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Arizona Corporation Commission

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DOCKETED BY


Counsel for Respondents

BEFORE THE ARIZONA CORPORATION COMMISSION

19 In the matter of:
 20 DAVID PAUL SMOOT,
 21 MARIE KATHLEEN SMOOT,
 22 NATIVE AMERICAN WATER, LLC, dba
 23 NATAWA, NATAWA CORPORATION,
 24 dba NATAWA AND AMERICAN INDIAN
 25 TECHNOLOGIES INTERNATIONAL, LLC,
 26 aka AITI,

Docket No. S-20814A-11-313

**RESPONDENTS' ANSWER TO
TEMPORARY ORDER TO CEASE
AND DESIST AND NOTICE OF
OPPORTUNITY FOR HEARING**

Respondents.

1 David P. Smoot ("Smoot"), Marie Kathleen Smoot, Native American Water, LLC
2 ("Natawa"), Natawa Corporation and American Indian Technologies International, LLC ("AITI"),
3 collectively referred to herein as "Respondents," by and through undersigned counsel, hereby
4 answer the Arizona Corporation Commission's Notice of Opportunity for Hearing
5 Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative
6 Penalties and Order for Other Affirmative Action ("Notice"). Except where specifically admitted,
7 Respondents deny each and every allegation in the Notice. Respondents admit, deny and allege as
8 follows:

9
10 **I. JURISDICTION**

11 1. Respondents deny the allegations in Paragraph 1 of the Notice because the acts,
12 practices and transactions described in the Notice were a private offering, not subject to the
13 registration requirements of the Securities Act of Arizona.

14 **II. RESPONDENTS**

15 2. Respondents admit that Smoot has been a married man and Arizona resident.
16 Respondents admit that the Boards of Natawa/AITI sold debentures, limited liability company
17 membership interests and stock. Respondents deny that SMOOT promoted, controlled and bore
18 responsibility for investor solicitation activities; the Boards of Directors of Natawa/AITI bore these
19 responsibilities. Respondents admit Smoot has not been registered by the Commission as a
20 securities salesman or dealer. Respondents deny that such registration was required.

21 3. Respondents admit that the organizational and principal place of business of Natawa is in
22 Arizona and admit that Natawa has not been registered by the Commission as a securities dealer.
23 Respondents deny that such registration was required.

24 4. Respondents admit the organization of NATAWA-CORP in Delaware and revocation of
25 status as foreign corporation in Arizona and admit Natawa Corp. has not been registered by the
26 Commission as a securities dealer. Respondents deny that such registration was required.

27 5. Respondents admit steps to merge Natawa into Natawa Corp.
28

1 Respondents deny the allegation that promissory notes executed by Smoot were for the purpose of
2 raising capital. Promissory notes were executed to enable Smoot to meet personal living expenses
3 because he was not drawing his authorized salary from Natawa/AITI.

4 19. Respondents admit the allegations in Paragraph 19 of the Notice.

5 20. Respondents admit the allegations in Paragraph 20 of the Notice that the investments
6 have not been registered with the Commission as securities to be offered or sold within or from
7 Arizona, because as a private offering such registration was not required.

8 21. Respondents deny the allegations in Paragraph 21 of the Notice as to number of
9 investments, investors, totals and "widely disbursed" nature of investors.

10 22. Respondents deny the allegations in Paragraph 22 of the Notice. Smoot was not the sole
11 issuer, offeror or seller; the Board of Directors made and executed these decisions.

12 23. Respondents deny the allegations relative to representations to offerees and admit the
13 allegations relative to investors in Paragraph 23 of the Notice, with the qualification that
14 representations to existing investors are beyond the scope of this Notice.

15 24. Respondents deny the allegations relative to representations to offerees and admit the
16 allegations relative to investors in Paragraph 24 of the Notice, with the qualification that
17 representations to existing investors are beyond the scope of this Notice.

18 25. Respondents deny the allegations in Paragraph 25 of the Notice that information was
19 provided to potential investors.

20 26. Respondents deny the allegations in Paragraph 26 of the Notice.

21 27. Respondents deny the allegations in Paragraph 27 of the Notice that information was
22 provided as part of investment offering materials. Projections were taken from signed contracts
23 with developers, all documented.

24 28. Respondents deny the allegations relative to representations to offerees and admit the
25 allegations relative to investors in Paragraph 28 of the Notice, with the qualification that
26 representations to existing investors are beyond the scope of this Notice. Projections were taken
27 from signed contracts with developers, all documented.

