

EXHIBIT A

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

IN RE:

SUNTERRA CORPORATION
SECURITIES LITIGATION

Case No. 6:00-cv-79-Orl-28B

Consolidated Case Numbers:

6:00-cv-97-Orl-28B	6:00-cv-112-Orl-28B	6:00-cv-115-Orl-28B
6:00-cv-116-Orl-28B	6:00-cv-121-Orl-28B	6:00-cv-127-Orl-28B
6:00-cv-128-Orl-28B	6:00-cv-169-Orl-28B	6:00-cv-210-Orl-28B
6:00-cv-268-Orl-28B	6:00-cv-278-Orl-28B	6:00-cv-285-Orl-28B
6:00-cv-286-Orl-28B	6:00-cv-321-Orl-28B	

PRELIMINARY APPROVAL ORDER

WHEREAS, a consolidated class action is pending before this Court entitled *In re Sunterra Corporation Securities Litigation*, Case No. 6:00-cv-79-Orl-28B (the "Action");

WHEREAS, Lead Plaintiffs having made application, pursuant to Fed. R. Civ. P. 23(e), for an order approving the settlement of this Action in accordance with a Stipulation and Agreement of Settlement dated as of January 21, 2005 (the "Stipulation"), which, together with the Exhibits annexed thereto sets forth the terms and conditions for a proposed settlement of the Action and for dismissal of the Action with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, all defined terms contained herein shall have the same meanings as set forth in the Stipulation.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court hereby preliminarily certifies, for purposes of effectuating this settlement only, a Class defined as: all persons who purchased or otherwise acquired Sunterra Corporation ("Sunterra") common stock between October 6, 1998 through and, including, January 19, 2000 (the "Class Period"), and who suffered damages thereby (the "Class"). Excluded from the Class are defendants, the current and former officers and directors of Sunterra, members of their immediate families and their legal representatives, heirs, successors or assigns, and any entity in which defendants have a controlling interest. Also excluded from the Class are any putative Class members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice (Exhibit A-1 to the Stipulation). In the event that the Settlement is terminated for any reason, the parties shall revert to their litigation positions immediately prior to September 13, 2004 and the certification of the Class shall be rescinded.

2. The Court does hereby preliminarily approve the Stipulation and the Settlement set forth therein, subject to further consideration at the Settlement Hearing described below.

3. A hearing (the "Settlement Hearing") shall be held before this Court on April 26, 2005 at 9:00 A.m. in Courtroom 4 at the George C. Young United States Courthouse & Federal Building, 80 North Hughey Avenue, Orlando, Florida 32801 to determine whether the proposed Settlement of the Action on the terms and conditions provided for in the Stipulation is fair, just, reasonable and adequate to the Class and should be approved by the Court; whether the Class Representatives are adequate; whether a Judgment as provided in paragraph 28 of the Stipulation should be entered herein; whether the proposed Plan of

Allocation should be approved; and to determine the amount of fees and expenses that should be awarded to Plaintiffs' Counsel. The Court may adjourn the Settlement Hearing without further notice to members of the Class.

4. The Court approves, as to form and content, the Notice of Pendency and Settlement of Class Action, Hearing on Proposed Settlement and Attorneys' Fee Petition and Right to Share in Settlement Fund (the "Notice"), the Proof of Claim and Release (the "Proof of Claim"), and Summary Notice, annexed, respectively, as Exhibits A-1, A-2 and A-3 to the Stipulation and finds that the mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in this Order meets the requirements of Fed. R. Civ. P. 23 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

5. Lead Plaintiffs' Counsel are hereby authorized to retain Strategic Claims Services (the "Claims Administrator") to supervise and administer the notice procedure as well as the processing of claims as more fully set forth below:

(a) Beginning not later than thirty (30) days from the date of this Order (the "Notice Date"), Lead Plaintiffs' Counsel shall cause a copy of the Notice and the Proof of Claim, substantially in the form annexed as Exhibits A-1 and A-2, respectively, to be mailed by first class mail to all Class Members who can be identified with reasonable effort;

(b) Not later than fourteen (14) days from the date of this Order, Plaintiffs' Lead Counsel shall cause the Summary Notice to be published once in the national edition of The Wall Street Journal; and

(c) At least five (5) days prior to the Settlement Hearing, Lead Plaintiffs' Counsel shall serve on Defendants' counsel and file with the Court proof, by affidavit or declaration, of such mailing and publishing.

6. Nominees who purchased the common stock of Sunterra during the Class Period beneficially owned by another person shall send the Notice and the Proof of Claim to such persons within five (5) business days after receipt thereof, or send a list of the names and addresses of such persons to the Claims Administrator within five (5) business days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice and Proof of Claim to such persons.

7. All members of the Class who do not submit a valid and timely request for exclusion as set forth in the Notice shall be bound by all determinations and judgments in the Action concerning the settlement, whether favorable or unfavorable to the Class.

