

ORIGINAL



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1 David E. Walsh
Unit 1024
2 540 Brickell Key Drive
Miami, Florida, 33131

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2010 JUN 14 P 3: 17

3 In Pro Per for Respondent David E. Walsh

Arizona Corporation Commission

DOCKETED

4 AZ CORP COMMISSION
DOCKET CONTROL

JUN 14 2010

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6 DOCKETED BY 

7
8 ARIZONA CORPORATION COMMISSION

9 In the Matter of,

DOCKET NO. S-20726A-10-0062

10 David E. Walsh and Lorene Walsh, respondent
11 and spouse, doing business as New York
12 Networks, Inc., a dissolved Delaware
13 corporation formerly known as Jubilee
Acquisition Corporation and as Caliper
14 Acquisition Corporation, the New York
Network, Inc., a revoked Nevada Corporation,
and the New York Networks, Inc., an entity of
15 unknown origin,

**ANSWER OF RESPONDENT DAVID E.
WALSH TO NOTICE OF OPPORTUNITY
FOR HEARING REGARDING
PROPOSED ORDER TO CEASE AND
DESIST, FOR RESTITUTION, FOR
ADMINISTRATIVE PENALTIES AND
FOR OTHER AFFIRMATIVE ACTION**

16 Christopher A. Jensen and Julie Shayne Jensen,
respondent and spouse,

17 Rodolfo Preciado and Jane Doe Preciado,
respondent and spouse,

18 Respondents.
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20 Pursuant to A.A..C.R.14-4-305 Respondent David E. Walsh (“Respondent” or “Walsh”)
21 hereby files this Answer (“Answer”) on behalf of himself and no other respondent, in response to
22 the Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, for
23 Restitution, for Administrative Penalties and for Other Affirmative action filed on February 19,
24 2010 in the above titled Matter (“Notice”). References to “paragraph” below are to the
25 corresponding paragraph corresponding paragraph in the Notice.

26 **I. JURISDICTION**

27 1. In answer to the allegations of paragraph 1, Respondent admits that he is a resident
28 of Florida.

1 **II. RESPONDENTS**

2 2. In answer to the allegations of paragraph 2, Respondent lacks sufficient information
3 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

4 3. In answer to the allegations of paragraph 3, Respondent lack sufficient information
5 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

6 4. In answer to the allegations of paragraph 4, Respondent lacks sufficient information
7 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

8 5. In answer to the allegations of paragraph 5, Respondent lacks sufficient information
9 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

10 6. In answer to the allegations of paragraph 6, Respondent lacks sufficient information
11 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

12 7. In answer to the allegations of paragraph 7, Respondent lacks sufficient information
13 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

14 8. In answer to the allegations of paragraph 8, Respondent lacks sufficient information
15 or knowledge to admit or deny and on that basis denies the other allegations in paragraph 8.

16 9. In answer to the allegations of paragraph 9, Respondent lacks sufficient information
17 or knowledge to admit or deny and on that basis denies the other allegations in paragraph 9.

18 10. In answer to the allegations of paragraph 10, Respondent lacks sufficient information
19 or knowledge to admit or deny, except for the fact that Lorene Walsh is not his spouse and on that
20 basis denies the other allegations in paragraph 10.

21 11. In answer to the allegations of paragraph 11, Respondent denies the allegations of
22 this paragraph as to himself. Respondent lack sufficient information or knowledge to admit or deny
23 the allegations of this paragraph as to Walsh and on that basis denies those allegations in paragraph
24 11.

25 **III. FACTS**

26 12. In answer to the allegations of paragraph 12, Respondent denies the allegations of
27 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
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1 deny the allegations of this paragraph as to Respondents Christopher Jensen (“Jensen”) and Rodolfo
2 Preciado (“Preciado”) and on that basis, denies those allegations in paragraph 12.

3 13. In answer to the allegations of paragraph 13, Respondent denies the allegations in
4 that paragraph.

5 14. In answer to the allegations of paragraph 14, Respondent denies the allegations of
6 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
7 deny the allegations of this paragraph as to Walsh and on that basis denies those allegations in
8 paragraph 14.

9 15. In answer to the allegations of paragraph 15, Respondent denies the allegations of
10 this paragraph as to himself. Respondent lack sufficient information or knowledge to admit or deny
11 the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis denies
12 those allegations in paragraph 15.

13 16. In answer to the allegations of paragraph 16, Respondent lacks sufficient information
14 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

15 17. In answer to the allegations of paragraph 17, Respondent lacks sufficient information
16 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

17 18. In answer to the allegations of paragraph 18, Respondent lacks sufficient information
18 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

19 19. In answer to the allegations of paragraph 19, Respondent denies the allegations of this
20 paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or deny the
21 allegations of this paragraph as to Respondents Jensen and Preciado and on that basis denies those
22 allegations in paragraph 19.

