHY DO YOU DO THIS?

21 A. SO THAT THE MEMBERS KNOW WHAT'S HAPPENING
22 OUT THERE IN THE SYSTEM. THEY KNOW WHAT THE AVAILABILITY
23 OF RESORTS IS. THEY KNOW IF THE PHONE NUMBER CHANGES.
24 THEY KNOW IF THE ZIP CODE CHANGES. BECAUSE IF THEY ARE
25 GOING TO WRITE TO THEM, THERE'S ALL KINDS OF CHANGES THAT
26 OCCUR THAT ARE REFLECTED IN HERE.

1 Q. NOW, A FEW MOMENTS AGO I SHOWED YOU THAT
2 LONG LIST OF CLOSURES OF THOUSAND ADVENTURES PARKS, THE
3 NOTICE THAT HAD BEEN GIVEN JULY 31, 1997. YOU RECALL THAT?

4 A. YES.

5 Q. WERE THOSE CHANGES REFLECTED IN THE RESORT
6 UPDATE SECTION OF THE JANUARY-FEBRUARY 1998 EDITION?

7 A. YES, THEY WERE.

8 MR. SHERMAN: YOUR HONOR, IF I CAN JUST SHOW TO
9 THE JURY WHAT THE -- WHAT MR. RYMAN IS LOOKING AT?

10 THE COURT: ALL RIGHT.

11 THE WITNESS: HERE'S A NUMBER OF THEM IN IOWA.

12 MR. SHERMAN: OKAY? HERE.

13 REFERENCES IN RESORT UPDATES, A PART OF THE
14 COAST MAGAZINE, AND MR. RYMAN WAS POINTING TO IOWA.

15 THE WITNESS: I JUST PICKED THAT ONE OUT.

16 BY MR. SHERMAN: Q. AND WHY DID YOU PICK OUT IOWA?

17 A. BECAUSE IT JUMPED OUT BECAUSE THERE ARE SO
18 MANY T.A.I. RESORTS LISTED.

19 Q. AND YOU DO THIS STATE-BY-STATE?

20 A. YES, THAT'S THE WAY IT'S ORGANIZED.

21 Q. SO IF THERE ARE CLOSURES, DOES COAST ATTEMPT
22 TO COMMUNICATE WITH ITS MEMBERS THAT PARKS ARE CLOSED?

23 A. CERTAINLY, THROUGH THIS MEANS. AND --

24 Q. YOU DON'T WANT PEOPLE TO SHOW UP TO A CLOSED
25 PARK?

26 A. RIGHT. AND THAT'S WHY I EMPHASIZED THAT THE

1 LEAD TIME ON THIS IS MUCH LONGER TO PUBLISH A MAGAZINE LIKE
2 THIS, TO GET IT READY AND GO TO PRESS, AS OPPOSED TO THE
3 INSIDE NEWS, WHICH WE HAVE DONE LOCALLY AND DO IT ON A
4 MONTHLY BASIS. AND SO THE DEVELOPERS HAVE A COUPLE OF
5 COPIES OF THEIR UPDATE IN THEIR RESORT. AND SO MANY OF THE
6 MEMBERS ASK THEM FOR IT. SOME OF THE RESORTS EVEN
7 DUPLICATE IT AND PROVIDE IT TO THEM. BUT THEY KNOW THOSE
8 ARE AVAILABLE AT THE RESORTS AS WELL.

9 MR. SHERMAN: YOUR HONOR, I'D LIKE TO MOVE THE
10 JANUARY-FEBRUARY 1998 EDITION OF COAST MAGAZINE INTO
11 EVIDENCE.

12 MR. SHAW: YOUR HONOR, THE SAME OBJECTION AS THOSE
13 ARE RESORTS THAT ARE NOT PLAINTIFFS IN THIS CASE, AND
14 DON'T -- DON'T HAVE ANY RELATION. AND I'D JUST REQUEST TO
15 TAKE IT UNDER SUBMISSION UNTIL WE HAVE A CHANCE TO REVIEW.

16 THE COURT: UNDER SUBMISSION.

17 BY MR. SHERMAN: Q. NOW, LET'S GO BACK TO THE
18 SEPTEMBER 12, 1997, LETTER THAT MR. -- THAT YOU WERE
19 DISCUSSING YESTERDAY WITH MR. SHAW, EXHIBIT 7?

20 A. WHICH ONE? I'M SORRY.

21 Q. EXHIBIT 7. I DON'T BELIEVE YOU HAVE IT IN
22 FRONT OF YOU.

23 A. OH.

24 Q. WILL YOU ABLE TO LOOK UP ON THE SCREEN IF WE
25 HAVE IT UP THERE?

26 A. I CAN SEE IT, YES.

1 Q. NOW, THIS WAS A LETTER -- WHY DON'T WE JUST
2 GO TO THE FIRST PARAGRAPH. HIGHLIGHT THAT.

3 "BECAUSE YOU ARE A VALUABLE PART OF COAST TO
4 COAST'S FAMILY OF MEMBERS, WE REGRET TURMOIL YOU MAY BE
5 EXPERIENCING AS A RESULT OF THOUSAND ADVENTURES" -- "AS A
6 RESULT OF THE DISSOLUTION OF THOUSAND ADVENTURES RESORTS.

7 "WHILE WE CANNOT UNDO THE ACTIONS OF OTHERS,
8 WE ARE PREPARED TO TAKE ACTION TO PRESERVE AND PROTECT THE
9 MEMBERS OF OUR FAMILY."

10 AND THEN IT GOES ON TO TALK ABOUT THE
11 RENEWAL PROCESS AND THE WAY TO RENEW. YOU SEE THAT, THE
12 NEXT PARAGRAPH?

13 A. YES, I DO.

14 Q. AND THEN WE'LL GO DOWN, ADDITIONAL --
15 ADDITIONALLY INFORMATION TO RENEW?

16 A. THAT'S CORRECT.

17 Q. OKAY. NOW, WAS THIS THE LETTER THAT YOU
18 ASKED TWO TIMES YESTERDAY FOR MR. SHAW TO SHOW YOU?

19 A. YES, I DID, BECAUSE HE WAS IMPLYING IT
20 PERTAINED TO TRANSFERS. AND I DIDN'T THINK IT DID. BUT
21 UNLESS I COULD SEE IT, I COULDN'T MAKE THAT OBJECTION.

22 Q. WAS THERE ANY -- ANYTHING IN THIS LETTER
23 ABOUT TRANSFERS?

24 A. NO, THERE CERTAINLY WEREN'T. IT WAS, AGAIN,
25 A FEEL-GOOD LETTER TO THE PEOPLE FROM A BUSINESS
26 STANDPOINT. WE HAD JUST DROPPED THE RENEWALS IN THE

1 BEGINNING OF SEPTEMBER, AND ALL OF A SUDDEN ALL THIS
2 STUFF'S GOING ON. AND SO WE WANTED TO LET THEM KNOW.

3 Q. NOW LET'S GO BACK UP TO THE TOP.
4 HERE'S THIS REFERENCE TO "TURMOIL YOU MAY BE
5 EXPERIENCING AS A RESULT OF THE DISSOLUTION OF THOUSAND
6 ADVENTURES RESORTS"?

7 WHY DID YOU CHOOSE TO USE THE WORD
8 "DISSOLUTION"?

9 A. WE USED IT A COUPLE OF TIMES, AND IT'S BEEN
10 QUESTIONED. TO ME WHEN SOMETHING IS DISSOLVED, IT'S JUST
11 GONE. AND IF THE KINDS OF THINGS THAT WE WERE SEEING WITH
12 THE FORECLOSURES, THE BANKRUPTCIES, THE -- NOT ABLE TO GET
13 AHOLD OF OWNERS, ORIGINAL LENDERS AND OWNERS OF THE
14 RESORTS, TAKING THEM BACK LEGALLY, THINGS OF THAT, THE
15 SYSTEM HAD JUST FALLEN APART. IT JUST WASN'T THERE ANY
16 LONGER, HAD BEEN DISSOLVED.

17 Q. LIKE TO SHOW YOU EXHIBIT 949-077, AND 79.
18 JUST ONE PAGE. AND BATES NUMBERS 08409.

19 MAY I APPROACH?

20 SWITCHING GEARS JUST A LITTLE BIT,
21 MR. RYMAN, AND MOVING AHEAD TO THE OCTOBER LETTER THAT
22 YOU'VE NOW BEEN ASKED ABOUT A LOT OF TIMES, AND THE JURY
23 HAS SEEN, WERE THERE COAST MEMBERS WHO WROTE TO COAST IN
24 RESPONSE TO THE OCTOBER LETTER?

25 A. CERTAINLY.

26 Q. AND --

1 A. GOOD NUMBER.

2 Q. AND IS THIS ONE OF THOSE RESPONSES?

3 A. YES, IT IS.

4 MR. SHERMAN: I'D LIKE TO PUT THAT EXHIBIT UP ON
5 THE BOARD AND MOVE IT INTO EVIDENCE YOUR HONOR.

6 THE COURT: WOULD YOU REPEAT THAT NUMBER?

7 MR. SHERMAN: YES. 949. BELIEVE IT'S 0 -- 079 --
8 949-079. EXCUSE ME.

9 CAN YOU EXPAND THAT, MIKE?

10 THIS IS A LETTER DATED OCTOBER 28, 1997,
11 REGARDING COAST TO COAST MEMBERSHIP, TO JIM RANDALL.

12 " PLEASE BE ADVISED THAT WE ARE IN RECEIPT
13 OF YOUR LETTER DATED OCTOBER 1997 REGARDING OUR COAST TO
14 COAST HOME RESORT. APPROXIMATELY TWO MONTHS AGO, WE SENT A
15 LETTER TO THOUSAND ADVENTURES, NOW TRAVEL AMERICA, CHANGING
16 OUR HOME PARK TO A COAST TO COAST RESORT AFFILIATED PARK,
17 BRECKINRIDGE LAKE RESORT. TO DATE, WE HAVE NOT HAD A
18 RESPONSE. WE ARE ATTEMPTING TO CONTACT TRAVEL AMERICA
19 AGAIN BY CERTIFIED LETTER.

20 "IN ANY EVENT, PLEASE BE ADVISED THAT WE ARE
21 IN THE PROCESS OF CHANGING OUR HOME PARK.

22 "ONCE WE HAVE CONFIRMATION, YOU WILL BE
23 NOTIFIED IMMEDIATELY." FROM THE SINGERS.

24 NOW, THIS -- THIS REFERENCE TO HAVING SENT A
25 LETTER TO THOUSAND ADVENTURES, NOW TRAVEL AMERICA, WERE YOU
26 RECEIVING COMMUNICATIONS IN -- IN THE OCTOBER TIME FRAME

1 ABOUT MEMBERS OF THOUSAND ADVENTURES HAVING RECEIVED
2 COMMUNICATIONS FROM TRAVEL AMERICA?

3 A. YES, WE WERE.

4 Q. NOW --

5 A. QUITE A FEW TIMES PEOPLE WERE REFERRING TO
6 TRAVEL AMERICA.

7 MR. SHAW: YOUR HONOR -- YOUR HONOR, I'D JUST
8 OBJECT. THAT'S HEARSAY. IT'S NOT THE LETTER. NOW HE'S
9 TALKING ABOUT CONVERSATIONS. HEARSAY. MAKE A MOTION TO
10 STRIKE.

11 THE COURT: THERE HASN'T BEEN ANY CONTEXT. MOTION
12 DENIED.

13 MR. SHAW: THANK YOU, YOUR HONOR.

14 BY MR. SHERMAN: Q. NOW, IN THE CONTEXT OF MEMBER
15 COMMUNICATIONS, TALKING ABOUT THOUSAND ADVENTURES AND
16 TRAVEL AMERICA, WAS THAT SOMETHING THAT -- THAT MEMBERS
17 THOUGHT WAS A SECRET AND THAT ONLY A FEW PEOPLE KNEW ABOUT?

18 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT. CALLS FOR
19 SPECULATION AS TO WHAT THE MEMBERS KNEW.

20 THE COURT: SUSTAINED.

21 MR. SHERMAN: LET ME ASK IT SLIGHTLY DIFFERENT.

22 Q. FOR A SO-CALLED INDUSTRY EXPERT, LIKE
23 ROBERT MITCHELL, TO TESTIFY THAT EVEN THOUGH HE WAS AN
24 INDUSTRY EXPERT, HE DIDN'T HEAR ABOUT TRAVEL AMERICA UNTIL
25 DECEMBER 1997 OR LATE NOVEMBER 1997, FROM A MEMBER, WAS
26 THAT SOMETHING THAT YOU BECAME AWARE OF BY --

1 A. SURE.

2 Q. -- THE FALL OF '97?

3 A. CERTAINLY.

4 MR. SHAW: YOUR HONOR, I'LL JUST OBJECT. I'M
5 SORRY, MR. RYMAN.

6 YOUR HONOR, I'LL OBJECT. IT ASSUMES FACTS
7 NOT IN EVIDENCE, LACKS FOUNDATION. AND IT IS ARGUMENTATIVE
8 AND MISCHARACTERIZES THE EVIDENCE.

9 MR. SHERMAN: YOUR HONOR, THE FACTS ARE IN EVIDENCE
10 BECAUSE MR. MITCHELL HAS TESTIFIED TO HIS IGNORANCE.

11 THE COURT: OBJECTION IS OVERRULED.

12 THE WITNESS: YES. WE WERE HEARING IT. AND AS I
13 SAID EARLIER, WE HEAR THINGS FROM THE MEMBERS FASTER THAN
14 ANYTHING ELSE. THEY WERE GETTING BILLS FROM A T.A.I.,
15 TRAVEL AMERICA.

16 Q. LET ME SWITCH GEARS, MR. RYMAN. I WANT TO
17 ASK YOU ABOUT INSIDE NEWS.

18 WHAT IS INSIDE NEWS?

19 A. INSIDE NEWS IS THE -- WE'VE TALKED ABOUT IT
20 A BIT BEFORE. IT'S THE -- COAST TO COAST'S COMMUNICATION
21 WITH THE DEVELOPERS TALKING ABOUT THE INDUSTRY, THINGS THAT
22 ARE GOING ON IN THE INDUSTRY, VARIETY OF THINGS. SOMETIMES
23 WE HAVE ONE OF THE DEVELOPERS WRITE A LITTLE ARTICLE FOR
24 IT. BUT IT'S JUST INDUSTRY TALK LIKE ANY OTHER LARGE
25 INDUSTRY.

26 Q. AND HOW FREQUENTLY IS INSIDE NEWS SENT OUT

1 BY COAST TO ITS DEVELOPER AFFILIATES?

2 A. ON A MONTHLY BASIS.

3 Q. LET ME SHOW YOU --

4 A. AND THAT -- EXCUSE ME. THAT'S THE VEHICLE
5 WE SAID WE ATTACHED THE RESORT UPDATES TO SO THEY GET THOSE
6 TOGETHER AT THE RESORT. AND EACH RESORT RECEIVES EITHER
7 THREE OR FOUR. I DON'T KNOW WHAT IT IS NOW.

8 THE COURT: LET'S TAKE OUR MORNING BREAK. WE'LL
9 GET BACK TO IT.

10 20 MINUTES, LADIES AND GENTLEMEN.

11 (RECESS TAKEN.)

12 THE COURT: PROCEED, COUNSEL.

13 BY MR. SHERMAN: Q. MR. RYMAN, JUST A MOMENT AGO
14 YOU CAME UP TO ME AT THE LECTERN. YOU TOLD ME YOU HAD MADE
15 AN ERROR IN WHAT YOU HAD SAID.

16 WHAT DO YOU WANT TO CORRECT?

17 A. WELL, YOU HANDED ME A COPY OF THE INSIDE
18 NEWS TO GET READY TO START HERE, AND I LOOKED AT IT. AND I
19 RECOGNIZED I'VE BEEN SAYING THAT THIS IS A MONTHLY DOCUMENT
20 TO THE RESORTS. IT WAS. BUT AS WE WENT TO A LITTLE BIT
21 MORE GLOSSIER, MORE ELABORATE ONE, IT WENT TO -- LIKE THE
22 ONE I HAVE RIGHT NOW THAT HE GAVE YOU IS A
23 NOVEMBER-DECEMBER. SO IT'S NOT MONTHLY NOW. IT WAS IN THE
24 OLD DAYS. AND I HAVE NO IDEA WHEN IT CHANGED.

25 Q. NOW, THE INSIDE NEWS THAT I HAD GIVEN TO YOU
26 AND TO MR. SHAW, IS THIS AN INSIDE NEWS THAT WAS PUBLISHED

1 WHILE YOU WERE PRESIDENT?

2 A. YES, IT IS, THE LAST ONE WHILE I WAS
3 PRESIDENT.

4 MR. SHERMAN: I'D LIKE TO PUT THAT UP ON THE BOARD,
5 YOUR HONOR, MOVE IT INTO EVIDENCE, EXHIBIT 1548-0013,
6 THROUGH 20.

7 MR. SHAW: YOUR HONOR, I --

8 THE CLERK: WHAT?

9 MR. SHERMAN: 20.

10 THE CLERK: 20.

11 MR. SHAW: WOULD ASK IT BE TAKEN UNDER SUBMISSION.

12 THIS IS THE FIRST TIME WE'VE LOOKED AT IT. THANK YOU.

13 THE COURT: UNDER SUBMISSION. HE CAN PUT IT UP.

14 BY MR. SHERMAN: Q. OKAY. SO THIS IS THE
15 NOVEMBER-DECEMBER 1997 INSIDE NEWS THAT WAS SENT TO
16 DEVELOPERS, MR. RYMAN?

17 A. THAT'S CORRECT.

18 Q. AND LET'S JUST -- ELECTRONICALLY IF WE CAN
19 FLIP THROUGH THIS. LET'S GO TO THE FIRST PAGE -- THE NEXT
20 PAGE IN, PAGE NUMBER 2.

21 THERE IS -- THERE IS AN ARTICLE ABOUT RESORT
22 PERSPECTIVE, COMMUNICATION, AFTERTHOUGHT OR FIRST THOUGHT;
23 SEE THAT?

24 A. YES, I DO. IT'S WRITTEN BY A
25 MR. DON PAYTON, WHO'S --

26 Q. OKAY. THEN THERE IS -- AND AN INDUSTRY NEWS

1 COLUMN. DO YOU SEE THAT BELOW?

2 A. YES, I DO.

3 Q. OKAY LET'S -- LET'S JUST CONTINUE FLIPPING
4 THROUGH THIS MAGAZINE.

5 "EVERETT HEADS NEW MANAGEMENT TEAM." SEE
6 THAT ONE?

7 A. YES.

8 Q. SEE THAT?

9 A. YES, I DO.

10 Q. OKAY. THEN SEE -- SAME PAGE, LITTLE YIN AND
11 YANG, I GUESS. "RYMAN CLOSING SECOND CAREER." THAT'S YOU?

12 A. THAT'S CORRECT.

13 Q. LET'S JUST FLIP THE PAGE.

14 "RESORT TRACK '97, A CONFERENCE TO
15 REMEMBER." WHAT -- IS THIS A DEVELOPERS CONFERENCE?

16 A. DEVELOPER CONFERENCE. AS YOU CAN SEE,
17 ROBERT F. KENNEDY, JR., WAS OUR PRIMARY SPEAKER, MARINE
18 CORPS COLORS OPENING UP THE CEREMONIES AND A VARIETY OF
19 PICTURES AND EXPOSURE FOR A LOT OF THE DEVELOPERS. BUT IT
20 IS OUR ANNUAL CONFERENCE THAT WE HOLD FOR THE INDUSTRY.

21 Q. NOW, LET'S GO TO THE LAST PAGE OF THIS --
22 THIS INSIDE NEWS, LAST PAGE.

23 A. YES.

24 Q. HERE WE'VE GOT A LITTLE SECTION, THE UPPER
25 RIGHT-HAND CORNER.

26 MIKE, MAYBE YOU COULD EXPAND THAT.

1 ANNOUNCING THE NEW 1998 COAST TO COAST
2 SYSTEM WALL MAP. HOT OFF THE PRESS. DO YOU SEE THAT?

3 A. YES, I DO.

4 Q. OKAY. NOW, AS FAR AS THE INSIDE NEWS AND
5 HOW -- HOW IT WORKS AND HOW IT -- IT OPERATES WITH THE
6 WRITTEN AFFILIATION AGREEMENTS, I MEAN, THIS -- THESE
7 ARTICLES THAT I'VE BEEN SHOWING, ARE THESE PART OF THE
8 CONTRACT?

9 A. OF COURSE NOT.

10 Q. WELL, WHAT ABOUT, YOU KNOW, "RYMAN CLOSES
11 SECOND CAREER"; IS THAT PART OF THE CONTRACT?

12 A. OBVIOUSLY NOT.

13 Q. WHAT ABOUT THE FACT THAT THE NEW WALL MAP IS
14 HOT OFF THE PRESS, PART OF THE CONTRACT?

15 A. NO, IT ISN'T.

16 Q. LET'S GO TO EXHIBIT 285, ONE OF THE ARTICLES
17 THAT APPEARED IN THE 1990 INSIDE NEWS.

18 THAT'S -- THAT WAS WHAT MR. SHAW SHOWED
19 YOU; IS THAT RIGHT?

20 A. THAT'S CORRECT.

21 Q. MR. RYMAN, IS THAT SOME CHANGE OF POLICY,
22 THAT INSIDE NEWS?

23 A. NO. IT'S POLICY AFFIRMATION. I MEAN, IT'S
24 THE POLICY.

25 Q. AND WHAT'S THE CONTEXT IN WHICH THIS INSIDE
26 NEWS ARTICLE ON MEMBERSHIP LIST PROTECTION AROSE?

1 A. I THINK THAT I MENTIONED YESTERDAY WHEN I
2 WAS TALKING AT -- IN THIS TIME FRAME THERE WERE EMPLOYEES
3 AT THE RESORT LEVEL THAT WERE LITERALLY STEALING LISTS OF
4 NAMES THAT THEY COULD GET, OF ANY KIND OF NAMES, AND
5 THEY -- MAYBE THEY WOULD LEAVE THEIR ONE EMPLOYER AS A
6 SALESMAN AND GO TO ANOTHER RESORT AND TAKE THOSE NAMES WITH
7 THEM. SO THEY COULD THEN ATTEMPT TO WORK THEM OR DO
8 SOMETHING WITH THEM FOR SALES.

9 VERY UNSCRUPULOUS. I MEAN, THERE WAS --
10 THERE WERE THE RESALE COMPANIES. THEY'D SELL THEM TO THE
11 RESALE COMPANIES, SAY, "HERE'S A LIST FOR YOU." AND THEN
12 THE RESALE COMPANIES WOULD CALL AND BOTHER EACH ONE OF
13 THESE MEMBERS. "YOU'RE NOT USING YOUR MEMBERSHIP. DON'T
14 YOU WANT TO BUY" -- "DON'T YOU WANT TO BUY A" -- "DON'T YOU
15 WANT TO SELL YOUR MEMBERSHIP?" I'M SORRY.

16 BUT -- I TALK TOO FAST. I APOLOGIZE.

17 BUT THEY WERE JUST DISHONEST EMPLOYEES THAT
18 WERE DOING THIS, AND OUR WHOLE INTENT OF THIS PARTICULAR
19 PUBLICATION WAS TO WARN THOSE PEOPLE.

20 Q. DID YOU EVER ADDRESS THE ISSUE OF DISHONEST
21 EMPLOYEES, EMPLOYEE THEFT, AGAIN, IN INSIDE NEWS?

22 A. YES, WE DID, FEW MONTHS LATER.

23 Q. JUST A FEW MONTHS LATER YOU SAY?

24 A. CORRECT.

25 Q. LET ME SHOW YOU ANOTHER INSIDE NEWS ARTICLE,
26 EXHIBIT 971-005.

1 MAY I APPROACH?

2 THE WITNESS: THANK YOU.

3 BY MR. SHERMAN: Q. THE TWO PAGES THAT I'VE PLACED
4 BEFORE YOU, 971-005 AND THE BATES NUMBERS 9953 AND 54, ARE
5 THOSE PART OF INSIDE NEWS?