1 29. Respondents deny the allegations relative to representations to offerees and admit the
2 allegations relative to investors in Paragraph 29 of the Notice, with the qualification that
3 representations to existing investors are beyond the scope of this Notice. Projections were taken
4 from signed contracts with developers, all documented, and supported by comparable industry
5 valuations of waste water plants, fiber optic and similar companies.

6 30. Respondents deny the allegations relative to representations to offerees and admit the
7 allegations relative to investors in Paragraph 30 of the Notice, with the qualification that
8 representations to existing investors are beyond the scope of this Notice. Projections were taken
9 from signed contracts, all documented.

10 31. Respondents deny the allegations in Paragraph 31 of the Notice. Smoot did not issue,
11 offer and sell 59 debentures. The Board authorized all transactions.

12 32. Respondents admit the allegations in Paragraph 32 of the Notice.

13 33. Respondents admit the allegations in Paragraph 33 of the Notice.

14 34. Respondents admit the allegations in Paragraph 34 of the Notice.

15 35. Respondents admit the allegations in Paragraph 35 of the Notice.

16 36. Respondents admit the allegations in Paragraph 36 of the Notice. The Board offered
17 different conversion rates at different times, like stock is sold by companies at different rates and
18 under different terms, based on valuations, market prices and other factors at the time.

19 37. Respondents admit the allegations in Paragraph 37 of the Notice.

20 38. Respondents deny the allegations in Paragraph 38 of the Notice. Available working
21 capital precluded payment, but no one was ever told that he or she had to convert.

22 39. Respondents admit the allegations in Paragraph 39 of the Notice. Conversion actions
23 were taken by the Board, not Smoot, and all paperwork, investor communications, registrations, etc.
24 were managed by Ari Levine, Board Member and General Counsel at the time.

25 40. Respondents admit the allegations in Paragraph 40 of the Notice.

26 41. Respondents admit the allegations in Paragraph 41 of the Notice.

27 42. Respondents admit the allegations in Paragraph 42 of the Notice.

1 43. Respondents admit the allegations in Paragraph 43 of the Notice.

2 44. Respondents admit the allegations in Paragraph 44 of the Notice.

3 45. Respondents admit the allegations in Paragraph 45 of the Notice.

4 46. Respondents admit the allegations in Paragraph 46 of the Notice.

5 47. Respondents admit the allegations in Paragraph 47 of the Notice.

6 48. Respondents admit the allegations in Paragraph 48 of the Notice.

7 49. Respondents admit the allegations in Paragraph 49 of the Notice. The Board offered
8 different conversion rates at different times, like stock sold by companies at different rates and
9 under different terms, based on valuations, market prices and other market-based factors at the time.

10 50. Respondents deny the allegations in Paragraph 50 of the Notice. The numbers are
11 incorrect.

12 51. Respondents admit the allegations in Paragraph 51 of the Notice. The Board offered
13 different conversion rates at different times, like stock sold by companies at different rates and
14 under different terms, based on valuations, market prices and other factors at the time.

15 52. Respondents admit the allegations in Paragraph 52 of the Notice.

16 53. Respondents deny the allegations relative to representations to offerees and admit the
17 allegations relative to investors in Paragraph 53 of the Notice, with the qualification that
18 representations to existing investors are beyond the scope of this Notice. All numbers were
19 presented in good faith based on AITI's exclusive and lucrative contractual rights to market the
20 "SnowGoose" technology.

21 54. Respondents deny the allegations relative to representations to offerees and admit the
22 allegations relative to investors in Paragraph 54 of the Notice, with the qualification that
23 representations to existing investors are beyond the scope of this Notice. All numbers were
24 presented in good faith based on AITI's exclusive and lucrative contractual rights to market the
25 "SnowGoose" technology.

26 55. Respondents admit the allegations relative to investors in Paragraph 55 of the Notice,
27 with the qualification that representations to existing investors are beyond the scope of this Notice.
28

1 All numbers were presented in good faith based on AITI's exclusive and lucrative contractual rights
2 to market novel wind turbine technology for all NAFTA countries.

3 56. Respondents admit the allegations in Paragraph 56 of the Notice. All numbers were
4 presented in good faith based on AITI's exclusive and lucrative contractual rights to market the
5 renewable biomass and coal gasification technology.

6 57. Respondents admit the allegations in Paragraph 57 of the Notice.

