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11  
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 13 Robert J. Kerrigan

**BEFORE THE ARIZONA CORPORATION COMMISSION**

14 In the matter of:

15 USA BARCELONA REALTY ADVISORS,  
 16 LLC, an Arizona limited liability company,

17 USA BARCELONA HOTEL LAND  
 18 COMPANY I, LLC, an Arizona limited  
 19 liability company,

20 RICHARD C. HARKINS, an unmarried man,

21 ROBERT J. KERRIGAN (CRD no. 268516),  
 22 an unmarried man,

23 GEORGE T. SIMMONS and JANET B.  
 24 SIMMONS, husband and wife,

25 BRUCE L. ORR and SUSAN S. ORR,  
 26 husband and wife,

Respondents.

Docket No. S-20938A-15-0308

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

Arizona Corporation Commission  
**DOCKETED**

FEB 01 2016

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1 Respondent Robert J. Kerrigan ("Mr. Kerrigan") herein answers or otherwise responds to  
2 the allegations of the Securities Division ("Division") of the Arizona Corporation Commission  
3 ("Commission") set forth in the Amended Temporary Order to Cease and Desist and Notice of  
4 Opportunity for Hearing ("Amended NOH") that was filed and served by certified mail on January  
5 25, 2016.  
6

7 Mr. Kerrigan specifically denies that he has engaged in acts and practices that constitute  
8 violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the  
9 public welfare requires immediate action.

10 Further, Mr. Kerrigan specifically denies that he directly or indirectly controlled USA  
11 Barcelona Realty Advisors, LLC within the meaning of A.R.S. § 44-1999, so that he is jointly and  
12 severally liable under A.R.S. § 44-1999 to the same extent as USA Barcelona Realty Advisors, LLC  
13 for its alleged violations of A.R.S. § 44-1991.  
14

#### 15 I.

#### 16 JURISDICTION

17 1. Answering paragraph 1 of the Amended NOH, while Mr. Kerrigan admits that the  
18 Commission has jurisdiction over matters pursuant to Article XV of the Arizona Constitution and  
19 the Securities Act, said paragraph calls for a legal conclusion and therefore Mr. Kerrigan denies that  
20 the Commission has jurisdiction over this matter.  
21

#### 22 II.

#### 23 RESPONDENTS

24 2. Answering paragraph 2 of the Amended NOH, the allegations in said paragraph do  
25 not 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           3.       Answering paragraph 3 of the Amended NOH, Mr. Kerrigan admits that from at least  
4 October 2012 until August 2015, he was an unmarried man, a resident of the state of Arizona,  
5 registered by the Commission with CRD no. 268516, and was an independent contractor with a  
6 registered securities dealer with CRD no. 16507. Mr. Kerrigan was also one of the largest investors  
7 in Barcelona Advisors having invested over \$200,000 of his own funds in notes issues by Barcelona  
8 Advisors.  
9

10           4.       Answering paragraph 4 of the Amended NOH, the allegations in said paragraph do  
11 not 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.  
14

15           5.       Answering paragraph 5 of the Amended NOH, the allegations in said paragraph do  
16 not 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.  
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20           6.       Answering paragraph 6 of the Amended NOH, Mr. Kerrigan admits he was an  
21 Executive Member of USA Barcelona Realty Advisors, LLC (“Barcelona Advisors”). The  
22 remaining allegations in said paragraph do not specifically pertain to Mr. Kerrigan and Mr.  
23 Kerrigan is without sufficient knowledge or information to admit or deny the remaining allegations  
24 in said paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.  
25

26           7.       Answering paragraph 7 of the Amended NOH, the allegations in said paragraph do  
27 not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or  
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1           13.     Answering paragraph 13 of the Amended NOH, the allegations in said paragraph do  
2 not 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           14.     Answering paragraph 14 of the Amended NOH, the allegations in said paragraph do  
7 not 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           15.     Answering paragraph 15 of the Amended NOH, the allegations in said paragraph do  
11 not 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.

