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JUN 24 2014

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ARIZONA CORPORATION COMMISSION
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Attorneys for Respondents

7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 In the matter of:

9
10 Catharon Software Corporation, a Delaware
11 corporation,

12 Betsy A. Feinberg and Michael A. Feinberg,
13 husband and wife,

14 Respondents.

DOCKET NO. S-20905A-14-0061

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

15
16 Catharon Software Corporation (“Catharon”), Betsy A. Feinberg, and Michael A.
17 Feinberg, answer the Amended Temporary Order to Cease and Desist and Notice of
18 Opportunity for Hearing (“Notice”) of the Securities Division (“Division”) of the Arizona
19 Corporation Commission as follows:

20 No Catharon participant has lost money. Respondents deny the implication that
21 Arizona securities laws applied. Respondents deny that they have engaged in acts,
22 practices, and transactions that constitute violations of the Securities Act of Arizona,
23 A.R.S. § 44-1801 *et seq.* (“Securities Act”). If found to have violated any law,
24 Respondents’ violation was unknowing and an act of omission. At all times, Respondents
25 acted in good faith.

26 Respondents’ answers correlate to the paragraph numbers in the Notice.

27 **Respondents request a hearing.**

28

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I.
JURISDICTION

1. Deny.

II.
RESPONDENTS

2. Admit.

3. Admit.

4. Admit.

5. Admit.

6. Admit.

7. Paragraph 7 contains no allegations against Respondents.

III.
FACTS

8. Deny.

9. Deny.

10. Admit.

11. Are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 11.

12. Are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 12.

13. Are without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 13.

14. Deny the summary and affirmatively state that any such document speaks for itself.

15. Deny the summary and affirmatively state that any such document speaks for itself.

16. Deny.

17. Admit.

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1 **Material Misrepresentations And Omissions In CATHARON's 2013 Offering**
2 **Materials**

3 18. Deny.

4 1. **Ownership Of The Patents and Rights To the VADelta Technology**

5 19. Deny.

6 20. Deny the summary and affirmatively state that any such documents speak
7 for themselves.

8 21. Deny the summary and affirmatively state that any such documents speak
9 for themselves.

10 22. Deny the summary and affirmatively state that any such documents speak
11 for themselves.

12 23. Deny the summary and affirmatively state that any such documents speak
13 for themselves.

14 24. Deny the summary and affirmatively state that any such documents speak
15 for themselves.

16 25. Deny the summary and affirmatively state that any such documents speak
17 for themselves.

18 26. Deny the summary and affirmatively state that any such documents speak
19 for themselves.

20 27. Deny the summary and affirmatively state that any such documents speak
21 for themselves.

22 28. Deny the summary and affirmatively state that any such documents speak
23 for themselves.

24 29. Deny the summary and affirmatively state that any such documents speak
25 for themselves.

26 30. Deny.

27 31. Deny the summary and affirmatively state that any such documents speak
28 for themselves

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- 1 32. Deny the summary and affirmatively state that any such documents speak
2 for themselves.
- 3 33. Deny the summary and affirmatively state that any such document speaks
4 for itself.
- 5 34. Deny.
- 6 35. Deny the summary and affirmatively state that any such documents speak
7 for themselves.
- 8 36. Deny the summary and affirmatively state that any such document speaks
9 for itself.
- 10 37. Deny the summary and affirmatively state that any such document speaks
11 for itself.
- 12 38. Deny the summary and affirmatively state that any such document speaks
13 for itself.
- 14 39. Deny the summary and affirmatively state that any such document speaks
15 for itself.
- 16 40. Deny the summary and affirmatively state that any such document speaks
17 for itself.
- 18 41. Deny the summary and affirmatively state that any such document speaks
19 for itself.
- 20 42. Deny the summary and affirmatively state that any such document speaks
21 for itself.
- 22 43. Deny the summary and affirmatively state that any such document speaks
23 for itself.
- 24 44. Deny the summary and affirmatively state that any such document speaks
25 for itself.
- 26 45. Deny the summary and affirmatively state that any such document speaks
27 for itself.
- 28

