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BEFORE THE ARIZONA CORPORATION COMMISSION RECEIVED

COMMISSIONERS

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

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03539A-03-0000

YUCATAN RESORTS, INC., dba
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

Arizona Corporation Commission
DOCKETED

SEP 29 2003

DOCKETED BY *ck*

RESORT HOLDINGS INTERNATIONAL, INC.,
dba 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., aka
MAJESTY TRAVEL, aka VIAJES MAJESTY
Calle Eusebio A. Morales
Edificio Atlantida, P Baja
APDO, 8301 Zona 7 Panama

AVALON RESORTS, S.A.
Avenida Coba #82 Lote 10, 3er. Piso
Cancun, Q. Roo
Mexico, C.P. 77500

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.

**REVISED
THIRD
PROCEDURAL ORDER**

1 **BY THE COMMISSION:**

2 On May 20, 2003, the Securities Division ("Division") of the Arizona Corporation
3 Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of
4 Opportunity for Hearing ("Notice") against Yucatan Resorts, Inc. dba Yucatan Resorts, S.A.,
5 ("Yucatan"), Resort Holdings International, Inc. dba Resort Holdings International, S.A. ("RHI"),
6 World Phantasy Tours, aka Majesty Travel, aka Viajes Majesty ("WPT") and Michael E. Kelly and
7 Lori Kelly ("Kelly") (collectively the "Respondents") in which the Division alleged multiple
8 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in
9 the form of investment contracts.

10 Respondents Yucatan, RHI, Kelly and WPT were duly served with copies of the notice.

11 On June 10, 2003, Respondents Yucatan, RHI and Kelly filed requests for hearing.

12 On June 23, 2003, Respondents, Yucatan, RHI and Kelly filed multiple Motions to Dismiss
13 also claiming lack of personal jurisdiction and insufficiency of service of process. Yucatan, RHI and
14 Kelly also filed Answers to the TO and Notice.

15 On June 25, 2003, by Procedural Order, a pre-hearing conference was scheduled on July 10,
16 2003.

17 On July 1, 2003, counsel for Respondents Yucatan and RHI filed a Motion and Consent for
18 Admission Pro Hac Vice ("Motion PHV") for attorneys Joel Held and Elizabeth Yingling. The
19 Motion PHV was accompanied by evidence that attorneys Held and Yingling had complied with Rule
20 33 of the Rules of the Arizona Supreme Court and paid the required filing fees.

21 On July 3, 2003, counsel for the Division, Yucatan, RHI and Kelly filed a stipulation to
22 reschedule the pre-hearing conference from July 10, 2003 to July 17, 2003. The parties also agreed
23 to extend by two days, from July 8, 2003 to July 10, 2003, the date for filing the Division's
24 Responses to Respondents' Motions to Dismiss.

25 On July 8, 2003, by Procedural Order, the pre-hearing conference was continued to July 17,
26 2003 and the Motion PHV was granted.

27 On July 11, 2003, the Division filed Responses to the pending Motions to Dismiss.

28 On July 17, 2003, a pre-hearing conference was held with counsel for the Division, Yucatan,

1 RHI and Kelly present. Procedural and discovery matters were discussed. It was decided that an
2 additional pre-hearing would be scheduled after the various pleadings were filed.

3 On July 30, 2003, Replies of Yucatan, RHI and Mr. Kelly were filed to the Division's
4 Responses. Mrs. Kelly did not file a Reply.

5 On August 8, 2003, WPT filed a request for hearing and a Motion to Dismiss and Answer to
6 the TO and Notice.

7 On August 8, 2003, the Division filed a Motion to Amend the TO and Notice to add an
8 additional Respondent, Avalon Resorts, S.A. ("Avalon") to the proceeding.

9 On August 13, 2003, the Division filed its Response to WPT's Motion to Dismiss. WPT did
10 not file a Reply.

11 On August 25, 2003, Yucatan and RHI filed a Response to the Division's Motion to Amend
12 the TO and Notice to add Avalon to the proceeding.

13 On September 26, 2003, the parties filed a joint stipulation that the pre-hearing conference be
14 rescheduled from October 8, 2003 to October 7, 2003, at 10:00 a.m.

15 Accordingly, after consideration of the various arguments raised in the multiple Motions to
16 Dismiss, they should be taken under advisement pending an evidentiary hearing in this proceeding.
17 The Division's Motion to Amend the TO and Notice should be granted. Another pre-hearing
18 conference should also be scheduled.

19 IT IS THEREFORE ORDERED that the various Motions to Dismiss shall be taken under
20 advisement pending an evidentiary hearing.

21 IT IS FURTHER ORDERED that the Division's Motion to Amend the TO and Notice is
22 hereby granted.

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IT IS FURTHER ORDERED that the pre-hearing conference scheduled for October 8, 2003, shall be rescheduled to October 7, 2003, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

Dated this 29TH day of September, 2003.


MARC E. STERN
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing were mailed/delivered this 21st day of August, 2003 to:

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dba Resort Holdings International, S.A.

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