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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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**WILLIAM A. MUNDELL**  
Chairman

2002 OCT -4 P 4: 50

**JIM IRVIN**  
Commissioner

AZ CORP COMMISSION  
DOCUMENT CONTROL

**MARC SPITZER**  
Commissioner

IN THE MATTER OF

DOCKET NO. S-03491A-02-0000

AMERICAN NATIONAL MORTGAGE  
PARTNERS, L.L.C.  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

**RESPONDENTS CASH FLOW  
UNIVERSITY, INC. AND LARRY  
DUNNING'S ANSWER**

SECURA INNOVATIVE INVESTMENT, INC.  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

SECURA MORTGAGE MANAGEMENT,  
L.L.C.  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

CASH FLOW UNIVERSITY, INC.  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

Arizona Corporation Commission  
**DOCKETED**

OCT 04 2002

SECURA FUND ARIZONA, L.L.C.  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

DOCKETED BY 

LARRY WILLIAM DUNNING and SHIELA  
DUNNING, husband and wife  
5635 E. Lincoln Dr., #23  
Paradise Valley, Arizona 85253-4121

PHIL VIGARINO and JANE DOE VIGARINO,  
husband and wife  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

ROBERT K. REHM  
15021 N. 74<sup>th</sup> Street, Suite 100  
Scottsdale, Arizona 85260

MARK KESLER and JANE DOE KESLER,  
husband and wife  
10783 W. Encanto Blvd.  
Avondale, Arizona 85323

1 FRANK CASPARE and GAIL CASPARE,  
husband and wife  
2 27 Taconic  
Millwood, NY 10546-1125

3 Respondents.

4 Respondents Cash Flow University, Inc. and Larry Dunning (collectively "Respondents")  
5 answering the Temporary Order to Cease and Desist ("Order"), admit, deny and allege as follows:

6  
7 **I.**  
**JURISDICTION**

8 1. Respondents deny the allegations in paragraph 1 of the Order.

9  
10 **II.**  
**RESPONDENTS**

11 2. Respondents are without sufficient information to form a belief as to the truth or  
12 falsity of the allegations contained in paragraph 2 of the Order, and therefore deny those  
13 allegations.

14 3. Respondents are without sufficient information to form a belief as to the truth or  
15 falsity of the allegations contained in paragraph 3 of the Order, and therefore deny those  
16 allegations.

17 4. Respondents are without sufficient information to form a belief as to the truth or  
18 falsity of the allegations contained in paragraph 4 of the Order, and therefore deny those  
19 allegations.

20 5. Respondents admit that Cash Flow University is an Arizona corporation.  
21 Respondents deny the remaining allegations in paragraph 5 of the Order.

22 6. Respondents are without sufficient information to form a belief as to the truth or  
23 falsity of the allegations in paragraph 6 of the Order, and therefore deny those allegations.

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7. Respondents admit that Respondent Dunning in lives in Paradise Valley and is associated with Cash Flow. Respondents deny the remaining allegations in paragraph 7 of the Order.

8. Respondents admit that Sheila Dunning is Larry Dunning's wife. Respondents are without sufficient information regarding the remaining allegations in paragraph 8 of the Order and therefore deny same.

9. Respondents deny the allegations in paragraph 9 of the Order.

10. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 10 of the Order, and therefore deny those allegations.

11. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 11 of the Order, and therefore deny those allegations.

12. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 12 of the Order, and therefore deny those allegations.

13. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 13 of the Order, and therefore deny those allegations.

14. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 14 of the Order, and therefore deny those allegations.

15. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 15 of the Order, and therefore deny those allegations.

16. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 16 of the Order, and therefore deny those allegations.

17. Respondents are without sufficient information to form a belief as to the truth or falsity of the allegations in paragraph 17 of the Order, and therefore deny those allegations.

1 18. Respondents are without sufficient information to form a belief as to the truth or  
2 falsity of the allegations in paragraph 18 of the Order, and therefore deny those allegations.

3 19. Respondents are without sufficient information to form a belief as to the truth or  
4 falsity of the allegations in paragraph 19 of the Order, and therefore deny those allegations.

5 20. These allegations require no response.

6 21. These allegations require no response.

7 22. These allegations require no response.

8 23. These allegations require no response.

9 24. These allegations require no response.  
10

11 **III.**  
12 **FACTS**

13 **PREVIOUS COMMISSION ACTIONS**

14 25. The allegations in paragraph 25 of the Order do not accurately describe the previous  
15 proceeding involving Creative Financial Funding, LLC and are therefore denied.

16 26. Respondents are without sufficient information to form a belief as to the truth or  
17 falsity of the allegations in paragraph 26 of the Order, and therefore deny those allegations.

18 27. Respondents admit the allegations in paragraph 27 of the Order.

