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MICHAEL K. JEANES, Clerk
By N. Kenney
Deputy

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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

ARIZONA CORPORATION COMMISSION,

Plaintiff,

vs.

MICHAEL EUGENE KELLY, a married man;
YUCATAN RESORTS, INC., a former Indiana
company; YUCATAN RESORTS, S.A., a former
Panamanian corporation; RESORT HOLDINGS
INTERNATIONAL, INC., a former Nevada
corporation; and RESORT HOLDING
INTERNATIONAL, S.A., a Panamanian
Corporation;

Defendants.

No. CV 2006-001547

FINAL JUDGMENT AND ORDER
OF PERMANENT INJUNCTION

(Assigned to the Honorable
Peter B. Swann)

On this 21st day of February, 2006, after consideration of the Consent to Final
Judgment and Order of Permanent Injunction executed by each of the Defendants MICHAEL
EUGENE KELLY, YUCATAN RESORTS, INC., YUCATAN RESORTS, S.A., RESORT
HOLDINGS INTERNATIONAL, INC., and RESORT HOLDING INTERNATIONAL, S.A., and

It appearing to the Court that each of the Defendants has consented to the entry of this Final
Judgment and Order of Permanent Injunction; and

It appearing to the Court that each of the Defendants has admitted jurisdiction of the Court
over themselves and the subject matter of this action; and

It appearing that the parties have entered into a Consent to Final Judgment and Order of
Permanent Injunction and pursuant thereto have agreed to the entry of this Order for the purpose of
settling any and all claims of the Arizona Corporation Commission (the "Commission") arising out

1 of facts related to the allegations contained in the Complaint in this action and the Administrative
2 Action, Docket S-03539A-03-000, pending before the Commission (the "Administrative
3 Proceeding"), and without Defendants admitting or denying any of the allegations in the Complaint
4 in this action or in the Administrative Proceeding, and without trial or final adjudication of any
5 issue of fact or law pertaining to this action or the Administrative Proceeding and provided that no
6 findings of fact or conclusion of law resulting from the Administrative Proceeding shall be
7 attributed to Defendants for any purpose;

8 NOW, THEREFORE, the Court finds sufficient basis to order the following:

9 IT IS ORDERED that, pursuant to A.R.S. §44-2032 Defendants, and their agents,
10 employees, successors and assigns, with entry of this Order, shall be permanently enjoined from
11 violating the Arizona Securities Act (the "Securities Act"). Defendants shall not sell any securities
12 within or from Arizona without being registered in Arizona as dealers or salesmen, or without
13 being exempt from such registration. Defendants shall not sell securities within or from Arizona
14 unless the securities are registered in Arizona or unless the securities are otherwise exempt from
15 registration. Defendants shall not commit securities fraud in connection with the offer or sale of
16 securities within or from Arizona.
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18 IT IS FURTHER ORDERED that, pursuant to A.R.S. §44-2032, Defendants shall jointly
19 and severally pay to the Commission restitution in the amount of Twenty Million Three Hundred
20 Eighty-eight Thousand and Thirty-five Dollars (\$20,388,035) which the Commission shall disburse
21 to each purchaser of Defendants' Universal Lease program who purchased such Universal Lease
22 within or from the State of Arizona ("Arizona Lease Purchasers"), as reflected on the records of the
23 Commission, as agreed upon by Defendants, plus interest at the rate of 10% per annum on any
24 unpaid balance from the entry date of this Order. The amount payable by Defendants hereunder
25 shall be reduced by any amount that has been previously paid to Arizona Lease Purchasers by
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1 Defendants, upon proof satisfactory to the Commission by February 28, 2006 that such payments
2 have been made. Payment shall be made as follows: Four Million Dollars (\$4,000,000) on the date
3 of this Order; seven installments of Two Million Five Hundred Forty-eight Thousand Five
4 Hundred Four Dollars (\$2,548,504), and a final installment in an amount necessary to complete
5 payment of the entire amount due. The installment payments shall be semi-annual and are to be
6 received by the Commission no later than the last day of June and December, beginning June 30,
7 2006, until the entire restitution amount has been paid in full. The amount payable by Defendants
8 hereunder shall be reduced by either (1) the amount of payments received by Arizona Lease
9 Purchasers, as shown on the records of the Commission, and as agreed upon by Defendants, from
10 salesmen of Defendants or any one of them, to compensate Arizona Lease Purchasers for the
11 purchase price of their Universal Leases, upon receipt of satisfactory proof by the Commission that
12 such payments have been made, and/or (2) by payments received by the Commission from any
13 order in an action against any person or entity which resulted in a contribution to the repayment to
14 Arizona Lease Purchasers for the purchase price of their Universal Leases. Such offsets shall be
15 applied to the final installment payment obligation. To be eligible for such offsets, Defendants
16 must have remained in full compliance with all terms and conditions contained in this Order.
17 Payment shall be made by cashier's check or money order payable to the "State of Arizona" to be
18 placed in an interest-bearing account maintained and controlled by the Commission. The
19 Commission shall disburse the funds on a pro rata basis to all known Arizona Lease Purchasers.
20 Any funds that the Commission is unable to disburse because Arizona Lease Purchasers cannot be
21 located shall be transferred to the general fund of the State of Arizona. Any restitution funds that
22 the Commission cannot disburse, because the Arizona Lease Purchaser refuses to accept such
23 payment, shall be disbursed to the remaining Arizona Lease Purchasers on a pro-rata basis until
24 such time as all remaining Arizona Lease Purchasers have been paid in full. Any remaining funds
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1 after all Arizona Lease Purchasers have been paid in full shall be applied to civil penalties ordered
2 herein pursuant to A.R.S. §44-2037. In the event that the Defendants do not comply with the
3 payment provisions of the Order, any outstanding balance shall be in default and shall be
4 immediately due and payable.

