

# STATE OF COLORADO

**Division of Securities**  
Department of Regulatory Agencies

1560 Broadway, Suite 900  
Denver, CO 80202  
Phone: (303) 894-2320  
TDD/V: (303) 894-7880  
FAX: (303) 861-2126

Fred J. Joseph  
Securities Commissioner



Bill Ritter, Jr.  
Governor

D. Rico Munn  
Executive Director

## **PRESS RELEASE**

**For Immediate Release**  
May 22, 2007

**Contact:**  
Fred J. Joseph  
Securities Commissioner  
Or  
Gerald Rome  
Deputy Securities Commissioner  
(303) 894-2320

### **BOULDER MAN ENJOINED IN RESORT PROPERTIES TIMESHARE SCHEME**

**Denver, Colorado** --- Colorado Securities Commissioner Fred J. Joseph announced today that he has entered into a stipulation with **Louis Welt**, a Boulder man, that has resulted in the entry of a permanent injunction against Mr. Welt barring him from the securities industry in Colorado, and a judgment in the amount of \$1.6 million for allegedly violating the securities registration, licensing, and anti-fraud provisions of the Colorado Securities Act ("Act") in connection with the offer and sale of securities in and from Colorado.

In April, 2007, Commissioner Joseph filed a complaint in Denver District Court against Welt alleging that Welt offered and sold to Colorado investors, mostly seniors, investment opportunities in Resort Holding International ("RHI"), which has also been known as Yucatan Resorts, Avalon Resort, Majesty Travel, World Phantasy Tours, and Galaxy Property Management. RHI was promoted by Welt as owning 11 four and five star resort properties, mostly in Cancun, Mexico. The investment consisted of purchasing a "timeshare" condominium at one of RHI's resorts. Under a so-called "Universal Lease Program," the investor then hired a third party management company to rent and manage the timeshare condominiums. Welt allegedly guaranteed investors a 9% annual return on

their investment over a period of 25 years. The Commissioner alleged in the complaint that, contrary to the representations made by Welt, none of the investors ever saw a 9% return, and in fact, most investors lost their entire investment.

Michael Kelly, the purported owner of RHI, was indicted by the U.S. Attorney's office in Chicago and arrested by the FBI in December of 2006 for operating RHI in what the FBI called a \$400 million Ponzi scheme.

Denver District Court Judge Michael Mullins entered judgment against Welt for \$1.6 million, which represents the amount of losses suffered by Colorado investors who invested in RHI through Welt. In addition, Judge Mullins entered a permanent injunction barring Welt from the securities industry in Colorado and permanently enjoining him from further violation of the registration, licensing and anti-fraud provisions of the Colorado Securities Act.

"I encourage investors to call our office," said Commissioner Joseph. "With a simple phone call, we could have told investors that Mr. Welt was not licensed to sell securities in Colorado, and provided to the investor information about the numerous cease and desist orders from other jurisdictions that were in effect against RHI at the time."

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