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1 Michael Salcido, #009828  
 2 **BUCKLEY KING, LPA**  
 2020 N. Central Avenue, Suite 1120 7008 SEP -2 P 4: 27  
 Phoenix, Arizona 85004  
 3 Phone: (602) 424-2550  
 Fax: (602) 424-2566  
 4 E-mail: [salcido@buckleyking.com](mailto:salcido@buckleyking.com)  
 Attorneys for Respondents

AZ CORP COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

7 MIKE GLEASON, Chairman  
 8 WILLIAM A. MUNDELL  
 9 JEFF HATCH-MILLER  
 KRISTIN K. MAYES  
 GARY PIERCE

In the matter of:

DOCKET NO. S-20603A-08-0370

ANSWER

12 Trademark Capital Management, LLC, an  
13 Arizona limited liability company;

14 Blue Investments, LLC, an Arizona limited  
15 liability company;

16 Travis Richey and Melissa Boyd, Husband  
17 and Wife;

18 Respondents.

Arizona Corporation Commission  
**DOCKETED**  
 SEP -2 2008

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20 Respondents, answering the Temporary Order to Cease and Desist and Notice of  
21 Opportunity for Hearing (Notice) admit, deny and allege:

GENERAL RESPONSE

23 The Notice describes three separate investment offerings, two of which it alleges  
 24 were "offered", but not sold, to a so-called Potential Arizona Investor. That PAI is, in fact,  
 25 a flawed and dubious source, who tried to invest in the one offering described in the Notice  
 26

1 that does, in fact, exist. Her offer to invest was refused because she failed to meet the  
2 offering's requirement as to suitability, sophistication, and financial net worth.

3 The first and third alleged securities offerings described in the Notice (the TCM  
4 offering and Shelf Corporation Investment Program) do not even exist – they are fiction.

5 The only offering with a basis in reality is the second offering, by Blue Investments,  
6 LLC, which offered and sold investments pursuant to the state and federal private offering  
7 exemptions. The securities issued were a “covered”, and not subject to state regulation.

8 **I. JURISDICTION**

9 1. Admit.

10 **II. RESPONDENTS**

11 2. Admit.

12 3. Admit.

13 4. Admit.

14 5. Admit that Richey is the Managing Member of Trademark and Blue; deny  
15 the remaining allegations.

16 6. Admit that the Notice makes such reference.

17 7. Admit that Richey married Melissa Boyd on or about May 23, 2008;  
18 answering the remaining allegations, allege that they are without knowledge and  
19 information sufficient to form a belief as to their truth and therefore deny them.

20 8. Deny that Richey has acted for the benefit or in furtherance of the marital  
21 community as that relates to the general allegations contained in the Notice.

22 **III. FACTS**

23 **TCM UNSECURED NOTE OFFERING**

24 9. Deny; allege that there was no such thing as a TCM Unsecured Note  
25 Offering.

26





1 28. Deny.

2 29. Deny.

3 30. Deny.

4 31. Allege that there was no TCM note program, or a shelf corporation  
5 investment program; allege that the only investment described in the notice that has any  
6 factual basis is the Blue offering, which is exempt from registration and which is a  
7 “covered security”; deny the remaining allegations.

8 32. Admit that respondents were not registered dealers or salesmen with the  
9 commission; allege that they were not required to be, and were exempt from such  
10 registration.

11 **IV. VIOLATION OF A.R.S. § 44-1841**

12 **(Offer and Sale of Unregistered Securities)**

13 33. Admit that Blue sold securities pursuant to the private offering exemption,  
14 which were “covered securities” beyond the regulatory reach of the ACC; deny the  
15 remaining allegations.

16 34. Allege that the Blue investments were exempt from registration; deny the  
17 remaining allegations.

18 35. Deny.

19 **V. VIOLATION OF A.R.S. § 44-1842**

20 **(Transactions by Unregistered Dealers or Salesmen)**

21 36. Allege that the Blue securities were offered and sold in a transaction exempt  
22 from registration, and that they were “covered securities”; deny the remaining allegations.

23 37. Deny.

24 **VI. VIOLATION OF A.R.S. § 44-1991**

25 **(Fraud in Connection with the Offer or Sale of Securities)**

26 38. Deny.

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39. Deny.

**FURTHER RESPONSE**

40. Deny each and every allegation not expressly admitted herein.

41. Allege the following affirmative defenses:

- A. The securities offered and sold by Blue are “covered securities” and, therefore, the ACC’s authority over them is preempted by NSMIA §102.
- B. Assumption of risk;
- C. Estoppel;
- D. Ratification;
- E. Statutes of limitation;
- F. Unclean hands; and
- G. Waiver.

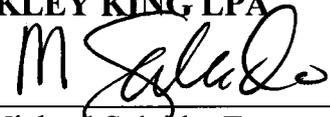
42. Reserve the right to add any affirmative defenses, including those set forth in Ariz. R. Civ. P. 8, that may become apparent or known through discovery.

**REQUESTED RELIEF**

WHEREFORE, Respondents request:

- 1. That this case be dismissed in its entirety with prejudice;
- 2. That Respondents be awarded their reasonable costs and attorneys’ fees pursuant to applicable statute or rule; and
- 3. Such other and further relief just and appropriate under the circumstances.

DATED this 2<sup>nd</sup> day of September, 2008.

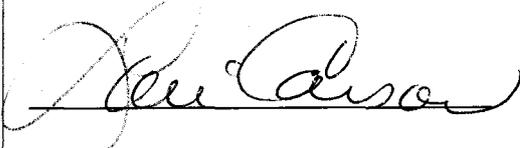
**BUCKLEY KING LPA**  
 By:   
 Michael Salgado, Esq.  
 2020 N. Central Avenue, Suite 1120  
 Phoenix, AZ 85004  
*Attorneys for Respondents*

1 ORIGINAL and 13 copies filed with:

2 Docket Control  
3 Arizona Corporation Commission  
4 1200 W. Washington  
Phoenix, AZ 85007

5 And a copy mailed to:

6 Phong (Paul) Huynh  
7 Securities Division  
8 Arizona Corporation Commission  
9 1300 W. Washington, Third Floor  
Phoenix, AZ 85007

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