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Robert D. Mitchell, 011922
Megan R. Jury, 025520
Sarah K. Deutsch, 026229

TIFFANY & BOSCO P.A.

Camelback Esplanade II, Seventh Floor
2525 East Camelback Road
Phoenix, Arizona 85016-4229
Telephone (602) 255-6000
Fax (602) 255-0103
E-mails: rdm@tblaw.com; mrj@tblaw.com; skd@tblaw.com
Counsel for Respondents Ventures 7000, LLC and Vernon R. Twyman, Jr.

BEFORE THE ARIZONA CORPORATION COMMSSION

In the matter of:

ROBERT J. MOSS and JENNIFER L. MOSS, husband and wife,

THE FORTITUDE FOUNDATION, an Arizona corporation,

VENTURES 7000, LLC, an Oklahoma limited liability company,

JEFFREY D. MCHATTON and STARLA T. MCHATTON, husband and wife,

ROBERT D. SPROAT and JANE DOE SPROAT, husband and wife,

KEVIN KRAUSE and JANE DOE KRAUSE, husband and wife, and

VERNON R. TWYMAN, JR., a single man,

Respondents.

Docket No. S-20953A-16-0061

RESPONDENTS VENTURES 7000, LLC AND VERNON R. TWYMAN, JR.'S ANSWER TO AMENDED TEMPORARY ORDER TO CEASE AND DESIST AND NOTICE OF OPPORTUNITY FOR HEARING

Arizona Corporation Commission
DOCKETED
AUG 19 2016

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Respondents Ventures 7000, LLC and Vernon R. Twyman, Jr. (together, "Respondents") herein answer or otherwise respond to the allegations of the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") set forth in the Amended Temporary Order to Cease and Desist and Notice of Opportunity for Hearing ("Amended NOH") dated July 19, 2016.

Respondents specifically deny that they have engaged in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

I.

JURISDICTION

1. Answering paragraph 1 of the Amended NOH, while Respondents admit that the Commission has jurisdiction over matters pursuant to Article XV of the Arizona Constitution and the Securities Act, said paragraph calls for a legal conclusion and therefore Respondents deny that the Commission has jurisdiction over this matter.

II.

RESPONDENTS

2. Answering paragraph 2 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

3. Answering paragraph 3 of the Amended NOH, Respondents admit that Respondent Robert J. Moss was previously a director of Respondent Ventures 7000, LLC, an Oklahoma limited liability company, but resigned on February 29, 2016.

4. Answering paragraph 4 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

5. Answering paragraph 5 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

6. Answering paragraph 6 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

7. Answering paragraph 7 of the Amended NOH, Respondents admit that Respondent Ventures 7000, LLC is an Oklahoma limited liability company based in Tulsa, Oklahoma that was organized on May 16, 2011. Further, Respondents admit that Respondent Ventures 7000, LLC has not been registered by the Commission as a securities salesman or dealer but Respondents deny that Respondent Ventures 7000, LLC had to be registered by the Commission as a securities salesman or dealer.

8. Answering paragraph 8 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

9. Answering paragraph 9 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

10. Answering paragraph 10 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

11. Answering paragraph 11 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

12. Answering paragraph 12 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

13. Answering paragraph 13 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

14. Answering paragraph 14 of the Amended NOH, Respondents admit that Respondent Vernon R. Twyman, Jr. has been the manager, a director and an executive officer of Respondent

Ventures 7000, LLC since at least July 9, 2013. Further, Respondents deny that Respondent Vernon R. Twyman, Jr. is an unmarried person. Respondents admit that he is a resident of Oklahoma. Finally, Respondents admit that Respondent Vernon R. Twyman, Jr. has not been registered by the Commission as a securities salesman or dealer but Respondents deny that Respondent Vernon R. Twyman, Jr. had to be registered by the Commission as a securities salesman or dealer.

15. Answering paragraph 15 of the Amended NOH, said paragraph contains no allegations of fact to which Respondents need respond. Respondents object to being lumped together with all other named Respondents in this matter, particularly when Respondents were not a party to or involved in the purported dealings and communications giving rise to this matter.

III.

SUMMARY OF RESPONDENTS' OFFERINGS

16. Answering paragraph 16 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

17. Answering paragraph 17 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

18. Answering paragraph 18 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

19. Answering paragraph 19 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

20. Answering paragraph 20 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

21. Answering paragraph 21 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

22. Answering paragraph 22 of the Amended NOH, Respondents deny that Respondent Vernon R. Twyman, Jr. is a principal of Respondent The Fortitude Foundation or any of its joint

venture partners. Further, while Respondents admit the existence of the 1998 federal court order against Respondent Vernon R. Twyman, Jr., said court order speaks for itself and Respondents deny any violation of said court order or that a disclosure of said court order was required, although said court order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other named Respondents disclosed said court order.

