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BEFORE THE ARIZONA CORPORATION COMMISSION
SECURITIES DIVISION

2003 SEP 16 P 4: 21

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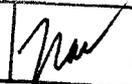
AZ CORP COMMISSION
DOCUMENT CONTROL

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

Arizona Corporation Commission
DOCKETED

SEP 16 2003

In the matter of:

DOCKETED BY 

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

DOCKET NO. S-03539A-03-0000

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

**JANALEE R. SNEVA'S OBJECTIONS
AND
RESPONSES TO SUBPOENA**

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

**(ASSIGNED TO THE HONORABLE
MARC STERN, ADMINISTRATIVE
LAW JUDGE)**

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.

1 **In the Matter of**
2 **Ms. Janalee R. Sneva, et al.**

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4 **JANALEE R. SNEVA'S OBJECTIONS AND**
5 **RESPONSES TO SUBPOENA**

6 Janalee R. Sneva ("Ms. Sneva") hereby submits her Objections and Responses to the
7 Subpoena dated August 25, 2003, and returnable on September 17, 2003, as follows:

8 **I.**
9 **GENERAL OBJECTIONS**

10 Ms. Sneva generally objects to the Subpoena because the Arizona Corporation
11 Commission, Securities Division ("Securities Division") does not have subject matter jurisdiction.
12 Ms. Sneva neither offered nor sold securities in the State of Arizona as the term "securities" is
13 defined under the Arizona securities laws. The Arizona Real Estate Division is the appropriate
14 Arizona regulatory body, as the Universal Leases offered and sold by Ms. Sneva are Timeshares.

15 Ms. Sneva generally objects to the Subpoena because the Securities Division lacks subject
16 matter jurisdiction to obtain documents and information related to the offer or sale of Timeshares
17 outside of the State of Arizona.

18 Ms. Sneva generally objects to the Subpoena for the reasons set forth in Respondents'
19 Motion to Quash Subpoenas previously filed on September 4, 2003, and incorporated herein by
20 reference.

21 Ms. Sneva generally objects to the Subpoena because it leaves an inadequate time to
22 respond and produce responsive documents.

23 Ms. Sneva generally objects to Exhibit "A" to the Subpoena in that Exhibit "A" is vague
24 and ambiguous because it fails to specifically define the following phrases and terms: "incident to
25
26

1 or relating to the offer and sale of Universal Leases or any related Timeshare programs,"
2 "Universal Lease," "Timeshare programs," "Resort Holdings International," Yucatan Resorts,"
3 Avalon Resorts," World Phantasy Tours," "Majesty Travel," and "Yucatan Investments."
4 Accordingly, Ms. Sneva is unable to adequately and appropriately respond to the requests
5 contained in the Subpoena.

6
7 **II.**
8 **SPECIFIC OBJECTIONS**

9 Subject to, and without waiver of, each General Objection listed above, Ms. Sneva
10 specifically responds as follows:

11 1. Names, addresses, and telephone numbers of all individuals, sales agents or entities
12 that have been offered or sold timeshare interests including the number of interests purchased, if
13 applicable, and the amount and date of each investment.

14 **OBJECTION AND RESPONSE:**

15 Ms. Sneva specifically objects to the Request because it seeks documents that are not
16 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
17 it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period of time.
18 Ms. Sneva also objects to the Request because it seeks confidential and commercial-trade
19 information. Ms. Sneva also objects to the Request because compliance therewith would violate
20 the personal and financial privacy of the Leaseholders. Ms. Sneva also objects to the Request
21 because it is vague and ambiguous, in that it does not define the term "timeshare interests."

22 2. Documents relating to each individual or entity listed in paragraph 1 including any
23 contracts, forms, subscriptions, agreements, notes, questionnaires, reports, records of investment
24 status, checks, wire transfers, receipts, account statements, tax information, correspondence,
25 updates, or other communications.

26 **OBJECTION AND RESPONSE:**

1 Ms. Sneva specifically objects to the Request because it seeks documents that are not
2 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
3 it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period of time.
4 Ms. Sneva also objects to the Request because it seeks confidential and commercial-trade
5 information. Ms. Sneva also objects to the Request because compliance therewith would violate
6 the personal and financial privacy of the Leaseholders.
7

8 3. Records of all meetings and/or training sessions related to solicitations and sales
9 including all information used or presented at these meetings.

