

ORIGINAL



0000094931

Answer in regards to Docket #S-20656A-09-0074
Before the Arizona Corporation Commission

1. I, Scot Oglesby, in answer to the allegations brought forth by the Securities Division of the Arizona Corporations Commission do hereby deny that I knowingly or willfully engaged in any acts, practices or transactions that would constitute violations of the Securities Act of Arizona ARS 44-1801.

2. I, Scot Oglesby, in answer to section III Entitled Facts starting at #13 on docket

- I, Scot Oglesby, deny any and all allegations. I have no recollection or knowledge of total dollar amounts or number of people who made lender agreements with MFS or Highline Estates nor do I have any knowledge of how many people were working for MFS taking lender agreement applications. No securities were knowingly offered or sold. As an employee of MFS I collected lender applications, which were passed on, to my employer for review and approval and then were signed by Dave Cole after his personal approval.
- I had no knowledge of the state of residency other than the address reflected on the lender application provided by the lender.

3. I, Scot Oglesby, in answer to section III Entitled Facts #14 on docket

- I admit to working in an office building where Dave Cole had an office.
- I deny telling Cole I could raise money for his real estate products as I have no recollection of that exact statement and believe this was speculation or taken out of context.
- I do recall telling Cole that Ward and myself could ask a few of our current clients if they would be interested in loaning money to him for a real estate development project.

4. I, Scot Oglesby, in answer to section III Entitled Facts #15 on docket

- I do not have enough information or knowledge on this issue to admit or deny its validity. However this is my understanding of the general scope of the Highline project.

5. I, Scot Oglesby, in answer to section III Entitled Facts #16 on docket

- I do not have enough information or knowledge on this issue to admit or deny its validity.

6. I, Scot Oglesby, in answer to section III Entitled Facts #17 on docket

- I deny that Cole approached me to sell the investments as a product to investors, as this was neither an "investment" nor was it a "product."

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7. I, Scot Oglesby, in answer to section III Entitled Facts #18 on docket

- I admit to having two meetings with Dave Cole and his partner Doug. Ward and I were presented with a potential “lender agreement” that would give people looking to loan out money for a profit, the opportunity to do so by loaning money to fund Highline Estates. During these meetings Ward and I insisted that we would have no part in this unless the project was created by a competent Attorney and the “lender agreements” Drafted by the Attorney to insure us of it’s legality.
- I deny agreeing to locate investors or offering to sell investments as I was assured by Dave Cole, that the lender agreements did not in any way fall into the category of an investment or a security, and needed no special licensing as per his Attorney.

8. I, Scot Oglesby, in answer to section III Entitled Facts #19 on docket

- I admit to signing an employment application with MFS.
- I deny being compensated for selling investments. The original agreement for employee compensation was for \$40.00 per hour. Cole changed the employee compensation agreement to commission at a later date.

9. I, Scot Oglesby, in answer to section III Entitled Facts #20 on docket

- I deny
- Cole was aware of the cease and desist order involving Easy Street Financial.
- I have no knowledge as far as the background check.
- I never personally conducted business in the state of Nevada but was brought into the cease and desist order by association. I carried the title of Vice President of sales for Easy Street Financial. It was a title only and I had no ownership in the company at the time of the cease and desist order. I had no authority or say as to what products were offered within the company.
- I was unaware of any disclosure requirements, as an employee of MFS.

10. I, Scot Oglesby, in answer to section III Entitled Facts #21 on docket

- I deny
- To the best of my knowledge Cole had his Attorney develop the “lender agreement” documents.

11. I, Scot Oglesby, in answer to section III Entitled Facts #22 on docket

- I deny
- There was never an investment or security sold as all forms and documents clearly state that it was a loan agreement between the lender, Highline Estates, and David Cole.
- As an employee of MFS I did not specifically ask where a lender obtained the money they were lending nor was any particular “reinvestment” money targeted as stated by the “commission”.

12. I, Scot Oglesby, in answer to section III Entitled Facts #23 on docket

- I deny
The claim that a lenders being “elderly and unsophisticated” is a derogatory statement. That statement is completely without merit. I personally have no knowledge of any lender being unfit to make decisions for themselves, or unaware of the fact that they where making a loan on a Real Estate development project. I observed no physical or mental disabilities that would lead me to believe they weren’t of sound mind.