14  
15           16.     Answering paragraph 16 of the Amended NOH, the allegations in said paragraph do  
16 not 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           17.     Answering paragraph 17 of the Amended NOH, the allegations in said paragraph do  
20 not 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 October 2012 Offering, including the promissory  
23 notes and “investment contracts” (which calls for a legal conclusion), speaks for itself.

24  
25           18.     Answering paragraph 18 of the Amended NOH, the allegations in said paragraph do  
26 not 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, Mr. Kerrigan denies said paragraph to the extent it  
3 implies the October 2012 Offering notes and “investment contracts” (which calls for a legal  
4 conclusion) had to be registered with the Commission.

5  
6 19. Answering paragraph 19 of the Amended NOH, Mr. Kerrigan admits that he  
7 introduced individuals who participated in the October 2012 Offering, which speaks for itself. Mr.  
8 Kerrigan denies that he “offered or sold the October 2012 Offering within or from Arizona,” which  
9 calls for a legal conclusion. Mr. Kerrigan received no commission or other compensation for any  
10 investment in the offering. Persons other than Mr. Kerrigan dealt with investors, had documents  
11 signed, and received investor funds.

12  
13 20. Answering paragraph 20 of the Amended NOH, the allegations in said paragraph do  
14 not 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 PPM speaks for itself.

17  
18 21. Answering paragraph 21 of the Amended NOH, the allegations in said paragraph do  
19 not 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 October 2012 PPM speaks for itself.

22  
23 22. Answering paragraph 22 of the Amended NOH, the allegations in said paragraph do  
24 not 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.

1           23.     Answering paragraph 23 of the Amended NOH, the allegations in said paragraph do  
2 not 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           24.     Answering paragraph 24 of the Amended NOH, the allegations in said paragraph do  
6 not 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. Further, the business plan speaks for itself.

9           25.     Answering paragraph 25 of the Amended NOH, Mr. Kerrigan admits that he  
10 introduced individuals who participated in the October 2012 Offering, which speaks for itself. Mr.  
11 Kerrigan is without sufficient knowledge or information to admit or deny the remaining allegations  
12 in said paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.

13           26.     Answering paragraph 26 of the Amended NOH, Mr. Kerrigan admits that he  
14 introduced individuals who participated in the October 2012 Offering, which speaks for itself. Mr.  
15 Kerrigan is without sufficient knowledge or information to admit or deny the remaining allegations  
16 in said paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.  
17 Further, Mr. Kerrigan denies that he was "employed" by the registered securities dealer. Mr.  
18 Kerrigan was an independent contractor with the registered securities dealer.

19           27.     Answering paragraph 27 of the Amended NOH, Mr. Kerrigan denies said paragraph,  
20 including that Mr. Kerrigan sold the October 2012 Offering, which calls for a legal conclusion, and  
21 that the registered securities dealer for whom Mr. Kerrigan worked as an independent contractor  
22 had to approve and record any alleged sale of the October 2012 Offering.

1           28.     Answering paragraph 28 of the Amended NOH, the allegations in said paragraph do  
2 not 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           29.     Answering paragraph 29 of the Amended NOH, the allegations in said paragraph do  
7 not 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 advertisements speak for themselves.

10          30.     Answering paragraph 30 of the Amended NOH, the allegations in said paragraph do  
11 not 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 notes and subscription agreements speak  
14 for themselves.  
15

16          31.     Answering paragraph 31 of the Amended NOH, the allegations in said paragraph do  
17 not 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 and notes speak for  
20 themselves.  
21

22          32.     Answering paragraph 32 of the Amended NOH, the allegations in said paragraph do  
23 not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or  
24 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies  
25 the allegations in said paragraph. Further, the October 2012 PPM speaks for itself.  
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1           33.     Answering paragraph 33 of the Amended NOH, the allegations in said paragraph do  
2 not 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           34.     Answering paragraph 34 of the Amended NOH, the allegations in said paragraph do  
6 not 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. Further, the October 2012 PPM speaks for itself.

9           35.     Answering paragraph 35 of the Amended NOH, the allegations in said paragraph do  
10 not 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. Further, the October 2012 PPM and judgment speaks for  
13 themselves.