5 IT IS FURTHER ORDERED, pursuant to A.R.S. §44-2038, that Defendants shall, jointly
6 and severally, pay on the date of this Order, costs of Forty-nine Thousand Four Hundred Eleven
7 Dollars (\$49,411) which the Commission will repay to the National White Collar Crime Center
8 ("NWCCC"), to reimburse the NWCCC for funds that agency had provided to the Commission to
9 assist in the investigation and trial of the Administrative Proceeding. Payment shall be made by
10 cashier's check or money order payable to the "State of Arizona" to be paid by the Commission to
11 the NWCCC.
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13 IT IS FURTHER ORDERED that, pursuant to A.R.S. § 44-2037, Defendants shall jointly
14 and severally pay civil penalties to the Commission in the amount of Two Hundred Fifty Thousand
15 Dollars (\$250,000) provided that Defendants timely make all restitution payments pursuant to this
16 Order. If such restitution payments are not timely made the civil penalty will be increased to One
17 Million Dollars (\$1,000,000). Payment hereunder shall be made in full by cashier's check, money
18 order or other payment acceptable to the Commission together with the last installment payment of
19 restitution and should be made payable to the "State of Arizona." The civil penalties shall be
20 subordinate to any restitution obligations as ordered herein, and such penalties shall become
21 immediately due and payable only after payments to Arizona Lease Purchasers have been paid in
22 full, or if Defendants have defaulted prior to fulfilling such payment obligations. For the purpose
23 of this Final Judgment, a bankruptcy filing by any Defendant shall be an act of default on that
24 Defendant's obligations to pay funds hereunder unless such payment obligations have been fulfilled
25 at that time. If Defendants do not comply with this Final Judgment for civil penalties, any
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1 outstanding balance may be deemed in default and shall be immediately due and payable.

2 IT IS FURTHER ORDERED that Defendants, as well as any employees, successors,
3 assigns, subordinates or agents thereof, will refrain, both directly and indirectly, from making any
4 additional offers or sales of securities relating to leases, condominium units, or other property
5 interests in the Mexican state of Quintana Roo within or from the state of Arizona. Such
6 proscribed activities shall include, but not be limited to, any offers or sales of securities relating to
7 estates, condominiums, commercial real estate or other property interests in the "Puerto Cancun"
8 development project.

9 IT IS FURTHER ORDERED that upon the execution and entering of the Order by the
10 Court and the payment by Defendants to the Commission of the initial restitution amount of Four
11 Million Dollars (\$4,000,000) and the cost amount of Forty-nine Thousand Four Hundred Eleven
12 Dollars (\$49,411) called for on the date of this Order, the Administrative Proceeding against
13 Defendants in this action shall be dismissed by the Commission with prejudice.
14

15 IT IS FURTHER ORDERED that the Superior Court of the State of Arizona, Maricopa
16 County, shall have continuing jurisdiction and venue over any and all actions, including an
17 application for an Order of Contempt, related to the enforcement of the Consent to Final Judgment
18 and Order of Permanent Injunction and this Final Judgment and Order of Permanent Injunction.
19

20 DONE IN OPEN COURT this 21st day of February, 2006.

21
22 By: 
23 Judge of the Superior Court

Peter B. Swann

24 The foregoing instrument is a full, true and correct copy
25 of the original document.

26 Attest March 2 2006
MICHAEL K. JEANES, Clerk of the Superior Court of the
State of Arizona, in and for the County of Maricopa.

By D. Kenney Deputy