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MCCARTHY LAW PLC

CANDID CONVERSATION. WISE COUNSEL.

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AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of:

Docket No. S-20932A-15-0220

LOANGO CORPORATION, a Utah corporation,

RESPONDENTS AYERS' ANSWER

JUSTIN C. BILLINGSLEY and HEATHER BILLINGSLEY, husband and wife,

ORIGINAL

JEFFREY SCOTT PETERSON, an unmarried man,

Arizona Corporation Commission
DOCKETED

JOHN KEITH AYERS and JENNIFER ANN BRINKMAN-AYERS, husband and wife,

JUL 31 2015

Respondents.

DOCKETED BY

Respondents Ayers, having been served on or about June 30, 2015, with a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Order for Other Affirmative Action, by and through their counsel undersigned, hereby answer as follows:

As a general denial, Respondents Ayers deny that John Keith Ayers directly or indirectly controlled LoanGo Corporation within the meaning of A.R.S. § 44-1999, so that John Keith Ayers is not jointly and severally liable under A.R.S. § 44-1999 to the same extent as LoanGo Corporation for its alleged violations of A.R.S. § 44-1999.

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1. Respondents Ayers admit Paragraph 1 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission.
2. Respondents Ayers admit Paragraph 2 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission.
3. Respondents Ayers are without sufficient information to admit or deny Paragraph 3 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission, and therefore deny Paragraph 3.
4. Respondents Ayers admit Paragraph 4 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission.
5. Respondents Ayers are without sufficient information to admit or deny Paragraph 5 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission, and therefore deny Paragraph 5.
6. Respondents Ayers are without sufficient information to admit or deny Paragraph 6 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission, and therefore deny Paragraph 6.
7. Respondents Ayers admit Paragraph 7 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission.
8. Respondents Ayers admit Paragraph 8 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission.
9. Respondents Ayers admit Paragraph 9 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission.
10. Respondents Ayers are without sufficient information to admit or deny Paragraph 10 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission, and therefore deny Paragraph 10, as it relates to Heather Billingsley. Respondents Ayers admit Paragraph 10 of the June 30, 2015, allegations of the Securities Division of the Arizona Corporation Commission, as it relates to Jennifer Brinkman-Ayers.

1 11. Respondents Ayers admit Paragraph 11 of the June 30, 2015,
2 allegations of the Securities Division of the Arizona Corporation Commission.

3 12. Respondents Ayers admit Paragraph 12 of the June 30, 2015,
4 allegations of the Securities Division of the Arizona Corporation Commission.

5 13. Regarding Paragraph 13 of the June 30, 2015, allegations of the
6 Securities Division of the Arizona Corporation Commission, Respondents Ayers admit
7 that LoanGo was a payday lending company, but upon information and belief, deny
8 that LoanGo's office was in Chandler, Arizona, as they believe instead that LoanGo's
9 office was in Utah.

10 14. Respondents Ayers deny Paragraph 14 of the June 30, 2015,
11 allegations of the Securities Division of the Arizona Corporation Commission, as it
12 pertains to the "at all relevant times" standard specified in the allegations ("i.e. June
13 2011 through April 2012").

14 15. Respondents Ayers admit the first sentence of Paragraph 15, but
15 deny the second sentence of Paragraph 15 of the June 30, 2015, allegations of the
16 Securities Division of the Arizona Corporation Commission, as it pertains to the "at all
17 relevant times" standard specified in the allegations ("i.e. June 2011 through April
18 2012").

19 16. Regarding Paragraph 16 Paragraph 16 of the June 30, 2015,
20 allegations of the Securities Division of the Arizona Corporation Commission,
21 Respondents Ayers admit that John Keith Ayers contributed his knowledge of
22 marketing payday loans, and allowed the use of office space shared by Ayers and
23 Peterson for employees of LoanGo, but deny that Ayers contributed employees to
24 LoanGo.

25 17. Respondents Ayers admit the first sentence of Paragraph 17, but
deny the second sentence of Paragraph 17 of the June 30, 2015, allegations of the
Securities Division of the Arizona Corporation Commission.

1 18. Respondents Ayers admit Paragraph 18 of the June 30, 2015,
2 allegations of the Securities Division of the Arizona Corporation Commission.

3 19. Respondents Ayers admit Paragraph 19 of the June 30, 2015,
4 allegations of the Securities Division of the Arizona Corporation Commission.

5 20. Respondents Ayers deny Paragraph 20 of the June 30, 2015,
6 allegations of the Securities Division of the Arizona Corporation Commission.