14           36.     Answering paragraph 36 of the Amended NOH, Mr. Kerrigan admits he was an  
15 Executive Member of Barcelona Advisors. Mr. Kerrigan's role was originally contemplated to help  
16 manage funds of Barcelona Advisors until such time they were to be deployed for the business  
17 purpose of the company. Mr. Kerrigan is without sufficient knowledge or information to admit or  
18 deny the remaining allegations in said paragraph, and therefore Mr. Kerrigan denies the remaining  
19 allegations in said paragraph. Further, the October 2012 PPM speaks for itself.

20           37.     Answering paragraph 37 of the Amended NOH, the October 2012 PPM and  
21 judgments and unpaid tax balance speak for themselves. The judgments were the result of the acts  
22 of Mr. Kerrigan's former spouse, not Mr. Kerrigan, and the judgments were fully satisfied in 2011,  
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1 before any of the subject investments. Mr. Kerrigan denies that disclosure of the judgments and  
2 unpaid tax balance was required.

3 38. Answering paragraph 38 of the Amended NOH, Mr. Kerrigan is without sufficient  
4 knowledge or information to admit or deny the allegations in said paragraph, and therefore Mr.  
5 Kerrigan denies the allegations in said paragraph.  
6

7 39. Answering paragraph 39 of the Amended NOH, the allegations in said paragraph do  
8 not 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.

11 40. Answering paragraph 40 of the Amended NOH, the allegations in said paragraph do  
12 not 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. Further, the October 2012 PPM speaks for itself.  
15

16 41. Answering paragraph 41 of the Amended NOH, Mr. Kerrigan is without sufficient  
17 knowledge or information to admit or deny the allegations in said paragraph, and therefore Mr.  
18 Kerrigan denies the allegations in said paragraph. Further, the promissory note speaks for itself.  
19

20 42. Answering paragraph 42 of the Amended NOH, the allegations in said paragraph do  
21 not 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 notes and "investment contracts" (which call for a  
24 legal conclusion) speak for themselves.  
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1           43.     Answering paragraph 43 of the Amended NOH, Mr. Kerrigan is without sufficient  
2 knowledge or information to admit or deny the allegations in said paragraph, and therefore Mr.  
3 Kerrigan denies the allegations in said paragraph. Further, the promissory note speaks for itself.

4           44.     Answering paragraph 44 of the Amended NOH, the allegations in said paragraph do  
5 not 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.

8           45.     Answering paragraph 45 of the Amended NOH, Mr. Kerrigan is without sufficient  
9 knowledge or information to admit or deny the allegations in said paragraph, and therefore Mr.  
10 Kerrigan denies the allegations in said paragraph. Further, the promissory note and “investment  
11 contracts” (which call for a legal conclusion) speak for themselves.

12           46.     Answering paragraph 46 of the Amended NOH, the allegations in said paragraph do  
13 not 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           47.     Answering paragraph 47 of the Amended NOH, the allegations in said paragraph do  
17 not 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 promissory note speaks for itself.

20           48.     Answering paragraph 48 of the Amended NOH, the allegations in said paragraph do  
21 not 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           49.     Answering paragraph 49 of the Amended NOH, the allegations in said paragraph do  
2 not 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 speaks for itself.

5           50.     Answering paragraph 50 of the Amended NOH, the allegations in said paragraph do  
6 not 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           51.     Answering paragraph 51 of the Amended NOH, the allegations in said paragraph do  
10 not 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           52.     Answering paragraph 52 of the Amended NOH, the allegations in said paragraph do  
14 not 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 PPM speaks for itself.

17           53.     Answering paragraph 53 of the Amended NOH, Mr. Kerrigan denies that since at  
18 least December 31, 2013, he offered promissory notes issued by Barcelona Advisors within and  
19 from Arizona, which calls for a legal conclusion. The remaining allegations in said paragraph do  
20 not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or  
21 information to admit or deny the remaining allegations in said paragraph (which call for a legal  
22 conclusion), and therefore Mr. Kerrigan denies the remaining allegations in said paragraph.  
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1           54.     Answering paragraph 54 of the Amended NOH, the allegations in said paragraph do  
2 not 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           55.     Answering paragraph 55 of the Amended NOH, the allegations in said paragraph do  
6 not 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           56.     Answering paragraph 56 of the Amended NOH, the allegations in said paragraph do  
10 not 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. Further, the business plan speaks for itself.