7 58. Respondents admit the allegations in Paragraph 58 of the Notice.

8 59. Respondents deny the allegations in Paragraph 59 of the Notice. Notes executed by
9 Smoot on a personal basis are not within the scope of this Notice. All monies borrowed by Natawa
10 were put into Natawa corporate accounts for the benefit of investors.

11 60. Respondents admit the allegations in Paragraph 60 of the Notice.

12 61. Respondents admit the allegations in Paragraph 61 of the Notice.

13 62. Respondents admit the allegations in Paragraph 62 of the Notice.

14 63. Respondents admit the allegations in Paragraph 63 of the Notice and further note that
15 negotiations with individual lenders were made in good faith under different terms based on their
16 needs and the condition of the companies at the time. The note referenced here was negotiated by
17 Patrick Myers, President of Natawa, as a loan from his father - not Smoot.

18 64. Respondents admit the allegations in Paragraph 64 of the Notice. This was the business
19 model of the company. Officers Myers and Levine had extensive expertise in the waste water
20 business. Other experts with highest-level fiber optic, telecommunications, construction, etc.
21 experience were on staff or retained consultants to bring their considerable expertise to support
22 these good faith representations.

23 65. Respondents admit the allegations in Paragraph 65 of the Notice.

24 66. Respondents admit the allegations in Paragraph 66 of the Notice. All Smoot resume
25 information is correct and verifiable.

26 67. Respondents deny the allegations in Paragraph 67 of the Notice.
27
28

1 68. Respondents admit the allegations in Paragraph 68 of the Notice. The signed contracts
2 confirm these terms.

3 69. Respondents admit the allegations in Paragraph 69 of the Notice. The signed contracts
4 confirm these terms.

5 70. Respondents admit the allegations in Paragraph 70 of the Notice. The signed contracts
6 confirm these terms. Signed commitment letters for funding with bank account numbers for
7 verification and the letter guaranteeing the bridge investment have been provided in the subpoena
8 response.

9 71. Respondents admit the allegations in Paragraph 71 of the Notice. Project was on track
10 until Congress voted to discontinue work on SnowGoose in favor of the Predator.

11 72. Respondents admit the allegations in Paragraph 72 of the Notice. Partners Tetra Tech,
12 Road 9, Aquatec, et. al., contracts, etc. were all in place and all investor representations were made
13 in good faith based on credible information from credible sources.

14 73. Respondents admit the allegations in Paragraph 73 of the Notice. Reference was to
15 partners and alliances based on solid contracts.

16 74. Respondents admit the allegations in Paragraph 74 of the Notice. Facts and numbers
17 were sourced from reputable developers and provided to investors in good faith.

18 75. Respondents admit the allegations in Paragraph 75 of the Notice, with the qualification
19 that representations to existing investors are beyond the scope of this Notice. This was a good faith
20 communication to an existing investor about a loan intended to benefit all investors using
21 information available at that time.

22 76. Respondents deny the allegations relative to potential investors and admit the
23 allegations in Paragraph 76 of the Notice with the qualification that representations to existing
24 investors are beyond the scope of this Notice. Contracts have been provided as part of Respondents'
25 subpoena response.

26 77. Respondents admit the allegations in Paragraph 77 of the Notice and note that this good
27 faith communication was made to existing shareholders based on information available at that time.
28

1 The contracts were based on credible information from credible sources at the time and projections
2 were based on accepted industry standards.

3 78. Respondents admit the allegations in Paragraph 78 of the Notice and note that this good
4 faith communication was made to existing shareholders based on credible information from credible
5 sources available at that time (just prior to Baird's withdrawal from the market) and projections
6 were per accepted industry standards.

7 79. Respondents admit the allegations in Paragraph 79 of the Notice and note that these
8 practices and fee projection protocol are consistent with standard industry practices.

9 80. Respondents admit the allegations in Paragraph 80 of the Notice. This 10% up-front
10 payment provision is a critical factor and should certainly be included in the projected revenue
11 streams communicated to investors and in calculating the valuation of the companies.

12 81. Respondents deny the allegations in Paragraph 81 of the Notice. The allegation that a
13 contract is not enforceable or binding if it does not contain a liquidated damages provision and that
14 Smoot owed his investors an obligation to inform them of this "omission" is patently absurd and
15 inconsistent with the principles of basic contract law. All contracts were written, reviewed and
16 approved by the company's corporate counsel, Mr. Levine, and absolutely consistent with industry
17 norms. Most were negotiated and approved by Mr. Myers - not Smoot.

