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 11 Counsel for Respondent
 12 Robert J. Kerrigan

Arizona Corporation Commission

DOCKETED

SEP 29 2015

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BEFORE THE ARIZONA CORPORATION COMMISSION

12 In the matter of:
 13 USA BARCELONA REALTY ADVISORS,
 14 LLC, an Arizona limited liability company,
 15 USA BARCELONA HOTEL LAND
 16 COMPANY I, LLC, an Arizona limited
 17 liability company,
 18 RICHARD C. HARKINS, an unmarried man,
 19 ROBERT J. KERRIGAN (CRD no. 268516),
 20 an unmarried man,
 21 GEORGE T. SIMMONS and JANET B.
 22 SIMMONS, husband and wife,
 23 BRUCE ORR, an unmarried man,
 24 Respondents.

Docket No. S-20938A-15-0308

RESPONDENT ROBERT J. KERRIGAN'S ANSWER TO TEMPORARY ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING

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 2015 SEP 29 P 3:39
 AZ CORP COMMISSION
 Phoenix, Arizona

25 Respondent Robert J. Kerrigan ("Mr. Kerrigan") herein answers or otherwise responds to
 26 the allegations of the Securities Division ("Division") of the Arizona Corporation Commission
 27 ("Commission") set forth in the August 26, 2015 Temporary Order to Cease and Desist and Notice
 28

1 of Opportunity for Hearing (“NOH”) that was served by certified mail on Mr. Kerrigan on August
2 31, 2015.

3 Mr. Kerrigan specifically denies that he has engaged in acts and practices that constitute
4 violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act (“Securities Act”), and that the
5 public welfare requires immediate action.
6

7 Further, Mr. Kerrigan specifically denies that he directly or indirectly controlled USA
8 Barcelona Realty Advisors, LLC within the meaning of A.R.S. § 44-1999, so that he is jointly and
9 severally liable under A.R.S. § 44-1999 to the same extent as USA Barcelona Realty Advisors, LLC
10 for its alleged violations of A.R.S. § 44-1991.

11 **I.**

12 **JURISDICTION**

13
14 1. Answering paragraph 1 of the NOH, while Mr. Kerrigan admits that the Commission
15 has jurisdiction over matters pursuant to Article XV of the Arizona Constitution and the Securities
16 Act, said paragraph calls for a legal conclusion and therefore Mr. Kerrigan denies that the
17 Commission has jurisdiction over this matter.

18 **II.**

19 **RESPONDENTS**

20
21 2. Answering paragraph 2 of the NOH, the allegations in said paragraph do not
22 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
23 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
24 the allegations in said paragraph.

25 3. Answering paragraph 3 of the NOH, Mr. Kerrigan admits that from at least October
26 2012 until August 2015, he was an unmarried man, a resident of the state of Arizona, registered by
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1 the Commission with CRD no. 268516, and was an independent contractor with a registered
2 securities dealer with CRD no. 16507. Mr. Kerrigan was also one of the largest investors in
3 Barcelona Advisors having invested over \$200,000 of his own funds in notes issues by Barcelona
4 Advisors.

5
6 4. Answering paragraph 4 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph.

10
11 5. Answering paragraph 5 of the NOH, the allegations in said paragraph do not
12 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
13 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
14 the allegations in said paragraph.

15
16 6. Answering paragraph 6 of the NOH, the allegations in said paragraph do not
17 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
18 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
19 the allegations in said paragraph.

20
21 7. Answering paragraph 7 of the NOH, the allegations in said paragraph do not
22 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
23 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
24 the allegations in said paragraph.

25
26 8. Answering paragraph 8 of the NOH, the allegations in said paragraph do not
27 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph.

3 9. Answering paragraph 9 of the NOH, the allegations in said paragraph do not
4 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
5 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
6 the allegations in said paragraph.
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8 10. Answering paragraph 10 of the NOH, said paragraph contains no allegations of fact
9 to which Mr. Kerrigan need respond.