13           57.     Answering paragraph 57 of the Amended NOH, the December 31, 2013 Letter  
14 speaks for itself.

15           58.     Answering paragraph 58 of the Amended NOH, the allegations in said paragraph do  
16 not 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           59.     Answering paragraph 59 of the Amended NOH, Mr. Kerrigan admits that he  
20 introduced an individual who participated in the January 2014 Offering, which speaks for itself.  
21 Mr. Kerrigan is without sufficient knowledge or information to admit or deny the remaining  
22 allegations in said paragraph, and therefore Mr. Kerrigan denies the remaining allegations in said  
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1 paragraph. Further, Mr. Kerrigan denies that he was “employed” by the registered securities dealer.

2 Mr. Kerrigan was an independent contractor with the registered securities dealer.

3 60. Answering paragraph 60 of the Amended NOH, Mr. Kerrigan denies the allegations  
4 in said paragraph, including that Mr. Kerrigan sold the January 2014 Offering, which calls for a  
5 legal conclusion, and that the registered securities dealer for whom Mr. Kerrigan worked as an  
6 independent contractor had to approve and record any alleged sale of the January 2014 Offering.  
7

8 61. Answering paragraph 61 of the Amended NOH, the allegations in said paragraph do  
9 not 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 promissory notes speak for themselves.

12 62. Answering paragraph 62 of the Amended NOH, the allegations in said paragraph do  
13 not 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 subscription agreements speak for themselves.  
16

17 63. Answering paragraph 63 of the Amended NOH, the allegations in said paragraph do  
18 not 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 January 2014 PPM speaks for itself.  
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22 64. Answering paragraph 64 of the Amended NOH, the allegations in said paragraph do  
23 not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or  
24 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies  
25 the allegations in said paragraph. Further, the January 2014 PPM speaks for itself.  
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1           65.     Answering paragraph 65 of the Amended NOH, the allegations in said paragraph do  
2 not 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.  
5

6           66.     Answering paragraph 66 of the Amended NOH, the allegations in said paragraph do  
7 not 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          67.     Answering paragraph 67 of the Amended NOH, the allegations in said paragraph do  
11 not 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          68.     Answering paragraph 68 of the Amended NOH, the allegations in said paragraph do  
16 not 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          69.     Answering paragraph 69 of the Amended NOH, the allegations in said paragraph do  
20 not 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          70.     Answering paragraph 70 of the Amended NOH, the allegations in said paragraph do  
25 not 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 71. Answering paragraph 71 of the Amended NOH, the allegations in said paragraph do  
4 not 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

8 72. Answering paragraph 72 of the Amended NOH, Mr. Kerrigan admits he was an  
9 Executive Member of Barcelona Advisors. Mr. Kerrigan is without sufficient knowledge or  
10 information to admit or deny the remaining allegations in said paragraph, and therefore Mr.  
11 Kerrigan denies the remaining allegations in said paragraph. Further, the January 2014 PPM speaks  
12 for itself.  
13

14 73. Answering paragraph 73 of the Amended NOH, the January 2014 PPM, debt  
15 judgment and unpaid tax balance speak for themselves. The debt judgment was the result of the  
16 acts of Mr. Kerrigan's former spouse during a pending divorce, who withdrew funds on a line of  
17 credit, not Mr. Kerrigan, and the debt judgment was fully satisfied in 2011, before any of the subject  
18 investments. Mr. Kerrigan denies that disclosure of the debt judgment and unpaid tax balance was  
19 required.  
20

21 74. Answering paragraph 74 of the Amended NOH, Mr. Kerrigan is without sufficient  
22 knowledge or information to admit or deny the allegations in said paragraph, and therefore Mr.  
23 Kerrigan denies the allegations in said paragraph.