23 20. In answer to the allegations of paragraph 20, Respondent denies the allegations of
24 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
25 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
26 denies those allegations in paragraph 20.

27 21. In answer to the allegations of paragraph 21, Respondent lacks sufficient information
28 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

1 22. In answer to the allegations of paragraph 22, Respondent denies the allegations of
2 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
3 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
4 denies those allegations in paragraph 22.

5 23. In answer to the allegations of paragraph 23, Respondent denies the allegations of
6 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
7 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
8 denies those allegations in paragraph 23.

9 24. In answer to the allegations of paragraph 24, Respondent denies the allegations of
10 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
11 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
12 denies those allegations in paragraph 24.

13 25. In answer to the allegations of paragraph 25, Respondent denies the allegations of
14 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
15 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
16 denies those allegations in paragraph 25.

17 26. In answer to the allegations of paragraph 26, Respondent lacks sufficient information
18 or knowledge to admit or deny the allegations of paragraph 26 and on that basis denies those
19 allegations in paragraph 26.

20 27. In answer to the allegations of paragraph 27, Respondent lacks sufficient information
21 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

22 28. In answer to the allegations of paragraph 28, Respondent lacks sufficient information
23 or knowledge to admit or deny and on that basis denies every allegation in that paragraph.

24 29. In answer to the allegations of paragraph 29, Respondent denies the allegations of
25 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
26 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
27 denies those allegations in paragraph 29.

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1 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
2 denies those allegations in paragraph 41.

3 42. In answer to the allegations of paragraph 42, Respondent denies every allegation in
4 paragraph 42.

5 **VI. VIOLATIONS OF A.R.S. § 44-1991**

6 43. In answer to the allegations of paragraph 43, Respondent denies the allegations of
7 this paragraph as to himself. Respondent lacks sufficient information or knowledge to admit or
8 deny the allegations of this paragraph as to Respondents Jensen and Preciado and on that basis
9 denies those allegations in paragraph 43.

10 44. In answer to the allegations of paragraph 44, Respondent denies every allegation of
11 paragraph 44.

12 **AFFIRMATIVE DEFENSES**

13 Upon information and belief, the Respondent asserts the following affirmative defenses:

14 **FIRST AFFIRMATIVE DEFENSE**

15 (Failure to State a Cause of Action)

16 45. Neither the Notice nor any cause of action alleged therein alleges facts sufficient to
17 state a cause of action.

18 **SECOND AFFIRMATIVE DEFENSE**

19 (Lack of Jurisdiction)

20 46. Respondent aver that Securities Division of the Arizona Corporation Commission
21 (“Commission”) lacks jurisdiction as to investors outside of Arizona and as to acts committed
22 outside of the state.

23 **THIRD AFFIRMATIVE DEFENSE**

24 (Statute of Limitations)

25 47. Respondent aver that the Notice and each cause of action alleged therein is barred by
26 the applicable statutes of limitations, including, but not limited to, Arizona Revised Statutes
27 (“A.R.S.”) Section 44-2004.

28 **FOURTH AFFIRMATIVE DEFENSE**

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(Laches)

48. The action and all relief sought by the Notice is barred by laches.

FIFTH AFFIRMATIVE DEFENSE

(Unclean Hands)

49. The action and all relief sought by the Notice is barred by unclean hands.

SIXTH AFFIRMATIVE DEFENSE

(Waiver)

50. The action and all relief sought by the Notice is barred by reason of waiver.

SEVENTH AFFIRMATIVE DEFENSE

(Estoppel)

51. The action and all relief sought by the Notice is barred by reason of waiver.

EIGHTH AFFIRMATIVE DEFENSE

(Good Faith -Compliance)

52. Respondent acted in conformity with, and in reliance on applicable, written administrative regulations, orders, rulings, guidelines approval, and/or interpretation of federal and state agencies, if any apply.

NINTH AFFIRMATIVE DEFENSE

(Lack of Scierter)

53. Respondent lacked the requisite scierter to commit any and/or all of the acts alleged in the Notice.

TENTH AFFIRMATIVE DEFENSE

(First Amendment Free Speech)

54. To the extent that Arizona securities laws or regulations are allegedly applicable and have allegedly been violated, those laws, regulations and/or their purported application in this action and Notice violate Respondent' rights to free speech under the First Amendment to the United States Constitution.

ELEVENTH AFFIRMATIVE DEFENSE

(Exempt Transactions)