I was not aware of any lender paying penalties that resulted in a loss to them or “selling a farm” for the specific purpose of lending out their money to Highline Estates.

13. I, Scot Oglesby, in answer to section III Entitled Facts #24 on docket

- I deny
There were no investors, just lenders. The rate of return and length of term were disclosed on the loan agreements and were set forth by MFS. The lender did have the choice of monthly interest payments or an interest payout at the end of the 24-month term.

14. I, Scot Oglesby, in answer to section III Entitled Facts #25 on docket

- I deny
All documents were signed by the lender, and then given to MFS and Dave Cole for review, authorization and approval. After approval, refer to page 6 #32 lines 20 – 22 “Cole enclosed a lenders certificate showing Highline as the borrower of funds and provided to investors a copy of the Investment documents they signed. Cole signed as the Highline representative.”

15. I, Scot Oglesby, in answer to section III Entitled Facts #26 on docket

- I deny
The lenders were not required to reveal their financial situation nor did Highline Estates have a required form to collect that information. MFS and Dave Cole provided the lender application and all required documents.

16. I, Scot Oglesby, in answer to section III Entitled Facts #27 on docket

- I deny
I deny the allegation that I said the loan was "safe". I only told the lenders that the loan was secured by real estate and that they would receive a deed of trust listing them as a lender on said property.
I was acting as an employee of MFS and had no knowledge whether the property was already encumbered by a mortgage and or if there were any subordination agreements in place.
MFS provided all forms and documentation for the lenders. I just took applications for the review and approval of MFS so the burden of proper disclosure should have been provided to the lenders by MFS.

17. I, Scot Oglesby, in answer to section III Entitled Facts #28 on docket

- I deny
I deny all allegations, as I do not have any documentation or knowledge of this particular incident.

18. I, Scot Oglesby, in answer to section III Entitled Facts #29 on docket

- I deny
I was never given or had access to any financial information regarding MFS, Highline Estates or David Cole.

19. I, Scot Oglesby, in answer to section III Entitled Facts #30 on docket

- I deny
There were no investment documents they were loan documents. David Cole signed all loan documents received from the lenders.

20. I, Scot Oglesby, in answer to section III Entitled Facts #31 on docket

- I deny
I delivered the lender applications and checks signed by the lenders to MFS and Cole in their Gilbert office.

21. I, Scot Oglesby, in answer to section III Entitled Facts #32 on docket

- I deny
I deny all allegations, as I have no documentation of these instances.

22. I, Scot Oglesby, in answer to section III Entitled Facts #33 on docket

- I deny
David Cole informed me that he had been in business since 1998, had extensive experience in real estate and experience in real estate development. I was not provided with any information or financials for Cole, MFS or Highline Estates.

23. I, Scot Oglesby, in answer to section III Entitled Facts #34 on docket

- I deny
I did not have the knowledge of any legal responsibilities to inform lenders of any pending or previous actions by the Arizona Corporations Commission. I was acting as an employee of MSF taking lender agreements and not as an independent contractor or Sales person and had no legal knowledge of any Securities Exchange Commission involvement.

24. I, Scot Oglesby, in answer to section III Entitled Facts #35 on docket

- I deny
I deny all allegations, as I have no documentation or knowledge to substantiate.

25. I, Scot Oglesby, in answer to section III Entitled Facts #36 on docket

- I deny
No person was ever sold a Highline investment, as they were the lender and entered into a loan agreement with MFS and Dave Cole, not an investment. It is however likely that that a former client of Easy Street Financial could have lent money to Highline Estates.

26. I, Scot Oglesby, in answer to section III Entitled Facts #37 on docket

- I deny

I deny all allegations, as I do not have any documentation or knowledge of this allegation. I was not informed by MFS as to when they recorded deeds of trust. It however was my understanding that they were to be recorded within six months as stated by the "Commission".

27. I, Scot Oglesby, in answer to section III Entitled Facts #38 on docket

- I deny
I do not have any documentation or knowledge of when or how much was paid to Highline lenders as this was solely the obligation of Dave Cole, Highline Estates and or MFS. I had no access to any files or records of who had elected to receive monthly interest payments and who had elected to receive a lump sum interest payment at the end of 24 months.

