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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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Arizona Corporation Commission
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Commissioner
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Commissioner

In the matter of: DONALD ANTHONY TOMASIAN a/k/a DONALD ANTHONY TOMASIAN, JR. and KATHERINA TOMASIAN, husband and wife, BELLA FUNDING, L.L.C., an Arizona limited liability company, Respondents.	DOCKET NO. S-20566A-07-0655 **RESPONDENTS DONALD ANTHONY TOMASIAN, KATHERINA TOMASIAN AND BELLA FUNDING, L.L.C.'S ANSWER**

Respondents Donald Anthony Tomasian ("Mr. Tomasian"), Katherina Tomasian ("Ms. Tomasian"), and Bella Funding, L.L.C. ("Bella") (collectively "Respondents") submit their Answer to the Temporary Order to Cease and Desist and Notice of Opportunity for Hearing (the "Notice"). Respondents respond to the numbered paragraphs of the Notice as follows:

I. JURISDICTION

1. Respondents deny the allegations in paragraph 1 of the Notice.

II. RESPONDENTS

2. Respondents admit the allegations in paragraph 2 of the Notice.

3. Respondents admit that Katherina Tomasian lives in Maricopa County, Arizona and is married to Donald Tomasian. Respondents deny each and every other allegation in paragraph 3 of the Notice.

4. Respondents admit that Bella Funding is an Arizona limited liability company. Respondents deny each and every other allegation in paragraph 4 of the Notice.

5. Paragraph 5 of the Notice does not identify where the Tomasians are "listed." Accordingly, Respondents deny each and every allegation in paragraph 5.

6. Respondents deny the allegations in paragraph 6 of the Notice.

7. This paragraph requires no response.

III. FACTS

8. Defendants deny the allegations in paragraph 8 of the Notice.

9. Paragraph 9 of the Notice contains an incomplete and inaccurate summary of the facts, and is therefore denied.

10. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 10 of the Notice, and, therefore deny those allegations.

11. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 11 of the Notice, and, therefore deny those allegations.

12. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 12 of the Notice, and, therefore deny those allegations.

13. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 13 of the Notice, and, therefore deny those allegations.

14. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 14 of the Notice, and, therefore deny those allegations.

15. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 15 of the Notice, and, therefore deny those allegations.

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16. Respondents are without sufficient knowledge or information to admit or deny the allegations contained in paragraph 16 of the Notice, and, therefore deny those allegations.

17. Paragraph 17 of the Notice contains an incomplete and inaccurate summary of the facts, and is therefore denied.

18. Paragraph 18 of the Notice contains an incomplete and inaccurate summary of the facts, and is therefore denied.

19. Respondents deny the allegations in paragraph 19 of the Notice.

20. Respondents deny the allegations in paragraph 20 of the Notice.

21. Respondents deny the allegations in paragraph 21 of the Notice.

22. Respondents deny the allegations in paragraph 22 of the Notice.

23. Paragraph 23 of the Notice contains an incomplete and inaccurate summary of the facts, and is therefore denied.

IV. VIOLATION OF A.R.S. § 44-1841
(Offer and Sale of Unregistered Securities)

24. Respondents deny the allegations in paragraph 24 of the Notice.

25. Respondents deny the allegations in paragraph 25 of the Notice.

26. Respondents deny the allegations in paragraph 26 of the Notice.

V. VIOLATION OF A.R.S. § 44-1842
(Transactions by Unregistered Dealers or Salesmen)

27. Respondents deny the allegations in paragraph 27 of the Notice.

28. Respondents deny the allegations in paragraph 28 of the Notice.

VI. VIOLATION OF A.R.S. § 44-1991
(Fraud in Connection with the Offer or Sale of Securities)

29. Respondents deny the allegations in paragraph 29 of the Notice.

30. Respondents deny the allegations in paragraph 30 of the Notice.

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AFFIRMATIVE DEFENSES

The following affirmative defenses nullify any potential claims asserted by the Division. Respondents reserve the right to amend this Answer to assert additional defenses after completion of discovery.

First Affirmative Defense

No violation of the Arizona Securities Act occurred because the program at issue is not a security.

Second Affirmative Defense

Because the program at issue is not a security, the Arizona Securities Division has no jurisdiction to bring this action and the action should be dismissed.

Third Affirmative Defense

The Notice fails to state a claim upon which relief can be granted.

Fourth Affirmative Defense

The Division has failed to plead fraud with reasonable particularity as required by Rule 9(b) of the Arizona Rules of Civil Procedure.

Fifth Affirmative Defense

Respondents did not know and in the exercise of reasonable care could not have known of any alleged untrue statements or material omissions as set forth in the Notice.

Sixth Affirmative Defense

Respondents did not act with the requisite scienter.

Seventh Affirmative Defense

Respondents did not employ a deceptive or manipulative device in connection with the purchase or sale of any security.

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Eighth Affirmative Defense

Individuals purchasing the program at issue suffered no injuries or damages as a result of Respondents alleged acts.

Ninth Affirmative Defense

Purchasers of the program at issue approved and/or authorized and/or directed all of the transactions at issue.

Tenth Affirmative Defense

If the program at issue was a security it was exempt from registration pursuant to A.R.S. § 44-1844(A)(1) and (20) and A.R.S. § 44-1843(A)(10) and (11).

Eleventh Affirmative Defense

This proceeding before the Arizona Corporation Commission denies Respondents essential due process and is lacking in fundamental fairness. Respondents' constitutional rights will be further denied if they are not afforded trial by jury of this matter.

Twelfth Affirmative Defense

The Division cannot meet the applicable standards for any of the relief it is seeking in the Notice.

Thirteenth Affirmative Defense

Respondents did not offer or sell securities within the meaning of the Arizona Securities Act.

Fourteenth Affirmative Defense

The Division has improperly used the "group pleading doctrine" and failed to identify the statements or conduct attributable to each Respondent.

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Fifteenth Affirmative Defense

Restitution is not an appropriate remedy.

Sixteenth Affirmative Defense

The Commission lacks jurisdiction to undo any existing loans brokered by Respondents.

Seventeenth Affirmative Defense

Respondents did not receive any of the money that was allegedly invested, and there is no basis for any award of restitution.

Eighteenth Affirmative Defense

To the extent an award of restitution is appropriate, the Commission should use its discretion to reduce the amount, if any, Respondents must pay.

Nineteenth Affirmative Defense

Respondents allege such other affirmative defenses set forth in the Arizona Rules of Civil Procedure 8(c) as may be determined to be applicable during discovery.

RESPECTFULLY SUBMITTED this 7/12 day of December, 2007.

BADE & BASKIN PLC

By _____
Alan S. Baskin
80 East Rio Salado Parkway, Suite 515
Tempe, Arizona 85281
Attorneys for Respondents

ORIGINAL and thirteen copies of the foregoing filed this 21st day of December, 2007 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

COPY of the foregoing hand-delivered this 21st day of December, 2007 to:

Matthew J. Neubert
Director of Securities
Securities Division
Arizona Corporation Commission
1300 W. Washington Street, 3rd Floor
Phoenix, AZ 85007

COPY of the foregoing mailed this 21st day of December, 2007 to:

William W. Black
Securities Division
Arizona Corporation Commission
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007

Cristina L McDowell

tomasian.acc/pld/ranswer.doc

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