24 75. Answering paragraph 75 of the Amended NOH, the allegations in said paragraph do  
25 not 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           76. Answering paragraph 76 of the Amended NOH, the allegations in said paragraph do  
4 not 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.  
7

8           77. Answering paragraph 77 of the Amended NOH, the allegations in said paragraph do  
9 not 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.

12           78. Answering paragraph 78 of the Amended NOH, the allegations in said paragraph do  
13 not 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 May 2014 PPM speaks for itself.  
16

17           79. Answering paragraph 79 of the Amended NOH, the allegations in said paragraph do  
18 not 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.  
21

22           80. Answering paragraph 80 of the Amended NOH, the allegations in said paragraph do  
23 not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or  
24 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies  
25 the allegations in said paragraph. Further, the May 2014 PPM speaks for itself.  
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1           81.     Answering paragraph 81 of the Amended NOH, the allegations in said paragraph do  
2 not 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.  
5

6           82.     Answering paragraph 82 of the Amended NOH, the allegations in said paragraph do  
7 not 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 May 2014 PPM speaks for itself.

10          83.     Answering paragraph 83 of the Amended NOH, the allegations in said paragraph do  
11 not 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.  
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15          84.     Answering paragraph 84 of the Amended NOH, the May 2014 PPM speaks for itself.

16          85.     Answering paragraph 85 of the Amended NOH, the May 2014 PPM, debt judgment  
17 and unpaid tax balance speak for themselves. The debt judgment was the result of the acts of Mr.  
18 Kerrigan's former spouse, not Mr. Kerrigan, who withdrew funds from a line of credit without Mr.  
19 Kerrigan's authorization, and the judgment was fully satisfied in 2011, before any of the subject  
20 investments. Mr. Kerrigan denies that disclosure of the debt judgment and unpaid tax balance was  
21 required.  
22

23          86.     Answering paragraph 86 of the Amended NOH, the allegations in said paragraph do  
24 not 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  
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1 the allegations in said paragraph. Further, the promissory notes and “investment contracts” (which  
2 call for a legal conclusion) speak for themselves.

3 87. Answering paragraph 87 of the Amended NOH, the allegations in said paragraph do  
4 not 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 88. Answering paragraph 88 of the Amended NOH, the allegations in said paragraph do  
9 not 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.

12 89. Answering paragraph 89 of the Amended NOH, the allegations in said paragraph do  
13 not 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 June 11, 2014 Offer Letter speaks for itself.  
16

17 90. Answering paragraph 90 of the Amended NOH, the allegations in said paragraph do  
18 not 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 promissory note speaks for itself.  
21

22 91. Answering paragraph 91 of the Amended NOH, the allegations in said paragraph do  
23 not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or  
24 information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies  
25 the allegations in said paragraph. Further, the October 2012 PPM and January 2014 PPM speak for  
26 themselves.  
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1           92.     Answering paragraph 92 of the Amended NOH, the allegations in said paragraph do  
2 not 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 and “investment  
5 contracts” calls for a legal conclusion.  
6

7           93.     Answering paragraph 93 of the Amended NOH, the allegations in said paragraph do  
8 not 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 April 2015 Letter speaks for itself an “investment  
11 contracts” calls for a legal conclusion.  
12

13           94.     Answering paragraph 94 of the Amended NOH, the allegations in said paragraph do  
14 not 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 April 2015 Letter speaks for itself.  
17

18           95.     Answering paragraph 95 of the Amended NOH, the allegations in said paragraph do  
19 not 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.  
22

23           96.     Answering paragraph 96 of the Amended NOH, the allegations in said paragraph do  
24 not 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 May 2015 E-mail speaks for itself.  
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1 knowledge or information to admit or deny the remaining allegations in said paragraph, and  
2 therefore Mr. Kerrigan denies the remaining allegations in said paragraph.

