

ORIGINAL

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL



0000172551

2016 AUG 11 P 1:16

Robert J. Kerrigan
8062 E. Del Tomasol Drive
Scottsdale, AZ 85258

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

In the matter of:

USA BARCELONA REALTY ADVISORS,
LLC, an Arizona limited liability company.

USA BARCELONA HOTEL LAND
COMPANY I, LLC, an Arizona limited liability
company.

RICHARD C. HARKINS, an unmarried man,

ROBERT J. KERRIGAN (CRD no. 268516)
An unmarried man,

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

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

Respondents.

DOCKET NO. S-20938A-15-0308

**POST-HEARING BRIEF OF
RESPONDENT ROBERT J. KERRIGAN**

Arizona Corporation Commission

DOCKETED

AUG 11 2016

DOCKETED BY

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

August 10, 2016

2

Arizona Corporation Commission
1200 W Washington Street
Phoenix, AZ85007

Securities Division's Amended Post-Hearing Brief
Docket No. S-20938A-15-0308

Gentlemen:

This Post Hearing Brief is in response to your Brief issued July 11, 2016.

B. Control of Barcelona Advisors and Barcelona Land Company

16. Continuation.....I, Robert J. Kerrigan, was approached in 2012 by Richard Harkins to manage \$70,000,000 of capital that was going to be raised by a Mr. Weintraub for the development of USA Barcelona Land Company LLC. When Mr Weintraub was unable to raise any funds, Mr. Harkins approached me asking if I would begin raising funds necessary to get Barcelona in operation. My initial purpose for being there in the first place was to manage funds, not to raise funds. I signed no agreement to do so. This also refers to #180.

D. 12-6-12 Investors

25. Rodney Eaves \$250,000 on 12-6-12 was not an investment. He had substantial knowledge on the offering and attended numerous group meetings.

36. Ms Carolin had not lost any money. She was a principal in her own CPA Firm. This did not cause her to sell her home. She had more than \$100,000 in her Retirement account, her investment experience was limited to having a 401(k) plan. She did not complete the subscription agreement.

44. Nancy Chaimson and I have had a long standing business relationship. She is a senior residential mortgage underwriter/originator. We refer clients to each other, she to me when her clients need a financial advisor. I refer clients to her who need a mortgage for either a purchase or a refinance. We do not receive any compensation of any kind from the referrals.

45. The eight investors invested a total of \$650,000 in the 12-6-12 offering. Eaves initial was \$250,000 and Burleson was not in on 12-6-12.

E. Additional Eaves Notes

46. He made only 1 investment on 12-6-12.

57. From January 2013 forward, Mr. Eaves was relying on information he received as an executive member of Barcelona Advisors. The rights to purchase more units were loans and were not registered by the Corporation.

59. As stated before, Mr Eaves initial offering was \$250,000 not \$500,000.

70. Pam Stewart has been a client of mine for over 20 years. Her first husband who died 10 years ago was a Southwest Airline Pilot. At his death, Pam received over \$3,000,000 in liquid funds. During the past 10 years, Pam and her current husband have relied on the investment advise I have given them. They have also invested in business entites that I did not recommend to them. Pam considered their investment in Barcelona as a means to earn substantial income and return on their investment.

A large amount of the funds that Pam and her husband have invested over the last 10 years has been qualified money. Since Pam was under 59 ½ years of age, these funds were taxable income and also subject to a 10% penalty.

N. Kerrigan

107 – 110 & 223 + 224. I am requesting that these items be removed totally as they have absolutely NO bearing on the subject of this Corporation Commission's Investigation. All were paid in full prior to my involvement in Barcelona. The National Bank of Arizona, in the court hearing dealing with the line of credit my exwife withdrew from one of their Branches, admitted that they were in error in giving funds to her. They ended up taking a substantial loss in the settlement of the lawsuit.

116. This information is totally incorrect. I submitted my letter terminating my security license with FINRA on my own free will as I was retiring. FINRA never sought information from me that I refused to give to them. Please remove items J, 258 and 281 as the above is verifiable.

CONCLUSION

258-282 The initial concept and formation of USA Barcelona Advisers LLC was structured in a way that would have provided strong financial incentives and financial rewards to the individuals that would have become involved in the entity. I have been in the financial arena for over 45 years. When I was first given information about how the entity was going to be structured, how the funds were going to be raised, and the construction and purchase of hotels around the southwest, I strongly believed that this would be a very profitable investment for anyone who got involved. The initial estimate of \$70,000,000 from Mr. Weintraub gave me substantial confidence in the success of the overall project. I am the 2nd largest private investor in this offering with over \$200,000 of my own personal funds. I also did not receive any compensation or commission from any investors funds that were invested in USA Barcelona, not one penny. This company was not controlled by a Board of Directors or by the Advisors. ALL decisions were finalized by Richard Harkins. Gentlemen, I have done nothing wrong, I have abided to the letter of the law. In all of my years in the industry, I have never had a problem. I can not control what people think or how they decide to respond. My record is clean, my personal life with my ex has no bearing in this matter. Please consider removing me from this action. I have lost everything, including my health.

Respectfully submitted, August 10, 2016

Robert J. Kerrigan



1 COPY of the foregoing hand-delivered
2 This 8 day of August, 2016 to:

3 Matthew J. Neubert
4 Director of Securities
5 Arizona Corporation Commission
6 1300 W. Washington Street, 3rd Floor
7 Phoenix, AZ 85007

8 Mark Preny
9 Administrative Law Judge
10 Hearing Division
11 Arizona Corporation Commission
12 1200 W. Washington Street
13 Phoenix, AZ 85007

14 Paul Kitchin
15 Securities Division
16 Arizona Corporation Commission
17 1300 W. Washington, 3rd Floor
18 Phoenix, AZ 85007

19 COPY of the foregoing mailed
20 this 8 day of August, 2016 to:

21 USA Barcelona Realty Advisors, LLC
22 c/o Richard C. Harkins
23 4422 East Lupine Avenue
24 Phoenix, AZ 85028

25 USA Barcelona Hotel Land Company I, LLC
26 c/o Richard C. Harkins
27 4422 East Lupine Avenue
28 Phoenix, AZ 85028

Richard C. Harkins
4422 East Lupine Avenue
Phoenix, AZ 85028

Robert J. Kerrigan
8062 E. Del Tomasol Drive
Scottsdale, AZ 85258

Bruce Orr
3757 Falcon Avenue
Long Beach, CA 90807