10 **III.**

11 **FACTS**

12 11. Answering paragraph 11 of the NOH, the allegations in said paragraph do not
13 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
14 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
15 the allegations in said paragraph.
16

17 12. Answering paragraph 12 of the NOH, Mr. Kerrigan admits that from October 2012
18 to at least August 2014, he was an Executive Member of USA Barcelona Realty Advisors, LLC
19 (“Barcelona Advisors”). Mr. Kerrigan is without sufficient knowledge or information to admit or
20 deny the remaining allegations in said paragraph, and therefore Mr. Kerrigan denies the remaining
21 allegations in said paragraph.
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23 13. Answering paragraph 13 of the NOH, the allegations in said paragraph do not
24 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
25 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
26 the allegations in said paragraph.
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1 14. Answering paragraph 14 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph.

5 15. Answering paragraph 15 of the NOH, the allegations in said paragraph do not
6 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
7 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
8 the allegations in said paragraph.

9 16. Answering paragraph 16 of the NOH, the allegations in said paragraph do not
10 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
11 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
12 the allegations in said paragraph.

13 17. Answering paragraph 17 of the NOH, the allegations in said paragraph do not
14 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
15 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
16 the allegations in said paragraph. Further, the October 2012 Offering, including the promissory
17 notes and investment contracts, speaks for itself.

18 18. Answering paragraph 18 of the NOH, Mr. Kerrigan admits that he introduced
19 individuals who participated in the October 2012 Offering, which speaks for itself. Mr. Kerrigan
20 denies that he “offered or sold the October 2012 Offering within or from Arizona,” which calls for a
21 legal conclusion. He received no commission or other compensation for any investment in the
22 offering. Persons other than Mr. Kerrigan dealt with investors, had documents signed, and received
23 investor funds.

1 19. Answering paragraph 19 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.
5

6 20. Answering paragraph 20 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.
10

11 21. Answering paragraph 21 of the NOH, the allegations in said paragraph do not
12 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
13 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
14 the allegations in said paragraph.
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16 22. Answering paragraph 22 of the NOH, the allegations in said paragraph do not
17 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
18 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
19 the allegations in said paragraph.
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21 23. Answering paragraph 23 of the NOH, the allegations in said paragraph do not
22 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
23 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
24 the allegations in said paragraph. Further, the business plan speaks for itself.
25

26 24. Answering paragraph 24 of the NOH, Mr. Kerrigan admits that he introduced
27 individuals who participated in the October 2012 Offering, which speaks for itself. Mr. Kerrigan is
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1 without sufficient knowledge or information to admit or deny the remaining allegations in said
2 paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.

3 25. Answering paragraph 25 of the NOH, Mr. Kerrigan admits that he introduced
4 individuals who participated in the October 2012 Offering, which speaks for itself. Mr. Kerrigan is
5 without sufficient knowledge or information to admit or deny the remaining allegations in said
6 paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.
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8 26. Answering paragraph 26 of the NOH, the allegations in said paragraph do not
9 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
10 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
11 the allegations in said paragraph. Further, the brochures and newsletters speak for themselves.
12

13 27. Answering paragraph 27 of the NOH, the allegations in said paragraph do not
14 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
15 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
16 the allegations in said paragraph. Further, the promissory notes and subscription agreements speak
17 for themselves.

18 28. Answering paragraph 28 of the NOH, the allegations in said paragraph do not
19 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
20 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
21 the allegations in said paragraph. Further, the subscription agreements speak for themselves.
22

23 29. Answering paragraph 29 of the NOH, the allegations in said paragraph do not
24 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
25 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
26 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.
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1 30. Answering paragraph 30 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.
5

6 31. Answering paragraph 31 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.