28. I, Scot Oglesby, in answer to section III Entitled Facts #39 on docket

- I deny
I do not have any documentation or knowledge of how any of the funds given to Dave Cole or Highline Estates was used or transferred. I had no access to any financial records kept by Highline.

29. I, Scot Oglesby, in answer to section III Entitled Facts #40 on docket

- I deny
I was told by Dave Cole that the attorney had drawn up the agreements and that it would not be considered a security, therefore not requiring any licensing or registration on my part.

30. I, Scot Oglesby, in answer to section III Entitled Facts #41 on docket

- I deny
I was unaware that the loan agreements should be registered as a security since Dave Cole had reassured me the attorney was competent and had drawn up the agreements in a way to satisfy any and all legal requirements.

31. I, Scot Oglesby, in answer to section III Entitled Facts #42 on docket

- I deny
I have no documentation or knowledge of any dollar amount or number of lenders involved with Highline Estates nor do I know how much was returned to lenders or others. I also have no documentation or knowledge of whom else may have received money from other lenders on behalf or Highline Estates.

32. I, Scot Oglesby, in answer to section IV Entitled Facts #43 on docket

- I deny
To the best of my knowledge no securities were willingly or knowingly sold by Ward or myself, As we were under the full assumption that all documents were fully compliant and where not of a Securities nature.

33. I, Scot Oglesby, in answer to section IV Entitled Facts #44 on docket

- I deny
I was unaware of any requirements that the loan agreements needed to be registered. I was re-assured by Dave Cole that the attorney drew up the loan agreements and made sure the loans did not fall into the securities category.

34. I, Scot Oglesby, in answer to section IV Entitled Facts #45 on docket

- I deny
At no time did I willingly or knowingly commit any violations of ARS 44-1841

35. I, Scot Oglesby, in answer to section V Entitled Facts #46 on docket

- I deny
At no time did I knowingly or willingly offer or sell securities in violation of Article 9 of the securities act.

36. I, Scot Oglesby, in answer to section V Entitled Facts #47 on docket

- I deny
At no time did I willingly or knowingly commit any violations of ARS 44-1842

37. I, Scot Oglesby, in answer to section V Entitled Facts #48 on docket

➤ I deny

- I. I deny any intention to defraud or commit a fraudulent act.
- II. I deny willingly or knowingly making any untrue statements of material fact. I deny intentionally or knowingly omitting to state material facts that were necessary in order to make the statements not misleading.
- III. I deny willingly or knowingly engaging in transactions, practices or courses of business that operated or would operate as a fraud or deceit upon lenders.

38. I, Scot Oglesby, in answer to section V Entitled Facts #49 on docket

➤ I deny

At no time did I willingly or knowingly commit any violations of ARS 44-1991

39. I, Scot Oglesby, in answer to section V Entitled Facts #50 on docket

➤ I deny

At no time did I willingly or knowingly commit any violations of ARS 44-1999

As an employee of MFS, I never took monies or deposited checks from any lenders. All money collected was turned over to Dave Cole and MFS. I never profited from these lenders. I only received employer compensation.

40. I, Scot Oglesby, in answer to section V Entitled Facts #51 on docket

➤ I deny

I have no knowledge of Dream Craft; I don't know who or what that is.

41. I, Scot Oglesby, in answer to section V Entitled Facts #52 on docket

➤ I deny

I have no knowledge as to the extent of activities performed by Dave Cole.

42. I, Scot Oglesby, in answer to section VII Requested Relief on docket.

I deny

I deny any and all liability, and any request for restitution should fall solely on MFS as my employer and the receiver of any and all funds from lenders.

I would never have been the benefactor of any type of profits from the Highline Estates project resulting from the sale of homes or development of land, regardless of the amount of monies lent to MFS or any future profits associated with the Highline Estates, MFS project. I only received a employee salary.

I had no knowledge or say in what MFS did with any monies that they were loaned.

I also never benefited directly from any of the monies that were lent to MFS, Highline Estates or Dave Cole, nor did I ever take possession of or deposit any lender money into any account controlled by me. All checks collected by lenders were delivered directly to the Gilbert, AZ. office and received by Dave, Doug or the office staff. I was only to receive an employee wage for doing my job.

Dated this 25th day of march, 2009

A handwritten signature in cursive script, appearing to read "Scot Oglesby", is written over a horizontal line.

Scot Oglesby
Respondent