23. Answering paragraph 23 of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

IV.

FACTS

24. Answering paragraph 23 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

25. Answering paragraph 24 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in

the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

26. Answering paragraph 25 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

27. Answering paragraph 26 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promotional materials" speak for themselves.

28. Answering paragraph 27 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

29. Answering paragraph 28 [sic] of the Amended NOH, Respondents admit that Respondent Vernon R. Twyman, Jr. is a principal of Wycliffe Trust and a director and executive officer of Respondent Ventures 7000, LLC.

30. Answering paragraph 29 [sic] of the Amended NOH, Respondents admit that Wycliffe Trust is not affiliated with Wycliffe Bible Translators, Inc. Respondents allege that they made no contrary representation.

31. Answering paragraph 30 [sic] of the Amended NOH, while the alleged statements made regarding Wycliffe Trust are accurate, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

32. Answering paragraph 31 [sic] of the Amended NOH, while the alleged statements made regarding Wycliffe Trust are accurate, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, Respondents allege that Respondent Ventures 7000, LLC did not make any representations to potential investors and did not solicit any potential investors.

33. Answering paragraph 32 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, Respondents allege that Respondent Ventures 7000, LLC did not make any representations to potential investors and did not solicit any potential investors.

34. Answering paragraph 33 [sic] of the Amended NOH, Respondents admit the existence of the 1997 SEC enforcement action against Respondent Vernon R. Twyman, Jr. in the

United States District Court for the Northern District of Oklahoma, said action and the filings and allegations therein speak for themselves and Respondents deny the allegations in said action, which were never tried and proven true because the parties stipulated to a settlement. Further, Respondents allege that the same allegations were pled in the same court in a minority shareholder lawsuit, which were tried and proven false and meritless, and a jury verdict and judgment were rendered in Respondent Vernon R. Twyman, Jr.'s favor (Iddings, et al. v. Benefund, Inc., et al., United States District Court for the Northern District of Oklahoma, Case No. 4:94-cv-01056-seh).

35. Answering paragraph 34 [sic] of the Amended NOH, Respondents admit the existence of the 1997 SEC enforcement action and corresponding 1998 court order against Respondent Vernon R. Twyman, Jr., said action and court order speak for themselves and Respondents deny any violation of said court order. Further, Respondents allege that after Respondent Vernon R. Twyman, Jr. was fully vindicated in the parallel minority shareholder lawsuit as discussed in paragraph 34 above, Respondent Vernon R. Twyman, Jr., without admitting to any wrongdoing, did consent to a permanent injunction with the SEC merely to avoid incurring additional legal fees and financial losses, which after four years had totaled millions of dollars.

36. Answering paragraph 35 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "LinkedIn profile webpage" speaks for itself.

37. Answering paragraph 36 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in

the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "LinkedIn profile webpage" speaks for itself.

38. Answering paragraph 37 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

39. Answering paragraph 38 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "2008 California Desist and Refrain Order" speaks for itself.

40. Answering paragraph 39 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

41. Answering paragraph 40 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

42. Answering paragraph 41 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

43. Answering paragraph 42 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Philippine Gold Recovery Projects Financing Proposal Summary" speaks for itself, and while it or a document containing the same or similar language was previously provided to Respondent The Fortitude Foundation, it was not intended for further distribution.

44. Answering paragraph 43 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Philippine Gold Recovery Projects Financing Proposal Summary" speaks for itself, and while it or a document containing the same or similar language was previously provided to Respondent The Fortitude Foundation, it was not intended for further distribution.

45. Answering paragraph 44 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Philippine Gold

Recovery Projects Financing Proposal Summary" speaks for itself, and while it or a document containing the same or similar language was previously provided to Respondent The Fortitude Foundation, it was not intended for further distribution.

46. Answering paragraph 45 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Philippine Gold Recovery Projects Financing Proposal Summary" speaks for itself, and while it or a document containing the same or similar language was previously provided to Respondent The Fortitude Foundation, it was not intended for further distribution.

47. Answering paragraph 46 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Philippine Gold Recovery Projects Financing Proposal Summary" speaks for itself, and while it or a document containing the same or similar language was previously provided to Respondent The Fortitude Foundation, it was not intended for further distribution.

48. Answering paragraph 47 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Philippine Gold Recovery Projects Financing Proposal Summary" speaks for itself, and while it or a document

containing the same or similar language was previously provided to Respondent The Fortitude Foundation, it was not intended for further distribution.