10 32. Answering paragraph 32 of the NOH, the allegations in said paragraph do not
11 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
12 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
13 the allegations in said paragraph. Further, the October 2012 PPM and judgment speaks for
14 themselves.
15

16 33. Answering paragraph 33 of the NOH, Mr. Kerrigan admits he was an advisor to
17 Barcelona Advisors. Mr. Kerrigan's role was originally contemplated to help manage funds of
18 Barcelona Advisors until such time they were to be deployed for the business purpose of the
19 company. Mr. Kerrigan is without sufficient knowledge or information to admit or deny the
20 remaining allegations in said paragraph, and therefore Mr. Kerrigan denies the remaining
21 allegations in said paragraph. Further, the October 2012 PPM speaks for itself.
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23 34. Answering paragraph 34 of the NOH, the October 2012 PPM and judgments speak
24 for themselves. The judgments were the result of the acts of Mr. Kerrigan's former spouse, not Mr.
25 Kerrigan, and the judgments were fully satisfied in 2011, before any of the subject investments.
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1 35. Answering paragraph 35 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph.

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6 36. Answering paragraph 36 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.

10 37. Answering paragraph 37 of the NOH, Mr. Kerrigan is without sufficient knowledge
11 or information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
12 the allegations in said paragraph. Further, the promissory note speaks for itself.

13
14 38. Answering paragraph 38 of the NOH, the allegations in said paragraph do not
15 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
16 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
17 the allegations in said paragraph. Further, the notes and contracts speak for themselves.

18 39. Answering paragraph 39 of the NOH, the allegations in said paragraph do not
19 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
20 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
21 the allegations in said paragraph. Further, the promissory note speaks for itself.

22
23 40. Answering paragraph 40 of the NOH, the allegations in said paragraph do not
24 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
25 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
26 the allegations in said paragraph.

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1 41. Answering paragraph 41 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph. Further, the promissory note and contracts speak for themselves.
5

6 42. Answering paragraph 42 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph.

10 43. Answering paragraph 43 of the NOH, the allegations in said paragraph do not
11 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
12 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
13 the allegations in said paragraph. Further, the promissory note speaks for itself.
14

15 44. Answering paragraph 44 of the NOH, the allegations in said paragraph do not
16 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
17 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
18 the allegations in said paragraph.

19 45. Answering paragraph 45 of the NOH, the allegations in said paragraph do not
20 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
21 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
22 the allegations in said paragraph. Further, the promissory note speaks for itself.
23

24 46. Answering paragraph 46 of the NOH, the allegations in said paragraph do not
25 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph.

3 47. Answering paragraph 47 of the NOH, the allegations in said paragraph do not
4 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
5 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
6 the allegations in said paragraph.
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8 48. Answering paragraph 48 of the NOH, the allegations in said paragraph do not
9 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
10 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
11 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.
12

13 49. Answering paragraph 49 of the NOH, Mr. Kerrigan denies that since at least
14 December 31, 2013, he offered promissory notes issued by Barcelona Advisors within and from
15 Arizona, which calls for a legal conclusion.

16 50. Answering paragraph 50 of the NOH, the allegations in said paragraph do not
17 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
18 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
19 the allegations in said paragraph.
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21 51. Answering paragraph 51 of the NOH, the allegations in said paragraph do not
22 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
23 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
24 the allegations in said paragraph.

25 52. Answering paragraph 52 of the NOH, the allegations in said paragraph do not
26 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph. Further, the business plan speaks for itself.

3 53. Answering paragraph 53 of the NOH, the December 31, 2013 Letter speaks for itself.

4 54. Answering paragraph 54 of the NOH, the allegations in said paragraph do not
5 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
6 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
7 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

8 55. Answering paragraph 55 of the POM, Mr. Kerrigan admits that he introduced an
9 individual who participated in the January 2014 Offering, which speaks for itself. Mr. Kerrigan is
10 without sufficient knowledge or information to admit or deny the remaining allegations in said
11 paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.