3 102. Answering paragraph 2 [sic] of the Amended NOH, the allegations in said paragraph  
4 do not 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, Mr. Kerrigan denies said paragraph to the extent it  
7 implies the securities had to be registered pursuant to Articles 6 or 7 of the Securities Act.  
8

9 103. Answering paragraph 3 [sic] of the Amended NOH, Mr. Kerrigan specifically denies  
10 that he engaged in any conduct that violated A.R.S. § 44-1841, which calls for a legal conclusion.  
11

12 V.

13 **VIOLATION OF A.R.S. § 44-1842**

14 **(Transactions by Unregistered Dealers or Salesmen)**

15 104. Answering paragraph 4 [sic] of the Amended NOH, the allegations in said paragraph  
16 do not 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.

19 105. Answering paragraph 5 [sic] of the Amended NOH, the allegations in said paragraph  
20 do not 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 allegations in said paragraph call for a legal  
23 conclusion.  
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VI.

VIOLATION OF A.R.S. § 44-1991

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

106. Answering paragraph 101 [sic] of the Amended NOH, Mr. Kerrigan denies the allegations in said paragraph, which call for a legal conclusion. Mr. Kerrigan specifically denies that in connection with offer or sale of securities within or from Arizona, that he, directly or indirectly, employed a device, scheme, or artifice to defraud, made any untrue statements of material fact or omitted to state material facts that were necessary in order to make the statements made not misleading in light of the circumstances under which they were made or engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon offerees and investors.

107. Answering paragraph 102 [sic] of the Amended NOH, Mr. Kerrigan denies the allegations in said paragraph, which call for a legal conclusion. Mr. Kerrigan specifically denies the alleged omissions, that the alleged disclosures were required, that it was his responsibility to make the alleged disclosures, and/or that Mr. Kerrigan had knowledge of the alleged omissions and disclosures. The alleged debt judgment was the result of the acts of Mr. Kerrigan's former spouse, not Mr. Kerrigan, and the debt judgment was fully satisfied in 2011, before any of the subject investments. Mr. Kerrigan denies that disclosure of the judgments and unpaid tax balance was required. The remaining allegations in said paragraph do not specifically pertain to Mr. Kerrigan and Mr. Kerrigan is without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Mr. Kerrigan denies the allegations in said paragraph.



1 that his alleged conduct is grounds to revoke his registration as a securities salesman with the  
2 Commission pursuant to A.R.S. § 44-1962, that he violated A.R.S. § 44-1962(A)(2) and that he  
3 violated A.R.S. § 44-1962(A)(10).

4 112. Answering paragraph 2 [sic] of the Amended NOH, Mr. Kerrigan denies the  
5 allegations in said paragraph, which call for a legal conclusion. Mr. Kerrigan specifically denies  
6 that his alleged conduct is grounds to assess restitution, penalties, and/or take appropriate  
7 affirmative action pursuant to A.R.S. § 44-1962.

9 113. Mr. Kerrigan expressly denies each and every allegation of this Amended NOH not  
10 expressly admitted herein. At no time has Mr. Kerrigan violated any securities laws of the State of  
11 Arizona, nor authorized anyone else to do so on his behalf. It has been, and continues to be, Mr.  
12 Kerrigan's intention to fully comply with the laws and regulations of the State of Arizona and Mr.  
13 Kerrigan is committed to working with the Commission and Division to address each and every one  
14 of its concerns about Mr. Kerrigan's activities.

## 16 IX.

### 17 AFFIRMATIVE DEFENSES

18 114. Mr. Kerrigan alleges that the Amended NOH fails to state a claim upon which relief  
19 can be granted, and that this matter should be dismissed in its entirety with prejudice.

20 115. Mr. Kerrigan alleges that no securities are involved in the alleged transactions.

21 116. Mr. Kerrigan alleges that, to the extent securities were involved in the alleged  
22 transactions, the securities are exempt or except from the registration and/or licensing provisions of  
23 the Securities Act.

24 117. Mr. Kerrigan alleges that he did not offer or sell any securities under Arizona law.

25 118. Mr. Kerrigan alleges that all of his actions were taken for a proper purpose.  
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1           119. Mr. Kerrigan alleges that he has not taken any improper actions within or from the  
2 State of Arizona.

