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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

2014 JUN -2 P 3: 23

Arizona Corporation Commission

DOCKETED

JUN 02 2014

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

DOCKETED BY

In the matter of:
Catharon Software Corporation, a Delaware corporation,
Betsy A. Feinberg and Michael A. Feinberg, husband and wife,
Respondents.

DOCKET NO. S-20905A-14-0061

AMENDED TEMPORARY ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY
EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING
EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents CATHARON SOFTWARE CORPORATION, a Delaware corporation, BETSY A. FEINBERG, and MICHAEL A. FEINBERG are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.

RESPONDENTS

2. CATHARON SOFTWARE CORPORATION ("CATHARON") is a corporation organized under the laws of the State of Delaware on March 8, 2002. Since at least March 25, 2002,

1 CATHARON has been conducting business within or from Arizona. From 2002 to mid-2013,
2 CATHARON was based in and operated from Sedona, Arizona. From mid-2013 to the present,
3 CATHARON has been based in and operated from Tucson, Arizona. CATHARON has not been
4 registered by the Commission as a securities dealer or salesman, and is not registered with the
5 Commission to do any business in Arizona.

6 3. From March 25, 2002 through the present, BETSY A. FEINBERG has been a
7 Director and the Chief Executive Officer of CATHARON, and an Arizona resident.

8 4. From March 25, 2002 through the present, MICHAEL A. FEINBERG has been a
9 Director and the President and Treasurer of CATHARON, and an Arizona resident.

10 5. From March 25, 2002 through the present, BETSY A. FEINBERG and MICHAEL
11 A. FEINBERG have not been registered by the Commission as securities dealers or salespersons.

12 6. From March 25, 2002 through the present, BETSY A. FEINBERG and MICHAEL
13 A. FEINBERG have been husband and wife, and they have acted for their own individual benefits
14 and for the benefit or in furtherance of their marital community.

15 7. CATHARON, BETSY A. FEINBERG and MICHAEL A. FEINBERG may be
16 referred to individually as a "Respondent" or collectively as "Respondents" as the context so
17 requires.

18 **III.**

19 **FACTS**

20 8. From at least April 14, 2003, Respondents have been offering and selling common
21 stock in CATHARON within and from Arizona by representing that CATHARON owns a patented
22 computer language and infrastructure technology that "will allow it to compete in the market with
23 microcomputer language systems manufacturers, such as Microsoft...."

24 9. In Offering Memoranda dated March 25, 2002 and May 14, 2003, Respondents
25 called the technology "TenCORE Net." In Offering Memoranda dated May 26, 2010 and April 5,
26

1 2013, Respondents called the technology “VΔDelta.” For consistency and ease of reference, the
2 technology is referred to herein as “VΔDelta.”

3 10. CATHARON’s website at

4 [http://wiki.catharon.com/vdwiki/index.php/Catharon/About Us](http://wiki.catharon.com/vdwiki/index.php/Catharon/About_Us) (“Website”) states:

5 We have created the first fully functional programming language for
6 authoring, distributing and reading interactive content over the
7 Internet. VΔDelta™, delivers rapidly over the Internet, providing a
8 programming paradigm that supports rapid and economical
9 development of content, facilitating new capabilities in Internet
10 software and systems management.

11 ...

12 Catharon has copyrighted the VΔDelta technology and been granted
13 a patent covering 11 major features of the protocol.

14 11. On December 18, 2013, a potential Arizona investor (“AZ Offeree”) viewed the
15 Website from Arizona. The Website referenced CATHARON’s “Current Offering” and stated,
16 “Current offering documents are available from the Reference Documents page.”

17 12. AZ Offeree submitted her contact information to CATHARON through an on-line
18 form available on the Website.

19 13. On December 20, 2013, AZ Offeree received an email from the address
20 InvestorRelations@Catharon.com. The email contained four PDF attachments: (i) CATHARON’s
21 Offering Memorandum dated April 5, 2013 (“the 2013 Offering Memorandum”); (ii)
22 CATHARON’s Business Plan dated April 5, 2013 (“the 2013 Business Plan”); (iii) a VΔDelta
23 Wiki article dated February 1, 2013; and (iv) a VΔDelta Wiki article dated September 20, 2013
24 (collectively, “the 2013 Offering Materials.”).