8. Class members who wish to receive a share of the Net Settlement Fund as defined in the Stipulation shall complete and submit a Proof of Claim in accordance with the instructions contained in the Notice and Proof of Claim. Unless the Court orders otherwise, all Proofs of Claim must be submitted no later than ninety (90) days from the date of the Settlement Hearing. Any Class member who does not timely submit a Proof of Claim within the time provided for, shall be barred from sharing in the distribution of the proceeds of the Net Settlement Fund, unless otherwise ordered by the Court.

9. Any member of the Class may enter an appearance in the Action at his, her or its own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Plaintiffs' Lead Counsel.

10. Pending final determination of whether the Settlement should be approved, neither the Lead Plaintiffs nor any Class member, either directly, representatively, or in any other capacity, shall commence or prosecute against any of the Released Parties, any action or proceeding in any court or tribunal asserting any of the Released Claims.

11. Any person falling within the definition of the Class may, upon request, be excluded from the Class. Any such person must submit to the Claims Administrator a written request for exclusion ("Request for Exclusion"), postmarked no later than twenty one (21) days before the Settlement Hearing. A Request for Exclusion must state: (1) the name, address, and telephone number of the person requesting exclusion; (2) the person's purchases of Sunterra common stock shares made during the Class Period, including the dates, the number of shares, and price paid per share for each such purchase; and (3) that the person requests to be excluded from the Class. All persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Order and Final Judgment.

12. Any member of the Class may appear and show cause, if he, she or it has any reason, why the proposed Settlement of the Action should or should not be approved as fair, just, reasonable and adequate, or why an Order and Final Judgment should or should not be entered thereon, why the Plan of Allocation should or should not be approved, or why attorneys' fees and expenses should or should not be awarded to Plaintiffs' Lead Counsel; provided, however, that no Class member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement, or, if approved, the Order and Final Judgment to be entered thereon approving the same, or the Order approving the Plan of

Allocation, or the attorneys' fees and expenses to be awarded to Plaintiffs' Lead Counsel unless that person has delivered by hand or sent by first class mail written objections and copies of any papers and briefs such that they are received fourteen (14) days prior to the Settlement Hearing by Bernstein Liebhard & Lifshitz, LLP, Attn: Robert J. Berg, 10 East 40th Street, 22nd Fl., New York, New York, 10016, Telephone (212) 779-1414, and Donovan Searles, LLC, Attn: Michael D. Donovan, 1845 Walnut Street, Suite 1100, Philadelphia, PA, 19103, Telephone (215) 732-6067, with the original of said objections, papers and briefs simultaneously filed with the Clerk of the United States District Court for the Middle District of Florida, Orlando Division. Any member of the Class who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed Settlement as incorporated in the Stipulation, to the Plan of Allocation, and to the award of attorneys' fees and expenses to Plaintiffs' Lead Counsel, unless otherwise ordered by the Court.

13. The passage of title and ownership of the Settlement Amount to the Settlement Account in accordance with the terms and obligations of the Stipulation is approved. No person that is not a Class member or Plaintiffs' Lead Counsel shall have any right to any portion of, or in the distribution of, the Settlement Amount unless otherwise ordered by the Court or otherwise provided in the Stipulation.

14. All funds held in the Settlement Account shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further Order(s) of the Court.

15. All papers in support of the Settlement, the Plan of Allocation, any application by Plaintiffs' Lead Counsel for attorneys' fees or reimbursement of expenses shall be filed with the Court and served seven (7) days prior to the Settlement Hearing.

16. Neither Defendants nor Defendants' Counsel shall have any responsibility for the Plan of Allocation or any application for reimbursement of attorneys' fees or reimbursement of expenses submitted by Plaintiffs' Lead Counsel, and such matters will be considered separately from the fairness, reasonableness and adequacy of the Settlement.

17. At the Settlement Hearing, the Court shall determine whether the Plan of Allocation proposed by Plaintiffs' Lead Counsel, and any application for attorneys' fees or reimbursement of expenses shall be approved.

18. All reasonable expenses incurred in identifying and notifying Class members, as well as administering the Settlement Account, shall be paid as set forth in the Stipulation. In the event the Settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiffs nor any of their counsel shall have any obligation to repay any amounts actually and properly disbursed in connection with the Notice of the Settlement.

19. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Defendants of the truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

20. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the members of the Class, and retains jurisdiction to consider all further

applications arising out of or connected with the proposed Settlement. The Court may approve the Settlement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Class.

21. The publication of the confidential Supplemental Agreement, dated as of January 21, 2005, and entered into by the Settling Parties, including the terms thereof, would cause direct and substantial harm to such parties and, therefore, the Supplemental Agreement shall not be filed with the Court or otherwise disclosed unless and until a dispute among the parties thereto concerning its interpretation or application arises, and, in that event, good cause having been shown, it shall be filed and maintained under seal.

Dated: 2/11/, 2005

SO ORDERED:



Honorable John Antoon II

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