6 A. YES, THEY ARE.

7 Q. SO THEY ARE --

8 A. THIS IS IN THE OLD FORMAT WHEN WE JUST RAN
9 IT OFF IN THE OFFICE AS OPPOSED TO SENDING IT TO A PRESS.

10 Q. AND -- AND THIS OLD FORMAT, WHEN WAS THIS
11 SENT OUT?

12 A. IT -- IT HAS A PENNED "MAY '90" UP IN THE
13 CORNER. THAT'S THE ONLY SOURCE OF DATE.

14 Q. YOU'LL SEE IT SAYS, "DUE TO COAST TO
15 COAST'S IMPENDING MOVE TO DENVER IN MID-JUNE"?

16 A. YES.

17 Q. DOES THAT ASSIST YOU ALSO?

18 A. YES. IT WAS IN PROBABLY IN MAY -- APRIL,
19 MAY, SOMEWHERE IN THERE. MAYBE JUNE.

20 Q. OF WHAT YEAR?

21 A. 1990.

22 Q. OKAY.

23 A. JUST SHORTLY AFTER THE ONE THAT WE TALKED
24 ABOUT.

25 MR. SHERMAN: I'D LIKE TO MOVE EXHIBIT 971-005 INTO
26 EVIDENCE YOUR HONOR.

1 THE COURT: NO OBJECTION?

2 MR. SHAW: YOUR HONOR, THE ONLY QUESTION IS IT
3 LOOKS LIKE IT'S INCOMPLETE. IT KIND OF ENDS AT THE BOTTOM
4 OF THE PAGE AND DOESN'T GO OVER TO THE NEXT PAGE.

5 MR. SHERMAN: IT DOES. IN FACT, IT SAYS THE
6 ATTACHED ADVERTISEMENT IS A TYPE OF SOLICITATION, AND WE
7 WANT YOU TO BE AWARE OF, AND THE NEXT PAGE IS THE
8 ADVERTISEMENT.

9 MR. MOSHENKO: YOUR HONOR, THERE'S NO WAY TO
10 DETERMINE IF THAT'S THE END OF THE ARTICLE OR NOT
11 BECAUSE --

12 BY MR. SHERMAN: Q. IS THAT THE END OF THE
13 ARTICLE?

14 A. BEST OF MY KNOWLEDGE, CERTAINLY.

15 THE COURT: IT WILL BE RECEIVED.

16 (WHEREUPON EXHIBIT NO. 971-005, PORTION OF
17 INSIDE NEWS, WAS RECEIVED IN EVIDENCE.)

18 MR. SHERMAN: PUT IT UP ON THE BOARD PLEASE, MIKE.

19 Q. AND SO THERE'S THIS REFERENCE TO MEMBERSHIP
20 LIST PROTECTION. DO YOU SEE THAT?

21 SEE THAT, MR. RYMAN?

22 A. OH, YES I DO. EXCUSE ME.

23 Q. AND LET'S JUST READ IT OUT LOUD HERE.

24 "EARLY THIS YEAR IN EDITION 1/90" -- I GUESS
25 THAT'S JANUARY '90; CORRECT?

26 A. CORRECT.

1 Q. -- "OF INSIDE NEWS WE EMPHASIZED THE
2 IMPORTANCE OF PROTECTING YOUR MEMBERSHIP LISTS.

3 "BECAUSE THESE LISTS ARE THE PRIMARY ASSET
4 OF EVERY RESORT, COAST TO COAST DISTRIBUTES ITS SEMIANNUAL
5 RESORT MEMBERSHIP REPORTS TO EACH RESORT BY CERTIFIED MAIL.

6 "THE PREVIOUSLY MENTIONED INSIDE NEWS
7 STRONGLY RECOMMENDED THAT EACH RESORT ESTABLISH A SYSTEM,
8 IF ONE IS NOT ALREADY IN EXISTENCE, TO PROTECT ITS MAILING
9 LIST.

10 "IT WENT ON TO RELATE THAT WE'VE BEEN TOLD
11 THAT NUMEROUS RESORTS' LISTS HAD BEEN SOLD OR PROVIDED TO
12 OUTSIDE SOURCES BY DISGRUNTLED EMPLOYEES. FURTHERMORE,
13 THERE ARE COMPANIES CURRENTLY OFFERING TO BUY MEMBERSHIP
14 LISTS.

15 "THE ATTACHED ADVERTISEMENT IS A TYPE OF
16 SOLICITATION THAT WE WANT YOU TO BE AWARE OF."

17 AND THEN DID YOU ATTACH THE SOLICITATION ON
18 THE NEXT PAGE?

19 A. YES, WE DID.

20 Q. WHY DON'T WE PUT THAT UP.

21 "WANTED, CAMPGROUND MEMBERSHIP LISTS."

22 THAT'S WHAT YOU WERE RECEIVING?

23 A. WHAT?

24 Q. IS THAT WHAT COAST WAS HEARING ABOUT AND
25 SEEING?

26 A. OH, CERTAINLY THIS IS AN EXAMPLE OF IT.

1 THIS IS A NEWSPAPER AD.

2 Q. SO WHAT WAS THE CLIMATE LIKE IN -- IN THE
3 EARLY '90'S AS FAR AS THESE MEMBERSHIP LISTS WERE CONCERNED?

4 A. I THINK I DESCRIBED IT. THERE WERE PEOPLE
5 THAT WERE TRYING TO GET AHOLD OF THEM, PRIME -- YOU KNOW,
6 AT THE RESORT -- THE PEOPLE THAT WERE MOVING AROUND, THEY
7 MIGHT SELL FOR ONE COMPANY AT ONE TIME, AND THEY MIGHT SELL
8 FOR ANOTHER COMPANY. OR THEY MIGHT SEE AN AD LIKE THIS AND
9 SEE A LIST OF MEMBERS ON A DESK AND TAKE IT AND GO OUT AND
10 SELL IT TO THIS GUY.

11 Q. NOW, LET'S GO BACK TO THE PRIOR PAGE.

12 THIS MEMBERSHIP LIST PROTECTION, IS THAT A
13 CHANGE OF POLICY?

14 A. NO, NOT AT ALL. IT WAS JUST A WARNING.

15 Q. NOW, AS FAR AS THE -- THE MEMBERSHIP LIST
16 PROTECTION IDEA WHERE COAST WOULD NOT LEND, RENT, SELL OR
17 SHARE --

18 A. THAT'S CORRECT.

19 Q. -- THAT APPLIED TO RESORT -- DID THAT APPLY
20 TO RESORTS THAT WERE AFFILIATED WITH CAMP COAST TO COAST?

21 A. YES.

22 Q. DID IT APPLY IN ANY OTHER CONTEXT OTHER THAN
23 RESORTS THAT WERE AFFILIATED WITH CAMP COAST TO COAST?

24 A. NO.

25 Q. DID IT APPLY TO DISAFFILIATED RESORTS?

26 A. NO.

1 Q. DOES THIS POLICY HAVE ANYTHING TO DO WITH
2 ORPHANS?

3 A. NONE WHATSOEVER.

4 Q. AND WHY DO YOU SAY THAT?

5 A. JUST DOESN'T RELATE TO THEM. I MEAN,
6 ORPHANS, AS I DEFINED IT BEFORE, THEY ARE COAST TO COAST
7 MEMBERS WHOSE AFFILIATED COAST TO COAST RESORT IS NO LONGER
8 AFFILIATED.

9 Q. SO WHEN YOU SAY THEY ARE NO LONGER
10 AFFILIATED, YOU DON'T HAVE A CONTRACTUAL ARRANGEMENT WITH
11 THEM?

12 A. THAT'S CORRECT.

13 Q. AND I'D LIKE TO MOVE ON TO ANOTHER SUBJECT,
14 THE SUBJECT BEING SOME OF THE LANGUAGE OR VERBIAGE CHANGES
15 THAT MR. SHAW WAS ASKING YOU SOME QUESTIONS ABOUT.

16 AND I'VE GOT THREE EXHIBITS, YOUR HONOR,
17 THAT I'VE COMPRESSED TOGETHER. I BELIEVE ALL THREE HAVE
18 BEEN ADMITTED INTO EVIDENCE, EXHIBIT 51, 233 AND 5,
19 DIFFERENT WRITTEN AFFILIATION AGREEMENTS.

20 IF WE COULD JUST PUT THOSE UP ON THE BOARD.
21 EXHIBIT 51 IS THE TOP ONE. EXHIBIT 233 IS THE MIDDLE ONE.
22 EXHIBIT 5 IS THE LOWER ONE.

23 AND YOU'LL RECALL MR. SHAW ASKING YOU
24 QUESTIONS ABOUT THESE; RIGHT?

25 A. YES, I DO.

26 Q. NOW, THE EXHIBIT 51, THAT'S FROM THE 1988

1 VERSION THAT MR. NOVELLI SIGNED; IS THAT RIGHT?

2 A. THAT'S CORRECT.

3 Q. AND HAVE YOU EVER SEEN -- BY THE WAY, AS FAR
4 AS EXHIBIT 233, WHICH IS FEBRUARY '90, HAVE YOU EVER SEEN A
5 CONTRACT SIGNED BY MR. NOVELLI OR ANYONE FROM HIS COMPANY
6 PERTAINING TO EXHIBIT 233?

7 A. NO.

8 Q. ARE THERE ANY TO YOUR KNOWLEDGE?

9 A. NOT TO MY KNOWLEDGE.

10 Q. AND, NOW, EXHIBIT 5, THAT -- I REALIZE IT'S
11 NOT IN NUMERIC ORDER.

12 BUT EXHIBIT 5, THAT -- THAT'S LATER
13 LANGUAGE; IS THAT RIGHT?

14 A. YES, THAT'S CORRECT.

15 Q. AND THAT LANGUAGE IS CONTAINED IN -- IN
16 VARIOUS CONTRACTS THAT MR. NOVELLI AND HIS BROTHER-IN-LAW
17 SIGNED; IS THAT RIGHT?

18 A. THAT'S CORRECT.

19 Q. AND DO THEY SIGN THOSE IN 1994?

20 A. IN '94 AND '96, I BELIEVE.

21 Q. DID THEY SIGN SOME OF THOSE AFTER THE
22 MEETING IN YOUR OFFICE?

23 A. YES, THEY DID.

24 Q. AND SO EXHIBIT 5 -- LET ME JUST FOCUS ON
25 THAT, MIKE.

26 "LISTS OF MEMBERS OF COAST COMPILED BY COAST

1 FROM SUCH APPLICATIONS ARE THE PROPERTY OF COAST FOR ALL
2 PURPOSES AND MAY BE USED BY COAST IN ITS DISCRETION FOR
3 ENHANCEMENT OF THE COAST MEMBERSHIP."

4 IS IT YOUR UNDERSTANDING THAT THAT WAS THE
5 POLICY OF COAST?

6 A. THAT WAS ALWAYS THE POLICY.

7 Q. AND THIS INSIDE NEWS, DID THAT CHANGE THE
8 POLICY?

9 A. NO, IT DIDN'T.

10 Q. NOW, COUPLE OF DAYS AGO MR. SHAW SHOWED YOU
11 A LETTER THAT MR. SHAW SAID WAS SENT TO COAST IN THE EARLY
12 '90'S FROM SOMEONE IN MR. NOVELLI'S OFFICE.

13 DO YOU REMEMBER MR. SHAW SHOWING YOU THAT
14 DOCUMENT?

15 A. YES, I DO.

16 Q. HE DIDN'T SHOW IT. HE DIDN'T PUT IT UP ON
17 THE SCREEN, DID HE?

18 A. NO, HE DIDN'T.

19 Q. DIDN'T SHOW IT TO THE JURY?

20 A. NO, HE DIDN'T.

21 Q. I WANT TO SHOW IT TO YOU NOW.

22 MAY I APPROACH?

23 NOW, BEFORE WE PUT THIS UP ON THE SCREEN,
24 LET'S JUST MAKE SURE WE'RE CLEAR.

25 WHEN'S THE FIRST TIME YOU SAW THIS LETTER,

26 MR. RYMAN?

1 A. WHEN I BECAME INVOLVED IN THIS LAW CASE
2 IN -- AND GOT INVOLVED IN MY DEPOSITION AND THOSE KINDS OF
3 THINGS.

4 Q. SO JUST WITHIN THE LAST YEAR, YEAR AND A
5 HALF OR SO?

6 A. LESS THAN THAT. LAST FALL SOMETIME.

7 Q. AND -- AND WHAT ABOUT THE -- THIS -- THIS
8 DOCUMENT THAT'S ATTACHED TO THIS SO-CALLED LETTER? YOU SEE
9 THERE'S A DOCUMENT; IT STARTS OUT ON THE -- ON THE SECOND
10 PAGE IT SAYS "AGREEMENT" ON IT; DO YOU SEE THAT?

11 A. I'M SORRY. ON THE SECOND PAGE OF --

12 Q. SAYS "AGREEMENT." YOU SEE THAT?

13 A. OH, YES. I'M SORRY.

14 Q. OKAY.

15 A. TOP OF.

16 Q. THEN GO JUST THREE PAGES IN. YOU'LL SEE A
17 BATES NUMBER IN THE LOWER RIGHT-HAND CORNER 183?

18 A. YES.

19 Q. OKAY. AND YOU'LL SEE THAT THIS LOOKS LIKE
20 IT COULD BE A COAST CONTRACT; RIGHT?

21 A. YES.

22 Q. AND IT'S GOT SOME -- SOME LINES DRAWN
23 THROUGH IT; RIGHT?

24 A. THAT'S CORRECT.

25 Q. AND THEN IT'S GOT SOME LANGUAGE THAT'S
26 PURPORTEDLY ADDED AT THE BOTTOM, RIGHT, WITH AN ASTERISK?

1 A. OH, YES. YES. THERE'S AN ASTERISK, YES.

2 Q. I'M GOING TO SHOW THIS TO THE JURY IN A
3 MOMENT, BUT I WANT TO ASK YOU, WHEN'S THE FIRST TIME YOU
4 SAW THIS PAGE?

5 A. SOMETIME LAST FALL DURING THE DEPOSITION.

6 Q. SO AFTER THE LAWSUIT WAS FILED?

7 A. THAT'S CORRECT.

8 MR. SHERMAN: OKAY. YOUR HONOR, WE'D ALREADY
9 DISCUSSED THIS DOCUMENT IN CHAMBERS. I'D LIKE TO PUT UP
10 THE LETTER, EXHIBIT 3, AND THEN MOVE ON TO THE BALANCE OF
11 THIS DOCUMENT.

12 Q. SO THIS IS THE LETTER THAT MR. SHAW SHOWED
13 YOU; RIGHT?

14 A. THAT'S CORRECT.

15 Q. THIS IS A LETTER -- SO-CALLED LETTER FROM
16 PATRICIA KENNEDY TO DENISE TUCCI AT COAST.

17 SEE THAT?

18 A. YES, I DO.

19 Q. AND IT REFERENCES THAT SHE'S ENCLOSING SOME
20 SIGNED COPIES OF AN AGREEMENT.

21 YOU SEE THAT?

22 A. YES, I DO.

23 Q. AND -- AND SAYING THAT THEY MADE SOME
24 REVISIONS TO PARAGRAPH 3(E).

25 DO YOU SEE THAT?

26 A. YES, I HAVE.

1 Q. AND LET'S GO UP TO THE TOP, JUST SO WE'VE
2 GOT IT CLEAR WHO THIS SO-CALLED LETTER'S COMING FROM.

3 IT'S COMING FROM ALL SEASONS; RIGHT?

4 A. YES.

5 Q. THAT'S WHAT IT SAYS?

6 A. YES.

7 Q. OKAY. WELL, LET'S GO INTO THE ENCLOSURE.

8 LET'S JUST GO INTO THE NEXT PAGE RIGHT NOW. NEXT PAGE.

9 YOU'D AGREE WITH ME THAT IF YOU TAKE -- JUST
10 THE NEXT PAGE, MIKE.

11 NO, NO, NO. FIRST PAGE. YEAH. THANK YOU.

12 I MEAN, THIS -- THIS LOOKS -- IF I CAN TAKE
13 A QUICK LOOK AT IT -- LOOKS LIKE ONE OF THE COAST
14 AGREEMENTS; RIGHT?

15 A. YES.

16 Q. STANDARD FORM AGREEMENT?

17 A. CORRECT.

18 Q. AND THEN WE GO A COUPLE OF PAGES IN. LET'S
19 GO TO -- LET'S GO TO WHERE THE LANGUAGE IS.

20 CONFIDENTIALITY. AND WHY DON'T YOU EXPAND THAT PARAGRAPH

21 E. AND -- AND STAY WITH ME ON THIS, MR. RYMAN.

22 "LISTS OF MEMBERS OF COAST COMPILED BY COAST
23 FROM SUCH APPLICATIONS ARE THE SOLE PROPERTY OF COAST AND
24 MAY BE USED BY COAST OR BY OTHERS WITH COAST'S PERMISSION
25 FOR ANY PURPOSES."

26 DO YOU SEE THAT?

1 A. YES, I DO.

2 Q. NOW SOMEBODY SOMETIME, SOMEWHERE, SOMEHOW

3 PUT A LINE THROUGH THAT; RIGHT?

4 A. YES.

5 Q. AND YOU SEE A LITTLE ASTERISK THERE?

6 A. YES.

7 Q. LET'S GO DOWN THE PAGE AND SEE WHAT THE

8 ASTERISK SAYS. IT SAYS, "THAT SHALL BE USED BY COAST ONLY

9 FOR PURPOSES OF CARRYING OUT ITS OBLIGATIONS HEREUNDER.

10 "COAST SHALL NOT LEND, RENT, SELL, SHARE OR

11 OTHERWISE DISTRIBUTE ANY OF THE NAMES OR ADDRESSEES

12 FURNISHED TO COAST BY OWNER FOR ANY OTHER PURPOSE."

13 NOW, YOU'LL NOTICE THAT THERE'S NO INITIALS

14 ON THIS PAGE AT ALL; RIGHT?

15 A. CORRECT.

16 Q. MIKE, LET'S JUST GO BACK TO THE WHOLE PAGE.

17 YOU DON'T SEE ANY INITIALS THERE; RIGHT?

18 A. NO.

19 Q. LET'S GO TO THE SIGNATURE PAGE OF THIS

20 DOCUMENT.

21 IF YOU COULD JUST EXPAND THAT, MIKE.

22 NOW, YOU SEE THERE'S "SIGNATURE, OWNER, ALL

23 SEASONS RESORTS, RAYMOND G. NOVELLI"?

24 A. CORRECT.

25 Q. BUT THERE'S NO CO-SIGNATURE?

26 A. CORRECT.

1 Q. DID YOU SIGN THIS DOCUMENT?

2 A. I TOLD YOU, I DIDN'T SEE IT UNTIL LAST
3 FALL.

4 Q. TO YOUR KNOWLEDGE DID ANYONE FROM COAST EVER
5 SIGN THIS DOCUMENT?

6 A. TO THE BEST OF MY KNOWLEDGE, IT NEVER HIT
7 OUR OFFICE.

8 Q. NOW, LOOK, SOMETIMES MISTAKES HAPPEN IN
9 BUSINESS. LETTER GETS SENT. MAYBE IT WAS RECEIVED, AND IT
10 JUST NEVER GOT TO YOU OR TO MR. EVERETT OR MR. RANDALL, OR
11 ANYONE ELSE.

12 A. IF IT GOT TO OUR OFFICE, IT WOULD HAVE GOT
13 TO ME.

14 Q. MISTAKES HAPPEN?

15 A. OH, GRANTED. I'M NOT GOING TO SAY THEY
16 DON'T.

17 Q. MISTAKES HAPPEN?

18 A. YEAH.

19 Q. SO WOULD YOU HAVE SIGNED THIS DOCUMENT?

20 A. NO.

21 Q. WHY NOT?

22 A. BECAUSE IT'S NOT IN ACCORDANCE WITH OUR
23 NORMAL CONTRACT. I WOULD HAVE COMMUNICATED WITH
24 MR. NOVELLI.

25 Q. AND YOU DIDN'T COMMUNICATE WITH MR. NOVELLI
26 THIS TIME ABOUT THIS DOCUMENT?

1 A. NO, I DIDN'T. I DIDN'T SEE THE DOCUMENT.

2 I MEAN, THAT'S A MAJOR CHANGE.

3 Q. NOW, WHAT ABOUT FOLLOW-UP? I MEAN, WAS
4 THERE A LETTER -- THIS LETTER'S DATED JANUARY OF '90. WHAT
5 ABOUT MARCH '90, OR APRIL '90, OR DECEMBER '90 FROM
6 PATRICIA KENNEDY? DEAR COAST? YOU NEVER SIGNED IT AND
7 SENT IT BACK.

8 DID YOU EVER GET ANYTHING LIKE THAT?

9 A. NO. AND I DON'T KNOW WHO PATRICIA KENNEDY
10 IS.

11 Q. SO, SO FAR AS YOU KNOW, THERE WAS NEVER ANY
12 FOLLOW-UP ON THIS SO-CALLED LETTER AND CHANGES?

13 A. THAT'S CORRECT.

14 Q. BUT YOU HAVE MET WITH MR. NOVELLI WHERE THE
15 SUBJECT TURNED TO HIS CLAIM ABOUT CONFIDENTIALITY OF MEMBER
16 LISTS?

17 A. YES.

18 Q. AND I'D LIKE TO ASK YOU SOME QUESTIONS ABOUT
19 A MEETING THAT YOU HAD WITH MR. NOVELLI IN MARCH 1993.

20 OKAY?

21 A. YES.

22 Q. DID YOU MEET WITH MR. NOVELLI MARCH 11, 1993?

23 A. YES. THAT'S ONE OF THE MEETINGS WE TALKED
24 ABOUT YESTERDAY.

25 Q. AND WHO WAS AT THE MEETING?

26 A. I WAS AT THE MEETING. DILLON SCHICKLY, OUR

1 CHIEF OPERATING OFFICER WAS AT THE MEETING. AND

2 STEVE ADAMS WAS AT THE MEETING.

3 Q. THAT WAS FROM YOUR SIDE?

4 A. MR. NOVELLI, BOB THOMPSON, A MR. GUSTAVSON.

5 AND I KNOW THERE WAS A LADY IN THE ROOM. I'M NOT SURE

6 WHETHER IT WAS PATRICIA WALDMAN. I'M NOT SURE WHETHER IT

7 WAS PATRICIA WALDMAN. BUT I DON'T --

8 Q. HAD YOU BEEN THE ONE WHO WAS TRYING TO SET

9 THAT MEETING UP?

10 A. YES, I WAS.

11 Q. AND FOR HOW LONG HAD YOU BEEN TRYING TO SET

12 THAT MEETING UP WITH MR. NOVELLI?

13 A. FOR A COUPLE OF MONTHS.

14 Q. WELL, WERE YOU ABLE TO GET THROUGH TO

15 MR. NOVELLI AND SET IT UP?

16 A. NO.

17 Q. WHAT ABOUT THIS OPEN COMMUNICATION,

18 MR. RYMAN?

19 A. PARDON?

20 MR. SHAW: YOUR HONOR -- OBVIOUSLY THIS LINE OF

21 QUESTIONING IS LEADING, YOUR HONOR.

22 THE COURT: REPHRASE, PLEASE.

23 BY MR. SHERMAN: Q. WELL, WAS THERE OPEN

24 COMMUNICATION WITH MR. NOVELLI?

25 A. NO. I MEAN, IF -- THE WHOLE PERIOD OF TIME

26 I ONLY MET WITH HIM FOUR TIMES. AND THAT WAS DURING MY

1 TENURE OF 12 YEARS WITH COAST TO COAST. AND THIS WAS, I
2 EXPLAINED YESTERDAY, I BELIEVE, IN JANUARY 1993. I WAS
3 GOING OUT AND MEETING WITH THE DEVELOPERS AND TRYING TO
4 SAY, "HEY, I'M A NEW GUY ON THE BLOCK, AND WE'LL CONTINUE
5 TO WORK WITH COAST TO COAST" AND JUST BE -- KIND OF OPEN
6 A -- A DIALOGUE WITH THEM. AND THAT'S WHAT I WAS TRYING TO
7 DO IN ATTEMPTING TO SET UP THIS MEETING.