25 14. The 2013 Offering Memorandum states that CATHARON “is seeking to raise
26 \$500,000 from the sale of Common Stock.”

15 15. The 2013 Business Plan states that CATHARON has raised \$6 million of private
16 equity funding.

17 16. Based upon that statement in the 2013 Business Plan, the Division alleges that
18 CATHARON has raised \$6 million from the sale of its common stock to investors.

1 24. The 2013 Business Plan projects that CATHARON's licensing of VΔDelta will
2 generate \$2 billion in revenue within 3 years.

3 25. The 2013 Business Plan states, "Catharon will be returning nearly half its earnings
4 after taxes to its investors as dividends."

5 26. Based on what CATHARON states is its detailed research and analysis, the 2013
6 Business Plan projects investors will receive a three-year return on investment of 668%.

7 27. The 2013 Offering Memorandum states that CATHARON expects "intense
8 competition from Microsoft, Sun Microsystems and others."

9 28. The 2013 Business Plan, however, also represents to offerees and investors, "The
10 four-year technology lead coupled with the two [P]atents create a formidable barrier to entry for
11 prospective competitors."

12 29. The 2013 Business Plan further discusses the Patents' role in protecting the VΔDelta
13 technology and investors' investments in CATHARON: "These [P]atents effectively preclude
14 competitors from introducing software products and services that make unlicensed use of these
15 proprietary techniques."

16 30. The Patents no longer belong to CATHARON, however.

17 31. On January 9, 2013, CATHARON assigned to a third party whose initials are "FD",
18 "[A]ll right, title and interest in, and to the Patents" according to a Patent Assignment and Revenue
19 Share Agreement ("Patent Assignment") that BETSY A. FEINBERG executed that date. FD
20 granted back to CATHARON a nonexclusive "fully paid-up personal license to practice inventions
21 covered by the claims of the Patents."

22 32. According to the Patent Assignment, except for the nonexclusive license to
23 CATHARON, FD received all rights to "the enforcement, assignment, licensing,
24 commercialization, exploitation, use, practice, and/or sale of the Patents." FD agreed to pay
25 CATHARON forty-five percent (45%) of any profits generated from his enforcement, assignment,
26 licensing, commercialization, exploitation, use, practice, and/or sale of the Patents.

1 33. The Patent Assignment provided for CATHARON and FD to form a limited
2 liability company to which FD would assign the Patents so that the limited liability company could
3 prosecute the Patents. The Patent Assignment further provided that the terms of the operating
4 agreement for the to-be-formed limited liability company would replace the terms of the Patent
5 Assignment.

6 34. On February 5, 2013, CATHARON and FD formed Catharon Intellectual Property,
7 LLC (“CIP”), a Texas limited liability company.

8 35. According to CIP’s Company Agreement, FD and CATHARON each assigned to
9 CIP “all right, title and interest in and to the [Patents]” and agreed “to share any and all revenue
10 generated from [CIP’s] enforcement, assignment, licensing, commercialization, exploitation, use,
11 practice and/or sale of the Patents....”

12 36. According to CIP’s Company Agreement, FD and CATHARON each own a fifty-
13 percent (50%) membership interest in CIP. FD is the Managing Member, however.

14 37. As the Managing Member, FD has the “exclusive and complete authority and
15 discretion to manage the operations and affairs of [CIP] and to make all decisions regarding the
16 business of [CIP].”

17 38. According to CIP’s Company Agreement, FD has the exclusive and complete
18 authority and discretion over the “enforcement, assignment, licensing, commercialization,
19 exploitation, use, practice, and/or sale of the Patents....”

20 39. CIP’s Company Agreement does contain any terms that prohibit or restrict FD from
21 licensing, on behalf of CIP, the Patents to potential competitors of CATHARON.

22 40. CIP’s Company Agreement states that it “constitutes the entire agreement and
23 understanding among [CATHARON and FD] with respect to [CIP] and supersedes all prior
24 agreements and understandings....”

25 41. CIP’s Company Agreement is silent as to whether CATHERON still holds a non-
26 exclusive license or any other rights to the technology covered by the Patents.

1 42. CATHARON's 2013 Offering Memorandum represents as a risk factor the "Possible
2 Loss ... of Intellectual Property Rights."

3 43. The 2013 Offering Materials do not disclose, however, that CATHARON previously
4 assigned away "all right, title and interest in, and to the Patents."

