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Arizona Corporation Commission

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4 Phoenix, AZ 85012  
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6 Attorneys For Respondent Wesley Karban Wyatt

AZ CORP COMMISSION  
DOCUMENT CONTROL

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**BEFORE THE ARIZONA CORPORATION COMMISSION  
SECURITIES DIVISION**

In the matter of:

WESLEY KARBAN WYATT AND JANE DOE  
WYATT

DOCKET NO: S-03529A-03-0000

Respondents.

**ANSWER TO NOTICE OF  
OPPORTUNITY FOR HEARING**

WESLEY KARBAN WYATT, by and through his undersigned attorney hereby answers the Notice of Opportunity for Hearing served by the Securities Division of the Arizona Corporation Commission as follows:

**I.  
JURISDICTION**

1. With respect to paragraph 1, the allegations are denied for the reason that Respondent denies that the pay phone were securities.

**II.  
RESPONDENT**

2. With respect to paragraph 2, the allegations are denied as stated.  
3. With respect to paragraph 3, the allegations are denied as stated in that the term "at all times material hereto" is vague.



1           11. With respect to paragraph 11, Respondent denies knowledge or information  
2 sufficient to form a belief with respect to the allegations set forth therein, and by reason  
3 thereof, denies the same.

4           12. With respect to paragraph 12, denies the allegations in the form stated.

5           13. With respect to paragraph 13, denies the allegations in the form stated.

6           14. With respect to paragraph 14, denies the allegations in the form stated.

7           15. With respect to paragraph 15, denies the allegations in the form stated.

8           16. With respect to paragraph 16, denies the allegations in the form stated.

9           17. With respect to paragraph 17, denies the allegations in the form stated.

10           18. With respect to paragraph 18, Respondent denies knowledge or information  
11 sufficient to form a belief with respect to the allegations set forth therein, and by reason  
12 thereof, denies the same.

13           19. With respect to paragraph 19, Respondent denies knowledge or information  
14 sufficient to form a belief with respect to the allegations set forth therein, and by reason  
15 thereof, denies the same.

16           20. With respect to paragraph 20, denies the allegations in the form stated.

17 Reference is made to the Court's Opinion for the contents and interpretations thereof.

18           21. With respect to paragraph 21, Respondent denies knowledge or information  
19 sufficient to form a belief with respect to the allegations set forth therein, and by reason  
20 thereof, denies the same.

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**IV.  
ALLEGED VIOLATIONS OF A.R.S. §44-1841**

22. With respect to paragraph 22, the allegations are denied. Respondent did not sell securities.

23. With respect to paragraph 23, the allegations are denied. Respondent did not sell securities.

24. With respect to paragraph 24, denies the allegations contained therein.

**V.  
ALLEGED VIOLATIONS OF A.R.S. §44-1842**

25. With respect to paragraph 25, the allegations are denied. Respondent did not sell or offer to sell securities.

26. With respect to paragraph 26, Respondent denies the allegations contained therein.

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

27. With respect to paragraph 27, Respondent denies the allegations contained therein.

28. With respect to paragraph 28, Respondent denies the allegations contained therein.

**VII.  
REQUESTED RELIEF**

1. Respondent objects to the relief requested in Paragraphs 1 through 4.

1 **VIII.**  
2 **HEARING OPPORTUNITY**

3 Since this section is information regarding a hearing, no response is needed or  
4 provided.

5 **IX.**  
6 **ANSWER REQUIREMENT**

7 Since this section is information regarding a the answer, no response is needed or  
8 provided.

9 **X.**  
10 **AS TO ALL ALLEGATIONS**

11 Respondent denies each and every other allegation in the Notice of Opportunity  
12 for Hearing not otherwise admitted.

13 **XI**  
14 **AFFIRMATIVE DEFENSES**

15 For her affirmative defenses, Respondent alleges as follows:

16 1. Respondent acted in good faith and under the true belief that any  
17 information imparted to the purchasers of the payphones was true. Respondent had no  
18 scienter with regard to any alleged acts of wrongdoing.

19 2. The allegations are barred by the applicable statute of limitations.

20 3. The pay telephones were not securities. Respondent has not sold any  
21 unregistered securities. Thus the Corporation Commission does not have jurisdiction to  
22 regulate sales of non-securities.

23 5. Respondent also alleges laches, estoppel, lack of jurisdiction, failure to  
24 state a claim upon which relief can be granted and unreasonable reliance.  
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1           6.     Failure to state a claim upon which relief can be granted in that the  
2 allegations as to fraud lack adequate specifications.

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4                   DATED: April 16, 2003



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Harry N. Stone (# 5281)  
3030 N. 3<sup>rd</sup> Street  
Phoenix, AZ 85012  
(602) 241-8575  
Attorney For Respondent  
Wesley Karban Wyatt

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9  
10 I hereby certify that I have this day served the foregoing documents on all parties of record in this  
11 proceeding by delivering an original plus 13 copies thereof to Docket Control at the Arizona Corporation  
Commission and by delivery of a copy to Kathleen Coughenour DeLaRosa, Esq., Arizona Corporation  
Commission, 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, AZ 85007.

12           Dated: April 18, 2003.



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(Signature)

13  
14 Copy to  
15 Kathleen Coughenour DeLaRosa, Esq.  
16 Arizona Corporation Commission,  
1300 West Washington, 3<sup>rd</sup> Floor  
Phoenix, AZ 85007.