8 Q. AND DID MR. NOVELLI RESPOND TO YOUR
9 OVERTURES?

10 A. NO, HE DIDN'T.

11 Q. HOW MANY TIMES HAS MR. NOVELLI CALLED YOU
12 DURING THE TIME YOU WERE PRESIDENT?

13 A. I -- I CAN'T RECALL ANY. THERE MAY HAVE
14 BEEN ONE -- I DON'T THINK THERE WERE ANY.

15 Q. DID YOU FIND IT EASY OR HARD TO GET
16 MR. NOVELLI TO TAKE YOUR CALLS?

17 A. I COULDN'T GET HIM TO.

18 Q. NOW, AT THIS MEETING ON MARCH 11, 1993, WAS
19 THERE SOME PROMISE MADE BY MR. ADAMS TO MR. NOVELLI ABOUT
20 SO-CALLED SANCTITY OF HIS MEMBERSHIP LISTS?

21 A. CERTAINLY WASN'T.

22 Q. WAS THIS MEETING ARRANGED TO HAVE SOMETHING
23 TO DO WITH THE CONFIDENTIALITY OF MEMBERSHIP LISTS?

24 A. NO, IT WASN'T.

25 Q. NOW, YOU RECALL YESTERDAY BEING SHOWN SOME
26 DOCUMENTS FROM THE 1993 TIME FRAME, INTERNAL DOCUMENTS AT

1 COAST, TALKING ABOUT POTENTIAL COMPETITION; RECALL THAT?

2 A. YES, I DO.

3 Q. DID COAST PERCEIVE MR. NOVELLI'S
4 ORGANIZATIONS AS POTENTIAL COMPETITORS IN THE '93 TIME
5 FRAME?

6 A. AS POTENTIAL. I MEAN, THEY WERE GROWING.
7 AND, AS I SAID YESTERDAY, AS A GOOD BUSINESS, YOU ANALYZE
8 AND YOU WATCH THOSE KIND OF THINGS. SO I WOULD SAY YES, AS
9 A POTENTIAL.

10 Q. NOW, LET'S LEAP-FROG FIVE YEARS LATER, 1997.
11 WAS MR. NOVELLI AND HIS COMPANY PERCEIVED AS POTENTIAL
12 COMPETITORS THEN?

13 A. NO, NOT AT ALL.

14 Q. WHY NOT?

15 A. IT START -- HE'D STOPPED SELLING HIS
16 PRODUCT. THEY WERE GOING THROUGH ALL THESE BANKRUPTCIES,
17 AND ALL THESE THINGS WERE CHANGING. HIS MEMBERSHIP WAS
18 DECLINING. NUMBER OF RESORTS WERE DECLINING.

19 Q. GOING BACK TO THE MARCH 11 MEETING, DID
20 COAST MAKE PROMISES TO POTENTIAL COMPETITORS IN MARCH 1993
21 THAT THEY WOULDN'T USE THEIR OWN MEMBERSHIP LISTS?

22 MR. SHAW: OBJECTION.

23 THE WITNESS: OF COURSE NOT.

24 MR. SHAW: LEADING, YOUR HONOR.

25 THE COURT: OVERRULED.

26 THE WITNESS: OF COURSE NOT.

1 BY MR. SHERMAN: Q. NOW, WAS THERE AN ARGUMENT AT
2 THAT MEETING?

3 A. THERE WAS.

4 Q. AND TELL US ABOUT THE ARGUMENT.

5 A. I HONESTLY CAN'T REMEMBER A LOT ABOUT IT.
6 THE SUBJECT OF MEMBERS, WHOSE MEMBERS THEY WERE, DID COME
7 UP. AND THE ONLY REASON I REMEMBER IT IS BECAUSE
8 DILLON SCHICKLY, OUR CHIEF OPERATING OFFICER, SITTING NEXT
9 TO ME, KIND OF GOT UP OUT OF HIS CHAIR AND LEANED FORWARD
10 AND WAS EMPHASIZING THAT COAST TO COAST HAS THEIR OWN
11 MEMBERS, AND YOU HAVE YOUR OWN MEMBERS. AND I -- THAT'S
12 ALL I REALLY RECALL ABOUT IT.

13 Q. NOW --

14 A. I --

15 Q. AFTER THE MEETING, DID YOU SEND A LETTER TO
16 MR. NOVELLI?

17 A. YES, I DID.

18 Q. AND TELL US ABOUT THAT LETTER.

19 A. IT WAS JUST A FOLLOW-UP. THIS WAS AT THE
20 TIME THAT WE WERE INSTITUTING AN AUTOMATED RESERVATION
21 SYSTEM THAT I TALKED ABOUT YESTERDAY. VERY EXPENSIVE
22 SYSTEM THAT WE WERE PUTTING IN. PART OF OBVIOUSLY TO MAKE
23 IT WORK IS DEVELOPERS HAD TO PROVIDE US SOME DEDICATED
24 INVENTORY, A NUMBER OF SITES THAT WE COULD PUT IN THE
25 SYSTEM. SO THAT WHEN MEMBERS CALLED UP, WE COULD AS A
26 CENTRAL RESERVATION SYSTEM SAY YOU'VE GOT THAT ONE, YOU'VE

1 GOT THAT ONE.

2 AND MR. NOVELLI DID NOT WANT TO PARTICIPATE
3 IN IT. AS OTHER DEVELOPERS. SOME DIDN'T. AND SO THAT WAS
4 A TOPIC AT THAT MEETING.

5 Q. AT THE MARCH MEETING?

6 A. YES. I MEAN BUT, AGAIN, THIS MEETING DIDN'T
7 TURN OUT LIKE I WANTED IT TO BE, THAT ONE-TO-ONE,
8 BUSINESSMEN, AND LET'S TALK ABOUT THE INDUSTRY. BECAUSE HE
9 HAD PURSUED PARTICIPATION BY STEVE ADAMS, AND THEN
10 DILLON SCHICKLY CAME.

11 SO, I MEAN, I WAS ASKED TO TALK ABOUT THE
12 RESERVATION SYSTEM, WHAT IS IT, HOW IS IT GOING, AND TO
13 PROVIDE SOME MORE INFORMATION SO THAT OTHER PEOPLE
14 UNDERSTOOD IT AS WELL.

15 Q. LET ME SHOW YOU A DOCUMENT THAT'S BEEN
16 MARKED AS EXHIBIT 333.

17 IF I MAY APPROACH.

18 THE COURT: YOU MAY.

19 BY MR. SHERMAN: Q. MR. RYMAN, IS THIS THE LETTER
20 THAT YOU WERE JUST REFERRING TO?

21 A. THAT'S CORRECT.

22 Q. SO YOU SENT THIS LETTER TO MR. NOVELLI?

23 A. YES, I DID.

24 MR. SHERMAN: AND I'D LIKE TO MOVE EXHIBIT 333 INTO
25 EVIDENCE.

26 MR. MOSHENKO: WE HAVE A MINUTE, YOUR HONOR?

1 (DISCUSSION HELD OFF THE RECORD.)

2 THE COURT: 333 IS MOVED INTO EVIDENCE.

3 MR. SHAW: YOUR HONOR, WE NEED TO TAKE THIS ONE
4 UNDER SUBMISSION. WE WANT TO COMPARE IT WITH OUR NOTES
5 AND WHAT WE HAVE IN OUR BOOKS.

6 THE COURT: ALL RIGHT. UNDER SUBMISSION.

7 MR. SHAW: THANK YOU.

8 THE COURT: YOU CAN SHOW IT TO US.

9 MR. SHERMAN: OKAY. LET'S PUT IT UP ON THE SCREEN
10 THERE.

11 Q. WAS THIS LETTER IN PART INTENDED TO FOLLOW
12 UP ON THE MARCH MEETING?

13 A. OBVIOUSLY, YES.

14 Q. OKAY. AND LET ME, IF I CAN, JUST TO TRY TO
15 SAVE SOME TIME.

16 SEE IF YOU CAN SUMMARIZE FOR THE JURY SOME
17 OF THE ASPECTS OF THIS LETTER. AND LET ME CUT TO THE CHASE
18 FIRST.

19 IS THERE ANYTHING IN THIS LETTER SAYING
20 THAT -- THAT -- YOU KNOW, CONFIRMING OUR MEETING, THE
21 MEMBERS ARE YOURS?

22 A. CERTAINLY NOT.

23 Q. AND WHY -- WHY NOT?

24 A. BECAUSE THAT WAS -- I MEAN, THAT WAS NEVER
25 DECIDED. I MEAN, THAT WAS NEVER, I MEAN, UNDER
26 CONSIDERATION FROM OUR STANDPOINT.

1 Q. OKAY. SO YOU SENT THIS LETTER, AND THERE
2 WAS REFERENCE TO THE CENTRAL RESERVATION SYSTEM; IS THAT
3 RIGHT?

4 A. THAT'S CORRECT.

5 Q. BECAUSE YOU WANT TO FOLLOW UP ON THAT
6 MEETING IN MARCH AND YOUR CONVERSATION WITH BOB. IS THAT
7 BOB THOMPSON?

8 A. THAT'S CORRECT.

9 Q. AND -- AND WAS BOB THOMPSON WITH
10 MR. NOVELLI'S ORGANIZATION?

11 A. YES. I BELIEVE HE IS A VICE PRESIDENT. I'M
12 NOT SURE, BUT HE WAS THE --

13 Q. AND IF I COULD -- AGAIN, JUST TO SUMMARIZE
14 THIS LETTER, LET'S GO TO THE SECOND PAGE.

15 YOU CLOSE THE LETTER, "I WOULD APPRECIATE
16 HEARING YOUR COMMENTS EITHER BY TELEPHONE OR THROUGH
17 CORRESPONDENCE AT YOUR EARLIEST CONVENIENCE." RIGHT?

18 A. YES, I DID.

19 Q. AND GOING BACK TO THE FIRST PAGE AGAIN. IF
20 YOU COULD JUST GET THE WHOLE -- THE WHOLE BODY OF THE
21 LETTER MAGNIFIED THERE, MIKE.

22 YOU'RE TALKING ABOUT THE RESERVATION SYSTEM?

23 A. THAT'S CORRECT.

24 Q. OKAY. NOW, DID YOU EVER GET A PHONE CALL
25 BACK FROM MR. NOVELLI ON THIS LETTER?

26 A. NO, I DIDN'T.

1 Q. DID YOU EVER GET A RESPONSE FROM MR. NOVELLI
2 TO THIS LETTER?

3 A. NO, I DIDN'T.

4 Q. DID YOU EVER GET ANY RESPONSE BACK FROM THE
5 NOVELLI ORGANIZATION TO THE EFFECT THAT, RYMAN, YOU GOT IT
6 WRONG; YOU SHOULDN'T HAVE SUMMARIZED THE MEETING THIS WAY;
7 WHAT ABOUT ALL THE CONFIDENTIALITY STUFF?

8 A. NO, OF COURSE NOT.

9 MR. SHAW: YOUR HONOR, LEADING. OBJECTION,
10 LEADING.

11 MR. SHERMAN: EITHER HE DID OR HE DIDN'T.

12 THE COURT: OVERRULED.

13 BY MR. SHERMAN: Q. DID YOU EVER GET SUCH A
14 COMMUNICATION?

15 A. NO, I CERTAINLY DIDN'T.

16 Q. NOW, WHAT ABOUT A PHONE CALL?

17 A. NO. I DIDN'T RECEIVE ANY COMMUNICATIONS.

18 Q. LET'S SHIFT GEARS A LITTLE BIT, TALK ABOUT
19 DAVE VOPNFORD.

20 DID YOU EVER HAVE ANY COMMUNICATION WITH
21 DAVE VOPNFORD OR ANYONE IN THE THOUSAND ADVENTURES
22 ORGANIZATION ABOUT COAST NOT USING COAST'S LIST OF COAST'S
23 MEMBERS?

24 A. NO, I DIDN'T.

25 Q. DID YOU EVER DISCUSS WITH ANYONE IN THE
26 VOPNFORD ORGANIZATION THE SO-CALLED CLAIM THAT COAST

1 COULDN'T USE COAST'S OWN MEMBERS LISTS --

2 A. NO, I DIDN'T.

3 Q. -- AT COAST'S DISCRETION?

4 A. NO, WE DIDN'T.

5 Q. I'D LIKE TO TURN TO ANOTHER SUBJECT, THE
6 SUBJECT BEING INFORMATION THAT YOU BEGAN TO LEARN ABOUT
7 FINANCIAL AND OPERATIONAL UPHEAVAL WITH ALL SEASONS.

8 A. YES.

9 Q. AND I'D LIKE TO SHOW YOU EXHIBIT 949-016
10 THROUGH 949-019.

11 MAY I APPROACH?

12 THE WITNESS: THANK YOU.

13 BY MR. SHERMAN: Q. MR. -- MR. RYMAN, THROUGHOUT
14 THE MORNING I'VE SHOWN YOU SOME LETTERS THAT COAST'S
15 MEMBERS SERVICES DEPARTMENT HAS BEEN -- RECEIVED OVER TIME?

16 A. THAT'S CORRECT.

17 Q. OKAY. IS THIS ANOTHER ONE OF THOSE KINDS OF
18 LETTERS?

19 A. YES, IT CERTAINLY IS. AND AS I SAID BEFORE,
20 WE HEAR ABOUT THESE THINGS FASTER THROUGH THE MEMBERS THAN
21 WE DO THROUGH A -- WHAT WE WOULD THINK WOULD BE A NORMAL
22 CHANNEL.

23 Q. AND IS THIS DOCUMENT A COMMUNICATION
24 RECEIVED BY COAST'S MEMBER SERVICES DEPARTMENT IN THE
25 NOVEMBER '97 TIME FRAME?

26 A. YES, IT REFLECTS THAT IT WAS.

1 Q. LIKE TO MOVE EXHIBIT 949-016 THROUGH 019
2 INTO EVIDENCE.

3 MR. SHAW: YOUR HONOR, I DON'T HAVE A PROBLEM WITH
4 THE FIRST TWO PAGES. BUT THE THIRD AND FOURTH PAGES SEEM
5 TO BE SOMETHING THAT'S NOT REFERRED TO, AND -- I'M SORRY.
6 I SHOULD STAND -- NOT REFERRED TO THE LETTER. IT'S A
7 PLEADING OF SOME SORT. THE FIRST TWO PAGES ARE WHAT
8 MR. SHERMAN SAID THEY WERE.

9 MR. SHERMAN: THE LETTER -- YOUR HONOR, THE
10 DOCUMENTS WERE SHOWN TO YOUR HONOR IN CHAMBERS. THE FIRST
11 PAGE MAKES SPECIFIC REFERENCE TO A LETTER FROM ALL SEASONS,
12 WHICH IS EXACTLY WHAT IS ATTACHED HERE.

13 MR. SHAW: AND THERE'S A LETTER FROM ALL SEASONS,
14 WHICH I DON'T HAVE A PROBLEM WITH. IT'S THE COURT PLEADING
15 THAT IS NOT REFERRED TO ANYWHERE IN THE DOCUMENT, EVEN IN
16 THE ALL SEASONS.

17 THE COURT: I THINK WE DISCUSSED THIS. IT WILL BE
18 ADMITTED.

19 MR. SHAW: INCLUDING THE --

20 THE COURT: YES.

21 MR. SHERMAN: OKAY.

22 (WHEREUPON EXHIBIT NO. 949-016 THROUGH 019,
23 WAS RECEIVED IN EVIDENCE.)

24 BY MR. SHERMAN: Q. LET'S PUT UP ON THE SCREEN THE
25 FIRST PAGE OF WHAT YOU RECEIVED, MR. RYMAN.

26 THIS IS A LETTER FROM A

1 LIEUTENANT COLONEL F. DELEMOSE, JR., IN DAVENPORT, FLORIDA;
2 IS THAT RIGHT?

3 A. CORRECT.

4 Q. AND HE'S WRITING TO COAST TO COAST, AND THE
5 FIRST -- FIRST PARAGRAPH, "ENCLOSED IS A LETTER FROM ALL
6 SEASONS STATING THAT ALL MEMBERSHIP CONTRACTS ARE
7 TERMINATED."

8 NOW, IS THAT WHAT YOU WERE HEARING ABOUT IN
9 THE FALL OF 1997?

10 A. YES, WE WERE.

11 Q. LIKE TO GO TO THE THIRD AND FOURTH PAGES OF
12 THIS DOCUMENT.

13 DURING THE FALL OF 1997, WERE YOU RECEIVING
14 COMMUNICATIONS FROM MEMBERS IN WHICH THEY WERE REFERENCING
15 THE FACT THAT MEMBERSHIP CONTRACTS WERE BEING CANCELLED?

16 A. THAT'S CORRECT.

17 Q. AND IS THIS ONE OF THE KINDS OF DOCUMENTS
18 THAT YOU WERE RECEIVING FROM MEMBERS?

19 A. EXACTLY. AND THIS IS HOW WE FIND OUT. THEY
20 WOULD SEND A DOCUMENT LIKE THIS THAT THEY HAD RECEIVED.

21 Q. OKAY. SO LET'S -- LET'S LOOK AT THIS
22 DOCUMENT. THIS SAYS, "UNITED STATES BANKRUPTCY COURT,
23 CENTRAL DISTRICT OF CALIFORNIA, IN RE ALL SEASONS RESORTS,
24 INC."

25 IT'S ADDRESSED TO ALL MEMBERS OF ALL SEASONS
26 RESORTS, INC.

1 NOW, DID YOU UNDERSTAND BACK IN 1997 THAT
2 PEOPLE LIKE LIEUTENANT COLONEL DELEMOSE WHO WERE WRITING IN
3 EITHER WERE MEMBERS OR FORMER MEMBERS OF ALL SEASONS?

4 A. YES.

5 Q. AND SO THIS -- THIS IS ADDRESSED TO ALL
6 MEMBERS OF ALL SEASONS RESORTS, AND LET'S GO THROUGH THIS.

7 SAYS HERE, THE LAST PARAGRAPH, "ON AUGUST 4,
8 1997, THERE WAS A TRUSTEE APPOINTED."

9 HAD YOU BEEN MADE AWARE BY THE FALL OF 1997
10 THAT ALL SEASONS HAD A TRUSTEE APPOINTED OVER IT?

11 A. YES.

12 Q. AND THEN IT GOES ON TO SAY THAT THERE WAS
13 SOME EFFORT MADE TO BORROW MONEY BY THIS BANKRUPTCY
14 TRUSTEE.

15 WERE YOU AWARE OF THAT GENERALLY IN THE FALL
16 OF '97?

17 A. GENERALLY. I UNDERSTOOD THE PROCESS AND
18 WHAT WAS GOING ON.

19 Q. AND -- AND THEN IT SAYS, "WHILE THE TRUSTEE
20 WAS ATTEMPTING TO SELL THE DEBTOR'S CAMPGROUNDS WHILE THEY
21 WERE STILL IN OPERATION."

22 DO YOU SEE THAT?

23 A. YES.

24 Q. WERE YOU MADE AWARE THAT THERE WERE SOME
25 EFFORTS BEING UNDERTAKEN IN THE FALL OF 1997 TO SELL ALL OF
26 ALL SEASONS RESORTS' CAMPGROUNDS?

1 A. YES, I DID. I THINK I REFERRED TO IT A
2 NUMBER OF TIMES YESTERDAY. THEY WERE ON THE AUCTION
3 BLOCK.

4 Q. NOW, IT GOES ON TO SAY THAT THE COURT
5 ORDERED THE TRUSTEE TO NOTIFY THE MEMBERS THAT THEIR
6 CONTRACTS WOULD BE TERMINATED.

7 IS THAT -- IS THAT SOMETHING YOU UNDERSTOOD
8 IN THE FALL OF '97 THAT THAT WAS GOING ON?

9 A. VERY CLEAR.

10 Q. WAS THAT CONFUSING TO YOU?

11 A. NO, IT WASN'T. AND, AGAIN, I MENTIONED IT
12 YESTERDAY. I WAS TALKING ABOUT CONTRACTS BEING VOIDED.

13 Q. AND THE CONTRACTS THAT WERE BEING VOIDED
14 WERE WHAT CONTRACTS?

15 A. THE HOME RESORT MEMBERSHIP CONTRACTS OF ALL
16 SEASONS.

17 Q. LET'S GO BACK TO THE BOARD.

18 THE HOME RESORT MEMBERSHIP CONTRACTS WITH
19 ALL SEASONS THAT WERE BEING VOIDED THAT YOU UNDERSTOOD,
20 COULD YOU SHOW TO THE JURY WHICH CONTRACTS COAST UNDERSTOOD
21 AT THAT POINT IN TIME WERE BEING VOIDED?

22 A. THIS HOME RESORT MEMBERSHIP RIGHT HERE, FOR
23 ALL -- IF THIS IS A.S.R.

24 Q. OKAY. SO THE CONTRACT THAT PREVIOUSLY YOU
25 DIDN'T HAVE THE "X" THROUGH, YOU'VE NOW DRAWN THE "X"
26 THROUGH. AND WHAT DID YOU UNDERSTAND ABOUT THAT CONTRACT

1 IN THE FALL OF '97?

2 A. IT WAS GONE. THE COURT SAID IT WAS.

3 THE COURT: THIS IS LIEUTENANT COLONEL DELEMOSE;
4 WHAT BRANCH WAS HE IN?

5 THE WITNESS: I HAVE NO IDEA, YOUR HONOR.

6 MR. SHERMAN: YOUR HONOR, I'LL MAKE INQUIRY
7 THOUGH.

8 THE COURT: IF IT WAS THE ARMY, IT WAS THE
9 EQUIVALENT OF A CORPORAL.

10 THE WITNESS: I WON'T ARGUE WITH YOU.

11 BY MR. SHERMAN: Q. NOW, WERE YOU RECEIVING
12 EITHER AT THIS TIME, NOVEMBER '97, OR PRIOR TO THIS TIME
13 WERE YOU RECEIVING COMMUNICATIONS WITH COAST FROM ALL
14 SEASONS MEMBERS ASKING TO GET OUT?

15 A. YES, WE WERE. WE WERE GETTING ALL KINDS OF
16 COMMUNICATIONS FROM THEM.

17 Q. LET ME SHOW YOU A COUPLE OF EXHIBITS, 949,
18 828, 829, 036, 834 AND 835.

19 MR. SHAW: I'M SORRY, COUNSEL.

20 MR. SHERMAN: OKAY. WE'LL DO THEM ONE AT A TIME.
21 I'M TRYING TO RUN THROUGH THIS. BUT LET'S JUST DO 829
22 FIRST. 949, 828 AND 829. AFTER ALL THAT, IT'S ONLY 29.

23 MAY I APPROACH?

24 THE WITNESS: THANK YOU.

25 BY MR. SHERMAN: Q. MR. RYMAN, IS THIS ONE OF THE
26 LETTERS THAT COAST'S MEMBER SERVICES DEPARTMENT WAS

1 RECEIVING IN 1997?

2 A. YES, IT IS.

3 MR. SHERMAN: LIKE TO MOVE EXHIBIT 948-28 --
4 EXCUSE ME -- 948-29 INTO EVIDENCE, YOUR HONOR.

5 MR. SHAW: YOUR HONOR, JUST A MOMENT, PLEASE.

6 MR. SHERMAN: IT'S 949. NOT 948. I MISSPOKE.

7 MR. SHAW: AGAIN, MY OBJECTION, YOUR HONOR, IS THE
8 RELEVANCE. IT'S JANUARY 1997 WHICH IS BEFORE THE TRANSFER
9 LETTER BY MR. NOVELLI, AND IT DOESN'T INVOLVE A RESORT, ONE
10 OF THE PLAINTIFFS.