18 82. Respondents deny the allegations in Paragraph 82 of the Notice. All contracts were
19 standard for the industry, and obviously a large-scale development could not be completed without
20 funding, government permits, etc. All investors had signed accredited investor forms and knew of
21 these dependencies.

22 83. Respondents deny the allegations in Paragraph 83 of the Notice. The allegations are
23 false and misleading.

24 84. Respondents deny the allegations in Paragraph 84 of the Notice. The conclusion drawn
25 in the allegation is not factually based.

26 85. Respondents admit the allegations in Paragraph 85 of the Notice. Based on the signed
27 contracts the projections were accurate.

1 86. Respondents deny the allegations relative to representations to offerees and admit the
2 allegations relative to investors in Paragraph 86 of the Notice, with the qualification that
3 representations to existing investors are beyond the scope of this Notice.
4

5 87. Respondents deny the allegations in Paragraph 87 of the Notice. The presence or
6 absence of a liquidated damages clause does not determine the validity of a contract.
7

8 88. Respondents deny the allegations in Paragraph 88 of the Notice.
9

10 89. Respondents deny the allegations in Paragraph 89 of the Notice.
11

12 90. Respondents deny the allegations in Paragraph 90 of the Notice.
13

14 91. Respondents deny the allegations in Paragraph 91 of the Notice.
15

16 92. Respondents deny the allegations in Paragraph 92 of the Notice.
17

18 93. Respondents deny the allegations in Paragraph 93 of the Notice. The logic that no
19 projects were begun because of the allegations in the previous paragraphs is not true.
20

21 94. Respondents admit the allegations in Paragraph 94 of the Notice.
22

23 95. Respondents admit the allegations in Paragraph 95 of the Notice.
24

25 96. Respondents admit the allegations in Paragraph 96 of the Notice.
26

27 97. Respondents admit the allegations in Paragraph 97 of the Notice.
28

98. Respondents deny the allegations in Paragraph 98 of the Notice. Smoot complied with
all Board resolutions relative to authorized signers and all transfers were executed with full
transparency and appropriate accountings.

99. Respondents deny the allegations in Paragraph 99 of the Notice. Smoot complied with
all Board resolutions relative to authorized signers to the extent possible and all transfers were
executed with full transparency and appropriate accountings.

100. Respondents deny the allegations in Paragraph 100 of the Notice. The Boards of both
Natawa/AITI authorized salaries that, in fact, Smoot did not receive.

101. Respondents deny the allegations in Paragraph 101 of the Notice. The inference that
Smoot was a lush, gambler, fraudster and playboy is simply reprehensible, unconscionable, libelous
and unacceptable.

1 102. Respondents deny the allegations in Paragraph 102 of the Notice. Smoot was paid a
2 fraction of the salary to which he was entitled by Board agreement and resolution.

3 103. Respondents deny the allegations in Paragraph 103 of the Notice. An audit was
4 conducted when requested.

5 104. Respondents deny the allegations in Paragraph 104 of the Notice. The email from
6 Smoot demonstrates that investors were aware and had agreed to some use of funds by him.

7 105. Respondents deny the allegations in Paragraph 105 of the Notice. An audit was
8 conducted by an independent CPA chosen by the Board. The audit showed Smoot was owed
9 \$361,000 by Natawa alone at that time.

10 106. Respondents deny the allegations in Paragraph 106 of the Notice. Smoot undertook
11 private transactions with friends and family to sell his own stock to raise funds for Natawa/AITI,
12 which at the time owed him money (see above).

13 107. Respondents deny the allegations in Paragraph 107 of the Notice. This was a Board
14 action, not a Smoot action, acknowledging the mutually beneficial relationship between the
15 Natawa/AITI.

16 108. Respondents deny the allegations in Paragraph 108 of the Notice. The decisions were
17 made by two independent Boards, not Smoot, and the obligation was from Natawa to AITI, not the
18 reverse, as alleged. Smoot could not cause money to be paid when there was none.

19 109. Respondents deny the allegations in Paragraph 109 of the Notice. Investors were
20 consistently told through countless communications that returns for their investments would be paid
21 from revenues coming in from signed contracts. To infer that this was the equivalent of a Ponzi
22 scheme when Smoot was relinquishing his shares, not taking salary although authorized by two
23 Boards and contributing over \$2 million of his personal funds is simply factually wrong, defamatory
24 and unacceptable.

