



0000117324

ORIGINAL

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**COMMISSIONERS:**

**MARC SPITZER, Chairman**  
**JIM IRVIN**  
**WILLIAM A. MUNDELL**  
**JEFF MATCH-MILLER**  
**MIKE GLEASON**

Arizona Corporation Commission

**DOCKETED**

JUN 25 2003

2003 JUN 25 P 4: 12

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY	<i>CA</i>
-------------	-----------

In the matter of:

**YUCATAN RESORTS, INC., d/b/a**  
**YUCATAN RESORTS, S.A.,**  
3222 Mishawaka Avenue  
South Bend, IN 46615;  
P. O. Box 2661  
South Bend, IN 46680;  
Av. Coba #82 Lote 10, 3er. Piso  
Cancun, Q. Roo  
Mexico C.P. 77500

**RESORT HOLDINGS INTERNATIONAL,**  
**INC. d/b/a**  
**RESORT HOLDINGS INTERNATIONAL,**  
**S.A.,**  
3222 Mishawaka Avenue  
South Bend, IN 46615;  
P. O. Box 2661  
South Bend, IN 46680;  
Av. Coba #82 Lote 10, 3er. Piso  
Cancun, Q. Roo  
Mexico C.P. 77500

**WORLD PHANTASY TOURS, INC.**  
**a/k/a MAJESTY TRAVEL**  
**a/k/a VIAJES MAJESTY**  
Calle Eusebio A. Morales  
Edificio Atlantida, P Baja  
APDO, 8301 Zona 7 Panama

**MICHAEL E. KELLY and LORI KELLY,**  
husband and wife,  
3222 Mishawaka Avenue  
South Bend, IN 46615;  
P. O. Box 2661  
South Bend, IN 46680;

Respondents.

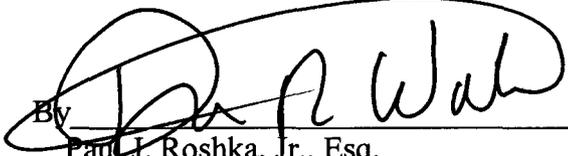
DOCKET NO. S-03539A-03-0000

RESPONDENTS MICHAEL E. KELLY  
AND LORY KELLY'S NOTICE OF  
FILING ORIGINAL DECLARATIONS

1 Attached as Exhibit A are the original Declarations of Respondents Michael E. Kelley and  
2 Lory Kelley to be filed with Docket Control.

3 RESPECTFULLY SUBMITTED this 25th day of June, 2003.

4 ROSHKA HEYMAN & DeWULF, PLC

5  
6 

7 Paul J. Roshka, Jr., Esq.  
8 Dax R. Watson, Esq.  
9 One Arizona Center  
10 400 East Van Buren Street, Suite 800  
11 Phoenix, Arizona 85004  
12 602-256-6100  
13 602-256-6800 (facsimile)  
14 Attorneys for Respondents  
15 Michael E. Kelly and Lory Kelly

16 ORIGINAL and thirteen copies of the foregoing  
17 hand-delivered this 25th day of June, 2003 to:

18 Docket Control  
19 Arizona Corporation Commission  
20 1200 West Washington Street  
21 Phoenix, Arizona 85007

22 COPY of the foregoing hand-delivered  
23 this 25th day of June, 2003 to:

24 Marc E. Stern  
25 Administrative Law Judge/Hearing Officer  
26 Hearing Division  
27 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Jaime Palfai, Esq.  
W. Mark Sendrow, Esq.  
Securities Division  
Arizona Corporation Commission  
1300 West Washington Street, 3rd Floor  
Phoenix, Arizona 85007

ROSHKA HEYMAN & DEWULF, PLC

ONE ARIZONA CENTER  
400 EAST VAN BUREN - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

**ROSHKA HEYMAN & DEWULF, PLC**

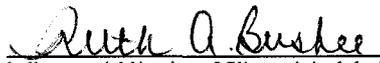
ONE ARIZONA CENTER  
400 EAST VAN BUREN - SUITE 800  
PHOENIX, ARIZONA 85004  
TELEPHONE NO 602-256-6100  
FACSIMILE 602-256-6800

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

COPY of the foregoing mailed  
this 25th day of June, 2003 to:

Joel Held, Esq.  
Elizabeth Yingling, Esq.  
Baker & McKenzie  
2300 Trammell Crow Center  
2001 Ross Avenue, Suite 2300  
Dallas, Texas 75201  
Attorneys for Respondents  
Yucatan Resorts, Inc., Yucatan Resorts, S.A.,  
RHI, Inc., and RHI, S.A.

