

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

ROGER HODGES
KIMBERLY HODGES,
PLAINTIFFS

v.

Civil Action No. 01-10001

SUN RESORTS, INC.,
MONICA ATKINS, individually and as an
Officer of Sun Resorts, Inc.,
ALLEN COLEMAN, individually and as n
Officer of Sun Resorts, Inc.,
SHORELINE REALTY, INC.,
JOSEPH SALEM, Individually and as an
Officer of Shoreline Realty, Inc.,
DEFENDANTS

ANSWER

Now come the Defendants, Sun Resorts, Inc., Monica Atkins and Allen Coleman, by and through their attorneys, answer the Plaintiffs' complaint as follows:

1. Sun Resorts, Atkins and Coleman admit that Plaintiffs purport to base their claims on the Securities Act of 1933 and the Securities Exchange Act of 1934 as stated in paragraph 1 of the Plaintiffs' complaint.
2. Paragraph 2 of the Plaintiffs' complaint states a legal conclusion to which no response is required.
3. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 3 of the Plaintiffs' complaint.
4. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 4 of

the Plaintiffs' complaint.

5. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 5 of the Plaintiffs' complaint.

6. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 6 of the Plaintiffs' complaint.

7. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 7 of the Plaintiffs' complaint.

8. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 8 of the Plaintiffs's complaint.

9. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 9 of the Plaintiffs's complaint.

10. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 10 of the Plaintiffs's complaint.

11. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 11 of the Plaintiffs' complaint.

12. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 12 of the Plaintiffs' complaint.

13. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 13 of the Plaintiffs' complaint.

14. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 14 of the Plaintiffs' complaint.

15. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 15 of the Plaintiffs' complaint.

16. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 16 of the Plaintiffs's complaint.

17. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 17 of the Plaintiffs' complaint.

18. Sun Resorts, Atkins and Coleman admit that they provided Plaintiffs with a brochure and that said brochure contained a description of a market research study on the market value of Sun Resorts condominium units but deny that such description or such study was fraudulent.

19. Sun Resorts, Atkins and Coleman admit that the brochure stated that the market rental value of Sun Resorts condominiums according to the market research study was \$150 a day in high season and \$90 a day in summer, but deny that such statement of the result of the market research study was false.

20. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 20 of the Plaintiffs's complaint.

21. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 21 of the Plaintiffs's complaint.

22. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 22 of the Plaintiffs's complaint.

23. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 23 of the Plaintiffs's complaint.

24. Sun Resorts, Atkins and Coleman admit that Plaintiffs purchased a condominium, Unit 14-D, from Sun Resorts on September 29, 2000, at a purchase price of \$175,000.00, and with a down payment of \$35,000.00. They have no knowledge or information sufficient to form a belief as to the truth of the other allegations contained in Paragraph 24 of the Plaintiffs' complaint.

25. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 25 of the Plaintiffs' complaint

26. Sun Resorts, Atkins and Coleman admit the allegations contained in paragraph 26 of the Plaintiffs' complaint

27. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 27 of the Plaintiffs' complaint.

28. Sun Resorts, Atkins and Coleman deny each and every allegations contained in

paragraph 28 of the Plaintiffs' complaint

29. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 29 of the Plaintiffs' complaint

30. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 30 of the Plaintiffs' complaint

31. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 31 of the Plaintiffs's complaint.

32. Sun Resorts, Atkins and Coleman have no knowledge or information sufficient to form a belief as to the truth of each and every allegation contained in Paragraph 32 of the Plaintiffs's complaint.

33. Sun Resorts, Atkins and Coleman deny each and every allegations contained in paragraph 33 of the Plaintiffs' complaint

34. Sun Resorts, Atkins and Coleman deny that they made any material misrepresentations, omissions or intentionally fraudulent statements to Plaintiffs and have no knowledge or information sufficient to form a belief as to the truth of the allegations regarding Plaintiffs' reasons for purchasing an interest in Sun Resorts contained in paragraph 34 of the Plaintiffs' complaint.

35. Sun Resorts, Atkins and Coleman deny that they made any material misrepresentations, omissions or intentionally fraudulent statements to Plaintiffs and have no knowledge or information sufficient to form a belief as to the truth of the other allegations contained in paragraph 35 of the Plaintiffs' complaint.

Count 1

36. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

37. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 37 of the Plaintiffs' complaint.

Count 2

38. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

39. Sun Resorts, Atkins and Coleman deny each and every allegation contained in

Paragraph 39 of the Plaintiffs' complaint.

Count 3

40. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

41. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 41 of the Plaintiffs' complaint.

Count 4

42. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

43. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 43 of the Plaintiffs' complaint.

Count 5

44. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

45. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 45 of the Plaintiffs' complaint.

Count 6

46. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

47. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 47 of the Plaintiffs' complaint.

Count 7

48. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

49. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 49 of the Plaintiffs' complaint.

Count 8

50. Sun Resorts, Atkins and Coleman repeat and reallege their answers to Paragraphs 1 through 35 of the Plaintiffs' complaint.

51. Sun Resorts, Atkins and Coleman deny each and every allegation contained in Paragraph 51 of the Plaintiffs' complaint.

Affirmative Defenses

1. All statements made to Plaintiffs by Sun Resorts, Atkins and Coleman and each of them, reflected their reasonable beliefs at the time such statements were made, based on careful planning and research. Such statements were not made with fraudulent intent, nor with knowledge that any statement was false, nor with recklessness or negligence.

2. Written materials provided to Plaintiffs by Sun Resorts, Atkins and Coleman contained clear descriptions of the risk involved in the Sun Resorts investment and made it clear to any reasonable reader that any oral projections as to the prospectus of such investment were speculative on the part of the speaker and could not be taken as promises.

JURY DEMAND

Defendants demand a jury trial on all of the foregoing counts.

Attorneys for the Defendants
SUN RESORTS, MONICA ATKINS
AND ALLEN COLEMAN

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