25 110. Respondents deny the allegations in Paragraph 110 of the Notice. Requests for the
26 accounting done by the ACC have repeatedly been made for months and months, but no accounting
27 has been received to date.
28

1 111. Respondents deny the allegations in Paragraph 111 of the Notice. Investors made their
2 decisions to invest based on criteria known only to themselves. However, Smoot's qualifications,
3 and those of his team of experienced industry professionals were not misrepresented.
4

5 112. Respondents deny the allegations in Paragraph 112 of the Notice. The collapse of the
6 American Mall project was a direct result of the attack on America of September 11, 2001 and
7 corporate re-prioritization by Verizon in the turbulent few months immediately thereafter. To
8 dishonestly infer this was caused by Smoot or that he was responsible is, again, factually baseless,
9 disingenuous and libelous. It had no relevance to, or bearing on, either Natawa or AITI, and Smoot
10 had no affirmative or other duty to disclose it to prospective investors.

11 113. Respondents deny the allegations in Paragraph 113 of the Notice. See above
12 paragraph.

13 114. Respondents deny the allegations in Paragraph 114 of the Notice.

14 115. Respondents deny the allegations in Paragraph 115 of the Notice. This allegation is
15 based on the assumption that Smoot was owed no salary by either Natawa or AITI – a fact
16 contradicted by Board minutes and the testimony of Board members. Yet again, this is a factual
17 misrepresentation, defamatory and simply wrong.

18 116. Respondents deny the allegations in Paragraph 116 of the Notice. Smoot did not
19 promote his work history of installing utilities for developers on large scale projects, but, rather,
20 Natawa/AITI's partners' proven and well documented histories and track records in this specialized
21 area of expertise.

22 117. Respondents deny the allegations in Paragraph 117 of the Notice.

23 118. Respondents deny the allegations in Paragraph 118 of the Notice. Representations
24 were made as described, but the implication of this allegation that it was Respondents' fault that no
25 projects were completed when, in fact, the simultaneous, catastrophic and global collapses of the
26 construction and financial markets were critical causative factors is simply beyond comprehension
27 and, once again, factually wrong.
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IV. VIOLATION OF A.R.S. 44-1841

(Offer or Sale of Unregistered Securities)

119. Respondents admit the allegation in Paragraph 119 of the Notice.

120. Respondents admit the allegation in Paragraph 120 of the Notice, and believe the registration of the securities referred to therein was not required pursuant to Articles 6 or 7 of the Securities Act.

121. Respondents deny the allegation in Paragraph 121 of the Notice.

V. VIOLATION OF A.R.S. 44-1842

(Transactions by Unregistered Dealers or Salesmen)

122. Respondents admit the allegation in Paragraph 122 of the Notice and contend that registration as dealers or salesmen was not required pursuant to Article 9 of the Securities Act.

123. Respondents deny the allegation in Paragraph 123 of the Notice.

VI. VIOLATION OF A.R.S. 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

124. Respondents deny the allegations in Paragraph 124 of the Notice.

- a. Respondents deny the allegations in Paragraph 124(a) of the Notice.
- b. Respondents deny the allegations in Paragraph 124(b) of the Notice.
- c. Respondents deny the allegations in Paragraph 124(c) of the Notice.
- d. Respondents deny the allegations in Paragraph 124(d) of the Notice.

125. Respondents deny the allegations in Paragraph 125 of the Notice.

126. Respondents deny the allegations in Paragraph 126 of the Notice.

127. Respondents deny each and every allegation not expressly admitted herein.

VII. AFFIRMATIVE DEFENSES

1. Respondents allege that the Commission lacks personal jurisdiction over Respondents.

2. Respondents allege that the Commission lacks subject matter jurisdiction over this matter.

1 3. Respondents allege that the Notice fails to state a claim upon which relief can be granted,
2 and that this matter should be dismissed in its entirety with prejudice.

3 4. Respondents allege that no securities are involved in the alleged transactions.

4 5. Respondents allege that, to the extent the documents that were allegedly offered or sold
5 are determined to be securities, Respondents and the units are exempt or excepted from the
6 registration provisions of the Securities Act.

7 6. Respondents allege that all of their actions were taken for a proper purpose.

8 7. Respondents allege that they have not taken any improper actions within or from the
9 State of Arizona.

10 8. Respondents allege that the claims in the Notice are barred by the applicable statute of
11 limitations.