11 THE COURT: I THINK IT'S ALL BACKGROUND, COUNSEL.
12 I'LL ALLOW IT. RECEIVED.

13 MR. SHERMAN: THANK YOU.

14 (WHEREUPON EXHIBIT NO. 949-28, WAS RECEIVED
15 IN EVIDENCE.)

16 BY MR. SHERMAN: Q. LET'S GO STRAIGHT TO WHAT
17 MR. SHAW JUST SAID, MR. RYMAN.

18 SEE THAT REFERENCE TO HIDDEN VALLEY?

19 A. YES.

20 Q. WAS HIDDEN VALLEY AN ALL SEASONS RESORT?

21 A. YES.

22 Q. WAS HIDDEN VALLEY ULTIMATELY SOLD ON THE
23 BANKRUPTCY AUCTION BLOCK?

24 A. YES, IT WAS.

25 Q. NOW THIS IS A MEMBER WRITING IN JANUARY OF
26 '97 ASKING THAT THE HOME PARK BE CHANGED FROM ALL SEASONS

1 HIDDEN VALLEY TO WEST RIDGE RESORTS; IS THAT RIGHT?

2 A. THAT'S CORRECT.

3 Q. AND THE -- THEN THE LETTER GOES ON, "THE
4 REASON FOR THE REQUEST IS I DON'T LIKE WHAT IS HAPPENING TO
5 ALL SEASONS. MY HOME PARK AND THREE OTHER PARKS HAVE BEEN
6 CLOSED DUE TO FORECLOSURE AND FUTURE LOOKS SHAKY. THEY ARE
7 NOW UNDER RECEIVERSHIP. I SENT REQUEST LETTERS TO BOTH ALL
8 SEASONS AND WEST RIDGE REQUESTING THEM TO FAX THEIR ANSWER
9 TO YOU."

10 IS THIS THE KIND OF INFORMATION YOU WERE
11 AWARE OF?

12 A. YES.

13 Q. LET'S GO THROUGH 949-036.

14 MAY I APPROACH?

15 THE WITNESS: THANK YOU.

16 BY MR. SHERMAN: Q. WAS THIS A LETTER THAT WAS
17 RECEIVED BY THE COAST MEMBER SERVICES DEPARTMENT?

18 A. YES, IT IS.

19 Q. IN -- IN THE FALL OF '97?

20 A. THAT'S CORRECT.

21 MR. SHERMAN: LIKE TO MOVE IT INTO EVIDENCE YOUR
22 HONOR, 949-036.

23 MR. SHAW: JUST THE ONE PAGE?

24 MR. SHERMAN: YES, SIR.

25 MR. SHAW: NO OBJECTION, YOUR HONOR.

26 THE COURT: BE SO RECEIVED.

1 (WHEREUPON EXHIBIT NO. 949-036, WAS RECEIVED
2 IN EVIDENCE.)

3 BY MR. SHERMAN: Q. NOVEMBER 4, 1997, FROM
4 RICHARD CHONTOFALSKY, SPELLED AS IT SOUNDS.

5 "TO WHOM IT MAY CONCERN. PLEASE NOTE THAT
6 ALL SEASONS RESORTS IS DEFUNCT AND HAS TERMINATED ALL
7 MEMBERSHIP CONTRACTS. AT THIS TIME, I WOULD LIKE TO
8 TRANSFER MY HOME PARK TO LEWIS CLARK RESORT IN KAMIAH,
9 IDAHO."

10 WERE YOU RECEIVING LETTERS LIKE THIS FROM
11 ALL SEASONS RESORTS MEMBERS WHO -- WHO HAD DEFUNCT RESORTS?

12 A. YES, WE WERE, LOTS OF THEM.

13 BY MR. SHERMAN: Q. LET ME SHOW YOU, IT'S 1949,
14 834, 835. MAY I APPROACH?

15 MY MOTHER ALWAYS TOLD ME TO ENUNCIATE
16 BETTER.

17 NOW, LET'S START ON THE SECOND PAGE OF THIS
18 DOCUMENT, PAGE 09246.

19 IS THIS ONE OF THE FORMS ON THE TRANSFER
20 REQUESTS?

21 A. YES, IT IS.

22 Q. AND WAS THIS DOCUMENT RECEIVED AND PROCESSED
23 THROUGH COAST TO COAST IN THE FALL OF '97?

24 A. THAT'S CORRECT.

25 MR. SHERMAN: LIKE TO MOVE 949, 834 AND 835 INTO
26 EVIDENCE.

1 MR. SHAW: YOUR HONOR, WITH THE SAME OBJECTIONS WE
2 HAD IN CHAMBERS.

3 THE COURT: IT WILL BE SO RECEIVED. BACKGROUND
4 INFORMATION.

5 (WHEREUPON EXHIBIT NOS. 949-834 AND 835 WERE
6 RECEIVED IN EVIDENCE.)

7 BY MR. SHERMAN: Q. SO THIS IS AN INTERNAL
8 REQUEST --

9 A. YES.

10 Q. -- FORM?

11 A. IT IS. IT'S THE COVER SHEET THEY PUT ON THE
12 CORRESPONDENCE WHEN THEY COME IN BECAUSE THEY ARE STACKING
13 UP ALL THESE TRANSFERS AND EVERYTHING, AND THEY CAN KEEP UP
14 THE PROGRESS. YOU KNOW.

15 Q. OKAY. LET'S GO TO THE -- THE LETTER, THEN,
16 THAT'S RECEIVED FROM THE MEMBER. THIS IS FROM
17 ARTHUR M. REINERT, SR.

18 "COAST TO COAST, I CALLED YOU ON JUNE 17,
19 1997, AND ASKED TO BE TRANSFERRED TO TIMBERLAKE RESORT AND
20 R.V. CLUB NUMBER 741 IN MEARS, MICHIGAN. WE WERE AT BLUE
21 ARROW, COLORADO, WITH ALL SEASONS. THEY WENT BANK RUPT.
22 AND WE WERE SUPPOSED TO BE PUT AT LAKE FRANCE. BUT ALL
23 SEASONS DID NOT HAVE US AT LAKE FRANCE. I HAVE CALLED THE
24 PRESIDENT'S CLUB."

25 LET'S STOP RIGHT THERE. PRESIDENT'S CLUB,
26 THAT'S MR. NOVELLI'S ORGANIZATION?

1 A. THAT'S CORRECT.

2 Q. "WE HAVE CALLED THE" -- "I HAVE CALLED THE
3 PRESIDENT'S CLUB FOR THREE DAYS BEFORE THEY ANSWERED THE
4 PHONE. WHEN I DID GET THEM ON THE PHONE, THEY WOULD
5 TRANSFER YOU TO SOMEBODY ELSE OR HANG UP. SO WE ARE NOT
6 KEEPING THAT CAMPGROUND ANY LONGER."

7 WAS THIS A MEMBER THAT ASKED TO BE
8 TRANSFERRED?

9 A. YES, IT IS.

10 Q. NOW, YOU'D MENTIONED SOME PROPERTIES BEING
11 SOLD AT A BANKRUPTCY ACTION?

12 A. THAT'S CORRECT. ALL SEASONS RESORTS.

13 Q. NOW, DID COAST HAVE ANYTHING TO DO WITH
14 THIS BANKRUPTCY PROCEEDING?

15 A. OF COURSE NOT.

16 Q. COAST DIDN'T PUT ALL SEASONS IN BANKRUPTCY,
17 DID IT?

18 A. NO, WE CERTAINLY DIDN'T.

19 Q. I'D LIKE TO SHOW YOU A DOCUMENT, EXHIBIT
20 335.

21 MAY I?

22 MR. RYMAN, HAVE YOU EVER SEEN THIS DOCUMENT
23 BEFORE?

24 A. YES, I HAVE.

25 Q. WHEN DID YOU SEE THIS DOCUMENT?

26 A. IN THE FALL OF 1997.

1 Q. AND WHAT IS THIS DOCUMENT THAT YOU SAW IN
2 THE FALL OF 1997?

3 MR. SHAW: YOUR HONOR, MAY WE BE SEEN AT THE SIDE
4 BAR BRIEFLY BEFORE --

5 THE COURT: YOU MAY.

6 MR. SHAW: THANK YOU.

7 (DISCUSSION HELD OFF THE RECORD.)

8 BY MR. SHERMAN: Q. OKAY. SO, MR. RYMAN, THIS --
9 THIS DOCUMENT, EXHIBIT 335, THESE ARE DOCUMENTS YOU SAW IN
10 THE FALL OF 1997?

11 A. YES, IT WAS.

12 Q. AND DID THEY HAVE AN EFFECT ON YOU AT THE
13 TIME?

14 A. OH, CERTAINLY. IT CONFIRMED A LOT OF THE
15 RUMORS THAT I WAS HEARING.

16 Q. LET'S PUT THIS UP ON THE BOARD.

17 SAYS, "BANKRUPTCY AUCTION. BY ORDER OF THE
18 UNITED STATES BANKRUPTCY COURT IN THE MATTER OF ALL SEASONS
19 RESORTS, INC. APPROXIMATELY 8.5 MILLION EVALUATION. EIGHT
20 PRIVATE OUTDOOR CAMPGROUND RESORTS." GOES ON, "MONDAY,
21 OCTOBER 27TH AT 10:00 A.M. SALE TO TAKE PLACE AT THE
22 DOUBLETREE HOTEL, 3050 BRISTOL STREET, COSTA MESA,
23 CALIFORNIA. OSTRIN AND OSTRIN, AUCTIONEERS."

24 AND LET'S GO TO THE NEXT PAGE.

25 IS THIS ALSO INFORMATION THAT YOU SAW IN THE
26 FALL OF 1997?

1 A. YES, IT IS.

2 Q. AND MAYBE YOU COULD MAGNIFY THAT A LITTLE
3 BIT, MIKE.

4 "SALE TO TAKE PLACE AT DOUBLETREE HOTEL,
5 TERMS AND CONDITIONS OF SALE." SEE THAT?

6 A. YES.

7 Q. AND THEN THE NEXT PAGE, THIS IS A LISTING OF
8 THE DIFFERENT PROPERTIES THAT YOU UNDERSTOOD WERE BEING
9 SOLD UNDER THE BANKRUPTCY COURT AUCTION GAVEL; RIGHT?

10 A. THAT'S CORRECT.

11 Q. AND ARE THESE PROPERTIES FAMILIAR TO YOU;
12 EAGLE LAKE, FOX RIVER, SO FORTH?

13 A. YES. THEY WERE ALL ALL SEASON RESORTS.

14 Q. OKAY. SO LET ME MOVE TO -- TO YOUR LETTER
15 OF NOVEMBER 5, 1997, EXHIBIT 1563-153.

16 MAY I APPROACH?

17 THE WITNESS: THANK YOU.

18 BY MR. SHERMAN: Q. IS THIS A LETTER THAT YOU
19 SIGNED AND SENT OUT TO COAST MEMBERS?

20 A. YES, IT IS.

21 MR. SHERMAN: I'D LIKE TO MOVE THIS INTO EVIDENCE.

22 MR. MOSHENKO: NO OBJECTION.

23 THE COURT: BE SO RECEIVED.

24 WHAT'S THE NUMBER?

25 MR. SHERMAN: 1563-153.

26 THE COURT: GOT THAT?

1 THE CLERK: YES.

2 (WHEREUPON EXHIBIT NO. 1563-153, LETTER
3 DATED NOVEMBER 5, 1997, FROM ROGER RYMAN TO COAST MEMBERS,
4 WAS RECEIVED IN EVIDENCE.)

5 BY MR. SHERMAN: Q. OKAY. SO THIS IS A LETTER
6 THAT YOU SENT OUT TO COAST TO COAST MEMBERS; RIGHT?

7 A. THAT'S CORRECT.

8 Q. DID YOU SEND THIS TO ALL ALL SEASONS
9 MEMBERS?

10 A. YES, WE DID.

11 Q. LET ME REPHRASE THAT.

12 DID YOU SEND THIS LETTER TO ALL MEMBERS OF
13 ALL SEASONS RESORTS WHO ALSO HAD A CAMP COAST TO COAST
14 MEMBERSHIP?

15 A. YES, WE DID.

16 Q. SO YOU WERE SENDING IT TO COAST MEMBERS?

17 A. THAT'S CORRECT.

18 Q. OKAY. BEGINS, "BECAUSE YOU ARE A VALUABLE
19 PART OF COAST'S FAMILY OF MEMBERS, WE REGRET ANY TURMOIL
20 YOU MAY BE EXPERIENCING AS A RESULT OF THE DISSOLUTION OF
21 THE ALL SEASONS RESORTS."

22 SEE THAT?

23 A. YES, I DO.

24 Q. I WANT TO STOP YOU RIGHT THERE.

25 MR. RYMAN, ARE YOU A BANKRUPTCY EXPERT?

26 A. CERTAINLY NOT.

1 Q. YOU KNOW THE DIFFERENCE BETWEEN A CHAPTER 7
2 AND A CHAPTER 11?

3 A. I DO KNOW THAT, GENERALLY.

4 Q. DO YOU KNOW THE DIFFERENCE BETWEEN A
5 LIQUIDATING CHAPTER 11 AND AN ASSUMPTION OF CONTRACTS OR
6 REJECTION OF CONTRACTS?

7 A. CERTAINLY NOT.

8 Q. OKAY. WELL, DID YOU BELIEVE THAT ALL
9 SEASONS WAS BEING DISSOLVED AS OF THAT POINT IN TIME?

10 A. THERE'S NO QUESTION ABOUT IT. WE HAD SEEN
11 ALL OF THE BANKRUPT -- THEY WERE SELLING ON THE 27TH OF
12 OCTOBER, AND -- AND THE MEMBER CONTRACTS WERE BEING VOIDED,
13 OR THEY WERE SCHEDULED -- THE MEMBER CONTRACTS WERE BEING
14 VOIDED.

15 Q. AND WHY DID YOU SEND THIS LETTER TO -- TO
16 COAST MEMBERS?

17 A. LIKE A NUMBER OF OTHER LETTERS, I'VE SAID
18 BEFORE, TO KIND OF GIVE THEM A WARM AND FUZZY, THE -- HEY,
19 SOMEBODY'S THERE. WE'RE TAKING CARE OF YOU. WE'RE
20 MONITORING THE SYSTEM. DON'T WORRY. YOU KNOW, WE'LL HELP
21 YOU WHEN THE TIME COMES.

22 Q. LET'S --

23 A. IF WE DON'T SEND SOMETHING LIKE THIS, I CAN
24 SAY -- TELL YOU, IT MINIMIZE -- BY SENDING SOMETHING LIKE
25 THIS, NOT ONLY DID IT HAVE THEM FEEL GOOD, IT MINIMIZES A
26 NUMBER OF INCOMING CALLS WE'RE GOING TO GET BY PEOPLE THAT

1 ARE SEEING ALL OF THIS THING FALLING APART.

2 Q. WHEN YOU SAY SEEING THIS THING FALLING
3 APART, YOU'RE REFERRING TO ALL SEASONS?

4 A. CORRECT.

5 Q. DID YOU BELIEVE THAT ALL SEASONS WAS FALLING
6 APART?

7 A. IT HAD FALLEN APART BY THIS TIME.

8 Q. LET ME SHOW YOU THE NOVEMBER 12 LETTER.
9 BELIEVE THAT'S BEEN UP ON THE BOARD BEFORE.

10 WE'LL JUST DO IT THE OLD-FASHIONED WAY.
11 OKAY.

12 MR. MOSHENKO: I DID IT ON PURPOSE. NO, I DIDN'T
13 DO IT ON PURPOSE. BUT I WILL NEXT TIME.

14 MR. SHERMAN: MIKE, IT'S GOING TO TAKE A MOMENT TO
15 WARM UP.

16 YOUR HONOR, WHAT I'D LIKE TO ASK THAT WE DO
17 WITH THIS DOCUMENT IS AFTER MR. RYMAN'S FINISHED THIS
18 AFTERNOON -- THIS MORNING, IF I COULD JUST PASS THIS AROUND
19 TO THE JURY, THEN, IF WE CAN'T GET IT UP ON THE SCREEN.

20 THE COURT: ALL RIGHT.

21 MR. SHERMAN: THANK YOU. IT'S --

22 THE COURT: WHAT'S THE EXHIBIT NUMBER?

23 MR. SHERMAN: IS IT 525?

24 MR. RUTENBERG: 1555 WAS ADMITTED YESTERDAY.

25 MR. SHERMAN: 1555. IT'S THE SAME ONE AS
26 YESTERDAY.

1 THE COURT: ALL RIGHT.

2 BY MR. SHERMAN: Q. MR. SHAW ASKED YOU SOME
3 QUESTIONS ABOUT THIS LETTER TO MR. NOVELLI; IS THAT RIGHT?

4 A. THAT'S CORRECT.

5 Q. THIS IS THE NOVEMBER 12 LETTER?

6 A. CORRECT.

7 Q. WHY DID COAST SEND OUT THIS LETTER?

8 A. WELL, IT WAS NOTIFYING MR. NOVELLI THAT WE
9 HAD RECEIVED HIS LETTER, AND THE COAST TO COAST RESORTS,
10 THAT HE WAS WITHDRAWING, DISAFFILIATING FROM THE COAST TO
11 COAST SYSTEM; THAT THEY WERE IN FACT TERMINATED; THAT THE
12 DEER RUN PARK THAT HE HAD COME BACK IN WITH -- I THINK IT
13 WAS A SEPTEMBER 3RD LETTER SAYING, OH, I -- I MADE A
14 MISTAKE ON THAT ONE. I WANT TO KEEP IT SO I CAN PUT ALL
15 THE COAST TO COAST MEMBERS INTO IT AND COAST DELUXE.

16 AND AS I MENTIONED, THAT WAS EVASIVE AND
17 JUST A MEANS OF GIVING THOUSANDS OF PEOPLE A MEMBERSHIP IN
18 A RESORT THAT HAD ABOUT 80 PARTIAL SITES.

19 Q. WHAT DO YOU MEAN BY THAT; THOUSANDS OF
20 PEOPLE MEMBERSHIP IN A RESORT WITH 80 SITES?

21 A. WELL, HE WANT -- ALL OF THE PEOPLE THAT WERE
22 HIS MEMBERS, HE WANTED THEM TO CONTINUE TO HAVE COAST TO
23 COAST PRIVILEGES, AND THEN THE COAST DELUXE THAT HE HAD
24 SOLD, TO HAVE A HOME RESORT. AND SO HE ALL OF A SUDDEN
25 SAID, OH, NO I'LL LEAVE ONE IN, AND THEY CAN ALL USE THAT
26 AS A HOME RESORT. AND OBVIOUSLY UNTIL THE RECIPROCAL

1 BUSINESS, YOU CAN'T DO THAT -- OR SYSTEM, YOU CAN'T DO
2 THAT. IT HAS TO BE SOMEWHAT EQUITABLE TO BALANCE THEM,
3 YOU. CAN'T HAVE A WHOLE PILE OF PEOPLE HERE VISITING ALL
4 THE OTHER RESORTS AND THEM ONLY HOSTING A FEW IN 80 PARTIAL
5 SITES.

6 Q. NOW, I DON'T WANT TO GET INTO THE NUMBERS
7 GAME WITH WHETHER IT WAS 34,000 --

8 A. NOR DO I.

9 Q. -- 18,000 OR 500 OR WHATEVER IT WAS.
10 BUT HOW MANY SITES WERE THERE AT DEER RUN
11 PARK TO HANDLE ALL OF MR. NOVELLI'S MEMBERS THAT HE WAS
12 GOING TO MOVE OVER THERE?

13 A. I JUST SAID 80 PARTIAL SITES.

14 Q. FOR THOUSANDS OF MEMBERS?

15 A. YES.

16 Q. AND YOU RECALL MR. SHAW ASKING YOU A LOT OF
17 QUESTIONS ABOUT THIS 10-TO-1 RULE?

18 A. YES.

19 Q. YOU REMEMBER THAT RATIO OF 10-TO-1 --

20 A. THAT'S CORRECT.

21 Q. -- OF MEMBERS TO SITES?

22 DID THIS BEAR ANY RELATIONSHIP TO 10-TO-1?

23 A. NO.

24 Q. NOW AT SOME POINT IN TIME, MR. RYMAN, DID
25 COAST SEND TO COAST'S MEMBERS WHO WERE ALSO -- HAD BEEN
26 MEMBERS OF ALL SEASONS RESORT A LETTER TRANSFERRING FOR

1 HOME RECORD PURPOSES THEIR COAST MEMBERSHIP?

2 A. YES, WE DID.

3 Q. AND WHEN DID THAT OCCUR?

4 A. NOT UNTIL I BELIEVE IT WAS DECEMBER.

5 Q. AND LET ME SHOW YOU WHAT I THINK MAY BE THAT
6 LETTER, EXHIBIT 949, EXHIBIT 949-028.

7 A. YEAH.

8 MR. SHERMAN: YOUR HONOR, BECAUSE YOUR CLERK ISN'T
9 HERE, IF I COULD ASK MR. RUTENBERG TO MAKE A NOTE OF THAT
10 AND GIVE IT TO THE CLERK.

11 THE COURT: 949-028.

12 BY MR. SHERMAN: Q. IS THIS A LETTER THAT WAS SENT
13 TO THE COAST MEMBERS WHO HAD BEEN MEMBERS OF ALL SEASONS?

14 A. TO SOME OF THEM, THOSE THAT WERE COAST
15 MEMBERS IN THE A.S.R. ORLANDO RESORT. AND SIMILAR ONES
16 WERE SENT TO ALL THE OTHERS THAT WERE IN OTHER ALL SEASONS
17 RESORTS.

18 Q. AND IN DECEMBER 1997, DID YOU HAVE AN
19 UNDERSTANDING AS TO WHETHER ALL SEASON RESORTS WAS STILL IN
20 OPERATION?

21 A. YES. I KNEW THEY WEREN'T. I MEAN, THAT'S
22 WHY -- THAT'S WHY THIS ONE IS SO DELAYED. WE WAITED UNTIL
23 WE GOT THE BANKRUPTCY, THE SELLING OF THE RESORTS, THE --
24 THE VOIDING OF THE MEMBER CONTRACTS, AND THEN WE FELT THAT
25 WAS THE TIME TO GO AHEAD AND SEND IT TO THEM.

26 Q. NOW, WHY DON'T WE PUT THIS -- I'D LIKE TO

1 MOVE THIS INTO EVIDENCE YOUR HONOR, EXHIBIT 949 --

2 MR. MOSHENKO: NO OBJECTION.

3 MR. SHERMAN: 949-028. AND THIS IS --

4 THE COURT: THAT'S DEEMED RECEIVED.

5 (WHEREUPON EXHIBIT NO. 949-028, LETTER TO
6 COAST MEMBERS, WAS RECEIVED IN EVIDENCE.)

7 BY MR. SHERMAN: Q. THIS ALSO PROVIDES OPTIONS
8 TO -- TO THE COAST MEMBERS?

9 A. YES, IT DOES.

10 Q. AND YOU SEE THERE'S A REFERENCE HERE ABOUT
11 HALFWAY DOWN, "YOU'RE NOT OBLIGATED TO ACCEPT THIS
12 TRANSFER"?

13 A. THAT'S CORRECT.

14 Q. OKAY. SO WAS THIS LANGUAGE, VERBIAGE,
15 SIMILAR TO THE OTHER LETTERS?

16 A. YES, IT IS.

17 Q. IS THAT PART OF THE PLAN, TO KEEP SIMILAR
18 VERBIAGE?

19 A. CERTAINLY. WE WANTED TO MAKE SURE THEY KNEW
20 ALL THE OPTIONS, AND THAT THEY KNEW IF THERE WAS ANY
21 EXISTING CONTRACTUAL OBLIGATION, THAT THEY WEREN'T RELIEVED
22 OF THAT.