5 44. The 2013 Offering Materials do not disclose to offerees and investors that the loss of
6 CATHARON's intellectual property rights is not just "possible" but actually occurred by virtue of
7 the January 9, 2013 Patent Assignment, and the February 5, 2013 Company Agreement of CIP.

8 45. The 2013 Offering Memorandum represents to offerees and investors that
9 CATHARON "enters into confidentiality or license agreements with its employees, consultants and
10 vendors, and it generally controls access to and distribution of its software, documentation and other
11 proprietary information."

12 46. The 2013 Offering Materials do not disclose, however, that FD, not CATHARON,
13 has the "exclusive and complete authority and discretion" to manage the "enforcement, assignment,
14 licensing, commercialization, exploitation, use, practice, and/or sale of the Patents...." The 2013
15 Offering Materials do not disclose that CATHARON has no legal authority to control access to and
16 distribution of the technology covered by the Patents because that authority resides in CIP and its
17 Managing Member, FD.

18 47. The 2013 Business Plan represents to offerees and investors that the Patents "create a
19 formidable barrier to entry for prospective competitors."

20 48. The 2013 Offering Materials do not disclose, however, that by virtue of the Patent
21 Assignment and CIP's Company Agreement, nothing prohibits or restricts CIP from licensing the
22 Patents to potential competitors of CATHARON.

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2. **CATHARON's Undisclosed Agreement To Share 50% Of Any Profits Derived From The VΔDelta Technology With FD.**

1 49. As alleged above, the 2013 Business Plan projects that CATHARON's licensing of
2 VΔDelta will generate \$2 billion in revenue within 3 years, and states, "Catharon will be returning
3 nearly half its earnings after taxes to its investors as dividends."
4

5 50. CIP's Company Agreement, however, entitles FD to fifty-percent (50%) of the
6 profits from the "licensing, commercialization, exploitation, use, practice, and/or sale of the
7 Patents...."

8 51. The 2013 Offering Materials do not disclose CATHARON's obligation to share profits
9 with FD from the licensing and other uses of the Patents.

10 52. The 2013 Offering Memorandum, Business Plan and February 1, 2013 Wiki article
11 CATHARON do not contain any disclosures about FD and CIP.

12 53. The September 20, 2013 Wiki article states: "Earlier this year Catharon Software
13 Corporation set up Catharon Intellectual Properties LLC (CIP), a Texas LLC, with partners with
14 significant intellectual property experience and a history of successes in the field." The article does
15 not identify those "partners."

16 54. The September 20, 2013 Wiki article does not disclose CATHARON's (i) assignment
17 of the Patents, or (ii) CATHARON'S obligation to share fifty-percent of any profits generated from
18 the Patents with FD.

19 3. **CATHARON's Schedule For Launching VΔDelta Into The Market**

20 55. Since 2003, Respondents have repeatedly represented to offerees and investors that
21 CATHARON would launch its VΔDelta technology within months.

22 56. For instance, CATHARON's Offering Memorandum dated May 14, 2003
23 represented that CATHARON'S technology was "fully functional," and "currently performing up
24 to its expectations...."

25 57. CATHARON's Business Plan dated May 14, 2003 ("2003 Business Plan") similarly
26 represented that CATHARON's technology was "finished, not in R & D." The 2003 Business Plan

1 stated that CATHARON was then seeking a “final round of \$3 million to assist us in bringing our
2 consumer-licensed product to the general market within six months of receipt of funding.”

3 58. CATHARON’s 2003 Business Plan represented investors would receive returns
4 within 3 years of 1,572%.

5 59. In March 2004, Respondents induced two investors in Sedona, Arizona to purchase
6 \$12,500 of CATHARON’s common stock by telling them that CATHARON was close to launching its
7 software.

8 60. In early 2007, MICHAEL A. FEINBERG induced another Sedona resident to
9 purchase \$50,000 of common stock by representing that CATHARON would launch its software in
10 the summer of 2007 and he would quickly make a 400% to 500% return on his principal.

11 61. On June 6, 2008, another Sedona resident purchased \$50,000 of common stock
12 based on Respondents’ representation that CATHARON would launch its software within 12 to 18
13 months.