10 **OBJECTION AND RESPONSE:**

11 Ms. Sneva specifically objects to the Request because it seeks documents that are not
12 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
13 it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period of time.
14 Ms. Sneva also objects to the Request because it seeks confidential and commercial-trade
15 information. Ms. Sneva further objects to this Request because it is vague and ambiguous in that
16 it does not specifically define the documents requested. In particular, the Request seeks
17 documents of meetings related to "solicitations and sales" but fails to identify the subject of said
18 "solicitation and sales."
19

20 4. The names, addresses, amounts, and dates of any rescission, refund, or any other
21 form of return to timeshare purchasers.
22

23 **OBJECTION AND RESPONSE:**

24 Ms. Sneva specifically objects to the Request because it seeks documents that are not
25 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
26 it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period of time.

1 Ms. Sneva also objects to the Request because it seeks confidential and commercial-trade
2 information. Ms. Sneva also objects to the Request because it is vague and ambiguous, in that it
3 does not define the term "timeshare purchasers." Ms. Sneva also objects to the Request because
4 compliance therewith would violate the personal and financial privacy of the Leaseholders.

5 5. All state and federal tax returns, including any applications, forms, or
6 correspondence.

7 **OBJECTION AND RESPONSE:**

8 Ms. Sneva specifically objects to the Request because it seeks documents that are not
9 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
10 it seeks confidential and commercial-trade information. Ms. Sneva also objects to the Request
11 because compliance therewith would violate the personal and financial privacy of those from
12 whom said information is sought. Ms. Sneva also objects to the Request because it is overbroad
13 and unduly burdensome, in that it seeks documents over a 4 ½ year period of time. Ms. Sneva
14 further objects to the Request because a request for state and federal tax returns bears no
15 conceivable relevance to the Securities Division's inquiry, and goes well beyond the scope of the
16 Securities Division's authority. Ms. Sneva further objects to the Request because it is vague and
17 ambiguous, in that the Securities Division fails to limit the Request or describe from whom, or
18 from what entity, the tax returns and other documents are sought.
19
20

21 6. All bank or other depository institution accounts whether open or closed, including
22 the name of the bank or depository institution, number of each account, and the names of all
23 signatories on each account.

24 **OBJECTION AND RESPONSE:**

25 Ms. Sneva specifically objects to the Request because it seeks documents that are not
26 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
it seeks confidential and commercial-trade information. Ms. Sneva also objects to the Request

1 because compliance therewith would violate the personal and financial privacy of those from
2 whom the information is sought. Ms. Sneva also objects to the Request because it is overbroad
3 and unduly burdensome, in that it seeks documents over a 4 ½ year period of time. Ms. Sneva
4 further objects to the Request because it bears no conceivable relevance to the Securities
5 Division's inquiry, and goes well beyond the scope of the Securities Division's authority. Ms.
6 Sneva objects to the Request because it is vague and ambiguous, in that the Securities Division
7 fails to limit the Request or describe from whom, or from what entity, the documents or
8 information are sought.
9

10 7. All advertisements, correspondence, circulars, offering memoranda, newsletters,
11 prospectuses, tax opinions, legal opinions, reports, brochures, flyers, handouts, or any other
12 records made available to potential or actual timeshare purchases.

13 **OBJECTION AND RESPONSE:**

14 Ms. Sneva specifically objects to the Request because it seeks documents that are not
15 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
16 it seeks confidential and commercial-trade information. Ms. Sneva also objects to the Request
17 because it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period
18 of time, and seeks documents that were merely "made available" to persons rather than actually
19 delivered to said persons. Ms. Sneva also objects to the Request because it is vague and
20 ambiguous, in that it does not define the terms "potential or actual timeshare purchases." Ms.
21 Sneva further objects to the Request because it is vague and ambiguous, in that the Securities
22 Division fails to limit the Request or describe from whom, or from what entity, the information
23 and documents are sought.
24

25 8. Contracts with agents or others for solicitations or sales of timeshare interests
26 including but not limited to employment contracts, independent contractor agreements, and any
communications with such person or entity.