23 Q. NOW, MR. SHAW YESTERDAY ASKED YOU A LOT OF
24 QUESTIONS TRYING TO LINK TOGETHER A LETTER YOU HAD RECEIVED
25 FROM THIS BANKRUPTCY TRUSTEE, MR. JOSEPH, BACK IN 1992,
26 WITH -- WITH THINGS THAT WERE HAPPENING IN 1997 WITH ALL

1 SEASONS RESORT.

2 DO YOU REMEMBER THAT?

3 A. YES, I DO.

4 Q. DID ONE LETTER -- DID THAT LETTER HAVE
5 ANYTHING TO DO IN YOUR MIND WITH WHAT WAS GOING ON IN 1997?

6 A. NO, IT DIDN'T.

7 Q. AND YOU RECALL THAT YESTERDAY MR. SHAW ASKED
8 YOU QUESTIONS ABOUT YOUR UNDERSTANDING OF THE LEGAL
9 IMPLICATIONS OF THE WRITTEN AFFILIATION AGREEMENTS THAT
10 COAST HAD WITH ALL SEASONS.

11 RECALL THAT?

12 A. I DO.

13 Q. AT THE TIME THESE LETTERS WERE SENT,
14 NOVEMBER 12 AND DECEMBER, DID YOU BELIEVE THAT YOU HAD SOME
15 UNDERSTANDING OF THE LEGAL GROUNDS ON WHICH COAST STOOD?

16 A. YES, I DID.

17 Q. AND WHAT WAS YOUR UNDERSTANDING?

18 A. I WOULDN'T HAVE SENT THE LETTERS OTHERWISE.

19 Q. AND WHY DO YOU SAY THAT?

20 A. BECAUSE THERE -- WE HAD THE AUTHORITY. THE
21 MEMBERS WERE OURS. WE COULD COMMUNICATE WITH THOSE
22 MEMBERS. WE COULD TRANSFER THEIR COAST TO COAST
23 MEMBERSHIP.

24 Q. DID YOU BELIEVE THAT YOU HAD A LEGAL BASIS
25 FOR TERMINATING THE CONTRACT?

26 A. YES.

1 Q. NOW, I WANT TO TURN TO THE SUBJECT OF OPEN
2 COMMUNICATIONS, MR. RYMAN, BECAUSE YESTERDAY MR. SHAW ASKED
3 YOU SOME QUESTIONS ABOUT WHETHER COAST TRIED TO HIDE THINGS
4 FROM MR. NOVELLI, OR DIDN'T ENGAGE IN OPEN COMMUNICATIONS.

5 RECALL THAT?

6 A. YES, I DO.

7 Q. AND YOU'VE TESTIFIED THIS MORNING ABOUT SOME
8 OF YOUR EFFORTS OVER THE YEARS TO REACH OUT TO BOTH
9 MR. NOVELLI AND TO MR. VOPNFORD; IS THAT RIGHT?

10 A. YES, THAT'S CORRECT.

11 Q. EACH YEAR COAST HOSTS A DEVELOPERS
12 CONFERENCE; IS THAT RIGHT?

13 A. THAT'S CORRECT.

14 Q. AND THERE WAS A DEVELOPERS CONFERENCE IN A
15 PLACE ON THE EAST COAST CALLED "SAW GRASS"; IS THAT RIGHT?

16 A. YES, THAT'S CORRECT.

17 Q. WHERE IS SAW GRASS?

18 A. SAW GRASS IS JUST SOUTH OF JACKSONVILLE,
19 FLORIDA.

20 Q. AND WHEN WAS THAT DEVELOPERS CONFERENCE AT
21 SAW GRASS?

22 A. FALL OF '96. OUR ANNUAL CONFERENCE IS
23 NORMALLY IN SEPTEMBER.

24 Q. SO FALL OF '96, DEVELOPERS CONFERENCE IN SAW
25 GRASS.

26 A. YES.

1 Q. DID THE NOVELLI ORGANIZATION GET AN INVITE?

2 A. CERTAINLY. EVERYBODY DOES.

3 Q. AND DID ANYONE R.S.V.P., YOU KNOW, YES, I'LL
4 BE THERE?

5 A. NO, THEY DIDN'T.

6 Q. AND DID YOU NONETHELESS MEET UP WITH ANYONE
7 FROM THE NOVELLI ORGANIZATION AT SAW GRASS?

8 A. YES, I DID.

9 Q. DESCRIBE WHAT HAPPENED.

10 A. WE WERE HAVING A WELCOME COCKTAIL PARTY
11 AROUND THE SWIMMING POOL. AND ALL OF A SUDDEN, I NOTICED
12 THAT BOB THOMPSON WAS THERE IN PRETTY CASUAL ATTIRE.

13 AND I THOUGHT -- LIKE EVERY OTHER DEVELOPER
14 I TRIED TO GREET, I WALKED OVER TO HIM AND ASKED HIM, YOU
15 KNOW, SAID, "WELL, HI. I DIDN'T KNOW YOU WERE COMING,"
16 AND -- AND ALL THIS.

17 AND I MUST SAY THAT THIS IS THE ONLY EVENT
18 HE ATTENDED IN THE CONFERENCE.

19 AND HE GAVE ME AN ABRUPT, "I'LL SEE YOU IN
20 COURT." I NEVER KNEW WHAT IT MEANT OR ANYTHING ELSE. BUT
21 I CERTAINLY RECALLED IT.

22 Q. THAT'S HOW HE GREETED YOU?

23 A. THAT'S HOW HE GREETED ME.

24 MR. MOSHENKO: COULD WE GET THE TIME FOR THAT
25 EVENT? I DIDN'T KNOW.

26 BY MR. SHERMAN: Q. WHAT WAS THE TIME?

1 A. THAT WOULD HAVE BEEN SEPTEMBER IN, I
2 BELIEVE, '96.

3 Q. OKAY.

4 A. IS THAT --

5 Q. NOW LET ME MOVE TO ANOTHER TOPIC,
6 MR. RYMAN.

7 YOU RECALL MR. SHAW ASKING YOU SOME
8 QUESTIONS ABOUT THE TIMING OF WHEN NOTICE FROM A DEVELOPER
9 NEEDS TO BE GIVEN IF THEY WANT TO TERMINATE THE
10 AFFILIATION?

11 A. YES, I DO.

12 Q. AND YOU RECALL MR. SHAW SHOWING YOU EXHIBIT
13 51, THE 1988 CONTRACT, AND -- WHICH REFERENCED AN OCTOBER 1
14 TIME PERIOD, THAT NOTICE HAD TO BE GIVEN PRIOR TO OCTOBER
15 1?

16 A. YES, THAT'S CORRECT.

17 Q. AND MR. SHAW ASKED YOU WHETHER THE NOTICE
18 FROM MR. NOVELLI HAD BEEN SENT IN A TIMELY MANNER, THE
19 PULL-OUT LETTER; REMEMBER THAT?

20 A. YES, DATED I BELIEVE THE 27TH OF AUGUST.

21 Q. NOW, THE LATER CONTRACTS, DO THEY STAY WITH
22 THAT OCTOBER 1 DATE?

23 A. NO. THE LATER CONTRACTS WERE CHANGED TO 1
24 AUGUST IN ORDER THAT WE WOULD KNOW AROUND THE TIME WE WERE
25 PREPARING THE DIRECTORY. IT SEEMED LIKE A MUCH MORE
26 LOGICAL TIME FRAME.

1 Q. AND THESE WERE CONTRACTS THAT MR. NOVELLI
2 AGREED TO AND SIGNED?

3 A. THAT'S CORRECT.

4 MR. SHERMAN: WHY DON'T WE PUT UP ONE OF THOSE
5 TERMINATION CLAUSES FROM EXHIBIT 5, ONE OF THE AGREEMENTS
6 THAT MR. NOVELLI SIGNED WHICH HAS ALREADY BEEN ADMITTED
7 INTO EVIDENCE. IT'S 5004, IF I'M NOT MISTAKEN. I AM
8 MISTAKEN.

9 OH, IT'S UP TOP THERE. I WAS -- GOT
10 DISTRACTED.

11 Q. "THE TERM OF THIS AGREEMENT SHALL INITIALLY
12 BE FOR ONE CALENDAR YEAR, 1996, AND SHALL CONTINUE
13 THEREAFTER FOR SUCCESSIVE ONE-YEAR PERIODS UNLESS WRITTEN
14 NOTICE OF NONRENEWAL SHALL HAVE BEEN GIVEN BY EITHER PARTY
15 TO THE OTHER PRIOR TO AUGUST 1 OF ANY CALENDAR YEAR."

16 SEE THAT?

17 A. YES.

18 Q. IS THAT THE AUGUST 1 DATE YOU WERE REFERRING
19 TO?

20 A. YES, IT IS.

21 Q. AND YOU ARE AWARE OF THE CONTRACTS SIGNED BY
22 MR. NOVELLI AND HIS BROTHER-IN-LAW IN '94, '95 AND '96?

23 A. I THINK THEY WERE '94 AND '96. I DON'T
24 THINK THERE WAS ONE IN '95.

25 Q. I'LL STAND CORRECTED.

26 DO THEY ALL CONTAIN THAT SAME AUGUST 1 DATE?

1 A. YES, THEY DO.

2 Q. SO WHEN THE AUGUST 27, 1997, NOTICE COMES
3 IN, EXHIBIT 39, IS THAT TIMELY NOTICE?

4 A. NOT ACCORDING TO THE CONTRACT.

5 Q. I'M GOING TO MOVE TO QUESTIONS THAT MR. SHAW
6 HAD ASKED YOU ABOUT THIS SO-CALLED ADAMS GROUP.

7 RECALL MR. SHAW THE FIRST DAY ASKING A LOT
8 OF QUESTIONS ABOUT THAT; RIGHT?

9 A. YES, I DO.

10 Q. WELL, HAVE YOU EVER HEARD OF THE ADAMS
11 GROUP?

12 A. NO, I HAVEN'T.

13 Q. HAVE YOU EVER REFERRED TO THE AFFINITY GROUP
14 AS THE ADAMS GROUP?

15 A. NO, WE HAVEN'T.

16 Q. DID COAST TO COAST, MAINTAINING IT OR NOT
17 MAINTAINING IT, CORPORATE MINUTES, HAVE ANYTHING TO DO WITH
18 THE LETTERS THAT COAST SENT TO IDLE MEMBERS?

19 A. NO, THEY DIDN'T.

20 Q. DID COAST SHARING CERTAIN RESOURCES OR
21 EMPLOYEES WITH AFFINITY GROUP HAVE ANYTHING TO DO WITH
22 COAST SENDING LETTERS TO ITS MEMBERS?

23 A. NO, IT DIDN'T.

24 Q. HOW INVOLVED IS STEVE ADAMS IN THE RUNNING
25 OF CAMP COAST TO COAST?

26 A. NOT AT ALL.

1 Q. DID YOU HAVE TO ASK ANYONE'S PERMISSION
2 BEFORE YOU SENT THESE LETTERS IN THE FALL OF 1997?

3 A. NO, I DIDN'T.

4 Q. DID YOU DISCUSS WITH ANYONE PRIOR TO SENDING
5 LETTERS TO COAST MEMBERS AT AFFINITY GROUP TO ASK
6 PERMISSION?

7 A. NO, I DIDN'T.

8 Q. WHY NOT?

9 A. BECAUSE IT WAS MY -- MY RESPONSIBILITY, MY
10 AUTHORITY.

11 Q. DID AFFINITY GROUP TO YOUR KNOWLEDGE,
12 MR. RYMAN, HAVE ANYTHING TO DO WHATSOEVER WITH COAST TO
13 COAST'S DECISION TO SEND LETTERS TO COAST'S MEMBERS IN THE
14 FALL OF 1997?

15 A. NONE WHATSOEVER. ABSOLUTELY NOT.

16 Q. LAST TOPIC.

17 A. GOOD.

18 Q. MR. RYMAN, BACK WHEN THIS COMPLAINT WAS
19 FILED IN JANUARY 1998, YOU WERE NAMED AS A DEFENDANT?

20 A. YES, I WAS.

21 Q. YOU WERE ACCUSED OF HAVING ENGAGED IN ALL
22 THIS MISCONDUCT; RIGHT?

23 A. YES, I WAS.

24 Q. ARE YOU A DEFENDANT NOW?

25 A. NO, I'M NOT.

26 Q. WHY AREN'T YOU A DEFENDANT?

1 A. BECAUSE --

2 MR. MOSHENKO: CALLS FOR SPECULATION.

3 THE WITNESS: BECAUSE THEY WITHDREW THAT.

4 MR. MOSHENKO: OKAY.

5 THE COURT: EXCUSE ME. THE OBJECTION'S SUSTAINED.

6 SUFFICE IT TO SAY, HE'S NO LONGER A PARTY.

7 MR. SHERMAN: NO FURTHER QUESTIONS AT THIS TIME.

8 THE COURT: THANK YOU. WE'LL TAKE LUNCH. SEE YOU

9 ALL AT 1:30, LADIES AND GENTLEMEN.

10 (WHEREUPON THE COURT WAS IN RECESS UNTIL

11 1:30 P.M. OF THE SAME DAY.)

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

1 WESTMINSTER, CALIFORNIA - THURSDAY, JUNE 1, 2000

2 AFTERNOON SESSION

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

5 THE COURT: GOOD AFTERNOON, LADIES AND GENTLEMEN.

6 THE JURY: GOOD AFTERNOON YOUR HONOR.

7 THE COURT: PROCEED, COUNSEL.

8 MR. MOSHENKO: THANK YOU, YOUR HONOR.

9 MR. SHERMAN: EXCUSE ME, YOUR HONOR. MAY I
10 INQUIRE? IS MR. MOSHENKO GOING TO BE DOING THE
11 EXAMINATION?

12 MR. MOSHENKO: I'M GOING TO BE DOING THE REDIRECT.

13 MR. SHERMAN: THIS IS KIND OF UNORTHODOX. I'D LIKE
14 MR. SHAW TO FINISH WHAT HE STARTED.

15 MR. MOSHENKO: YOUR HONOR, MR. SHAW AND I DISCUSSED
16 IT, AND WE AGREED I WOULD DO THE REDIRECT. AND --

17 THE COURT: ALL RIGHT. PROCEED.

18 MR. MOSHENKO: WE'LL -- THANK YOU.

19 RECROSS-EXAMINATION

20 BY MR. MOSHENKO: Q. MR. RYMAN, THIS MORNING
21 MR. SHERMAN ASKED YOU IF YOU FELT YOU HAD A LEGAL
22 UNDERSTANDING OF THE LEGAL BASIS FOR WHAT WAS DONE BY CAMP
23 COAST TO COAST IN THE FALL OF '97.

24 DO YOU RECALL THAT QUESTION?

25 A. SOMETHING TO THAT EFFECT, YES.

26 Q. OKAY. AND HE -- THE ANSWER WAS, YOU FELT

1 YOU DID HAVE A LEGAL UNDERSTANDING?

2 A. DID I?

3 Q. FOR THE BASIS FOR WHAT YOU AND COAST TO
4 COAST DID?

5 A. THAT I UNDERSTOOD THE LEGALITY, YES, THAT'S
6 CORRECT.

7 Q. OKAY. YOU I THINK TESTIFIED THAT -- THAT
8 YOU BELIEVE THAT YOU WERE -- WHAT YOU DID WAS LEGALLY
9 APPROPRIATE, OR WORDS TO THAT EFFECT?

10 A. YES.

11 Q. OKAY. AND DID YOU ALSO BACK THEN CONSIDER
12 THE LEGAL IMPLICATIONS OF WHAT YOU WERE GOING TO DO BEFORE
13 YOU CAME TO THE CONCLUSIONS THAT WHAT YOU DID WAS LEGALLY
14 APPROPRIATE?

15 A. THE LEGAL IMPLICATIONS. COULD YOU CLARIFY
16 ON THAT, PLEASE?

17 Q. WELL, THE POTENTIAL THAT IF WHAT YOU WERE
18 GOING TO DO WAS ILLEGAL; THAT YOU AND THE REST OF THE ADAMS
19 COMPANIES COULD BE SUED, THE LEGAL IMPLICATIONS?

20 A. I UNDERSTOOD WHAT WE WERE DOING, AND I
21 UNDERSTOOD THAT -- I GUESS, YES. IF WE'RE WRONG, THEN --
22 THEN WE'D BE GUILTY OF SOMETHING.

23 Q. NOW --

24 A. BUT WE HAD TO --

25 Q. DID YOU -- WITHOUT TELLING ME EXACTLY WHAT
26 WAS SAID, DID YOU CONFER WITH LEGAL COUNSEL FIRST?

1 A. YES, WE DID.

2 Q. AND CAN YOU -- WAS THAT LEGAL COUNSEL
3 MR. SCHNEIDER?

4 A. NO, IT WASN'T.

5 Q. WHO WAS IT?

6 A. CAN I ANSWER?

7 THE COURT: SURE.

8 THE WITNESS: EXCUSE ME. IT WAS MR. YORK.

9 BY MR. MOSHENKO: Q. AND WHERE IS MR. YORK
10 EMPLOYED?

11 A. HE'S IN MINNEAPOLIS.

12 Q. AND IS HE COUNSEL FOR AFFINITY GROUP AS WELL?

13 A. HE DOES SOME WORK FOR THEM.

14 Q. OKAY. I WANT TO ASK YOU A FEW QUESTIONS
15 ABOUT YOUR DRAWING UP THERE.

16 YOU WOULD AGREE THAT TO USE -- FOR A
17 CAMPGROUND MEMBER TO USE COAST TO COAST, THAT MEMBER FIRST
18 HAS TO BE A MEMBER OF A HOME PARK; CORRECT?

19 A. COAST TO COAST AFFILIATED HOME PARK, YES.

20 Q. OKAY. RIGHT.

21 AND AFTER THAT PERSON JOINS -- OH, I'M SO
22 SORRY. I'M NOT USED TO SQUEEZING THROUGH.

23 AFTER THAT PERSON JOINS THE HOME PARK, HE
24 CAN THEN SIGN UP WITH CAMP COAST TO COAST; CORRECT?

25 A. THAT'S CORRECT. HE HAS TO BE A HOME RESORT
26 MEMBER OF A COAST TO COAST AFFILIATED RESORT.

1 Q. AND YOU INTENDED THIS TO DEPICT THE HOME
2 PARK; CORRECT?

3 A. THAT'S CORRECT.

4 Q. COAST TO COAST HOME PARK?

5 A. A COAST TO COAST AFFILIATED HOME PARK.

6 Q. OKAY. NOW, ONCE A MEMBER JOINS A RESORT AND
7 THEN JOINS COAST TO COAST, THAT RESORT IS THE MEMBER'S
8 COAST TO COAST HOME RESORT?

9 A. THAT'S CORRECT.

10 Q. ALL RIGHT. AND YOU WERE SHOWN SOME
11 DOCUMENTS AND ASKED TWO QUESTIONS ABOUT MEMBERSHIPS,
12 CAPITAL M, LITTLE M.

13 REMEMBER THAT?

14 A. YES.

15 Q. OKAY. THE MEMBERSHIP IN THE HOME RESORT IS
16 THE -- IS CALLED A HOME RESORT MEMBERSHIP?

17 A. THAT'S CORRECT.

18 Q. ALL RIGHT. AND THE MEMBERSHIP IN COAST TO
19 COAST IS CALLED A COAST TO COAST MEMBERSHIP; RIGHT?

20 A. YES.

21 Q. SO YOUR COAST TO COAST HOME RESORT
22 MEMBERSHIP REFERS TO YOUR MEMBERSHIP IN YOUR HOME RESORT?

23 A. NO. IT JUST DESIGNATES WHERE THAT CURRENTLY
24 IS. YOU'RE A COAST TO COAST MEMBER. THEY SIGN UP
25 SEPARATELY. THEY RENEW SEPARATELY FOR THE COAST TO COAST
26 BENEFITS.

1 Q. OH, A HOME RESORT MEMBERSHIP IS A MEMBERSHIP
2 IN A HOME RESORT; CORRECT?

3 A. THAT'S CORRECT.

4 Q. AND THAT HOME RESORT BECOMES THE COAST TO
5 COAST AFFILIATED HOME RESORT; RIGHT?

6 A. THAT BECOMES THEIR HOME RESORT OF RECORD FOR
7 COAST TO COAST MEMBERSHIP.

8 Q. WONDER IF WE COULD HAVE THE MEMBERSHIP
9 APPLICATION. I'M GOING TO GET THE EXHIBIT NUMBER. IT'S
10 EXHIBIT 72.

11 IT'S ALREADY ADMITTED, YOUR HONOR.

12 PAGE 2, PARAGRAPH 2. BLOW IT UP. THAT'S
13 NOT PARAGRAPH NUMBER 2. UNDER HOME RESORT. SORRY. JUST
14 START WITH 2 AND GO UP TO HOME RESORT. NO. ALL -- THAT
15 WHOLE SECTION UNDER "HOME RESORT," PLEASE. THANK YOU.

16 ALL RIGHT. YOU RECOGNIZE THIS AS THE BACK
17 SIDE OF THE MEMBERSHIP APPLICATION FOR COAST TO COAST
18 MEMBERSHIP; CORRECT?

19 A. THAT'S CORRECT.

20 Q. MUST BE IN GOOD STANDING WITH YOUR HOME
21 RESORT TO PARTICIPATE IN THE COAST TO COAST PROGRAM.
22 YOU'RE ONLY ENTITLED TO ONE COAST TO COAST MEMBERSHIP. SO
23 THAT -- SO IF YOU BELONG TO MORE THAN ONE COAST TO COAST
24 AFFILIATED RESORT, YOUR HOME RESORT OF RECORD IS WHERE YOU
25 FIRST -- YOU WERE -- FIRST RESORT, WHERE YOU PURCHASED YOUR
26 FIRST RESORT MEMBERSHIP.

1 SO I JUST HEARD YOU USE "YOUR HOME RESORT OF
2 RECORD"; THAT WAS A REFERENCE TO WHERE YOU FIRST PURCHASED
3 YOUR MEMBERSHIP, IS IT NOT?

4 A. YES, IN THAT CONTEXT. I MEAN, THE MATTER
5 THAT -- THAT'S -- YOU ALWAYS -- YOUR HOME RESORT REMAINS
6 THE FIRST, YEAH.

7 Q. ALL RIGHT. AND IF YOUR HOME -- PARAGRAPH 2,
8 IF YOUR HOME RESORT CEASES TO BE A HOME -- A COAST TO COAST
9 AFFILIATED RESORT FOR ANY PURPOSE, AND THEN GOES ON TO TALK
10 ABOUT WHAT HAPPENS.

11 MR. SHERMAN: EXCUSE ME. IT SAYS, "ANY REASON."

12 MR. MOSHENKO: I OBVIOUSLY DIDN'T READ THE ENTIRE
13 SENTENCE, MR. SHERMAN.

14 Q. SO YOU WOULD AGREE WITH ME THAT THE
15 REFERENCE TO THE COAST TO COAST HOME RESORT OF RECORD IS A
16 HOME -- IS A REFERENCE TO THE RESORT WHERE YOU PURCHASED
17 YOUR MEMBERSHIP?