7 21. Respondents Ayers are without sufficient information to admit or
8 deny Paragraph 21 of the June 30, 2015, allegations of the Securities Division of the
9 Arizona Corporation Commission, and therefore deny Paragraph 21.

10 22. Respondents Ayers are without sufficient information to admit or
11 deny Paragraph 22 of the June 30, 2015, allegations of the Securities Division of the
12 Arizona Corporation Commission, and therefore deny Paragraph 22.

13 23. Respondents Ayers are without sufficient information to admit or
14 deny Paragraph 23 of the June 30, 2015, allegations of the Securities Division of the
15 Arizona Corporation Commission, and therefore deny Paragraph 23.

16 24. Respondents Ayers are without sufficient information to admit or
17 deny Paragraph 24 of the June 30, 2015, allegations of the Securities Division of the
18 Arizona Corporation Commission, and therefore deny Paragraph 24.

19 25. Respondents Ayers are without sufficient information to admit or
20 deny Paragraph 25 of the June 30, 2015, allegations of the Securities Division of the
21 Arizona Corporation Commission, and therefore deny Paragraph 25.

22 26. Respondents Ayers are without sufficient information to admit or
23 deny Paragraph 26 of the June 30, 2015, allegations of the Securities Division of the
24 Arizona Corporation Commission, and therefore deny Paragraph 26.

25 27. Respondents Ayers are without sufficient information to admit or
deny Paragraph 27 of the June 30, 2015, allegations of the Securities Division of the
Arizona Corporation Commission, and therefore deny Paragraph 27.

1 28. Respondents Ayers are without sufficient information to admit or
2 deny Paragraph 28 of the June 30, 2015, allegations of the Securities Division of the
3 Arizona Corporation Commission, and therefore deny Paragraph 28.

4 29. Respondents Ayers are without sufficient information to admit or
5 deny Paragraph 29 of the June 30, 2015, allegations of the Securities Division of the
6 Arizona Corporation Commission, and therefore deny Paragraph 29.

7 30. Respondents Ayers are without sufficient information to admit or
8 deny Paragraph 30 of the June 30, 2015, allegations of the Securities Division of the
9 Arizona Corporation Commission, and therefore deny Paragraph 30.

10 31. Respondents Ayers are without sufficient information to admit or
11 deny Paragraph 31 of the June 30, 2015, allegations of the Securities Division of the
12 Arizona Corporation Commission, and therefore deny Paragraph 31.

13 32. Respondents Ayers are without sufficient information to admit or
14 deny Paragraph 32 of the June 30, 2015, allegations of the Securities Division of the
15 Arizona Corporation Commission, and therefore deny Paragraph 32.

16 33. Respondents Ayers are without sufficient information to admit or
17 deny Paragraph 33 of the June 30, 2015, allegations of the Securities Division of the
18 Arizona Corporation Commission, and therefore deny Paragraph 33.

19 34. Respondents Ayers are without sufficient information to admit or
20 deny Paragraph 34 of the June 30, 2015, allegations of the Securities Division of the
21 Arizona Corporation Commission, and therefore deny Paragraph 34.

22 35. Respondents Ayers are without sufficient information to admit or
23 deny Paragraph 35 of the June 30, 2015, allegations of the Securities Division of the
24 Arizona Corporation Commission, and therefore deny Paragraph 35.

25 36. Respondents Ayers are without sufficient information to admit or
deny Paragraph 36 of the June 30, 2015, allegations of the Securities Division of the
Arizona Corporation Commission, and therefore deny Paragraph 36.

1 37. Respondents Ayers are without sufficient information to admit or
2 deny Paragraph 37 of the June 30, 2015, allegations of the Securities Division of the
3 Arizona Corporation Commission, and therefore deny Paragraph 37.

4 38. Respondents Ayers are without sufficient information to admit or
5 deny Paragraph 38 of the June 30, 2015, allegations of the Securities Division of the
6 Arizona Corporation Commission, and therefore deny Paragraph 38.

7 39. Respondents Ayers are without sufficient information to admit or
8 deny Paragraph 39 of the June 30, 2015, allegations of the Securities Division of the
9 Arizona Corporation Commission, and therefore deny Paragraph 39.

10 40. Respondents Ayers are without sufficient information to admit or
11 deny Paragraph 40 of the June 30, 2015, allegations of the Securities Division of the
12 Arizona Corporation Commission, and therefore deny Paragraph 40.

13 41. Respondents Ayers are without sufficient information to admit or
14 deny Paragraph 41 of the June 30, 2015, allegations of the Securities Division of the
15 Arizona Corporation Commission, and therefore deny Paragraph 41.

