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AZ CORP COMMISSION  
DOCKET CONTROL

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 In the matter of:

9 KENT M. AXTELL, individually and  
10 doing business as Sherlock Homes and  
11 Finding Homes for Investors, and JANIS  
12 C. AXTELL, husband and wife,  
13 EXECUTIVE REAL ESTATE  
14 SOLUTIONS L.L.C. an Arizona limited  
15 liability company

14 Respondents

) DOCKET NO.: S-20803A-11-0187

) **ANSWER OF KENT M. AXTELL,  
JANIS C. AXTELL AND EXECUTIVE  
REAL ESTATE SOLUTIONS L.L.C.**

16 Respondents Kent M. Axtell individually and doing business as Sherlock Homes  
17 and Finding Homes for Investors, Janis C. Axtell, husband and wife and Executive Real  
18 Estate Solutions LLC, an Arizona limited liability company for their Answer to the  
19 Petition for Order to Cease and Desist, Order for Restitution, Order for Administrative  
20 Penalties and Order for Other Affirmative Action, admit, deny and allege as follows:

- 21 1. The allegations in Paragraph 1 are admitted.
- 22 2. The allegations in Paragraph 2 are admitted.
- 23 3. The allegations in Paragraph 3 are admitted.
- 24 4. The allegations in Paragraph 4 are admitted.
- 25 5. The allegations in Paragraph 5 are admitted.
- 26 6. The allegations in Paragraph 6 are admitted.
- 27 7. The allegations in Paragraph 7 are generally denied. However, certain of

28 the Respondents sought lenders to provide loans for the acquisition of real estate for the

Arizona Corporation Commission  
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1 period of time in question, the purpose of which funds was to purchase certain real estate,  
2 rehabilitate them and resell them.

3 8. The allegations in Paragraph 8 are admitted, except Defendants deny they  
4 placed roadside signs or went door to door.

5 9. The allegations in Paragraph 9 are admitted.

6 10. Certain Respondents may have explained to investors that the length of time  
7 it took to purchase the home, fix it up and resell it could be short and that upon resale the  
8 lender would have the opportunity to make a new loan on another property which one or  
9 more of the Respondents would seek out and attempt to purchase. Each transaction was  
10 a separate loan transaction.

11 11. Admitted as to certain of the Respondents, but denied with respect to  
12 Executive Real Estate Solutions L.L.C.

13 12. The allegations in Paragraph 12 are denied.

14 13. The allegations in Paragraph 13 are admitted.

15 14. The allegations in Paragraph 14 are admitted provided, however, that the  
16 lenders were simply making loans on the property with an interest rate determined by the  
17 loan documents and not an investment in the property.

18 15. The allegations in Paragraph 15 are admitted except that Respondents deny  
19 that the "investors" were doing anything other than making loans against the property and  
20 were to be paid an interest rate pursuant to the loan documents.

21 16. The allegations in Paragraph 16 are admitted except that the "investors"  
22 were lenders expecting a fixed rate of return based upon the loan documents in each  
23 transaction.

24 17. The allegations in Paragraph 17 are admitted except that the various  
25 "investors" were lenders expecting a fixed rate of return based upon their various  
26 individual loan documents.

27 18. The allegations in Paragraph 18 are admitted.  
28

1           19.    The allegations in Paragraph 19 are generally admitted except that the  
2 reinvestment would be in the form of a new loan on a subsequently purchased parcel of  
3 real estate based upon new loan documents and a new loan transaction with each such  
4 lender.

5           20.    The allegations in Paragraph 20 are admitted.

6           21.    The allegations in Paragraph 21 are admitted except that, without knowing  
7 which loan is referred to, it may have been a partial repayment or the  
8 payment of interest.

9           22.    The allegations in Paragraph 22 are denied.

10          23.    Respondents admit that they have defaulted on certain loans to certain  
11 lenders and have ceased making interest payments.

12          24.    The allegations in Paragraph 24 are admitted.

13          25.    The allegations in Paragraph 25 are admitted, but deny that said loan  
14 documents and transactions needed to be registered as securities with the Commission.

15          26.    The allegations in Paragraph 26 are admitted, but deny that such registration  
16 as a securities dealer or salesman is required.

17          27.    The allegations in Paragraph 27 are denied.

18          28.    The allegations in Paragraph 28 are admitted, but Respondents deny such is  
19 required of them.

20          29.    The allegations in Paragraph 29 are denied.

21          30.    The allegations in Paragraph 30 are denied.

22          31.    The allegations in Paragraph 31 are denied.

23          32.    The allegations in Paragraph 32 are denied.

24          33.    The allegations in Paragraph 33 are denied.

25          34.    Admit that Axtell directly or indirectly controlled Executive Real Estate  
26 Solutions, L.L.C., but deny that either he or Executive Real Estate Solutions violated the  
27 anti-fraud provisions of the Securities Act.

28