12 56. Answering paragraph 56 of the NOH, the allegations in said paragraph do not
13 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
14 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
15 the allegations in said paragraph. Further, the promissory notes speak for themselves.

16 57. Answering paragraph 57 of the NOH, the allegations in said paragraph do not
17 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
18 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
19 the allegations in said paragraph. Further, the subscription agreements speak for themselves.

20 58. Answering paragraph 58 of the NOH, the allegations in said paragraph do not
21 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
22 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
23 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

1 59. Answering paragraph 59 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.
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6 60. Answering paragraph 60 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

10 61. Answering paragraph 61 of the NOH, the allegations in said paragraph do not
11 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
12 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
13 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.
14

15 62. Answering paragraph 62 of the NOH, the allegations in said paragraph do not
16 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
17 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
18 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

19 63. Answering paragraph 63 of the NOH, the allegations in said paragraph do not
20 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
21 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
22 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.
23

24 64. Answering paragraph 64 of the NOH, the allegations in said paragraph do not
25 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

3 65. Answering paragraph 65 of the NOH, the allegations in said paragraph do not
4 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
5 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
6 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

7 66. Answering paragraph 66 of the NOH, the allegations in said paragraph do not
8 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
9 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
10 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

11 67. Answering paragraph 67 of the NOH, Mr. Kerrigan admits he was an Executive
12 Member of Barcelona Advisors. Mr. Kerrigan is without sufficient knowledge or information to
13 admit or deny the remaining allegations in said paragraph, and therefore Mr. Kerrigan denies the
14 remaining allegations in said paragraph. Further, the January 2014 PPM speaks for itself.

15 68. Answering paragraph 68 of the NOH, the January 2014 PPM and debt judgment
16 speak for themselves. The debt judgment was the result of the acts of Mr. Kerrigan's former spouse
17 during a pending divorce, who withdrew funds on a line of credit, not Mr. Kerrigan, and the debt
18 judgment was fully satisfied in 2011, before any of the subject investments. Mr. Kerrigan denies
19 that disclosure of the debt judgment was required.

20 69. Answering paragraph 69 of the NOH, the allegations in said paragraph do not
21 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
22 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
23 the allegations in said paragraph.

1 70. Answering paragraph 70 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.
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6 71. Answering paragraph 71 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph.

10 72. Answering paragraph 72 of the NOH, the allegations in said paragraph do not
11 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
12 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
13 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.
14

15 73. Answering paragraph 73 of the NOH, the allegations in said paragraph do not
16 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
17 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
18 the allegations in said paragraph.

19 74. Answering paragraph 74 of the NOH, the allegations in said paragraph do not
20 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
21 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
22 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.
23

24 75. Answering paragraph 75 of the NOH, the allegations in said paragraph do not
25 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.

3 76. Answering paragraph 76 of the NOH, the allegations in said paragraph do not
4 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
5 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
6 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.

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8 77. Answering paragraph 77 of the NOH, the allegations in said paragraph do not
9 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
10 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
11 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.

12 78. Answering paragraph 78 of the NOH, the May 2014 PPM speaks for itself.

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14 79. Answering paragraph 79 of the NOH, the May 2014 PPM and debt judgment speak
15 for themselves. The debt judgment was the result of the acts of Mr. Kerrigan's former spouse, not
16 Mr. Kerrigan, who withdrew funds from a line of credit without Mr. Kerrigan's authorization, and
17 the judgment was fully satisfied in 2011, before any of the subject investments. Mr. Kerrigan
18 denies that disclosure of the debt judgment was required.

19 80. Answering paragraph 80 of the NOH, the allegations in said paragraph do not
20 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
21 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
22 the allegations in said paragraph. Further, the promissory notes and investment contracts speak for
23 themselves.

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25 81. Answering paragraph 81 of the NOH, the allegations in said paragraph do not
26 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph.