18 A. YOU ACQUIRE YOUR COAST TO COAST MEMBERSHIP
19 AT A HOME RESORT. AND THAT'S YOUR COAST TO COAST --

20 Q. HOME RESORT?

21 A. -- OF RECORD, YES.

22 Q. NOW, ONCE YOU JOIN THE HOME RESORT AND THEN
23 YOU CAN JOIN A -- GET A COAST TO COAST MEMBERSHIP, THE HOME
24 RESORT IS THE PRIMARY MEMBERSHIP, AND COAST IS SECONDARY;
25 CORRECT?

26 A. THAT IS ALWAYS EMPHASIZED BECAUSE WE WANT TO

1 INSURE THAT -- THAT THE RESORT ITSELF CAN STAND ON ITS OWN
2 TWO FEET AND THAT PEOPLE AREN'T JUST BUYING, YOU KNOW, FOR
3 THE SYSTEM TOTALLY.

4 AND ALSO, YOU KNOW, OUR LAWYERS ARE
5 CONCERNED WITH ANY NEGLIGENCE ON THE PART OF A DEVELOPER,
6 PERSON THINKING IT'S A COAST TO COAST RESORT.

7 Q. SO NOW IF A MEMBER CONTACTS COAST AND SAYS,
8 I WANT TO CHANGE MY HOME RESORT MEMBERSHIP FROM RESORT A TO
9 RESORT B, THEN THIS MEMBERSHIP IN THIS RESORT WILL GET
10 CHANGED TO A MEMBERSHIP IN THAT RESORT; RIGHT?

11 A. NO, IT'S NOT CORRECT.

12 Q. IF HE DROPS OUT OF THIS (INDICATING) AS HIS
13 HOME RESORT AND SIGNS ON A NEW HOME RESORT MEMBERSHIP AS IN
14 THIS RESORT (INDICATING), WHAT'S INCORRECT ABOUT THAT?

15 A. THAT'S AN INDIVIDUAL TRANSFER. HE HAS TO
16 GET ACKNOWLEDGMENT FROM HIS ORIGINAL HOME RESORT AND
17 ACCEPTANCE FROM THIS RESORT AND PROVIDE THE RATIONALE.

18 Q. OKAY. HE GETS ACKNOWLEDGMENT FROM THIS ONE.
19 HE GETS ACCEPTED FROM THIS ONE. HE GETS -- HE PROVIDES A
20 RATIONALE. THIS IS HIS NEW HOME RESORT, HIS NEW COAST TO
21 COAST HOME RESORT?

22 A. HIS NEW HOME RESORT FOR HIS COAST TO COAST
23 DESIGNATION, YES.

24 Q. AND NOW COAST KEEPS A RECORD OF WHERE COAST
25 CONSIDERS -- OF WHAT RESORT COAST CONSIDERS TO BE HIS HOME
26 RESORT; CORRECT?

1 A. OUR MEMBERS, COAST TO COAST MEMBERS, HAVE A
2 HOME RESORT, AND WE KEEP TRACK OF IT, YES.

3 Q. AND -- ALL RIGHT. SO IF YOU WERE TOLD, I
4 LEFT THIS RESORT, AND HE PROVIDE -- GETS THE CONSENT FROM
5 HERE AND HE GETS THE CONSENT FROM HERE AND HE PROVIDES A
6 RATIONALE, COAST WOULD MAKE A RECORD CHANGE AND SHOW HIS
7 COAST TO COAST HOME RESORT THAT USED TO BE A IS NOW HIS
8 COAST TO COAST HOME RESORT CALLED B?

9 A. THAT'S CORRECT.

10 Q. AND THAT'S DONE IN YOUR RECORDS; RIGHT?

11 A. YES.

12 Q. ALL RIGHT. NOW, COULD I HAVE EXHIBIT
13 1563-002. 1563-002.

14 OKAY. COULD YOU PLEASE BLOW UP THE BIG
15 PARAGRAPH IN THE MIDDLE. ACTUALLY, LET'S GET BOTH
16 PARAGRAPHS, PLEASE.

17 A. DO I GET A COPY HERE?

18 MR. SHAW: OH, EXCUSE ME. I'LL HELP YOU. I'LL GET
19 ONE.

20 MR. MOSHENKO: I'M SORRY. THAT'S MR. SHAW'S JOB.

21 MR. SHAW: YEAH. I'M NOT DOING IT VERY WELL.
22 1563.

23 MR. MOSHENKO: THE TOP. GO TO THE TOP. THERE'S
24 MORE. THERE WE GO. OKAY.

25 MR. SHAW: I FORGET WHAT NUMBER HE SAID. HOLD ON.

26 BY MR. MOSHENKO: Q. "AS YOU ARE PROBABLY AWARE,

1 WE HAVE RECEIVED NOTICE FROM RAY NOVELLI THAT YOUR COAST TO
2 COAST HOME RESORT, AMERICAN HOLIDAYS, HAS BEEN TAKEN OUT."

3 SO IN THIS CASE, THE REFERENCE TO THE COAST
4 TO COAST HOME RESORT IS A REFERENCE TO AMERICAN HOLIDAYS;
5 CORRECT?

6 A. THAT'S CORRECT.

7 Q. OKAY. SO NOW DOWN HERE, "WE HAVE MADE
8 ARRANGEMENTS TO HAVE YOUR COAST TO COAST HOME RESORT
9 MEMBERSHIP IN AMERICAN HOLIDAYS TRANSFERRED TO HOLIDAY
10 LAKES," ISN'T THAT WHAT THAT MEANS?

11 A. WE'RE TRANSFERRING THEIR COAST TO COAST
12 MEMBERSHIP. IT'S A SEPARATE AND DISTINCT MEMBERSHIP. IT'S
13 BEEN SOLD THAT WAY. IT'S BEEN RENEWED THAT WAY.

14 Q. OKAY. IT DOESN'T JUST SAY "TRANSFERRED YOUR
15 COAST TO COAST MEMBERSHIP," DOES IT?

16 A. NO. TALKING ABOUT THE --

17 Q. SAYS "YOUR COAST TO COAST HOME RESORT
18 MEMBERSHIP" -- DEFINED UP HERE AS AMERICAN HOLIDAYS -- "HAS
19 BEEN TRANSFERRED," DOESN'T IT?

20 A. COULD BE INTERPRETED THAT WAY.

21 Q. WELL, ARE YOU SUGGESTING THAT THIS IS NOT A
22 REFERENCE TO YOUR MEMBERSHIP IN AMERICAN HOLIDAYS?

23 A. DEFINITELY. IT'S --

24 MR. SHERMAN: OBJECTION. THE DOCUMENT SPEAKS FOR
25 ITSELF, YOUR HONOR. SAYS IT RIGHT THERE WHAT IT IS.

26 THE COURT: SUSTAINED.

1 BY MR. MOSHENKO: Q. NOW, LET'S LOOK DOWN HERE.
2 THIS TALKS ABOUT YOUR COAST TO COAST MEMBERSHIP, DOESN'T IT?

3 A. YES.

4 Q. THAT'S DIFFERENT FROM YOUR COAST TO COAST
5 HOME RESORT MEMBERSHIP, ISN'T IT?

6 A. THE SAME ONE WE'RE REFERRING TO. IT'S THE
7 MEMBER -- THE INDEPENDENT MEMBERSHIP THAT WAS SOLD TO THEM
8 FOR COAST TO COAST. IT'S ALL THE BENEFITS THAT GO WITH
9 IT.

10 Q. ARE YOU TELLING US THE COAST TO COAST
11 MEMBERSHIP HERE IS A REFERENCE TO THE AMERICAN HOLIDAYS
12 MEMBERSHIP?

13 A. NO. IT'S THE COAST TO COAST MEMBERSHIP.

14 Q. CORRECT. AND THIS IS THE AMERICAN HOLIDAYS
15 MEMBERSHIP?

16 A. THAT'S THE -- THAT'S THE DESIGNATED HOME
17 RESORT AT THAT TIME.

18 Q. THE AMERICAN?

19 A. NO.

20 Q. AMERICAN HOLIDAYS MEMBERSHIP?

21 A. NO. THE ONE UP ON TOP.

22 Q. THIS IS THE AMERICAN HOLIDAYS MEMBERSHIP?

23 A. IT'S THE COAST TO COAST MEMBERSHIP. IT'S A
24 DESIGNATION OF A COAST TO COAST MEMBERSHIP.

25 Q. CAN COAST MAKE A CHANGE IN THEIR RECORDS ANY
26 TIME THEY WANT?

1 A. PROBABLY COULD, BUT THEY CERTAINLY
2 WOULD'N'T.

3 Q. YOU NEED TO ASK ANYBODY FOR PERMISSION TO
4 REDESIGNATE THE NAME OF A COAST -- OF A -- OF A HOME RESORT
5 IN COAST RECORDS?

6 A. IT DEPENDS ON THE SITUATION. AS WE
7 EXPLAINED OVER HERE, WHEN AN INDIVIDUAL WANTED TO DO IT,
8 YES, WE DID HAVE TO ASK SOMEBODY. WHEN A RESORT'S NOT
9 AFFILIATED ANYMORE, THEN THE COAST TO COAST MEMBERSHIP IS
10 SITTING OUT THERE IN JEOPARDY, AND WE CAN CERTAINLY HELP,
11 TAKE CARE OF OUR MEMBERS.

12 Q. OKAY. LET'S LOOK AT THIS SENTENCE.
13 "YOU WILL SOON HEAR FROM A REPRESENTATIVE OF
14 THIS RESORT." THAT'S A REFERENCE TO THE HOLIDAY LAKES
15 RESORT; RIGHT?

16 MR. SHERMAN: OBJECTION, COUNSEL HASN'T EVEN READ
17 "TO ACTIVATE MEMBERSHIP." THAT'S THE COMPLETE SENTENCE.
18 INCOMPLETE.

19 THE COURT: OVERRULED. HE CAN ANSWER.

20 THE WITNESS: BUT THAT'S CORRECT, YES.

21 BY MR. MOSHENKO: Q. OKAY. IT SAYS, "WE HAVE MADE
22 ARRANGEMENTS TO HAVE YOUR COAST TO COAST HOME RESORT
23 MEMBERSHIP IN AMERICAN HOLIDAYS TRANSFERRED TO HOLIDAY
24 LAKES. YOU WILL SOON HEAR FROM A REPRESENTATIVE OF HOLIDAY
25 LAKES TO ACTIVATE YOUR MEMBERSHIP IN HOLIDAY LAKES."

26 CORRECT?

1 A. THAT'S CORRECT, IF THAT'S WHAT THEY WANT TO
2 DO. IT THEN GOES ON TO TELL THEM THEY HAVE ALL KINDS OF
3 OPTIONS.

4 Q. THIS IS NOT A REFERENCE TO A RECORD CHANGE
5 AT COAST TO COAST'S OFFICES, IS IT?

6 A. IT WAS CERTAINLY QUITE CLEAR TO THE MEMBERS.

7 Q. THIS IS NOT A REFERENCE TO A RECORD CHANGE,
8 IS IT?

9 MR. SHERMAN: OBJECTION. THAT QUESTION HAS NOW
10 BEEN ASKED AND ANSWERED.

11 THE COURT: SUSTAINED.

12 BY MR. MOSHENKO: Q. WHEN COAST CHOOSES TO MAKE A
13 RECORDS CHANGE IN THEIR RECORDS DESIGNATING A DIFFERENT
14 HOME RESORT, DO THEY REQUIRE A REPRESENTATIVE FROM A RESORT
15 TO CONTACT THE MEMBER AS A PRECONDITION TO HAVING THE
16 RECORDS CHANGE TAKE PLACE?

17 A. THAT'S JUST TO ASSIST THE MEMBER IF HE WANTS
18 TO FIND OUT IF HE WANTS THAT. THAT'S ONE OF THE OPTIONS.

19 Q. IF HE WANTS TO HAVE HIS RECORDS AT COAST
20 CHANGED OR IF HE WANTS TO CHANGE RESORTS?

21 A. NO. WE MOVED HIS COAST TO COAST MEMBERSHIP
22 INTO A HOLDING PATTERN, IN A TEMPORARY LOCATION AT THAT
23 RESORT. HE COULD STAY THERE. HE CAN QUIT HIS COAST TO
24 COAST MEMBERSHIP. WE WENT THROUGH ALL THE OPTIONS TODAY,
25 MR. MOSHENKO.

26 Q. SO I THINK I JUST HEARD YOU SAY YOU DID MOVE

1 HIS MEMBERSHIP FROM ONE RESORT TO ANOTHER RESORT?

2 A. HIS COAST TO COAST MEMBERSHIP, YES.

3 Q. HIS MEMBERSHIP IN THE COAST TO COAST HOME
4 RESORT --

5 A. WE DIDN'T MOVE --

6 Q. -- FROM ONE RESORT TO ANOTHER?

7 A. NO. YOU'RE MIXING UP. THAT'S NOT CORRECT.

8 THE COURT: WILL COUNSEL APPROACH, PLEASE?

9 (DISCUSSION HELD OFF THE RECORD.)

10 BY MR. MOSHENKO: Q. ONE MORE THING, IF I COULD
11 GO DOWN HERE.

12 ALL RIGHT. NOW, MR. -- MR. RYMAN, COAST
13 DIDN'T HAVE A THOUSAND AFFILIATED RESORTS IN ITS SYSTEM,
14 DID IT?

15 A. COAST TO COAST -- THAT SAYS A THOUSAND
16 RESORTS AND R.V. CAMPGROUNDS. IT INCORPORATES THE GOOD
17 NEIGHBOR PARK AVAILABILITY, WHICH I TALKED ABOUT EARLIER,
18 AS AN ADDED BENEFIT FOR THE MEMBERS.

19 Q. ALL RIGHT. SO THIS IS A REFERENCE TO NOT
20 JUST AFFILIATED RESORTS, BUT GOOD NEIGHBOR RESORTS?

21 A. THAT ONE IS, TOO, BECAUSE THERE WE'RE
22 TALKING ABOUT EXCELLENT HOSPITALITY AND THE BENEFITS OF
23 COAST TO COAST AND -- AND WE'RE LOOKING FORWARD TO WORKING
24 WITH THEM. AND THEY UNDERSTAND THAT. THE DIRECTORY'S
25 QUITE CLEAR. IT'S GOT BOTH RESORTS AND CAMPGROUNDS, GOOD
26 NEIGHBORS IN IT.

1 Q. THIS SAYS, "IF YOU HAVE ANY QUESTIONS
2 REGARDING YOUR NEW HOME RESORT MEMBERSHIP, CALL BARNEY."
3 NOW, IS BARNEY AN EMPLOYEE OF COAST TO
4 COAST?

5 A. NO, HE'S NOT.

6 Q. OKAY. PEOPLE DON'T HAVE TO CALL BARNEY TO
7 FIND OUT IF THERE'S A RECORD CHANGE GOING ON BACK AT COAST
8 TO COAST, DO THEY?

9 A. I'M PRESUMING BARNEY IS AT THE OTHER
10 LOCATION.

11 Q. HE'S FROM HOLIDAY LAKES; RIGHT?

12 A. YES.

13 Q. SO WHAT REALLY IS HAPPENING HERE, MR. RYMAN,
14 ISN'T IT, THAT YOU HAVE TRANSFERRED MR. NOVELLI'S MEMBERS
15 FROM THE RESORT UP ON THE TOP, AMERICAN HOLIDAYS, TO
16 HOLIDAY LAKES; ISN'T THAT WHAT HAPPENED?

17 A. NO, THAT'S NOT. I'VE SAID IT NUMEROUS
18 TIMES. WE TRANSFERRED HIS COAST TO COAST MEMBERSHIP
19 DESIGNATION AS I SHOWED THIS MORNING.

20 Q. YOU THINK THAT ANYBODY READING THIS LETTER
21 MIGHT BELIEVE THAT THEIR MEMBERSHIP IN AMERICAN HOLIDAYS
22 HAD BEEN TRANSFERRED TO HOLIDAY LAKES?

23 A. I KNOW THAT THOUSANDS -- THOUSANDS BELIEVED
24 IT, YES.

25 Q. ALL RIGHT. AND NOW ONCE THESE THOUSANDS OF
26 PEOPLE BELIEVE THAT COAST TRANSFERRED THEIR MEMBERSHIPS

1 FROM AMERICAN -- FROM ONE RESORT TO ANOTHER RESORT, DID YOU
2 IN CONSIDERING THE LEGAL IMPLICATIONS OF WHAT YOU WERE
3 DOING CONSIDER THE POSSIBILITY THAT SOME OF THOSE PEOPLE
4 MIGHT STOP PAYING DUES AT THEIR ORIGINAL RESORT?

5 A. THEIR COAST TO COAST DESIGNATION WAS MOVED.
6 YOU KNOW, THAT -- THAT'S OUR AUTHORITY.

7 Q. THEIR HOME RESORT WAS MOVED, WASN'T IT?

8 A. NO, IT WASN'T. THEIR DESIGNATION FOR COAST
9 TO COAST PURPOSES. THEY STILL -- I SHOWED YOU. THEY STILL
10 HAVE THE CONTRACT, THE HOME RESORT CONTRACT. AND, IN FACT,
11 WE WERE INSURE -- WE INSURED THAT THEY WERE AWARE THAT IF
12 THEY HAD CONTRACTUAL OBLIGATIONS, THAT THIS ACTION
13 CERTAINLY DIDN'T RELIEVE THEM FROM THAT.

14 Q. NOW, MR. SHERMAN ASKED -- MR. SHAW ASKED YOU
15 SOME QUESTIONS ABOUT THE PRACTICE OR APPROACHES THAT WERE
16 USED EARLIER AS OPPOSED TO WITH MR. NOVELLI'S RESORTS WHEN
17 YOU WANTED TO TRANSFER A MEMBER.

18 MR. DURAN, COULD I HAVE EXHIBIT 1569.

19 MR. SHERMAN: YOUR HONOR, I PRESUME WITH ALL THAT
20 BACK AND FORTH, THAT QUESTION'S BEEN WITHDRAWN; WE GET
21 ANOTHER QUESTION?

22 THE COURT: I DON'T KNOW.

23 MR. SHERMAN: I DON'T KNOW.

24 THE COURT: WE'LL HAVE TO WAIT AND SEE.

25 MR. MOSHENKO: IT'S AN INTRODUCTION.

26 Q. MR. SHAW TALKED TO YOU ABOUT SOME OF THE

1 PRIOR PRACTICES THAT WERE FOLLOWED WHEN COAST WANTED TO
2 TRANSFER A MEMBER AND SUGGESTED THAT YOU WERE
3 DISCRIMINATING AGAINST MR. NOVELLI BECAUSE YOU USED --
4 COAST HAS MADE -- ARRANGED TO TRANSFER IN A 19 -- OCTOBER
5 '97 LETTERS WHEREAS IN EARLIER LETTERS -- YOU RECALL THE
6 ONE WHERE YOU GAVE THREE ALTERNATIVES OR TWO ALTERNATIVES?

7 A. TWO ALTERNATES HERE, YES.

8 Q. AND YOUR RESPONSE WAS WE WERE NOT
9 DISCRIMINATING AGAINST MR. NOVELLI. IT'S A PRAC- -- WE
10 USED THE SAME PRACTICE AS OCTOBER 1997 EARLIER, WITH 1995
11 RESORT -- OR 1995 LETTERS. YOU RECALL YOU WERE SHOWN TWO
12 1995 LETTERS THIS MORNING?

13 A. YES, THAT'S CORRECT.

14 Q. OKAY.

15 A. OR I DON'T KNOW IF THEY WERE BOTH 1995, BUT
16 THEY -- I SAW TWO LETTERS THIS MORNING WHERE THAT PROCEDURE
17 WAS TAKEN.

18 MR. MOSHENKO: CAN WE HAVE 1569? AND THEN COULD
19 YOU -- IN FACT, MR. DURAN, COULD YOU PUT BOTH 1569 AND THE
20 LAST EXHIBIT THAT WE HAD UP ON THE BOARD AT THE SAME TIME,
21 ALONGSIDE OF EACH OTHER. THE LAST ONE WAS EXHIBIT 72.

22 THE WITNESS: CAN I HAVE ONE HERE, PLEASE?

23 MR. SHAW: YOU HAVE -- YOU HAVE THIS ONE. NOW YOU
24 NEED 72?

25 THE WITNESS: NO. THIS IS NOT ONE OF THE ONES HE'S
26 TALKING ABOUT.

1 MR. MOSHENKO: IS THAT 72? THAT'S NOT -- THIS IS
2 NOT ONE OF THE ONES HE'S TALKING ABOUT. IT'S EXHIBIT
3 1563-02.

4 THE WITNESS: 02?

5 BY MR. MOSHENKO: Q. 1563-02?

6 A. THAT'S THE ONE HE'S BEEN TALKING ABOUT, BUT
7 THAT'S NOT THE ONE HE'S TALKING ABOUT NOW.

8 THE REPORTER: OKAY. WHO'S TALKING?

9 MR. MOSHENKO: I'LL TALK.

10 COULD I HAVE 1563-02 AND 1569 TOGETHER.

11 MR. SHAW: LET ME TAKE THIS OUT FOR YOU, MAKE IT
12 EASIER.

13 MR. MOSHENKO: ALL RIGHT. NOW, COULD YOU BLOW UP
14 THE BIG PARAGRAPH ON THE LEFT, AND THE SECOND AND THIRD
15 PARAGRAPHS ON THE RIGHT. AND CAN YOU GET THAT MARK OVER?
16 CAN THEY GO OVER EACH OTHER?

17 Q. THIS IS A 1995 LETTER THAT WE LOOKED AT THIS
18 MORNING, MR. RYMAN. THIS IS THE 1997 LETTER WE JUST LOOKED
19 AT THERE.

20 NOW, THIS ONE SAYS, "SINCE WE REALIZE
21 FINDING ANOTHER RESORT MAY BE AN INCONVENIENCE FOR YOU."
22 I'LL STOP THERE.

23 "WE REALIZE THAT FINDING ANOTHER RESORT MAY
24 CREATE AN INCONVENIENCE FOR YOU."

25 BOTH SAY THAT. THIS ONE GOES ON,
26 "THEREFORE, WE WANT YOU TO BE AWARE OF THE SPECIAL OFFER

1 THAT IS AVAILABLE TO YOU AT HOLIDAY RETREATS."

2 SAYS, "WE REALIZE THAT FINDING ANOTHER
3 RESORT MAY CREATE AN INCONVENIENCE FOR YOU. WE HAVE MADE
4 ARRANGEMENTS TO HAVE YOUR COAST TO COAST HOME RESORT
5 MEMBERSHIP TRANSFERRED."

6 YOU SEE THE DIFFERENCE IN THE LANGUAGE?

7 MR. SHERMAN: YOUR HONOR, THERE'S NO QUESTION.

8 THE COURT: HE'S JUST ASKED THE QUESTION.

9 MR. SHERMAN: COMPOUND. IT'S VAGUE AND AMBIGUOUS.

10 THE COURT: OVERRULED.

11 BY MR. MOSHENKO: Q. WHAT HAPPENED?

12 A. THE ANSWER TO YOUR QUESTION IS YES. I SEE A
13 VARIANCE IN THE LANGUAGE. IT'S A DIFFERENT LETTER, A
14 COUPLE YEARS LATER. SAME PRINCIPLE OF MOVING THE
15 MEMBERSHIP BODY, WHICH SEEMS TO BE YOUR CONCERN.

16 Q. IN 1997, YOU MADE -- IN 1995 YOU MADE THE
17 MEMBER AWARE OF A SPECIAL OFFER AND GAVE THE MEMBER THE
18 OPTION TO ACCEPT THAT OFFER OR NOT.

19 IN 1997 YOU TOLD THE MEMBER, "WE HAVE
20 TRANSFERRED YOUR COAST TO COAST HOME RESORT FROM ONE RESORT
21 TO ANOTHER"; ISN'T THAT THE DIFFERENCE?