3           120. Mr. Kerrigan alleges that the claims in the Amended NOH are barred by the  
4 applicable statute of limitations.

5           121. Mr. Kerrigan alleges that the claims in the Amended NOH are barred by the  
6 doctrines of waiver, estoppel, laches, unclean hands, and contributory negligence.  
7

8           122. Mr. Kerrigan alleges that the claims in the Amended NOH are barred by assumption  
9 of risk.

10          123. Mr. Kerrigan alleges that the Commission has failed to allege securities fraud with  
11 reasonable particularity as required by A.R.S. § 44-2082(A) and Ariz. R. Civ. P. 9(b).

12          124. Mr. Kerrigan alleges that he did not know, nor could he have known through the  
13 exercise of reasonable care, of any alleged untrue statements or material omissions as alleged in the  
14 Amended NOH.  
15

16          125. Mr. Kerrigan alleges that he did not act with the requisite scienter.

17          126. Mr. Kerrigan alleges that he has not employed a device, scheme or artifice to defraud  
18 in connection with the offer, purchase, or sale of any security.

19          127. Mr. Kerrigan alleges that he has not made any misrepresentations or omissions,  
20 material or otherwise.  
21

22          128. Mr. Kerrigan alleges that he have acted in good faith and did not directly or  
23 indirectly induce the conduct at issue.

24          129. Mr. Kerrigan alleges that the alleged investors have suffered no injuries or damages  
25 as a result of his acts.

26          130. Mr. Kerrigan alleges that he has caused no damages.  
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1           131. Mr. Kerrigan alleges that the investors relied on other culpable parties in connection  
2 with the matters at issue in the Amended NOH.

3           132. Mr. Kerrigan alleges that restitution is barred because the damages, if any, were  
4 caused by the investors' own acts or omissions and/or by the investors' failure to mitigate their  
5 damages.  
6

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

10           134. Mr. Kerrigan alleges that the claims in the Amended NOH are barred, in whole or in  
11 part, because the investors' damages, if any, were caused by the intervening and superseding acts of  
12 others over whom Mr. Kerrigan has no control, and for whose acts Mr. Kerrigan is not legally  
13 answerable.  
14

15           135. Mr. Kerrigan alleges that the claims in the Amended NOH are barred, in whole or in  
16 part, because of mutual mistake.

17           136. Mr. Kerrigan alleges that the claims in the Amended NOH are barred, in whole or in  
18 part, because of payment, accord, and satisfaction.

19           137. Mr. Kerrigan alleges that the claims in the Amended NOH are precluded, in whole or  
20 in part, by offsets.  
21

22           138. Mr. Kerrigan alleges that the claims in the Amended NOH are barred, in whole or in  
23 part, because the investors acted in bad faith.

24           139. Further investigation and discovery in this matter may reveal the existence of  
25 additional affirmative defenses. Therefore, Mr. Kerrigan reserves as possible defenses all  
26 remaining defenses set forth in the Arizona Rules of Civil Procedure.  
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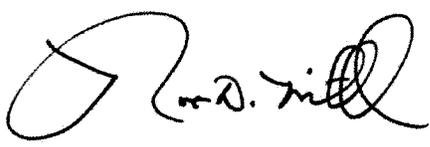
140. Mr. Kerrigan reserves the right to amend this Answer to assert additional affirmative defenses after completion of investigation and discovery.

WHEREFORE, having fully answered the Amended 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 1st day of February, 2016.

TIFFANY & BOSCO, P.A.



By \_\_\_\_\_  
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2 filed on this 1st day of February, 2016 with:

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

7 COPIES of the foregoing mailed  
8 on this 1st day of February, 2016 to:

9 The Honorable Mark Preny  
10 Administrative Law Judge  
11 Hearing Division  
12 Arizona Corporation Commission  
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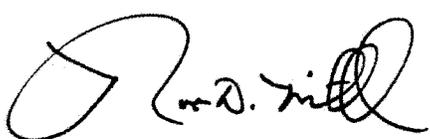
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kerrigan/pldgs/answer to am to & noh

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