Martin R. Galbut, Esq.  
Jeffrey D. Gardner, Esq.  
Galbut & Hunter, P.C.  
2425 East Camelback Road, Suite 1020  
Phoenix, Arizona 85016  
Attorneys for Respondents  
Yucatan Resorts, Inc., Yucatan Resorts, S.A.,  
RHI, Inc., and RHI, S.A.

  
kellym.acc/pld/notice of filing original declarations.doc

## **Exhibit A**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

**DECLARATION OF MICHAEL E. KELLY**

I, Michael E. Kelly, declare:

1. I am named as a Respondent in this action. I have personal knowledge of the matters stated herein and am competent to testify to the following.

2. I am a full-time resident of Cancun, Q.Roo, Mexico, and Cancun is my place of domicile. I have been a full-time resident of Cancun, Mexico, since 1997.

3. I do not own or maintain a residence in the United States.

4. I do not have an agent for service of process in the United States.

5. I am a hotel and timeshare resort developer of resort properties throughout Mexico and Central America. My business office is located in Cancun, Mexico.

6. I am the President of Resort Holdings International, Inc. ("RHI Inc."), which is also named as a Respondent in this action. RHI Inc., is a Nevada corporation that was formed on July 16, 1999. RHI Inc.'s sole office and principal place of business is located at 3222 Mishawaka Avenue, South Bend, Indiana 46615.

7. RHI Inc., does not offer or sell timeshare units referred to as "Universal Leases." Nor does RHI Inc., employ any individual who offers or sells timeshare units referred to as Universal Leases.

8. I am not involved in RHI Inc.'s day-to-day business operations. I do not have an office at RHI Inc., and it is not my usual place of business. In fact, I have visited RHI Inc.'s office in South Bend, Indiana, on only two or three occasions. Since RHI Inc.'s office opened in

1 January 1998 (as an office for Respondent Yucatan Resorts, Inc.), I have spent a total of  
2 approximately two (2) hours at such office.

3 9. Respondent Resort Holdings International, S.A. ("RHI S.A."), is a Panamanian  
4 corporation, with its principal place of business in the country of Panama at the P.H. Cort  
5 Building- Primer Piso, Panama City, Panama. I am not, and never have been, an officer, director  
6 or employee of RHI S.A.  
7

8 10. RHI S.A., is a sales company that sells timeshare units, referred to as Universal  
9 Leases, to individuals and families worldwide for vacation enjoyment. (RHI S.A. sells timeshare  
10 units referred to as Universal Leases for resort development companies in Mexico and Central  
11 America.) It is my understanding that Resort Holdings International is registered in Arizona to  
12 sell timeshare units, referred to as Universal Leases, Registration Number DM01-027605. I am  
13 not involved in recruiting or supervising any independent contractors, referred to as sales agents,  
14 related to RHI S.A.  
15  
16

17 11. I am the President of Yucatan Resorts Inc., another named Respondent in this  
18 action. Yucatan Resorts, Inc., is an Indiana corporation, with its sole office and principal place  
19 of business located at 3222 Mishawaka Avenue, South Bend, Indiana 46615.  
20

21 12. Yucatan Resorts, Inc., ceased operations in or around April, 2002, at approximately  
22 the same time that Respondent Yucatan Resorts, S.A.'s ("Yucatan S.A.") sales agreements with  
23 the resort development companies expired.  
24

25 13. No sale of timeshare units, referred to as Universal Leases, has ever occurred from  
26 Yucatan Resorts, Inc.'s offices. Nor has Yucatan Resorts, Inc., ever employed any individual  
27

1 who sold timeshare units referred to as Universal Leases. Nor has Yucatan Resorts, Inc. ever  
2 been involved in recruiting or supervising any independent contractors, referred to as sales  
3 agents, related to Yucatan S.A.

4 14. I was not involved in Yucatan Resorts, Inc.'s day-to-day business operations. I did  
5 not maintain an office at Yucatan Resorts, Inc. As stated above, I visited Yucatan Resorts, Inc.'s  
6 office in South Bend, Indiana, on only two or three occasions, and I have spent a total of  
7 approximately two hours there.  
8

9 15. Yucatan S.A. is a Panamanian corporation, with its principal place of business in  
10 Panama. I am not, and never have been, an officer, director or employee of Yucatan S.A.  
11

12 16. Yucatan S.A., engaged in the sale of timeshare units, referred to as Universal  
13 Leases, in Panama to individuals and families at various locales. Yucatan S.A., ceased selling  
14 Universal Leases in approximately April of 2002. I was not involved in recruiting or supervising  
15 any independent contractors, referred to as sales agents, related to Yucatan S.A.  
16

17 17. I never participated in any Universal Lease/timeshare unit offers or sales that  
18 occurred in Arizona.  
19

20 18. I am not, and never have been, an officer, director, shareholder or employee of  
21 named Respondent World Phantasy Tours, Inc., aka Majesty Travel, aka Viajes Majesty.  
22

23 19. I have never lived in the State of Arizona. In fact, the last time that I visited Arizona  
24 was in 1988, for a vacation weekend and not for any business purpose.