22 A. IF YOU LOOK AT THE LAST SENTENCE OF THE
23 SECOND PARAGRAPH, IT SAYS, "IN THE MEANTIME, FOR YOUR
24 CONVENIENCE, WE HAVE REFLECTED IN OUR FILES THE TRANSFER OF
25 YOUR COAST TO COAST MEMBERSHIP TO HOLIDAY RETREATS." IT'S
26 THE SAME ACTION.

1 Q. THIS REFERS TO A REFLECTED CHANGE IN -- OF
2 THE COAST TO COAST MEMBERSHIP IN ITS FILES; IS THAT WHAT
3 YOU'RE REFERRING TO?

4 A. I'M TALKING ABOUT JUST WHAT WE WERE TALKING
5 ABOUT OVER HERE, MR. MOSHENKO.

6 Q. NO. UP HERE. WHEN YOU JUST SAID, "WE HAVE
7 REFLECTED IN OUR FILES THE TRANSFER OF YOUR COAST TO COAST
8 MEMBERSHIP."

9 A. I'LL GRANT THAT THE WORDS ARE DIFFERENT.

10 Q. THIS IS A REFERENCE TO A REFLECTION IN YOUR
11 FILES. THIS IS A REFERENCE TO A CHANGE OF A MEMBERSHIP
12 BETWEEN RUN -- ONE RESORT AND ANOTHER. I'M SORRY.

13 IS IT NOT?

14 A. IT'S A TEMPORARY CHANGE. THEY CAN TAKE IT
15 OR THEY DON'T TAKE IT. IT'S A CHANGE OF A COAST TO COAST
16 MEMBERSHIP HOME RESORT DESIGNATION.

17 Q. THERE IS A HUGE DIFFERENCE IN THE
18 SIGNIFICANCE OF THIS LANGUAGE COMPARED TO THAT, ISN'T THERE?

19 MR. SHERMAN: OBJECTION. ARGUMENTATIVE.

20 THE COURT: SUSTAINED.

21 BY MR. MOSHENKO: Q. THIS ONE THEN GOES ON TO SAY,
22 "KEEP IN MIND THAT THE TRANSFER OF YOUR HOME RESORT
23 MEMBERSHIP OF RECORD."

24 THIS DOESN'T SAY, "HOME RESORT MEMBERSHIP OF
25 RECORD," DOES IT?

26 A. IT DOESN'T. BUT I -- YOU KNOW, IT IMPLIES

1 IT. EVERYBODY UNDERSTOOD IT THAT WAY.

2 Q. YOU KNEW THE DISTINCTIONS BETWEEN USING THE
3 PHRASE YOUR COAST TO COAST HOME RESORT MEMBERSHIP VERSUS
4 YOUR COAST TO COAST HOME RESORT MEMBERSHIP OF RECORD,
5 DIDN'T YOU, BACK --

6 A. IT WAS NEVER --

7 Q. -- WHEN YOU WERE WRITING THE '97 LETTERS?

8 A. IT WAS NEVER CONSIDERED IN WRITING THE
9 LETTERS, DIFFERENT WORDS, DIFFERENT LETTERS, TWO YEARS
10 LATER.

11 Q. THE OTHER LETTER THAT YOU LOOKED AT THIS
12 MORNING WAS EXHIBIT 1568, AND I WON'T TAKE THE TIME TO
13 BRING IT UP, BUT I'LL READ FROM IT.

14 A. CAN I HAVE A COPY?

15 Q. SURE.

16 MR. DURAN, COULD YOU GO TO EXHIBIT 1563
17 NOW?

18 IF -- ANOTHER 1995 LETTER, IS IT NOT, 1563?

19 A. YES, IT IS.

20 Q. 1563. ALL RIGHT. AND THAT TOO USES A
21 PHRASE "HOME RESORT MEMBERSHIP OF RECORD" AS OPPOSED TO "WE
22 HAVE TRANSFERRED YOUR HOME RESORT, YOUR COAST TO COAST HOME
23 RESORT MEMBERSHIP FROM ONE RESORT TO ANOTHER"; RIGHT?

24 A. COULD YOU TELL ME WHERE YOU ARE? I'M SORRY.

25 Q. I'M REFERRING TO THE THIRD PARAGRAPH DOWN
26 WHERE IT SAYS, "PLEASE KEEP IN MIND THAT THE TRANSFER OF

1 YOUR HOME RESORT MEMBERSHIP OF RECORD WITH COAST TO
2 COAST" -- AND THEN IT GOES ON FROM THERE.

3 A. DOES NOT RELEASE YOU FROM CONTRACTUAL
4 AGREEMENTS AND THAT SORT OF THING. YES, IT USES DIFFERENT
5 WORDS. IT STILL SEEM -- MEANS THE SAME THING, THE --

6 Q. IN 1995?

7 A. -- THE INDIVIDUAL COAST TO COAST MEMBERSHIP.

8 Q. IN 1995 YOU DID NOT TELL PEOPLE, "WE HAVE
9 TRANSFERRED YOUR HOME RESORT MEMBERSHIP FROM RESORT A TO
10 RESORT B," DID YOU?

11 A. THE INTENT WAS CONSISTENT. WE WERE DOING
12 THE SAME THING.

13 MR. MOSHENKO: NOT RESPONSIVE.

14 Q. IT'S A YES OR NO QUESTION SIR.

15 DID YOU TELL ANYBODY IN 1995, "WE HAVE
16 TRANSFERRED YOUR HOME RESORT MEMBERSHIP FROM RESORT A TO
17 RESORT B"?

18 A. THOSE EXACT WORDS WERE NOT USED IN EITHER OF
19 THESE LETTERS, THESE TWO LETTERS. I DON'T KNOW WHAT OTHERS
20 MIGHT.

21 Q. LET'S GO TO 1563, WHICH IS A SEPTEMBER 9,
22 1997, LETTER.

23 A. I DON'T --

24 MR. SHAW: EXCUSE ME.

25 MR. MOSHENKO: WOULD YOU BLOW UP THE TWO
26 PARAGRAPHS, TOP TWO PARAGRAPHS.

1 MR. SHERMAN: I HAVE NO IDEA HOW TO FIND IT. THERE
2 ARE ABOUT A HUNDRED DIFFERENT LETTERS IN THERE. THEY ARE
3 NOT IN ORDER. WE'RE BACK TO THE ISSUE WE HAD YESTERDAY.

4 MR. SHAW: IT'S THE ONE WE LOOKED AT YESTERDAY, THE
5 BATES STAMP 891.

6 MR. MOSHENKO: I THOUGHT WE LOOKED AT IT THIS
7 MORNING, TOO, THE WALLY WORLD ONE. I'M SORRY. I DIDN'T
8 WRITE DOWN THE ADDITIONAL DIGITS.

9 MR. SHAW: WALLY WORLD, LOUDONVILLE.

10 MR. SHERMAN: WELL, IF IT'S THE WALLY WORLD ONE,
11 WE'LL JUST LOOK AT IT UP THERE. THAT'S FINE.

12 MR. MOSHENKO: THANK YOU.

13 Q. NOW, COAST TO COAST RECEIVED DISAFFILIATION
14 LETTERS ON OR ABOUT SEPTEMBER 2, 1997, DIDN'T THEY?

15 A. I -- I DON'T KNOW WHEN WE -- WHAT ONES
16 YOU'RE REFERRING TO AGAIN.

17 Q. THE LETTERS FROM MR. NOVELLI TELLING COAST,
18 "I AM REMOVING 16 RESORTS FROM THE COAST TO COAST" --

19 A. IF I REMEMBER CORRECTLY, I BELIEVE THEY WERE
20 WRITTEN IN LATE AUGUST, AND SO WE WOULD RECEIVE THEM
21 SOMEWHERE AROUND THERE, YES.

22 Q. OKAY. AND THIS LETTER IS ON SEPTEMBER 9.
23 WILL YOU SHOW US THE DATE, MR. DURAN?

24 SO THIS IS ABOUT A WEEK, TEN DAYS LATER. AS
25 OF SEPTEMBER 9, YOU WERE STILL USING THE PHRASE WHEN
26 TRANSFERRING MEMBERS "YOUR COAST TO COAST HOME RESORT OF

1 RECORD." YOU SEE ON THAT BOTTOM SENTENCE OF THAT FIRST --
2 PARAGRAPH WHERE IT SAYS, "WE REALIZE THAT FINDING ANOTHER
3 RESORT MAY CREATE AN INCONVENIENCE TO YOU; THEREFORE, YOUR
4 COAST TO COAST HOME RESORT OF RECORD HAS BEEN CHANGED."

5 DO YOU SEE THAT?

6 A. I SEE IT.

7 Q. AND FURTHER ON DOWN, MR. DURAN.

8 "PLEASE KEEP IN MIND THAT A TRANSFER OF YOUR
9 HOME RESORT MEMBERSHIP OF RECORD DOES NOT RELEASE YOU."

10 WHAT HAPPENED BETWEEN SEPTEMBER 9 AND
11 OCTOBER THAT CAUSED COAST TO COAST TO CHANGE THE LANGUAGE
12 TO BEGIN TO TELL PEOPLE WE HAVE TRANSFERRED YOUR HOME
13 RESORT MEMBERSHIP FROM RESORT A TO RESORT B?

14 A. IT WAS IN THE WRITING OF THE LETTER.
15 THERE'S NO IN- -- I MEAN, HOW THE WORDING CHANGES, I DON'T
16 KNOW. I MEAN, IT CERTAINLY WASN'T INTENTIONAL, IF IT'S A
17 BIG THING. BUT WE WERE DOING THE SAME THING. TRANSFERRING
18 THE -- THE COAST TO COAST MEMBERSHIP.

19 Q. LET'S GO TO EXHIBIT 7, MR. DURAN.

20 EXHIBIT 7, AND THE FIRST PARAGRAPH, PLEASE.
21 REFERRING TO THE LAST SENTENCE, "WHILE WE CANNOT UNDO THE
22 ACTIONS OF OTHERS" --

23 A. WAIT.

24 Q. "WE ARE PREPARED" --

25 A. OH.

26 Q. "TO TAKE ACTION TO PRESERVE AND PROTECT THE

1 MEMBERS OF OUR FAMILY."

2 NOW, THAT LANGUAGE, "WHILE WE CANNOT UNDO
3 THE ACTION OF OTHERS," WHAT WAS THAT IN REFERENCE TO? WHAT
4 ACTIONS OF OTHERS?

5 A. THE DISSOLUTION OF THOUSAND ADVENTURES IN
6 THIS LETTER, I WOULD PRESUME.

7 Q. OKAY. NOW, THIS IS THE SAME LANGUAGE THAT
8 YOU USE IN THE SUBS- -- YOU OR MR. RANDALL USE IN
9 SUBSEQUENT LETTERS WHERE YOU SAID, "WHILE WE CANNOT UNDO
10 THE ACTIONS OF OTHERS."

11 DO YOU RECALL THAT BEING THE CASE?

12 A. I DON'T HAVE ANY IDEA. I MEAN, I DON'T
13 EVEN -- NITPICKED THE LETTERS. I DON'T UNDERSTAND.

14 Q. DO WE HAVE EXHIBIT 949-028, PLEASE.

15 OKAY, AND THE FIRST HALF OF -- OR THE SECOND
16 BIG -- THE BIG PARAGRAPH, PLEASE.

17 I'M SORRY. YOU DON'T HAVE IT UP THERE.

18 A. NO I DON'T.

19 MR. SHAW: IS THERE A BATES STAMP ON THE BOTTOM?

20 MR. MOSHENKO: 028. THE BATES STAMP IS 8438.

21 MR. SHAW: I'M SORRY, COUNSEL. I HAVE DEFENDANTS'
22 EXHIBIT 949, BUT I DON'T HAVE THAT.

23 MR. SHERMAN: HERE. TAKE MINE.

24 MR. MOSHENKO: I TOOK THE DESIGNATION FROM THIS
25 MORNING.

26 THE WITNESS: THANK YOU.

1 MR. MOSHENKO: YES, THAT'S IT.

2 MR. SHERMAN: OH, IT'S THE WITNESS'S, I UNDERSTAND.

3 NO WONDER I WAS TELLING YOU TO TAKE IT.

4 BY MR. MOSHENKO: Q. THAT'S A DECEMBER 1997

5 LETTER, IS IT NOT, MR. RYMAN?

6 A. YES, IT IS.

7 Q. AND IT USES THE SAME LANGUAGE, "WHILE WE
8 CANNOT UNDO THE ACTIONS OF OTHERS, WE ARE PREPARED TO TAKE
9 ACTION TO PRESERVE AND PROTECT THE MEMBERS OF THE COAST TO
10 COAST FAMILY."

11 DO YOU SEE THAT?

12 A. I SEE IT.

13 Q. OKAY. NOW WHAT ACTION OF OTHERS WERE YOU
14 REFERRING TO IN THIS LETTER?

15 A. WELL, THIS RELATED TO THE -- A.S.R. SO IT'S
16 ALL OF THE BANKRUPTCY AND THE SELLING OF -- AUCTIONING OF
17 THE RESORTS AND THE RELEASE OF THE MEMBERS BY THE COURTS
18 AND ALL OF THOSE KINDS OF THINGS.

19 Q. MR. RYMAN --

20 COULD WE HAVE THE TOP PARAGRAPH BROUGHT INTO
21 VIEW, MR. DURAN.

22 ISN'T IT "ACTION OF OTHERS" THE -- QUOTE --
23 "WE HAVE RECEIVED NOTICE FROM RAY NOVELLI THAT YOUR COAST
24 TO COAST HOME RESORT, A.S.R. ORLANDO, HAS BEEN TAKEN OUT OF
25 THE COAST TO COAST SYSTEM."

26 ISN'T THAT THE ACTION OF OTHERS THAT YOU'RE

1 REFERRING TO?

2 A. IT COULD BE.

3 Q. OKAY. NOW, WHEN HE SAYS, "WE ARE PREPARED
4 TO TAKE ACTION," WERE YOU PREPARED, YOU MEANING CAMP COAST
5 TO COAST, PREPARED TO LIE TO THE MEMBERS TO, QUOTE,
6 PRESERVE, PROTECT THE MEMBERS?

7 A. WE DON'T LIE TO OUR MEMBERS, MR. MOSHENKO.

8 Q. WELL, THAT STATEMENT, "WE HAVE RECEIVED
9 NOTICE FROM RAY NOVELLI THAT YOUR COAST TO COAST HOME
10 RESORT ORLANDO HAS BEEN TAKEN OUT OF THE SYSTEM" IS A LIE,
11 ISN'T IT?

12 MR. SHERMAN: OBJECTION. ARGUMENTATIVE.

13 THE COURT: OVERRULED. I'LL ALLOW THE ANSWER.

14 THE WITNESS: I DON'T KNOW. I DIDN'T THINK IT
15 WAS. IF IT SLIPPED THROUGH THE CRACK, I DON'T KNOW.

16 BY MR. MOSHENKO: Q. DIDN'T COAST TO COAST TAKE
17 ORLANDO AND THE A.S.R. RESORTS OUT OF THE SYSTEM WHEN THEY
18 SENT THE LETTER ON NOVEMBER 12 SAYING, "INCIDENTALLY" --
19 AND SAYING "YOUR REQUEST TO PUT DEER RUN BACK IN IS
20 REJECTED, AND, INCIDENTALLY, WE'RE TAKING ALL SEASONS
21 RESORTS OUT"?

22 A. YES, WE -- THAT WAS OUR ACTION.

23 Q. AND SO THAT STATEMENT, "WE HAVE RECEIVED
24 NOTICE FROM RAY NOVELLI" IS FALSE; RIGHT?

25 A. I WILL AGREE TO THAT.

26 Q. NOW, ALSO WHEN WE TALK ABOUT ACTIONS OF

1 OTHERS, WE HAVE THE REQUEST BY MR. NOVELLI TO LEAVE DEER
2 RUN IN THE COAST TO COAST SYSTEM.

3 YOU CAN TAKE THAT DOWN.

4 DO YOU RECALL THAT, THE LETTER REQUESTING
5 THAT DEER RUN REMAIN IN, IT WENT OUT AROUND SEPTEMBER 3 OR
6 4?

7 A. YES, SIR. I RECALL IT.

8 Q. OKAY.

9 A. I DON'T KNOW THAT I'VE SEEN IT LATELY,
10 BUT --

11 Q. NOW, YOU KNEW IN SEPTEMBER OR OCTOBER OF
12 1997 THAT DEER RUN --

13 A. CAN I SEE THE LETTER, WHATEVER, THAT WE'RE
14 TALKING ABOUT?

15 MR. MOSHENKO: EXHIBIT NUMBER -- IT'S IN EVIDENCE.
16 WE'VE PUT IT UP ON THE BOARD.

17 MR. SHAW: WHAT NUMBER IS IT?

18 MR. MOSHENKO: 1572.

19 MR. SHAW: THANK YOU.

20 MR. MOSHENKO: 1575.

21 MR. SHAW: MR. RYMAN.

22 THE WITNESS: THANK YOU.

23 MR. MOSHENKO: THERE YOU GO. BLOW IT UP, PLEASE.

24 Q. ON SEPTEMBER 3, 1997, MR. NOVELLI WROTE YOU
25 AND ASKED YOU TO ALLOW DEER RUN TO REMAIN A PART OF THE
26 COAST RECIPROCAL SYSTEM, QUOTE, "IN ORDER TO ACCOMMODATE

1 THOSE MEMBERS WHO PURCHASED COAST DELUXE." DO YOU SEE
2 THAT?

3 A. FOR BOTH THE ACCEPTANCE OF GENERAL C.C.C.
4 MEMBERS AND COAST DELUXE MEMBERS, YES.

5 Q. OKAY. BUT IT SAYS, "TO ACCOMMODATE MEMBERS
6 WHO PURCHASED COAST DELUXE." DO YOU SEE THAT.

7 MR. SHERMAN: OBJECTION. IT'S ASKED AND ANSWERED.

8 THE COURT: OVERRULED.

9 THE WITNESS: I CERTAINLY SEE IT. I MEAN, HE HAD
10 JUST SOLD SOME OF THOSE MEMBERS.

11 BY MR. MOSHENKO: Q. NOW, YOU KNEW IN SEPTEMBER OF
12 1993 THAT DEER RUN HAD COAST TO COAST MEMBERS IN IT; RIGHT.

13 MR. SHERMAN: EXCUSE ME, YOUR HONOR.

14 THE COURT: YOU MEAN '97.

15 MR. SHERMAN: YES.

16 BY MR. MOSHENKO: Q. SEPTEMBER OF '97, CAMP
17 COAST -- DEER RUN HAD MEMBERS --

18 A. I'M SURE THEY DID.

19 Q. -- WHO WERE ALSO COAST TO COAST?

20 A. COAST TO COAST MEMBERS, YES.

21 Q. AND YOU KNEW THAT THE NOVELLI RESORTS IN
22 GENERAL HAD SOLD COAST DELUXE MEMBERSHIPS?

23 A. THEY HAD DONE SELLING THEM, YES.

24 Q. OKAY. AND MR. NOVELLI SAYS THERE, "DEER RUN
25 NEEDS TO REMAIN IN YOUR SYSTEM FOR BOTH ACCEPTANCE OF

26 GENERAL C.C.C. MEMBERS AND COAST DELUXE MEMBERS." NOW HE'S

1 TELLING YOU THAT HIS DEER RUN GENERAL C.C.C. MEMBERS ARE
2 GOING TO BE -- REMAIN COAST TO COAST MEMBERS; CORRECT?

3 A. BUT A RESORT WITH 80 PARTIAL SITES CAN'T
4 SUPPORT THOUSANDS AND THOUSANDS OF MEMBERS.

5 Q. NOT TALKING ABOUT THOUSANDS OF MEMBERS,
6 MR. RYMAN. I'M TALK ABOUT THE MEMBERS OF COAST TO COAST
7 THAT HAD DEER RUN AS THEIR HOME PARK.

8 THERE WEREN'T THOUSANDS AND THOUSANDS OF
9 THOSE PEOPLE, WERE THERE?

10 A. NO. BUT HE WANTED TO LEAVE THIS RESORT IN
11 THE SYSTEM SO THAT THERE COULD STILL BE AN AFFILIATION WITH
12 US.

13 Q. FOR THE GENERAL COAST TO COAST MEMBERS OF
14 DEER RUN AND THE COAST DELUXE MEMBERS?

15 A. IT DOESN'T SAY DEER RUN.

16 Q. IT DOESN'T SAY THOUSANDS OF THOUSANDS
17 EITHER, DOES IT?

18 A. NO, IT DOESN'T SAY THOUSANDS OF THOUSANDS.

19 Q. SO YOU PICKED UP THE PHONE AND CALLED HIM
20 AND SAID, "WHAT DO YOU THINK? ARE WE TALKING ABOUT
21 THOUSANDS OF THOUSANDS OR JUST THE DEER RUN GENERAL
22 MEMBERS?"

23 IS THAT WHAT YOU DID?

24 A. I DIDN'T PICK UP THE PHONE, AND I WOULDN'T
25 HAVE GOT AN ANSWER.

26 Q. AND DO YOU HAVE ANY UNDERSTANDING OF HOW

1 MANY COAST DELUXE MEMBERS WERE A PART OF THE NOVELLI
2 SYSTEM?

3 A. I HAVE NO IDEA.

4 Q. IF I SUGGEST TO YOU A COUPLE HUNDRED, DOES
5 THAT SOUND CORRECT?

6 A. I HAVE NO IDEA.

7 Q. OKAY. NOW, MR. NOVELLI DIDN'T TELL YOU HE
8 WAS TRANSFERRING THOUSANDS OF THOUSANDS OF MEMBERS INTO
9 DEER RUN, DID HE?

10 A. NO, HE DIDN'T.

11 Q. HE TOLD YOU HE WAS TRANSFERRING THE COAST
12 DELUXE MEMBERS; CORRECT?

13 MR. SHERMAN: OBJECTION. THAT MISSTATES THE
14 DOCUMENT.

15 THE COURT: OVERRULED.

16 THE WITNESS: SAYS, "TO ACCOMMODATE THOSE MEMBERS,
17 IT NEEDS TO REMAIN IN YOUR SYSTEM FOR THE ACCEPTANCE OF THE
18 GENERAL COAST TO COAST MEMBERS AND COAST DELUXE MEMBERS."

19 BY MR. MOSHENKO: Q. BOTTOM SENTENCE SAYS, "ALL OF
20 OUR COAST DELUXE MEMBERS ARE BEING TRANSFERRED TO DEER
21 RUN." CORRECT?

22 A. YES.

23 Q. AND IT DOESN'T SAY, "ALL OF OUR MEMBERS ARE
24 BEING TRANSFERRED TO COAST DELUXE," DOES IT? I MEAN "TO
25 CAMP COAST TO COAST," DOES IT?

26 A. NO. BUT IT SAYS HE WANTS IT FOR ACCEPTANCE

1 OF GENERAL COAST TO COAST MEMBERS; HE WANTED TO HAVE AN
2 AFFILIATION WITH COAST TO COAST IN SOME WAY SO THAT THE
3 MOVING OR TAKING AWAY OF THE COAST TO COAST RIGHTS -- YOU
4 COULD SAY, OH, WE'VE STILL GOT IT. YOU CAN GO USE THE
5 SYSTEM. YOU CAN USE THE COAST TO COAST BENEFITS.

6 Q. THAT WAS AN ASSUMPTION ON YOUR PART, WAS IT
7 NOT?

8 A. IT'S AN INTERPRETATION OF THIS LETTER.

9 Q. AND IT'S IN CONTRADICTION TO THE SPECIFIC
10 LANGUAGE THAT SAID COAST DELUXE MEMBERS ARE BEING
11 TRANSFERRED TO DEER RUN; CORRECT?

12 A. BUT IT'S -- I DON'T BELIEVE IT'S IN
13 CONTRADICTION TO THE PORTION THAT SAYS "THE ACCEPTANCE OF
14 THE GENERAL COAST TO COAST MEMBERS AND COAST DELUXE
15 MEMBERS."