14 62. On August 16, 2011, BETSY A. FEINBERG wrote to that same Sedona investor
15 referenced in the preceding paragraph and offered to sell another \$100,000 of common stock in
16 CATHARON. She wrote: “We’re so excited! After all these many months of preparation, we are
17 scheduled to launch VΔDelta on December 16th of this year [2011].”

18 63. In each of its four Offering Memoranda dated March 25, 2002; May 14, 2003; May
19 26, 2010; and April 6, 2013, CATHARON stated: “The Company’s ability to realize sufficient
20 cash flow to cover its overhead for the next 12 months is dependent primarily upon the extent to
21 which VΔDelta [or TenCORE Net] is accepted by Internet users as an alternative to established
22 programming languages.”

23 64. Implicit in that statement was the representation that CATHARON would release its
24 technology within 12 months from the date of the Offering Memorandum containing the statement.

25 65. Despite Respondents’ repeated representations since 2003 that CATHARON would
26 launch its VΔDelta technology within months, CATHARON has never done so.

1 66. The 2013 Business Plan represents that CATHARON “is seeking a final round of
2 \$500,000 to assist us in bringing our consumer-licensed product to the general market within eight
3 months of receipt of funding.... Formal release of VADelta and VADeltaFlex is expected by the
4 end of 2013.”

5 67. Given CATHARON’s repeated failures over the previous 10 years to launch its
6 technology, its projection in the 2013 Business Plan that it would launch VADelta by the end of
7 2013 lacks a reasonable factual basis.

8 68. CATHARON’s 2013 Offering Memorandum represents that the VADelta
9 technology is “fully functional,” and “currently performing up to its expectations....” It further
10 represents, “[CATHARON] believes that this technology, given adequate financial resources and
11 successful marketing, will allow it to compete in the market with microcomputer language systems
12 manufacturers, such as Microsoft....”

13 69. In its previous Offering Memoranda dated March 25, 2002, May 14, 2003, and May
14 26, 2010, through which CATHARON raised \$6 million, CATHARON made the identical
15 representations that:

- 16 • its technology was then “fully functional,” and “currently performing up to its
17 expectations....”; and
- 18 • “[CATHARON] believes that this technology, given adequate financial resources
19 and successful marketing, will allow it to compete in the market with
20 microcomputer language systems manufacturers, such as Microsoft....”

21 70. Despite these representations dating back to 2002, CATHARON has never entered,
22 let alone competed in, the market for computer languages.

23 71. Given CATHARON’s repeated historical failures to enter and compete in the
24 market for computer languages, its stated belief that it will be able to compete with manufacturers
25 such as Microsoft lacks a reasonable factual basis.

26

1 4. **CATHARON's Financial Statements**

2 72. Attached as exhibits to CATHARON'S 2010 and 2013 Offering Memoranda are
3 financial statements that CATHARON states it prepared but which have not been audited.
4 CATHARON represents, "[T]he Company believes these statements to be accurate...."

5 73. CATHARON lacks a reasonable factual basis for that representation for at least two
6 reasons.

7 74. First, the exhibits state that CATHARON prepared its financial statements on a cash
8 basis rather than an accrual basis of accounting.

9 75. The financial statements' cash flow and balance sheet schedules, however, account
10 for numerous categories of assets and liabilities on an accrual basis.

11 76. The second reason why CATHARON lacks a reasonable factual basis for asserting
12 that its financial statements are accurate are the inconsistencies between those statements' report of
13 CATHARON'S total assets from 2005 through 2012 and the total assets CATHARON reported to
14 the State of Delaware, under the penalty of perjury, for the same years in its tax filings. The
15 following table illustrates the inconsistencies:

16

17 Year	Total Assets CATHARON 18 Stated in its financial statements attached to 2010 Offering Memorandum	Total Assets 19 CATHARON Stated in its financial statements attached to 2013 Offering Memorandum	Total Assets 20 CATHARON Stated in its Delaware Tax Filings
21 2005	\$2,981,369	\$2,981,369	\$1,353
22 2006	\$3,284,551	\$3,284,551	\$1,357
23 2007	\$3,291,999	\$3,291,999	\$1,380
24 2008	\$3,514,243	\$3,514,243	\$1,380
25 2009	\$3,758,695	\$3,758,695	\$31,688
26 2010		\$4,027,544	\$32,000
		\$4,524,612	\$44,054

2012		\$4,640,251	\$90,205
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77. According to CATHARON's Offering Memoranda dated (i) March 25, 2002; (ii) May 14, 2003; (iii) May 26, 2010; and (iv) April 5, 2013, BETSY A. FEINBERG and MICHAEL A. FEINBERG "have, and after completion of this offering will continue to exercise, effective control of [CATHARON]."