1 **OBJECTION AND RESPONSE:**

2 Ms. Sneva specifically objects to the Request because it seeks documents that are not
3 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
4 it seeks confidential and commercial-trade information. Ms. Sneva also objects to the Request
5 because it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period
6 of time and seeks all communications with persons, without limiting same to issues relevant to the
7 Securities Division inquiry. Ms. Sneva also objects to the Request because it is vague and
8 ambiguous, in that it does not define the term "timeshare interests." Ms. Sneva further objects to
9 the Request because it is vague and ambiguous, in that the Securities Division fails to limit the
10 Request or describe from whom, or from what entity, the information and documents are sought.
11

12 9. Names, addresses and telephone numbers of all affiliated sales agents, co-workers,
13 telephone solicitors, independent contractors, or sub-contractors, both past and present.

14 **OBJECTION AND RESPONSE:**

15 Ms. Sneva specifically objects to the Request because it seeks documents that are not
16 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
17 it seeks confidential and commercial-trade information. Ms. Sneva also objects to the Request
18 because it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period
19 of time, and seeks information not tailored to issues relevant to the Securities Division's inquiry.
20 Ms. Sneva also objects to the Request because it is vague and ambiguous, in that the Securities
21 Division fails to limit the Request or describe from whom, or from what entity, the information
22 and documents are sought.
23

24 10. Records of all salaries, bonuses, reimbursement, distributions, draws, overrides,
25 loans, or any other compensation, whether monetary or otherwise, paid to you, any related
26 person/entity, or any individual falling within the scope of paragraphs 8 or 9.

OBJECTION AND RESPONSE:

1 Ms. Sneva specifically objects to the Request because it seeks documents that are not
2 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
3 it seeks confidential and commercial-trade information. Ms. Sneva also objects to the Request
4 because it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period
5 of time, and seeks information not tailored to issues relevant to the Securities Division's inquiry.
6 Ms. Sneva also objects to the Request because it is vague and ambiguous, in that the Securities
7 Division fails to limit the Request or describe from whom, or from what entity, the information
8 and documents are sought. Ms. Sneva also objects to the Request because compliance therewith
9 would violate the personal and financial privacy of the individuals or entities identified in
10 paragraphs 8, 9, and 10.
11

12 11. Records of all salaries, bonuses or other consideration received or distributed by
13 you and/or your firm.

14 **OBJECTION AND RESPONSE:**

15 Ms. Sneva specifically objects to the Request because it seeks documents that are not
16 within Ms. Sneva's possession, custody, or control. Ms. Sneva also objects to the Request because
17 it is overbroad and unduly burdensome, in that it seeks documents over a 4 ½ year period of time.
18 Ms. Sneva also objects to the Request because it is vague and ambiguous, in that the Securities
19 Division fails to limit the Request or describe from whom, or from what entity, the information
20 and documents are sought. Ms. Sneva also objects to the Request because compliance therewith
21 would violate the personal and financial privacy of the individuals or entities.
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1 **RESPECTFULLY SUBMITTED** this 16th day of September, 2003.

2 **BAKER & MCKENZIE**

3
4 *Joel Held by: Jeff [Signature]*
5 Joel Held

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23 Suite 1020
24 Phoenix, Arizona 85016
25 Attorneys for Respondents

26 Yucatan Resorts, Inc., Yucatan
 Resorts S.A. RHI, Inc., and RHI, S.A.

27 ORIGINAL and thirteen copies of the foregoing
28 hand-delivered this 16th day of September, 2003 to:

29 Docket Control
30 Arizona Corporation Commission
31 1200 West Washington Street
32 Phoenix, Arizona 85007

1 COPY of the foregoing hand-delivered
2 this 16th day of September, 2003 to:

3 Marc Stern, Esq.
4 Administrative Law Judge
5 Hearing Division
6 Arizona Corporation Commission
7 1200 West Washington Street
8 Phoenix, Arizona 85007

9 Jaime Palfai, Esq.
10 W. Mark Sendrow, Esq.
11 Securities Division
12 Arizona Corporation Commission
13 1300 West Washington Street, 3rd Floor
14 Phoenix, Arizona 85007

15 LeRoy Johnson
16 Director of Enforcement
17 Securities Division
18 Arizona Corporation Commission
19 1300 West Washington, 3rd Floor
20 Phoenix, AZ 85007

21 COPY of the foregoing sent *via* U.S. Mail
22 this 16th day of September, 2003 to:

23 Paul J. Roshka, Jr., Esq.
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26 400 East Van Buren Street, Suite 800
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Attorneys for Respondents
Michael and Lori Kelly

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