16 Q. FURTHERMORE, MR. RYMAN, IF DEER RUN REMAINED
17 IN THE SYSTEM, IT WOULD HAVE TO ACCEPT AND HOST GENERAL
18 COAST TO COAST MEMBERS, WOULDN'T IT?

19 A. WOULDN'T HAVE ANY ROOM. EXCUSE ME. I
20 DIDN'T MEAN TO BE WISE. BUT WITH 80 PARTIAL SITES AND --
21 AND ALL THESE MEMBERS, IT -- WOULD BE GOING IN THERE, IT
22 WOULD BE DIFFICULT TO GET A SITE. BUT YES, IT WOULD BE
23 AVAILABLE TO THE GENERAL COAST TO COAST TRAVELING MEMBERS.

24 Q. NOW, THE -- THE DEER RUN MEMBERS WHO JOINED
25 DEER RUN AND THEN ALSO BECAME ASSOCIATED WITH COAST TO
26 COAST, THEY PAID MONEY FOR THOSE PRIVILEGES; RIGHT?

1 A. I'M SORRY? MY MIND --

2 Q. THE GENERAL COAST TO COAST MEMBERS WHO WERE
3 MEMBERS OF DEER RUN WERE PAYING FOR THE RIGHT TO USE THE
4 COAST TO COAST PRIVILEGES; RIGHT?

5 A. THAT'S CORRECT.

6 Q. AND THE DELUXE MEMBERS, WHICH I THINK YOU
7 INDICATED WAS LIKE AN -- AN ENHANCEMENT OR AN EXTRA THAT
8 PEOPLE COULD ACQUIRE IF THEY WERE ALREADY COAST TO COAST
9 MEMBERS?

10 A. IT WAS A DIFFERENT MEMBERSHIP.

11 Q. RIGHT. AND THEY PAID MONEY FOR THE RIGHT TO
12 USE COAST DELUXE PROGRAMS AND BENEFITS; RIGHT?

13 A. YES. THE BULK OF THAT MONEY WENT TO
14 MR. NOVELLI.

15 Q. SO WHEN YOU WERE TELLING THE MEMBERS OF DEER
16 RUN BY LETTERS SIGNED BY MR. RYMAN AND BY -- BY MR. RANDALL
17 AND BY YOURSELF, "WE'RE PREPARED TO PROTECT AND PRESERVE
18 YOUR RIGHTS," THAT WAS FALSE, WASN'T IT?

19 A. I DON'T THINK SO.

20 Q. YOU WERE RE -- YOU WERE REJECTING
21 MR. NOVELLI'S REQUEST TO LET THE COAST DELUXE MEMBERS
22 CONTINUE TO HAVE THE BENEFIT OF THEIR COAST DELUXE
23 MEMBERSHIP, WEREN'T YOU?

24 A. I HAD A LETTER OF WITHDRAWAL THAT INCLUDED
25 DEER RUN, AND THEN I GOT A LETTER ASKING TO CHANGE THAT FOR
26 THE REASONS OF USING THAT AS A HOME RESORT FOR EVERYBODY IN

1 COAST TO COAST, AND IT'S DECEPTIVE.

2 Q. IT DOESN'T SAY THAT, MR. RYMAN, DOES IT?

3 A. "ACCEPTANCE OF GENERAL COAST TO COAST
4 MEMBERS AND COAST DELUXE MEMBERS."

5 Q. THAT RESORT WOULD NEED TO ACCEPT AND HOST
6 GENERAL C.C. MEMBERS, WOULDN'T IT?

7 A. DOESN'T SAY THAT. "NEEDS TO REMAIN IN YOUR
8 SYSTEM FOR BOTH ACCEPTANCE OF GENERAL COAST TO COAST
9 MEMBERS AND COAST DELUXE MEMBERS."

10 Q. HOW ABOUT THIS, MR. RYMAN: "WHILE WE
11 CANNOT UNDO THE ACTIONS OF OTHERS." YOU COULD HAVE UNDONE
12 THE DEER RUN REMOVAL FROM THE SYSTEM, COULDN'T YOU?

13 A. IT WOULD NOT BE FAIR TO THE INTEGRITY OF THE
14 SYSTEM.

15 MR. MOSHENKO: NONRESPONSIVE.

16 THE COURT: SUSTAINED.

17 THE WITNESS: WHAT WAS THE QUESTION, THEN? I'M
18 SORRY.

19 BY MR. MOSHENKO: Q. YOU COULD HAVE UNDONE THE
20 REMOVAL OF DEER RUN FROM THE COAST TO COAST SYSTEM; RIGHT?

21 A. I COULD HAVE ACCEPTED THIS LETTER, YES.

22 Q. SO WHEN YOU WROTE TO THE MEMBERS OF DEER RUN
23 AND TOLD THEM -- "YOU" MEANING COAST -- TOLD THEM "WHILE WE
24 CANNOT UNDO THE ACTIONS OF OTHERS," THAT WAS FALSE, WASN'T
25 IT?

26 A. I DON'T REALLY THINK SO BECAUSE HE WAS -- HE

1 PULLED THEM OUT, AND HE WANTED TO MAKE UP AND PUT A BANDAID
2 ON SOMETHING. AND, I MEAN, IT WAS HIS ACTION AND
3 UNILATERAL DECISION TO PULL OUT OF COAST TO COAST.

4 Q. THIS MORNING YOU AND MR. SHERMAN ALSO
5 BROUGHT OUT THE COAST TO COAST AGREEMENT -- SEE IF I CAN
6 RECALL THIS -- AND POINTED OUT THAT '98 OR -- THAT THE
7 LATER CONTRACT -- I THINK YOU USED THE PHRASE -- SAID THAT
8 THE WITHDRAWALS HAD TO BE -- TO BE RECEIVED BEFORE AUGUST
9 1.

10 YOU RECALL THAT?

11 A. YES.

12 Q. AND THAT CONTRACT SAID UNLESS COAST RECEIVES
13 NOTIFICATION BEFORE AUGUST 1, THAT THE CONTRACT
14 AUTOMATICALLY RENEWS AND THE RESORTS REMAIN AFFILIATED FOR
15 ANOTHER YEAR, OR WORDS TO THAT EFFECT; CORRECT?

16 A. I'D HAVE TO LOOK AT IT AGAIN.

17 Q. OKAY. EXHIBIT 96 -- EXHIBIT 5. I'M SORRY.
18 AND COULD YOU GO TO THE TERMINATION PARAGRAPHS. BACK UP.
19 TERM. LOOK AT THE TOP.

20 A. I THOUGHT HE SAID TERMINATION, DIDN'T HE?
21 OH, HE'S TALKING TERM. TERM. YEAH, HE IS. THERE IT IS.

22 Q. IT'S THE TOP OF -- PARAGRAPH II, "TERM."
23 YOU FIND IT, MR. RYMAN?

24 A. YES, I HAVE IT. EXCUSE ME.

25 Q. "TERM OF THIS AGREEMENT SHALL INITIALLY BE
26 FOR ONE CALENDAR YEAR, 1996, AND SHALL CONTINUE THEREAFTER

1 FOR SUCCESSIVE ONE-YEAR PERIODS UNLESS WRITTEN NOTICE OF
2 NONRENEWAL SHALL HAVE BEEN GIVEN BY EITHER PARTY TO THE
3 OTHER PRIOR TO AUGUST 1 OF ANY CALENDAR YEAR."

4 DO YOU SEE THAT?

5 A. YES, I DO.

6 Q. AND ABOVE, "SHALL CONTINUE FOR SUCCESSIVE
7 ONE-YEAR PERIODS UNLESS THAT NOTICE IS GIVEN."

8 DO YOU SEE THAT?

9 A. YES, I DO.

10 Q. SO, AS A MATTER OF FACT -- WELL, MR. NOVELLI
11 MAY HAVE BELIEVED THAT HE WAS COMPLYING WITH THE OTHER
12 PROVISIONS OF EARLIER CONTRACTS, INDICATING NOTICE COULD BE
13 GIVEN BEFORE OCTOBER 1.

14 YOU RECALL THAT BEING THE CASE?

15 A. YES.

16 Q. IS IT YOUR -- COAST'S POSITION THAT THIS
17 DISAFFILIATION LETTER WAS INEFFECTIVE BECAUSE IT WAS NOT
18 TIMELY?

19 A. THAT LETTER WAS OBVIOUSLY PULLING EVERYTHING
20 OUT; THAT -- YOU KNOW, HIS INTENT WAS QUITE CLEAR TO US.

21 Q. IF COAST --

22 A. BUT I UNDERSTAND WHAT YOU'RE SAYING ABOUT AN
23 INTERPRETATION OF THAT CONTRACT. I MEAN, I SEE --

24 Q. WELL, MR. SHERMAN ASKED YOU THIS MORNING THE
25 QUESTION, "SO THAT WITHDRAWAL NOTICE WAS NOT TIMELY?" AND
26 YOU SAID, "THAT'S CORRECT."

1 RECALL THAT?

2 A. AND I STILL SAY THAT'S CORRECT.

3 Q. SO COAST TO COAST COULD HAVE PRESERVED AND
4 PROTECTED THE MEMBERS BY SAYING, "YOU'RE WITHDRAWAL'S NOT
5 TIMELY"; DIDN'T DO THAT, DID IT?

6 A. IT COULD HAVE.

7 Q. DIDN'T DO THAT, DID IT?

8 A. NO.

9 Q. INSTEAD IT DECIDED TO TRANSFER 35,000
10 MEMBERS FROM ONE RESORT TO ANOTHER; ISN'T THAT TRUE?

11 A. I THINK THAT'S QUITE A JUMP. BUT WE DID
12 CHOOSE TO ACCEPT HIS LETTER OF WITHDRAWAL, EVEN THOUGH IT
13 WAS LATE. AND AS A RESULT OF THAT, AND A.S.R. -- I GUESS
14 THAT'S IT. WE DID PUT OUT LETTERS TO APPROXIMATELY THAT
15 NUMBER OF PEOPLE.

16 (DISCUSSION HELD OFF THE RECORD.)

17 BY MR. MOSHENKO: Q. NOW, AS A MATTER OF FACT,
18 ALSO, SIR, THE CONTRACT THAT COAST HAD WITH ITS RESORT
19 OWNERS, INCLUDED A PROVISION THAT SAID BY INCORPORATING THE
20 MEMBERSHIP APPLICATION, THAT MEMBERS' MEMBERSHIPS CONTINUED
21 UNTIL THE END OF THE YEAR; ISN'T THAT CORRECT?

22 A. I'M TRYING TO UNDERSTAND WHAT YOU'RE
23 SAYING. I'M SORRY.

24 MR. MOSHENKO: WELL, LET'S SEE IF WE CAN PULL UP
25 EXHIBIT 72, MR. DURAN.

26 PAGE 2. PARAGRAPH 2 UNDER HOME RESORT.

1 THE WITNESS: WHAT WAS THE QUESTION THAT WENT WITH
2 IT?

3 BY MR. MOSHENKO: Q. OKAY. LET ME GIVE YOU A COPY
4 OF EXHIBIT 72.

5 A. THANK YOU.

6 Q. REFERRING YOU TO PARAGRAPH 2 ON PAGE 2 UNDER
7 "HOME RESORT."

8 A. YES.

9 Q. THAT STATES, "THE RULE OF WHAT PERIOD OF
10 TIME A MEMBER" -- "MEMBERSHIP WILL REMAIN IN EFFECT TO
11 ALLOW THEM TO BECOME A MEMBER OF ANOTHER COAST TO COAST
12 AFFILIATED RESORT ONCE THERE'S A TERMINATION OR A RESORT
13 CEASING TO BE AN AFFILIATED RESORT"?

14 A. THAT'S CORRECT.

15 Q. OKAY. AND IT SAYS, "IF YOUR HOME RESORT
16 CEASES TO BE A COAST TO COAST AFFILIATED RESORT FOR ANY
17 REASON, YOUR COAST TO COAST MEMBERSHIP WILL REMAIN IN
18 EFFECT FOR THE REMAINDER OF THAT CALENDAR YEAR THEREBY
19 ALLOWING YOU A REASONABLE TIME" -- "PERIOD OF TIME TO
20 BECOME A MEMBER OF ANOTHER COAST TO COAST AFFILIATED RESORT
21 WITHOUT INTERRUPTING YOUR BENEFITS."

22 SEE THAT?

23 A. THAT'S CORRECT.

24 Q. NO COAST MEMBER THAT WAS A PLAINTIFFS'
25 MEMBER HAD TO WORRY ABOUT LOSING THEIR COAST BENEFITS
26 BECAUSE THEY WERE PROTECTED BY THIS PARAGRAPH, AT LEAST

1 UNTIL THE END OF THE CALENDAR YEAR; CORRECT?

2 A. OH, THEIR MEMBERSHIP WOULD BE, YES. I MEAN,
3 THAT'S PART OF MY DIAGRAM. THAT'S WHY THEIR MEMBERSHIP WAS
4 IN JEOPARDY BECAUSE HE HAD UNILATERALLY --

5 MR. MOSHENKO: OBJECTION. NONRESPONSIVE.

6 THE WITNESS: I'M SORRY. COULD YOU ASK IT AGAIN,
7 PLEASE?

8 BY MR. MOSHENKO: Q. NO COAST TO COAST MEMBER WHO
9 WAS A MEMBER OF THE PLAINTIFFS' HOME RESORT HAD TO WORRY
10 ABOUT LOSING THEIR BENEFITS, THE RIGHT TO USE THE COAST
11 SYSTEM, AT LEAST UNTIL THE END OF THAT CALENDAR YEAR;
12 RIGHT?

13 MR. SHERMAN: OBJECTION. IT CALLS FOR SPECULATION.
14 IN THE MINDS OF THE COAST MEMBERS.

15 THE COURT: SUSTAINED.

16 BY MR. MOSHENKO: Q. UNDER THE CONTRACT COAST HAD
17 WITH ITS MEMBERS, MEMBERS' PRIVILEGES CONTINUED TILL THE
18 END OF THE CALENDAR YEAR REGARDLESS OF WHAT -- WHETHER A
19 RESORT DISAFFILIATED?

20 A. THAT'S CORRECT.

21 Q. AND IT WAS COAST'S PRACTICE, EVEN THOUGH IT
22 WAS NOT PROVIDED FOR IN THE CONTRACT, TO GIVE MEMBERS
23 ROUTINELY ANOTHER 12 MONTHS TO PARTICIPATE IN THE COAST
24 SYSTEM, REGARDLESS OF THE STATUS OF THEIR HOME RESORT;
25 ISN'T THAT TRUE?

26 A. I EXPLAINED EARLIER THAT THERE IS A FULL

1 PERIOD OF TIME. IT COULD BE A SHORT PERIOD. IT COULD BE A
2 LONG PERIOD. IT DEPENDED UPON WHAT PERIOD.

3 MR. MOSHENKO: OKAY. NONRESPONSIVE. IT'S A YES OR
4 NO QUESTION.

5 THE COURT: OVERRULED.

6 BY MR. MOSHENKO: Q. OKAY. ALL RIGHT. I'M SORRY.
7 GO AHEAD.

8 A. I --

9 Q. I THOUGHT IT WAS A YES OR NO QUESTION, SIR.

10 A. THE QUESTION RELATED TO THEM HAVING ANOTHER
11 WHOLE YEAR.

12 Q. YES.

13 A. YES. SOME OF THEM HAD ANOTHER WHOLE YEAR,
14 IT DEPENDED UPON WHEN THE DISAFFILIATION TOOK PLACE. IF --

15 Q. AND -- AND, AS A MATTER OF FACT -- OH, IT
16 WAS COAST'S PRACTICE TO GIVE MEMBERS AS MUCH AS 27, 28
17 MONTHS OF CONTINUING COAST TO COAST PRIVILEGES REGARDLESS
18 OF THE STATUS OF THEIR HOME RESORT, WASN'T IT?

19 A. THAT'S INCORRECT.

20 Q. YOU'RE FAMILIAR WITH WHAT'S REFERRED TO AS A
21 RE -- A REAFFILIATION CYCLE -- NO. IT'S A RENEWAL CYCLE?

22 A. YES.

23 Q. A RENEWAL CYCLE, WHAT IS THAT?

24 A. THAT'S RENEWING THE MEMBERS.

25 Q. AND ISN'T IT COAST'S PRACTICE THAT IT DOES
26 NOT REMOVE MEMBERS FROM ITS CURRENT LIST UNTIL THEY HAVE

1 FAILED TO RENEW FOR AT LEAST TWO RENEWAL CYCLES?

2 A. YES, THAT WOULD BE. IF THEY DIDN'T RENEW --
3 STARTING IN SEPTEMBER, IF THEY DIDN'T RENEW WHEN WE SENT IT
4 TO THEM -- OF COURSE THAT RENEWAL WOULD BE STARTING JANUARY
5 THE FOLLOWING YEAR. THEN THERE -- SO THERE WOULD BE ONE
6 YEAR, AND IF THEY DIDN'T RENEW THAT TIME, THEY'D BE LET OUT
7 THE END OF THAT YEAR.

8 Q. AND EACH -- THERE IS A RENEWAL CYCLE EACH
9 YEAR; RIGHT?

10 A. YES, THAT'S CORRECT.

11 Q. SO THE "YES" THAT YOU GAVE ME TO THE
12 PREVIOUS ANSWER WOULD MEAN THAT THESE MEMBERS WOULD BE
13 ASKED TO RENEW -- THESE MEMBERS WHOSE RESORTS DISAFFILIATED
14 IN SEPTEMBER OF 1997 WOULD BE ASKED TO RENEW FOR '98
15 ANYWAY; RIGHT?

16 A. I -- I'M NOT SURE. I'M GETTING LOST IN OUR
17 OWN CYCLES.

18 Q. IN FACT, WEREN'T THESE MEMBERS ALREADY IN A
19 RENEWAL CYCLE AS OF AUGUST, SEPTEMBER OF 1997?

20 A. AND THAT'S EXACTLY WHY THEY GOT THE SECOND
21 YEAR. BECAUSE WHEN IT'S THAT STAGE OF THE YEAR, ANYWHERE
22 FROM APPROXIMATELY THEN ON DOWN -- BECAUSE WE'RE JUST
23 DROPPING IT AND GETTING INVOLVED IN IT, AND THEN THEY COME
24 BACK IN AND RENEW, I KNOW, YOU CAN'T, AND THAT SORT OF
25 STUFF. SO THEY DO HAVE TILL THE END OF THE FOLLOWING YEAR.

26 Q. SO EVEN THOUGH THE CONTRACT SAYS THEY GET TO

1 THE END OF THE YEAR, COAST GIVES THEM TO THE END OF '97,
2 AND THEN TO THE END OF '98; RIGHT?

3 A. NO, I DON'T THINK THAT'S CORRECT.

4 Q. IF SOMEONE HAD RENEWED ON AUGUST 26TH, THE
5 DAY BEFORE THE DISAFFILIATION LETTER, WOULD THEIR RENEWAL
6 FOR 1998 BE -- MONEY BE SENT BACK?

7 A. NO. IF THEY RENEWED, THEN THEY WOULDN'T
8 HAVE THE RENEWAL. THEY WOULD RENEW SOMETIME IN EARLY
9 SEPTEMBER AT THE EARLIEST, OR LATE SEPTEMBER, AND THAT
10 WOULD BE FOR THE YEAR 1998.

11 Q. SO YOU WERE IN THE RENEWAL CYCLE FOR '98 AS
12 OF SEPTEMBER OF '97?

13 A. THAT'S CORRECT.

14 Q. AND BEFORE THE OCTOBER LETTERS WENT OUT,
15 MEMBERS MAY HAVE RENEWED FOR 1998; RIGHT?

16 A. YES. YES. CERTAINLY.

17 Q. OKAY. AND THESE MEMBERS WERE NOT IN ANY
18 JEOPARDY OF LOSING THEIR MEMBERSHIP PRIVILEGES, WERE THEY?

19 A. IF THEY DIDN'T HAVE A HOME RESORT
20 DESIGNATION, SURE.

21 Q. AS OF WHEN, NINETEEN -- END OF '98 THEY
22 WOULD HAVE BEEN REMOVED?

23 A. I BELIEVE SO.

24 Q. BEG YOUR PARDON?

25 A. I BELIEVE SO.

26 Q. WAS THERE A SENSE OF URGENCY TO GET THESE

1 LETTERS OUT?

2 A. I THINK WHAT PROBABLY IMPACTED THAT WAS --
3 WAS THE VOLUME TO GET THEM OUT. AND THERE MAY HAVE BEEN
4 SOME MISTAKES IN THERE, AS OBVIOUSLY --

5 Q. WHY DID COAST THINK THEY HAD TO SEND
6 35,000 -- 34,000 TO 35,000 LETTERS WITHIN TWO OR THREE
7 MONTHS?

8 A. BECAUSE THERE WAS --

9 MR. SHERMAN: OBJECTION. LACKS FOUNDATION THAT
10 THEY WERE SENT IN THAT TIME PERIOD.

11 THE COURT: SUSTAINED.

12 MR. MOSHENKO: COULD I HAVE EXHIBIT 2149-085.

13 YOU KNOW MARY URIOSTE?

14 A. YES, I DO.

15 Q. SHE WORKED FOR COAST BACK IN THE FALL OF
16 1997?

17 A. YES, I BELIEVE SO.

18 Q. SHE WAS IN CHARGE OF MEMBER TRANSFERS,
19 WASN'T SHE?

20 A. SHE WAS AT THAT DESK, YES. YOUNG GAL I
21 TALKED TO IN THE MORNINGS.

22 MR. SHERMAN: COUNSEL, WHAT PAGE?

23 MR. MOSHENKO: IT'S 2149-0805; THERE'S A BATES
24 STAMP NUMBER A.G.I. 1282. THERE'S A TAG RIGHT THERE.

25 MR. SHERMAN, IT'S IN VOLUME 30, 2149, EXHIBIT 2149.

26 MR. SHERMAN: VOLUME 30?

1 MR. MOSHENKO: THAT'S WHERE MINE IS.

2 MR. SHERMAN: WELL --

3 MR. MOSHENKO: DO YOU HAVE IT, MR. SHAW?

4 MR. SHAW: I DON'T. I'M SORRY. IT'S 2149?

5 MR. MOSHENKO: YEAH, THERE'S TWO VOLUMES. 2149

6 SPILLS OVER INTO THE NEXT VOLUME, VOLUME 30.

7 Q. LET ME SHOW YOU THIS WHILE WE'RE TRYING TO
8 LOCATE THE OTHER COPY, MR. RYMAN.

9 WHAT IS EXHIBIT 2149, BATES STAMPED A.G.I.
10 1282?

11 MR. SHERMAN: YOUR HONOR, AT ONE POINT I'M SURE
12 THESE BATES STAMPS WERE IN ORDER, PLAINTIFFS' BOOK GIVEN TO
13 US. IT'S NOT NOW. I CAN'T FIND THIS.

14 THE COURT: OKAY, WELL --

15 MR. MOSHENKO: I'LL ASSIST THEM.

16 MR. SHERMAN: I THOUGHT A.G.I. WERE OUR NUMBERS AT
17 ONE POINT, BUT LOOKS LIKE SOMEBODY THREW THEM ALL UP IN THE
18 AIR.

19 THE COURT: I'LL TELL YOU WHAT, IN VIEW OF THE
20 HOUR, WE'LL RECESS AND YOU GUYS CAN FIND THAT AND HAVE IT
21 READY FOR US ON JUNE THE 5TH AT 9:00 A.M.

22 A JUROR: TUESDAY?

23 THE COURT: NICE TRY.

24 MR. MOSHENKO: ARE WE BREAKING FOR TODAY?

25 THE COURT: COME BACK SOMETIME.

26 (EVENING ADJOURNMENT.)

