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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2 **MARC SPITZER**
Chairman
3 **JIM IRVIN**
Commissioner
4 **WILLIAM A. MUNDELL**
Commissioner
5 **JEFF MATCH-MILLER**
Commissioner
6 **MIKE GLEASON**
Commissioner
7

2003 JAN 31 P 4: 05

Arizona Corporation Commission

DOCKETED

AZ CORP COMMISSION
DOCUMENT CONTROL

JAN 31 2003

DOCKETED BY

8 In the matter of:

DOCKET NO. S-03465A-02-0000

9 **VICTOR MONROE STOCKBRIDGE**
[CRD # 1233627] and G. IRENE
10 **STOCKBRIDGE** (husband and wife)

RESPONDENTS' ANSWER

11 61 Rufous Lane
Sedona, Arizona 86336-7177

12 Respondents.

13 Respondents Victor Monroe Stockbridge and G. Irene Stockbridge (collectively
14 "Respondents") answering the Notice of Opportunity for Hearing Regarding Proposed Order to
15 Cease and Desist, Order for Restitution, Order for Administrative Penalties, Order of Revocation,
16 and for Other Affirmative Action ("the Notice"), admit, deny and allege as follows:

18 I.

19 1. Respondents are without sufficient information or knowledge to form a belief as to
20 the truth or falsity of the allegations contained in Paragraph No. 1 and, therefore, they are denied.

22 II.

23 2. Respondent Victor Stockbridge's employment history is reported in the Central
24 Registration Depository ("CRD") maintained by the National Association of Securities Dealers,
25 Inc. and said listing speaks for itself. Respondents are without sufficient information or
26 knowledge to form a belief as to the truth or falsity of the remaining allegations contained in
27 Paragraph No. 2 and, therefore, they are denied.

1 11. Respondents are without sufficient knowledge or information to form a belief as to
2 the truth or falsity of the allegations contained Paragraph No. 11.

3 12. Paragraph No. 12 contains incomplete, misleading and/or inaccurate statements
4 and, therefore, the allegations are denied.

5 13. Respondents are without sufficient information or knowledge to form a belief as to
6 the truth or falsity of the allegations contained in Paragraph No. 13 and, therefore, they are denied.

7 14. Respondents are without sufficient information or knowledge to form a belief as to
8 the truth or falsity of the allegations contained in Paragraph No. 14 and, therefore, they are denied.

9 15. Respondents admit the allegations contained in Paragraph No. 15.

10 16. Respondents are without sufficient information or knowledge to form a belief as to
11 the truth or falsity of the allegations contained in Paragraph No. 16 and, therefore, the allegations
12 are denied.

13 17. Respondents are without sufficient information or knowledge to form a belief as to
14 the truth or falsity of the allegations contained in Paragraph No. 17 and, therefore, the allegations
15 are denied.

16 18. Respondents are without sufficient information or knowledge to form a belief as to
17 the truth or falsity of the allegations contained in Paragraph No. 18 and, therefore, they are denied.

18 19. Respondents are without sufficient information or knowledge to form a belief as to
19 the truth or falsity of the allegations contained in Paragraph No. 19 and, therefore, they are denied.

20 20. Paragraph No. 20 contains incomplete, misleading and/or inaccurate statements
21 and, therefore, the allegations are denied.

22 21. Respondents are without sufficient information or knowledge to form a belief as to
23 the truth or falsity of the allegations contained in Paragraph No. 21 and, therefore, they are denied.

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22. Respondents are without sufficient information or knowledge to form a belief as to the truth or falsity of the allegations contained in Paragraph No. 22 and, therefore, the allegations are denied.

23. Respondents are without sufficient information or knowledge to form a belief as to the truth or falsity of the allegations contained in Paragraph No. 23 and, therefore, they are denied.

24. Respondents are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations contained in Paragraph No. 24 and subparagraphs (a) through (d). This paragraph also contains incomplete, misleading and/or inaccurate statements and, therefore, the allegations are denied.

