

ORIGINAL



0000172126

1 NORMAN C. KEYT (4225)  
7373 E. Doubletree Ranch Rd, Ste 165  
2 Scottsdale, AZ 85258  
Phone: 480.664.8466  
3 nck@keytlaw.com  
Attorney for Timothy and Stacey Wales

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2016 JUL 29 PM 1 23

4 **BEFORE THE ARIZONA CORPORATION COMMISSION**

5 In the Matter of:  
6 Visionary Business Works, Inc., d/b/a Fleetronix,  
7 Robert Brian Brauer and Melissa Brauer,  
8 Timothy John Wales and Stacey Wales,  
9 Respondents.

NO. S-20976A-16-0210

**ANSWER OF TIMOTHY JOHN WALES AND STACEY WALES**

Arizona Corporation Commission

**DOCKETED**

JUL 29 2016

DOCKETED BY

11 Come now Respondents Timothy John Wales and Stacey Wales (hereafter "Wales") and  
12 answer the allegations made by the Arizona Corporation Commission in its "Temporary Order to  
13 Cease and Desist and Notice of Opportunity for Hearing" (hereafter referred to as the "Complaint")  
docteted June 29, 2016.

14 **ANSWER**

- 15 1. The Wales admit the allegations made in paragraphs 1 through 4 of the complaint.
- 16 2. Answering paragraphs 5 and 6 of the Complaint, the Wales admit that Brauer was  
the CFO of Visionary. They are without sufficient information or belief regarding the other  
17 allegations made in the two paragraphs and therefore deny the same.
- 18 3. Answering paragraph 7 of the Complaint, the Wales admit that they were acting for  
the benefit of their marital community.
- 19 4. The Wales admit the allegations in paragraphs 9 and 10.
- 20 5. Answering paragraph 11, the Wales admit that J.C. and J.D.L.C were originally  
21 customers of Visionary. They asked for and received a license to sell the Fleetronix software  
internationally in 2009. Part of the money J.C. and J.D.L.C paid to Visionary was for this license.  
22 The Wales also admit that they became friends and that both J.C. and J.D.L.C. asked the Wales to  
become equity investors in Visionary. The Wales deny the other allegations in Paragraph 11 of the

1 complaint.

2 6. Answering paragraph 12 of the Complaint, the Wales admit that J.C. and J.D.L.C.  
invested in Visionary, but not the amount alleged in the complaint.

3 7. Answering paragraph 13 of the Complaint, the Wales admit that J.W.W. and T.W.  
4 invested in Visionary and that they were friends of Brauer. The Wales are without sufficient  
information and belief to form an opinion on the other allegations in paragraph 13 and therefore  
5 deny the same.

6 8. Answering paragraph 14 of the Complaint, the Wales admit that they participated in  
several phone calls with J.W.W. and T.W. The Wales affirmatively allege that they shared  
7 everything possible about plans for the start-up company Visionary, including the operations,  
8 software development, marketing plans, target markets, potential customers, sales projections and  
high risk nature of an investment in Visionary. Among the information shared with J.W.W. and  
9 T.W. were balance sheets and profit and loss statements prepared by Brauer.

10 9. The Wales admit paragraph 15.

11 10. Answering paragraph 16 of the Complaint, the Wales admit that they were interested  
in finding other investors for Visionary, including family and friends, but deny the remaining  
12 allegations of the paragraph.

13 11. The Wales deny the allegations in paragraph 17 of the Complaint.

14 12. The Wales deny paragraph 18 of the Complaint.

15 13. Answering paragraph 19 of the Complaint, the Wales admit that they were not aware  
of Brauer's fraudulent accounting statements, nor were they aware of Brauer's embezzlement of  
corporate funds. The Wales deny the remaining allegations in the paragraph.

16 14. The Wales deny the allegations in paragraph 20 of the Complaint.

17 15. The Wales deny the allegations in paragraph 21 of the Complaint. The Wales  
affirmatively allege that they regularly met with and reviewed the accounting records of Visionary  
18 with Brauer during the time in which he acted as CFO for Visionary. They were unaware that  
19 Brauer was embezzling money from the company and hiding that fact with completely fraudulent  
accounting records.

20 16. The Wales admit paragraph 22

21 17. The Wales deny paragraphs 23, 24 and 25.

22

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22

**ALLEGED VIOLATION OF ARS § 44-1841**

18. Answering paragraphs 26 and 27 of the Complaint, the Wales admit that they sold securities in the form of corporate stock to J.C, J.D.L.C and T.W. The Wales affirmatively allege that the sales were exempt transactions under Arizona security statutes and that the securities were exempt from registration under Arizona's security statutes.

19. The Wales deny the allegation in paragraph 28 of the Complaint.

**ALLEGED VIOLATION OF ARS § 44-1842**

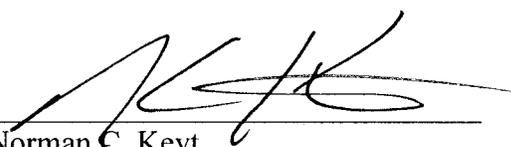
20. Answering paragraph 29 of the Complaint, the Wales affirmatively allege that the stock transactions to J.C, J.D.L.C, J.W.W and T.W., were exempt transactions and pursuant to A.R.S. § 44-1844.A, they were not required to be registered dealers of salesmen of securities.

21. The Wales deny the allegation in paragraph 30 of the Complaint.

**ALLEGED VIOLATION OF ARS § 44-1991**

22. The Wales deny the allegations made in paragraphs 1, 2 and 3 of Section VI of the Complaint.

DATED this 28<sup>th</sup> day of July 2016.

  
Norman C. Keyt  
Attorney for Timothy Wales

Original filed with Arizona Corporation Commission  
July 18<sup>th</sup>, 2016 with copy to:

Matthew J. Neubert  
Director of Securities  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007