16 42. Respondents Ayers are without sufficient information to admit or
17 deny Paragraph 42 of the June 30, 2015, allegations of the Securities Division of the
18 Arizona Corporation Commission, and therefore deny Paragraph 42.

19 43. Respondents Ayers are without sufficient information to admit or
20 deny Paragraph 43 of the June 30, 2015, allegations of the Securities Division of the
21 Arizona Corporation Commission, and therefore deny Paragraph 43.

22 44. Respondents Ayers are without sufficient information to admit or
23 deny Paragraph 44 of the June 30, 2015, allegations of the Securities Division of the
24 Arizona Corporation Commission, and therefore deny Paragraph 44.

25 45. Respondents Ayers are without sufficient information to admit or
deny Paragraph 45 of the June 30, 2015, allegations of the Securities Division of the
Arizona Corporation Commission, and therefore deny Paragraph 45.

1 46. Respondents Ayers are without sufficient information to admit or
2 deny Paragraph 46 of the June 30, 2015, allegations of the Securities Division of the
3 Arizona Corporation Commission, and therefore deny Paragraph 46.

4 47. Respondents Ayers are without sufficient information to admit or
5 deny Paragraph 47 of the June 30, 2015, allegations of the Securities Division of the
6 Arizona Corporation Commission, and therefore deny Paragraph 47.

7 48. Respondents Ayers are without sufficient information to admit or
8 deny Paragraph 48 of the June 30, 2015, allegations of the Securities Division of the
9 Arizona Corporation Commission, and therefore deny Paragraph 48.

10 49. Respondents Ayers are without sufficient information to admit or
11 deny Paragraph 49 of the June 30, 2015, allegations of the Securities Division of the
12 Arizona Corporation Commission, and therefore deny Paragraph 49.

13 50. Respondents Ayers are without sufficient information to admit or
14 deny Paragraph 50 of the June 30, 2015, allegations of the Securities Division of the
15 Arizona Corporation Commission, and therefore deny Paragraph 50.

16 51. Respondents Ayers are without sufficient information to admit or
17 deny Paragraph 51 of the June 30, 2015, allegations of the Securities Division of the
18 Arizona Corporation Commission, and therefore deny Paragraph 51.

19 52. Respondents Ayers are without sufficient information to admit or
20 deny Paragraph 52 of the June 30, 2015, allegations of the Securities Division of the
21 Arizona Corporation Commission, and therefore deny Paragraph 52.

22 53. Respondents Ayers are without sufficient information to admit or
23 deny Paragraph 53 of the June 30, 2015, allegations of the Securities Division of the
24 Arizona Corporation Commission, and therefore deny Paragraph 53.

25 54. Respondents Ayers are without sufficient information to admit or
deny Paragraph 54 of the June 30, 2015, allegations of the Securities Division of the
Arizona Corporation Commission, and therefore deny Paragraph 54.

1 55. Respondents Ayers are without sufficient information to admit or
2 deny Paragraph 55 of the June 30, 2015, allegations of the Securities Division of the
3 Arizona Corporation Commission, and therefore deny Paragraph 55.

4 56. Respondents Ayers are without sufficient information to admit or
5 deny Paragraph 56 of the June 30, 2015, allegations of the Securities Division of the
6 Arizona Corporation Commission, and therefore deny Paragraph 56.

7 57. Regarding Paragraph 57 of the June 30, 2015, allegations of the
8 Securities Division of the Arizona Corporation Commission, Respondents Ayers deny
9 that John Keith Ayers directly or indirectly controlled LoanGo Corporation within the
10 meaning of A.R.S. § 44-1999, so that John Keith Ayers is not jointly and severally liable
11 under A.R.S. § 44-1999 to the same extent as LoanGo Corporation for its alleged
12 violations of A.R.S. § 44-1999.

13 For their affirmative defense, Respondents Ayers assert that this matter is
14 barred by the discharge and bankruptcy stay of Case Number 14-09181-PS, pursuant to
15 11 U.S.C. § 362.

16 Respondents Ayers request that the Commission dismiss this case against
17 Respondent Ayers, and that the Commission order any other further relief that the
18 Commission deems appropriate.

19 Respectfully submitted this 31st day of July 2015.

20 MCCARTHY LAW, PLC

21 By /s/ Kevin Fallon McCarthy

22 Kevin Fallon McCarthy, Esq.
23 Attorney for Respondents

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Transmitted this 31st day of July 2015:

Arizona Corporation Commission

Filed

Mr. Paul Kitchin
Securities Division
Arizona Corporation Commission
1300 West Washington, 3rd Floor
Phoenix, AZ 85007

Mailed

By: /s/Kevin Fallon McCarthy