25 20. I have never owned or leased property in Arizona.  
26  
27

1 21. I have never had a bank account in Arizona, and I have never drawn checks on an  
2 Arizona bank. I have never had any personal brokerage accounts managed by firms or branches  
3 of firms situated in Arizona.

4 22. I have never held any Arizona professional licenses and have never had an Arizona  
5 driver's license. I have never filed an Arizona State income tax return, and I am not registered to  
6 vote in Arizona.  
7

8 23. I have never maintained an office in Arizona. I have never had a telephone listing or  
9 kept files in Arizona. I, personally, have never conducted business in Arizona, nor have I ever  
10 had any employees in Arizona.  
11

12 24. I, personally, have never entered into a contract in Arizona, nor have I ever  
13 personally entered into a contract that was to be performed in Arizona.  
14

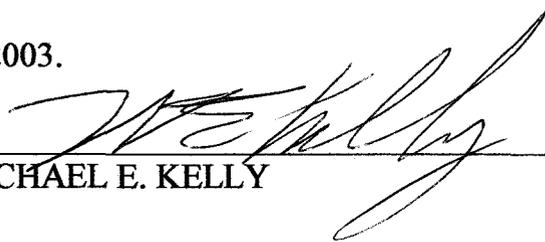
15 25. I do not maintain an agent for service of process in Arizona. I was not served with  
16 process in this action in Arizona.

17 26. Other than the present matter, I have never been named as a party to a lawsuit,  
18 administrative proceeding or criminal proceeding in Arizona.  
19

20 27. I was not served with process in this action in Cancun, Mexico.

21 I declare under penalty of perjury that the foregoing is true and correct.

22 Executed on this 23 day of June, 2003.

23  
24   
MICHAEL E. KELLY  
25  
26  
27

## DECLARATION OF LORY KELLY

I, Lory Kelly, declare:

1. I am named as a Respondent in this action. I have personal knowledge of the matters stated herein and am competent to testify to the following.

2. I am married to Michael E. Kelly, another named Respondent in this action.

3. I am a full-time resident of Cancun, Q.Roo, Mexico, and Cancun is my place of domicile. I have been a full-time resident of Cancun, Q.Roo, Mexico, since approximately March of 1999.

4. I do not own or maintain a residence in the United States.

5. I do not have an authorized agent for service of process in the United States.

6. Prior to moving to Cancun, Mexico, I was a resident of North Liberty, Indiana, and was employed by HealthSouth Physical Therapy & Rehabilitation ("HealthSouth"), located in South Bend, Indiana. I was a member of HealthSouth's office and clerical staff.

7. Since moving to Cancun, Mexico in or around 1999, I have not been employed.

8. I have never worked in the hotel, timeshare or leasing business.

9. I am not, and never have been, an officer, director, shareholder or employee of any of the following businesses or entities: Yucatan Resorts, Inc.; Yucatan Resorts, S.A.; Resort Holdings International, Inc.; Resort Holdings International, S.A.; or World Phantasy Tours, Inc., aka Majesty Travel, aka Viajes Majesty.

10. I have never lived in the State of Arizona. In fact, I do not recall ever having visited the State of Arizona for any reason, either business or pleasure.

11. I have never owned or leased property in Arizona.

12. I have never had a bank account in Arizona, and I have never drawn checks on an Arizona bank. I have never had any personal brokerage accounts managed by firms or branches of firms situated in Arizona.

13. I have never held any Arizona professional licenses and have never had an Arizona driver's license. I have never filed an Arizona State income tax return, and I am not registered to vote in Arizona.

14. I have never had an office in Arizona. I have never had a telephone listing or kept files in Arizona. I have never conducted a business out of Arizona nor have I ever had any employees in Arizona.

15. I have never entered into a contract in Arizona, nor have I ever entered into a contract that was to be performed in Arizona.

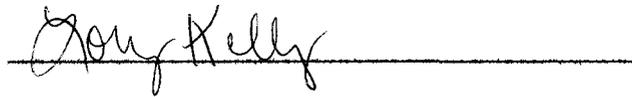
16. Other than the present matter, I have never been named as a party to a lawsuit, administrative proceeding or criminal proceeding in Arizona.

17. I do not maintain an agent for service of process in Arizona. I was not served with process in this action in Arizona.

18. I was not served with process in this action in Cancun, Mexico.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 20th day of June, 2003.



LORY KELLY