19 28. Respondents admit the allegations in paragraph 28 of the Order.  
20

21 **BACKGROUND CURRENT ACTION**  
22 **UNITED EQUITY HOLDINGS, INC.**

23 29. Respondents are without sufficient information to form a belief as to the truth or  
24 falsity of the allegations in paragraph 29 of the Order, and therefore deny those allegations.

25 30. Respondents are without sufficient information to form a belief as to the truth or  
26 falsity of the allegations in paragraph 30 of the Order, and therefore deny those allegations.  
27

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1           31.    Respondents are without sufficient information to form a belief as to the truth or  
2    falsity of the allegations in paragraph 31 of the Order, and therefore deny those allegations.

3           32.    Respondents are without sufficient information to form a belief as to the truth or  
4    falsity of the allegations in paragraph 32 of the Order, and therefore deny those allegations.

5                           **AMERICAN NATIONAL MORTGAGE PARTNERS, L.L.C.**  
6   **AND**  
7   **SECURA FUND ARIZONA, L.L.C.**

8           33.    Respondents deny the allegations in paragraph 33 of the Order.

9           34.    Respondents are without sufficient information to form a belief as to the truth or  
10   falsity of the allegations in paragraph 34 of the Order, and therefore deny those allegations.

11          35.    Respondents are without sufficient information to form a belief as to the truth or  
12   falsity of the allegations in paragraph 35 of the Order, and therefore deny those allegations.

13          36.    Respondents are without sufficient information to form a belief as to the truth or  
14   falsity of the allegations in paragraph 36 of the Order, and therefore deny those allegations.

15          37.    Respondents are without sufficient information to form a belief as to the truth or  
16   falsity of the allegations in paragraph 37 of the Order, and therefore deny those allegations.

17          38.    Respondents are without sufficient information to form a belief as to the truth or  
18   falsity of the allegations in paragraph 38 of the Order, and therefore deny those allegations.

19          39.    Respondents are without sufficient information to form a belief as to the truth or  
20   falsity of the allegations in paragraph 39 of the Order, and therefore deny those allegations.

21          40.    Respondents are without sufficient information to form a belief as to the truth or  
22   falsity of the allegations in paragraph 40 of the Order, and therefore deny those allegations.

23          41.    Respondents are without sufficient information to form a belief as to the truth or  
24   falsity of the allegations in paragraph 41 of the Order, and therefore deny those allegations.



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

54. The allegations in paragraph 54 of the Order are denied.

55. The allegations in paragraph 55 of the Order are denied.

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

56. The allegations in paragraph 56 of the Order are denied.

57. The allegations in paragraph 57 of the Order are denied.

58. The allegations in paragraph 58 of the Order are denied.

59. The allegations in paragraph 59 of the Order are denied.

**AFFIRMATIVE DEFENSES**

1. For their first affirmative defense, Respondents allege that the Order fails to state a claim upon which relief can be granted.

2. For their second affirmative defense, Respondents allege that the Securities Division has failed to allege securities fraud with reasonable particularity.

3. For their third affirmative defense, Respondents allege that the alleged investors did not rely, reasonably or otherwise, on any alleged misrepresentations by Respondents.

4. For their fourth affirmative defense, Respondents allege that they did not offer, sell, induce or participate in the sale of securities.

5. For their fifth affirmative defense, Respondents allege that they did not know, and in the exercise of reasonable care, could not have known of any untrue statements or material omissions.

1           6.       For their sixth affirmative defense, Respondents allege that they have not acted with  
2 requisite scienter.

3           7.       For their seventh affirmative defense, Respondents allege that they have not  
4 employed a deceptive or manipulative device in connection with the purchase or sale of any  
5 security at issue.

6           8.       For their eighth affirmative defense, Respondents allege that the alleged investors  
7 or lenders suffered no injuries or damages as a result of Respondents' acts.

8           9.       For their ninth affirmative defense, Respondents allege that the transactions at issue  
9 in the Order did not involve the offer or sale of securities.

10          10.       For their tenth affirmative defense, Respondents allege that they never made any  
11 misrepresentations or omissions, material or otherwise.

12          11.       For their eleventh affirmative defense, Respondents allege that the violations, if  
13 any, of the Securities Act, were proximately caused and contributed to by the improper conduct or  
14 intervening acts of the other Respondents and/or other third persons who were not named in this  
15 action as parties.

16          12.       For their twelfth affirmative defense, Respondents allege that they did not receive  
17 any money from any lenders and that an order of restitution would be inappropriate.

18          13.       For their thirteenth affirmative defense, Respondents allege that only the borrowers  
19 are obligated to pay the lenders and that an order of restitution would be inappropriate.

20          14.       For their fourteenth affirmative defense, Respondents allege that to the extent the  
21 Commission determines the transactions at issue to be securities, said transactions were exempt  
22 from registration.  
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COPY of the foregoing mailed  
this 4th day of October, 2002 to:

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dunning.acc/pld/answer.doc