25. Respondents are without sufficient information or knowledge to form a belief as to the truth or falsity of the allegations contained in Paragraph No. 25 and, therefore, the allegations are denied.

26. Paragraph No. 26 contains incomplete, misleading and/or inaccurate statements and, therefore, the allegations are denied.

27. Paragraph No. 27 contains incomplete, misleading and/or inaccurate statements and, therefore, the allegations are denied.

28. Respondents deny each and every allegation contained in Paragraph No. 28.

29. Paragraph No. 29 contains incomplete, misleading and/or inaccurate statements and, therefore, the allegations are denied.

30. Respondents are without sufficient information or knowledge to form a belief as to the truth or falsity of the allegations contained in Paragraph No. 30 and, therefore, the allegations are denied.

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

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

5 4. For their fourth affirmative defense, Respondents allege that they did not know, and
6 in the exercise of reasonable care, could not have known of any untrue statements or material
7 omissions as set forth in the Notice.

8 5. For their fifth affirmative defense, Respondents allege that they have not acted with
9 the requisite scienter.
10

11 6. For their sixth affirmative defense, Respondents allege that they have not employed
12 a deceptive or manipulative device in connection with the purchase or sale of any security.

13 7. For their seventh affirmative defense, Respondents allege that the customer suffered
14 no injuries or damages as a result of Respondents' acts.

15 8. For their eighth affirmative defense, Respondents allege that they never made any
16 misrepresentations or omissions, material or otherwise.
17

18 9. For their ninth affirmative defense, Respondents allege that the violations, if any, of
19 the Securities Act, were proximately caused and contributed to by the improper conduct or
20 intervening acts of other third persons who were not named in this action as parties.

21 10. For their tenth affirmative defense, Respondents allege that they did not receive any
22 commission from the customer and that an order of restitution would be inappropriate.
23

24 11. For their eleventh affirmative defense, Respondents allege that they acted in good
25 faith and did not directly or indirectly induce the conduct at issue.
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27

ROSKA HEYMAN & DEWULF, PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN - SUITE 800
PHOENIX, ARIZONA 85004
TELEPHONE NO 602-256-6100
FACSIMILE 602-256-6800

1 12. For their twelfth affirmative defense, Respondents allege that the principal
2 investment of the inheritance is protected by the locked-in death benefit feature of each annuity.

3 13. For their thirteenth affirmative defense, Respondents allege that the customer
4 approved and/or authorized and/or directed all of the transactions at issue.

5 14. For their fourteenth affirmative defense, Respondents allege Victor Stockbridge did
6 not renew his securities salesman's license in December 2002.

7 15. For their fifteenth affirmative defense, Respondents allege G. Irene Stockbridge has
8 never been licensed to sell securities and was not involved with Victor Stockbridge's business
9 affairs.

10 16. For their sixteenth affirmative defense, Respondents allege that each transaction
11 was reviewed and approved by Victor Stockbridge's branch manager, SunAmerica Securities, Inc.
12 and the annuity companies.

13 17. For their seventeenth affirmative defense, Respondents allege no complaints by
14 customers appear on Victor Stockbridge's CRD.

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17 RESPECTFULLY SUBMITTED this 31st day of January, 2003.

18 ROSKA HEYMAN & DeWULF, PLC

19
20 By 

21 Paul J. Roshka, Jr., Esq.
22 Dax R. Watson, Esq.
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24 400 East Van Buren Street, Suite 800
25 Phoenix, Arizona 85004
26 Attorneys for Respondents
27 Victor Monroe Stockbridge and
G. Irene Stockbridge

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ORIGINAL and thirteen copies of the foregoing
hand-delivered this 31st day of January, 2003 to:

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

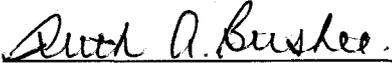
COPY of the foregoing hand-delivered
this 31st day of January, 2003 to:

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