Material Misrepresentations and Omissions In CATHARON's Offering Materials Regarding Use of Funds

78. According to CATHARON's Offering Memoranda dated March 25, 2002, and May 14, 2003, CATHARON would use the investors' monies to pay for "Marketing & Selling," "Internet Infrastructure," "Research & Development," "Administrative System," "Administration & General," "Payment of Loans," and "Cost of Offering."

79. According to CATHARON's Offering Memoranda dated May 26, 2010, and April 5, 2013, CATHARON would use the investors' monies to pay for "Marketing & Selling," "Internet Infrastructure," "Research & Development," "Administrative System," "Legal (Publishing License)," "Administration & General," "Payment of Loans," "Cost of Offering," and "Reserve."

80. CATHARON's Offering Memoranda and its other materials for the 2002, 2003, 2010 and 2013 offerings did not disclose that BETSY A. FEINBERG and MICHAEL A. FEINBERG would use investors' monies deposited into CATHARON's bank account to pay their own personal living expenses and transfer over \$891,000 to themselves, but that is what occurred from at least February 2007 through January 2014.

81. For instance, on June 29, 2007, MICHAEL A. FEINBERG wrote a check for \$750.00 from CATHARON's Bank of America account ending in Xx6162 ("BOA Xx6162") to pay for BETSY A. FEINBERG to take a bird watching trip in Chihuahua, Mexico on September 6-10, 2007.

82. On July 20, 2007, BETSY A. FEINBERG wrote a check for \$756.00 from CATHARON's BOA Xx6162 account to purchase two reserved seats for chamber music performances.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

92. Respondents are offering or selling securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

93. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

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

94. In connection with the offer or sale of securities within or from Arizona, CATHARON is, directly or indirectly: (i) employing a device, scheme, or artifice to defraud; (ii) making untrue statements of material fact or omitting to state material facts that are necessary in order to make the statements made not misleading in light of the circumstances under which they are made; or (iii) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit upon offerees and investors. CATHARON's conduct includes, but is not limited to, the following:

a) Representing in the 2013 Offering Materials that CATHARON holds the Patents when it had previously assigned "all right, title and interest in and to the [Patents]" to FD and CIP;

b) Representing in the 2013 Offering Materials that CATHARON will license the patented VΔDelta technology to generate revenue, when in fact CIP holds all rights to the "licensing, commercialization, exploitation, use, practice, and/or sale of the Patents....";

c) Representing in the 2013 Offering Materials that CATHARON expects to generate \$2 billion in revenue and provide a 668% return to investors within 3 years, when according to CATHARON's own financial statements, it has not made a single sale or generated any revenue since 2004;

1 d) Representing in the 2013 Offering Materials that CATHARON has the
2 ability to “effectively preclude competitors from introducing software products and services that
3 make unlicensed use of [CATHARON’s] proprietary techniques,” when under the terms of CIP’s
4 Company Agreement, at FD’s complete discretion, CIP can license the Patents to potential
5 competitors of CATHARON;

6 e) Representing in the 2013 Offering Materials as a risk factor CATHARON’s
7 “Possible Loss ... of Intellectual Property Rights,” when by virtue of CATHARON’s Patent
8 Assignment and the CIP Company Agreement CATHARON had already lost its intellectual
9 property rights;

10 f) Failing to disclose in the 2013 Offering Materials that CATHARON is
11 obligated to share with FD fifty-percent (50%) of any profits from the “enforcement, assignment,
12 licensing, commercialization, exploitation, use, practice, and/or sale of the Patents....”;

13 g) Representing in each of its Offering Memoranda dated March 25, 2002;
14 May 14, 2003; May 26, 2010; and April 6, 2013, that CATHARON’s technology will allow it to
15 compete with Microsoft without having a reasonable factual basis for that statement;

16 h) Representing in its 2003 Business Plan that CATHARON was then in its
17 “final round” of raising “\$3 million to assist us in bringing our consumer–licensed product to the
18 general market within six months of receipt of funding;”