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- 1 46. Deny the summary and affirmatively state that any such document speaks
2 for itself.
- 3 47. Deny the summary and affirmatively state that any such document speaks
4 for itself.
- 5 48. Deny the summary and affirmatively state that any such document speaks
6 for itself.
- 7 **2. CATHARON'S Undisclosed Agreement To Share 50% Of Any**
8 **Profits Derived From The VADelta Technology With FD.**
- 9 49. Deny the summary and affirmatively state that any such documents speak
10 for themselves
- 11 50. Deny the summary and affirmatively state that any such document speaks
12 for itself.
- 13 51. Deny the summary and affirmatively state that any such documents speak
14 for themselves.
- 15 52. Deny the summary and affirmatively state that any such documents speak
16 for themselves.
- 17 53. Deny the summary and affirmatively state that any such document speaks
18 for itself.
- 19 54. Deny the summary and affirmatively state that any such document speaks
20 for itself.
- 21 **3. CATHARON'S Schedule For Launching VADelta Into The Market**
- 22 55. Deny.
- 23 56. Deny the summary and affirmatively state that any such document speaks
24 for itself.
- 25 57. Deny the summary and affirmatively state that any such document speaks
26 for itself.
- 27 58. Deny the summary and affirmatively state that any such document speaks
28 for itself.

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- 1 59. Deny.
- 2 60. Deny.
- 3 61. Deny.
- 4 62. Deny the summary and affirmatively state that any such document speaks
5 for itself.
- 6 63. Deny the summary and affirmatively state that any such documents speak
7 for themselves.
- 8 64. Deny.
- 9 65. Deny.
- 10 66. Deny the summary and affirmatively state that any such document speaks
11 for itself.
- 12 67. Deny.
- 13 68. Deny the summary and affirmatively state that any such document speaks
14 for itself.
- 15 69. Deny the summary and affirmatively state that any such documents speak
16 for themselves.
- 17 70. Deny.
- 18 71. Deny.
- 19 **4. CATHARON'S Financial Statements**
- 20 72. Deny the summary and affirmatively state that any such document speaks
21 for itself.
- 22 73. Deny.
- 23 74. Deny the summary and affirmatively state that any such documents speak
24 for themselves.
- 25 75. Deny the summary and affirmatively state that any such documents speak
26 for themselves.
- 27 76. Deny the summary and affirmatively state that any such documents speak
28 for themselves.

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1 77. Deny the summary and affirmatively state that any such documents speak
2 for themselves.

3 **Material Misrepresentations And Omissions In CATHARON'S Offering**
4 **Materials Regarding Use of Funds**

5 78. Deny the summary and affirmatively state that any such documents speak
6 for themselves.

7 79. Deny the summary and affirmatively state that any such documents speak
8 for themselves.

9 80. Deny the summary and affirmatively state that any such documents speak
10 for themselves.

11 81. Deny the summary and affirmatively state that any such documents speak
12 for themselves.

13 82. Deny the summary and affirmatively state that any such documents speak
14 for themselves.

15 83. Deny the summary and affirmatively state that any such documents speak
16 for themselves.

17 84. Deny the summary and affirmatively state that any such documents speak
18 for themselves.

19 85. Deny the summary and affirmatively state that any such documents speak
20 for themselves.

21 86. Deny the summary and affirmatively state that any such documents speak
22 for themselves.

23 87. Deny the summary and affirmatively state that any such documents speak
24 for themselves.

25 88. Deny the summary and affirmatively state that any such documents speak
26 for themselves.

27 **VIOLATION OF A.R.S. § 44-1841**

28 **(Offer and Sale of Unregistered Securities)**

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89. Deny.

90. Deny and deny that anything was required to be registered pursuant to Articles 6 or 7 of the Securities Act and deny the implication that Arizona securities laws applied.

91. Deny.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers of Salesmen)

92. Deny and deny that anyone was required to be registered pursuant to Article 9 of the Securities Act and deny the implication that securities laws applied.

93. Deny.

VI.

VIOLATION OF A.R.S. § 44-1991

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

94. Deny and deny the implication that Arizona securities laws applied.

95. Deny.

VII.

Control Person Liability Pursuant to ARS §§ 44-1999

96. Admit.

97. Admit.

98. Deny the summary and affirmatively state that any such document speaks for itself.

99. Deny and deny the implication that Arizona securities laws applied.

VIII.

TEMPORARY ORDER

Cease and Desist from Violating the Securities Act