12 9. Respondents allege that they did not offer or sell investments contracts, commodity
13 investment contracts, bonds, or any securities under Arizona law.

14 10. Respondents allege that the claims in the Notice are barred by the doctrines of waiver,
15 estoppel, laches, unclean hands and contributory negligence.

16 11. Respondents allege that the claims in the Notice are barred by assumption of risk.

17 12. Respondents allege that the Commission has failed to allege securities fraud with
18 reasonable particularity as required by Rule 9(b) of the Arizona Rules of Civil Procedure.

19 13. Respondents allege that they did not know, nor could they have known through the
20 exercise of reasonable care, of any alleged untrue statements or material omissions as alleged in the
21 Notice.

22 14. Respondents allege that they have not acted with the requisite scienter.

23 15. Respondents allege that they have not employed a device, scheme or artifice to defraud
24 in connection with the offer, purchase or sale of any security.

25 16. Respondents allege that the alleged investors have suffered no injuries or damages as a
26 result of Respondents' acts.

1 17. Respondents allege that they have not made any misrepresentations or omissions,
2 material or otherwise.

3 18. Respondents allege that they have acted in good faith and did not directly or indirectly
4 induce the conduct at issue.

5 19. Respondents that they have caused no damages.

6 20. Respondents allege that the investors relied on other culpable parties in connection with
7 the matters at issue in this Notice.

8 21. Respondents allege that restitution is barred because the damages, if any, were caused
9 by the investors' own acts or omissions and/or by the investors' failure to mitigate their damages.

10 22. Respondents allege that the claims in the Notice are barred, in whole or in part, because
11 investors' damages, if any, were caused by the acts of others over whom Respondents have no
12 control, and for whose acts Respondents are not legally responsible.

13 23. Respondents allege that the claims in the Notice are barred, in whole or in part, because
14 investors' damages, if any, were caused by the intervening and superseding acts of others over
15 whom Respondents have no control, and for whose acts Respondents are not legally answerable.

16 24. Respondents allege that the claims in the Notice are barred, in whole or in part, because
17 of mutual mistake.

18 25. Respondents allege that the claims in the Notice are barred, in whole or in part, because
19 of payment, accord and satisfaction.

20 26. Respondents allege that the claims in the Notice are precluded, in whole or in part, by
21 offsets.

22 27. Respondents allege that the claims in the Notice are barred, in whole or in part, because
23 investors acted in bad faith.

24 28. Respondents are not attorneys and, in fact, justifiably relied on the promises made by
25 retained legal counsel (and recorded by his own hand in Board minutes) to file requisite documents
26 to comply with all applicable securities laws.
27

1 29. Respondents allege any and all purchasers of the alleged securities are “accredited
2 investors” as defined by Rule 501 of Regulation D and as amended by the Dodd Frank Wall Street
3 Reform and Consumer Protection Act.

4 30. Further investigation and discovery in this matter may reveal the existence of additional
5 affirmative defenses. Therefore, Respondents reserve as possible defenses all remaining defenses
6 set forth in the Arizona Rules of Civil Procedure and other laws.

7 31. Respondents reserve the right to amend this Answer to assert additional affirmative
8 defenses after completion of investigation and discovery.

9 WHEREFORE, having fully answered the Notice, there is no basis for the imposition of
10 liability of any kind or nature, there should be no order of any kind or nature against Respondents,
11 and that all requested relief should be denied and the action should be dismissed with respect to
12 Respondents in its entirety. Respondents previously requested a hearing in this matter and reaffirm
13 that request.

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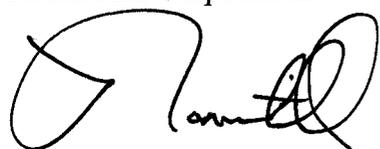
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DATED this 2nd day of December, 2011.

MITCHELL & ASSOCIATES
A Professional Corporation



By _____

Robert D. Mitchell
Sarah K. Deutsch
Jamie Gill Santos
MITCHELL & ASSOCIATES
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Counsel for the Respondents

1 ORIGINAL plus thirteen copies of the foregoing filed on or
2 about this 2nd day of December, 2011 with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 COPIES of the foregoing mailed
8 on or about 2nd day of December, 2011 to:

9 Michael Dailey, Esq.
10 Arizona Corporation Commission
11 Securities Division
12 1300 W. Washington Street, Third Floor
13 Phoenix, Arizona 85007-2996



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smoot/pldgs/answer to temp order.doc

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