3 82. Answering paragraph 82 of the NOH, the allegations in said paragraph do not
4 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
5 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
6 the allegations in said paragraph.
7

8 83. Answering paragraph 83 of the NOH, the allegations in said paragraph do not
9 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
10 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
11 the allegations in said paragraph. Further, the June 11, 2014 Offer Letter speaks for itself.
12

13 84. Answering paragraph 84 of the NOH, the allegations in said paragraph do not
14 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
15 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
16 the allegations in said paragraph. Further, the promissory note speaks for itself.

17 85. Answering paragraph 85 of the NOH, the allegations in said paragraph do not
18 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
19 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
20 the allegations in said paragraph. Further, the October 2012 PPM and January 2014 PPM speak for
21 themselves.
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23 86. Answering paragraph 86 of the NOH, the allegations in said paragraph do not
24 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
25 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
26 the allegations in said paragraph. Further, the April 2015 Letter speaks for itself.
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1 87. Answering paragraph 87 of the NOH, the allegations in said paragraph do not
2 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
3 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
4 the allegations in said paragraph. Further, the April 2015 Letter speaks for itself.
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6 88. Answering paragraph 88 of the NOH, the allegations in said paragraph do not
7 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
8 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
9 the allegations in said paragraph. Further, the April 2015 Letter speaks for itself.

10 89. Answering paragraph 89 of the NOH, the allegations in said paragraph do not
11 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
12 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
13 the allegations in said paragraph.
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15 90. Answering paragraph 90 of the NOH, the allegations in said paragraph do not
16 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
17 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
18 the allegations in said paragraph. Further, the May 2015 E-mail speaks for itself.
19

20 91. Answering paragraph 91 of the NOH, the allegations in said paragraph do not
21 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
22 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
23 the allegations in said paragraph.

24 92. Answering paragraph 92 of the NOH, the allegations in said paragraph do not
25 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
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1 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
2 the allegations in said paragraph. Further, the May 2015 E-mail speaks for itself.

3 93. Answering paragraph 93 of the NOH, the allegations in said paragraph do not
4 specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or
5 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies
6 the allegations in said paragraph.
7

8 **IV.**

9 **VIOLATION OF A.R.S. § 44-1991**

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

11 94. Answering paragraph 94 of the NOH, Mr. Kerrigan denies the allegations in said
12 paragraph, which call for a legal conclusion. Mr. Kerrigan specifically denies that in connection
13 with offer or sale of securities within or from Arizona, that he, directly or indirectly, employed a
14 device, scheme, or artifice to defraud, made any untrue statements of material fact or omitted to
15 state material facts that were necessary in order to make the statements made not misleading in light
16 of the circumstances under which they were made or engaged in transactions, practices, or courses
17 of business that operated or would operate as a fraud or deceit upon offerees and investors.
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19 95. Answering paragraph 95 of the NOH, Mr. Kerrigan denies the allegations in said
20 paragraph, which call for a legal conclusion. Mr. Kerrigan specifically denies the alleged
21 omissions, that the alleged disclosures were required and/or that it was his responsibility to make
22 the alleged disclosures. The alleged debt judgment was the result of the acts of Mr. Kerrigan's
23 former spouse, not Mr. Kerrigan, and the debt judgment was fully satisfied in 2011, before any of
24 the subject investments.
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1 108. Mr. Kerrigan alleges that the claims in the NOH are barred by the applicable statute
2 of limitations.

3 109. Mr. Kerrigan alleges that the claims in the NOH are barred by the doctrines of
4 waiver, estoppel, laches, unclean hands, and contributory negligence.

5 110. Mr. Kerrigan alleges that the claims in the NOH are barred by assumption of risk.

6 111. Mr. Kerrigan alleges that the Commission has failed to allege securities fraud with
7 reasonable particularity as required by Rule 9(b) of the Arizona Rules of Civil Procedure.
8

9 112. Mr. Kerrigan alleges that he did not know, nor could he have known through the
10 exercise of reasonable care, of any alleged untrue statements or material omissions as alleged in the
11 NOH.

