

BEFORE THE  
STATE OF WISCONSIN  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES

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In the Matter of  
UNIVERSAL LUXURY COACHES, LLC,  
SCOTT W. SPOR, and  
STEVEN G. ROSS,

PETITION FOR ORDER

Respondents.

File No. S-03153(EX)

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The staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement, has conducted an investigation in this matter pursuant to sec. 551.56, Wis. Stats. and as a result thereof alleges as follows:

1. Universal Luxury Coaches, LLC is a Delaware Limited Liability Company with a last known business address of 4441 Orange Boulevard, Sanford, FL 32771;
2. Scott W. Spor, ("Spor") is an individual who at all times material hereto has been an owner, officer and/or controlling person of Universal Luxury Coaches, LLC with a last known business address at that of Universal Luxury Coaches, LLC;
3. Steven G. Ross ("Ross") is an individual whose year of birth is 1956, is licensed in Wisconsin as an insurance agent, and who at all times material hereto has been an agent of Universal Luxury Coaches, LLC and Spor, with a last known home address of 7769 Rustic Road, Boulder Junction, WI 54512-0821;
4. During the period of 2003, Ross, on behalf of Universal Luxury Coaches, LLC and Spor, offered and sold to at least six persons in Wisconsin the Universal Luxury Lease Plan memberships of Universal Luxury Coaches, LLC;
5. According to the Lease received and signed by at least three of the persons in Wisconsin, referred to in Paragraph 4, the persons in Wisconsin will lease a motor coach (e.g. bus) from Universal Luxury Coaches, LLC for a period of time each year based on the amount invested by the persons in Wisconsin;
6. According to a letter of Ross dated June 30, 2003, to staff of the State of Wisconsin, Department of Financial Institutions, Division of Securities, Bureau of Registration & Enforcement ("the Division of Securities"), "... I have presented this program as a timeshare, with options to use this leased vehicle, or rent your (sic) points to receive rental income. It has been offered as a timeshare program with a rental income option. At no time has this program been presented as a guaranteed investment program or as a registered security. ...";
7. According to the "Affinity Rental Program Agreement" signed by at least three of the persons in Wisconsin, referred to in Paragraph 4, "...B. Payments: Lease Interest Owner is entitled to \$8.33 per month per \$1,000 of Purchased (sic) plan points that are assigned above (Section 4.014 of LEASE). Said amount shall be payable on the fifteenth (15<sup>th</sup>) day of each month. ...";
8. According to statements of three of the persons in Wisconsin, referred to in Paragraph 4, to staff of the Division of Securities, each person will not be involved in the use of the motor coach leased through the Universal Luxury Lease Plan membership, and they do not have the

expertise or experience necessary to operate the motor coach, but instead they will rely on Universal Luxury Coaches, LLC to rent the motor coach to others and provide to the persons in Wisconsin the return on investment as referred to in Paragraph 7;

9. Upon information and belief, investors in the Universal Luxury Lease Plan memberships can play a passive role with no duties and responsibilities;

10. Since the investors will be involved in a common enterprise with the expectation of profits to be derived from the essential managerial efforts of others, the Universal Luxury Lease Plan memberships, as offered and sold by Universal Luxury Coaches, LLC, Spor and Ross ("the Respondents"), are investment contracts as defined by section DFI-Sec. 1.02(6)(a), Wis. Adm. Code, and are therefore securities as defined by sec. 551.02(13), Wis. Stats.;

11. The Universal Luxury Lease Plan membership investment contracts have never been registered for offer and sale in Wisconsin pursuant to Ch. 551, Wis. Stats.;

12. The Respondents have violated sec. 551.21(1), Wis. Stats., by offering and selling unregistered securities to persons in Wisconsin;

13. In connection with the offers and sales of the securities described in Paragraph 4, Ross transacted business in Wisconsin as an "agent" for Universal Luxury Coaches, LLC and Spor, as that term is defined by sec. 551.02(2), Wis. Stats.;

14. At no time material hereto has Ross been licensed as a securities agent pursuant to Ch. 551, Wis. Stats.;

15. Ross has violated sec. 551.31(1), Wis. Stats., by transacting business in Wisconsin as a securities agent without a license;

16. Universal Luxury Coaches, LLC and Spor have violated sec. 551.31(2), Wis. Stats., by employing an unlicensed agent to represent them in Wisconsin;

17. On April 15, 2003, the State of Pennsylvania Securities Commission issued a Summary Order to Cease and Desist, Administrative Proceeding Docket No. 2003-04-16, against Universal Luxury Coaches, LLC, et al., and alleged, among other things, that Universal Luxury Coaches, LLC, et al., engaged in practices which violated the anti-fraud provision of the Pennsylvania Securities Act of 1972;

18. In connection with the offer and sale of the securities described in Paragraph 4, Respondents Universal Luxury Coaches, LLC and Spor omitted to disclose the issuance of the order referred to in Paragraph 17, and failed to direct or cause their agent, Respondent Ross, to disclose such order; Respondent Ross, as a former securities agent, should have known of the need to disclose material facts and should have so advised his principal, Respondents Universal Luxury Coaches, LLC and Spor;

19. Respondents Universal Luxury Coaches, LLC and Spor have violated sec. 551.41(2), Wis. Stats., by not disclosing a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, in connection with the offer and sale of securities to persons in Wisconsin;

20. Ross told staff of the Division of Securities that he made the sales to the latter three of the six persons in Wisconsin, referred to in Paragraph 4, only after communicating with the staff of the Division of Securities, in a letter dated June 30, 2003, that he hopes "to continue to offer this program to residents of Wisconsin after appropriate review and approval of the State of Wisconsin." because he was given approval by Universal Luxury Coaches, LLC;

21. Ross and Spor of Universal Luxury Coaches, LLC made the sales to the latter three persons in Wisconsin, referred to in Paragraph 4, despite being told by staff of the Division of Securities of their and Universal Luxury Coaches, LLC's possible violations of the licensing, registration and anti-fraud provisions of Ch. 551, Wis. Stats. to the first three persons in Wisconsin who invested in the Plan; and

22. The staff of the Bureau of Registration & Enforcement contacted Ross to request information and documents concerning his securities-related transactions about those latter three sales, referred to in Paragraphs 20 and 21 above, but Mr. Ross did not respond to the staff's oral and written requests for information and documents about those three additional sales; and

23. Universal Luxury Coaches, LLC and Spor made rescission offers to the six persons in Wisconsin referred to in Paragraph 4 above, and repaid the amounts invested by two persons who elected to have their investments repaid.

Therefore, the staff of the Bureau of Registration & Enforcement petitions the Administrator of the Division of Securities for the issuance of the attached Order pursuant to Ch. 551, Wis. Stats.

Mark E. Dorman 6-29-04  
Date  
Mark E. Dorman  
Examiner

David A. Cohen 7/1/04  
Date  
David A. Cohen  
Supervising Attorney