19 i) Inducing offerees to invest since 2003 by repeatedly representing to them
20 verbally and in writing that CATHARON would launch its technology within months of their
21 investment and they would receive returns within 3 years of between 400% and 1,572%, without
22 having a reasonable factual basis for the launch date or the returns CATHARON would pay
23 investors;

24 j) Representing in the 2013 Business Plan, in nearly identical language to its
25 2003 Business Plan, that CATHARON is in its “final round” of raising “\$500,000 to assist us in
26 bringing our consumer–licensed product to the general market within eight months of receipt of

1 funding” without disclosing that since 2003, CATHARON has repeatedly represented it would
2 launch its technology within months and then failed to do so each time;

3 k) Representing in the 2013 Business Plan that CATHARON expected to
4 launch VADelta by the end of 2013 without having a reasonable factual basis to project such a
5 launch date;

6 l) Representing in the 2010 and 2013 Offering Memoranda CATHARON’s
7 stated belief that its financial statements are accurate without having a reasonable factual basis
8 for that belief as demonstrated by the inconsistencies between those statements’ reports of
9 CATHARON’S total assets from 2005 through 2012 and the total assets CATHARON reported
10 to the State of Delaware for the same years in its tax filings; and

11 m) Omitting to disclose in CATHARON’s Offering Memoranda and its other
12 materials for the 2002, 2003, 2010 and 2013 offerings that BETSY A. FEINBERG and MICHAEL
13 A. FEINBERG would use investors’ monies to pay their own personal living expenses and transfer
14 over \$891,000 to themselves.

15 95. This conduct violates A.R.S. § 44-1991.

16 **VII.**

17 **Control Person Liability Pursuant to A.R.S. § 44-1999**

18 96. From March 25, 2002 through the present, BETSY A. FEINBERG has been a
19 Director and the Chief Executive Officer of CATHARON.

20 97. From March 25, 2002 through the present, MICHAEL A. FEINBERG has been a
21 Director and the President and Treasurer of CATHARON.

22 98. According to CATHARON’s Offering Memoranda dated (i) March 25, 2002; (ii)
23 May 14, 2003; (iii) May 26, 2010; and (iv) April 5, 2013, BETSY A. FEINBERG and MICHAEL
24 A. FEINBERG “have, and after completion of this offering will continue to exercise, effective
25 control of [CATHARON].”
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1 with written findings of fact and conclusions of law. A permanent Order may include ordering
2 restitution, assessing administrative penalties, or other action.

3 If a request for hearing is not timely made, the Division will request that the Commission
4 make permanent this Temporary Order, with written findings of fact and conclusions of law, which
5 may include ordering restitution, assessing administrative penalties, or other relief.

6 Persons with a disability may request a reasonable accommodation such as a sign language
7 interpreter, as well as request this document in an alternative format, by contacting Shaylin A.
8 Bernal, ADA Coordinator, voice phone number 602/542-3931, e-mail sabernal@azcc.gov.
9 Requests should be made as early as possible to allow time to arrange the accommodation.

10 **XI.**

11 **ANSWER REQUIREMENT**

12 Pursuant to A.A.C. R14-4-305, if a Respondent requests a hearing, the requesting
13 Respondent must deliver or mail an Answer to this Temporary Order and Notice to Docket
14 Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within
15 30 calendar days after the date of service of this Temporary Order and Notice. Filing instructions
16 may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet
17 web site at www.azcc.gov/divisions/hearings/docket.asp.

18 Additionally, the answering respondent must serve the Answer upon the Division.
19 Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-
20 delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix,
21 Arizona, 85007, addressed to James D. Burgess.

22 The Answer shall contain an admission or denial of each allegation in this Temporary
23 Order and Notice and the original signature of the answering Respondent or the Respondent's
24 attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial
25 of an allegation. An allegation not denied shall be considered admitted.

1 When the answering Respondent intends in good faith to deny only a part or a qualification
2 of an allegation, the Respondent shall specify that part or qualification of the allegation and shall
3 admit the remainder. A Respondent waives any affirmative defense not raised in the Answer.

4 The officer presiding over the hearing may grant relief from the requirement to file an
5 Answer for good cause shown.

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 2nd day of June,
7 2014.



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9 Mark Dinell
Assistant Director of Securities

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