12 113. Mr. Kerrigan alleges that he did not act with the requisite scienter.

13 114. Mr. Kerrigan alleges that he has not employed a device, scheme or artifice to defraud
14 in connection with the offer, purchase, or sale of any security.
15

16 115. Mr. Kerrigan alleges that he has not made any misrepresentations or omissions,
17 material or otherwise.

18 116. Mr. Kerrigan alleges that he have acted in good faith and did not directly or
19 indirectly induce the conduct at issue.

20 117. Mr. Kerrigan alleges that the alleged investors have suffered no injuries or damages
21 as a result of his acts.
22

23 118. Mr. Kerrigan alleges that he has caused no damages.

24 119. Mr. Kerrigan alleges that the investors relied on other culpable parties in connection
25 with the matters at issue in the NOH.
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1 120. Mr. Kerrigan alleges that restitution is barred because the damages, if any, were
2 caused by the investors' own acts or omissions and/or by the investors' failure to mitigate their
3 damages.

4 121. Mr. Kerrigan alleges that the claims in the NOH are barred, in whole or in part,
5 because the investors' damages, if any, were caused by the acts of others over whom Mr. Kerrigan
6 has no control, and for whose acts Mr. Kerrigan is not legally answerable.

7 122. Mr. Kerrigan alleges that the claims in the NOH are barred, in whole or in part,
8 because the investors' damages, if any, were caused by the intervening and superseding acts of
9 others over whom Mr. Kerrigan has no control, and for whose acts Mr. Kerrigan is not legally
10 answerable.

11 123. Mr. Kerrigan alleges that the claims in the NOH are barred, in whole or in part,
12 because of mutual mistake.

13 124. Mr. Kerrigan alleges that the claims in the NOH are barred, in whole or in part,
14 because of payment, accord, and satisfaction.

15 125. Mr. Kerrigan alleges that the claims in the NOH are precluded, in whole or in part,
16 by offsets.

17 126. Mr. Kerrigan alleges that the claims in the NOH are barred, in whole or in part,
18 because the investors acted in bad faith.

19 127. Further investigation and discovery in this matter may reveal the existence of
20 additional affirmative defenses. Therefore, Mr. Kerrigan reserves as possible defenses all
21 remaining defenses set forth in the Arizona Rules of Civil Procedure.

22 128. Mr. Kerrigan reserves the right to amend this Answer to assert additional affirmative
23 defenses after completion of investigation and discovery.

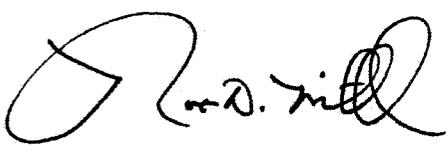
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WHEREFORE, having fully answered the NOH, there is no basis for the imposition of liability of any kind or nature, there should be no order of any kind or nature against Mr. Kerrigan, and that all requested relief should be denied and the action should be dismissed with respect to Mr. Kerrigan in its entirety.

Mr. Kerrigan has previously requested a hearing in this matter and reaffirms that request.

DATED this 29th day of September, 2015.

TIFFANY & BOSCO, P.A.



By _____
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ORIGINAL plus 10 COPIES of the foregoing filed on this 29th day of September, 2015 with:

Docket Control
Arizona Corporation Commission
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1 COPIES of the foregoing mailed
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5 Arizona Corporation Commission
6 1200 West Washington Street
7 Phoenix, Arizona 85007

8 Paul S. Kitchin, Esq.
9 Securities Division
10 Arizona Corporation Commission
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12 Phoenix, Arizona 85007-2996

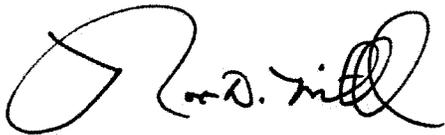
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kerrigan/pldgs/answer to noh