49. Answering paragraph 48 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

50. Answering paragraph 49 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

51. Answering paragraph 50 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "account documents" speak for themselves.

52. Answering paragraph 51 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

53. Answering paragraph 52 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Memorandum of Understanding" speaks for itself.

54. Answering paragraph 53 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, Respondents allege that Respondent Ventures 7000, LLC did not make any representations to any investors.

55. Answering paragraph 54 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

56. Answering paragraph 55 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

57. Answering paragraph 56 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in

the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

58. Answering paragraph 57 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promissory note" speaks for itself.

59. Answering paragraph 58 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promissory note" speaks for itself.

60. Answering paragraph 59 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

61. Answering paragraph 60 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or

information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promissory note" speaks for itself.

62. Answering paragraph 61 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

63. Answering paragraph 62 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promissory note" speaks for itself.

64. Answering paragraph 63 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promissory note" speaks for itself.

65. Answering paragraph 64 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "promissory note" speaks for itself.

66. Answering paragraph 65 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

67. Answering paragraph 66 [sic] of the Amended NOH, Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other named Respondents made certain representations and failed to disclose said order.

68. Answering paragraph 67 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

69. Answering paragraph 68 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or

information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

70. Answering paragraph 69 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

71. Answering paragraph 70 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

72. Answering paragraph 71 [sic] of the Amended NOH, Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other named Respondents made certain representations and failed to disclose said order.

73. Answering paragraph 72 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in

the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

74. Answering paragraph 73 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "investment checks" speak for themselves.

75. Answering paragraph 74 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

76. Answering paragraph 75 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

77. Answering paragraph 76 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or

information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

78. Answering paragraph 77 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph..

79. Answering paragraph 78 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

80. Answering paragraph 79 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

81. Answering paragraph 80 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

82. Answering paragraph 81 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

83. Answering paragraph 82 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

84. Answering paragraph 83 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

85. Answering paragraph 84 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "2006 Order" speaks for itself.

86. Answering paragraph 85 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in

the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

87. Answering paragraph 86 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

88. Answering paragraph 87 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

89. Answering paragraph 88 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

90. Answering paragraph 89 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or

information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

91. Answering paragraph 90 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

92. Answering paragraph 91 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

93. Answering paragraph 92 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "check" speaks for itself.

94. Answering paragraph 93 [sic] of the Amended NOH, Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to

or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other named Respondents made certain omissions, including failing to disclose said order, other orders or an alleged default of promissory notes and/or investment contracts.

95. Answering paragraph 94 [sic] of the Amended NOH, Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to speculate and admit or deny whether an investor would not have invested but for certain omissions by other named Respondents, including the alleged failure to disclose said order.

96. Answering paragraph 95 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

97. Answering paragraph 96 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or

information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "email[]" speaks for itself.

98. Answering paragraph 97 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

99. Answering paragraph 98 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

100. Answering paragraph 99 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "attachment to the April 26, 203 email" speaks for itself.

101. Answering paragraph 100 [sic] of the Amended NOH, the "attachment to the email" speaks for itself. Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and

communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other named Respondents made certain omissions, including failing to disclose said order or any other order.

102. Answering paragraph 101 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

103. Answering paragraph 102 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

104. Answering paragraph 103 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

105. Answering paragraph 104 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or

information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

106. Answering paragraph 105 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

107. Answering paragraph 106 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

108. Answering paragraph 107 [sic] of the Amended NOH, Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other named Respondents made certain omissions, including failing to disclose said order, other orders or an alleged default of promissory notes and/or investment contracts.

109. Answering paragraph 108 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

110. Answering paragraph 109 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

111. Answering paragraph 110 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

112. Answering paragraph 111 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

113. Answering paragraph 112 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in

the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

114. Answering paragraph 113 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

115. Answering paragraph 114 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Profit Participation In Revenue Share Agreement" speaks for itself.

116. Answering paragraph 115 [sic] of the Amended NOH, Respondents admit the existence of the S.E.C. Consent Order against Respondent Vernon R. Twyman, Jr., said order speaks for itself and Respondents deny any violation of said order or that a disclosure of said order was required, although said order was fully disclosed, both verbally and in writing, to the other named Respondents at the very outset of the parties' relationship. Respondents were not a party to or involved in the purported dealings and communications that give rise to this matter, and therefore Respondents are without sufficient knowledge or information to admit or deny whether the other

named Respondents made certain omissions, including failing to disclose said order, other orders or an alleged default of promissory notes and/or investment contracts.

117. Answering paragraph 116 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

118. Answering paragraph 117 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

119. Answering paragraph 118 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

120. Answering paragraph 119 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

121. Answering paragraph 120 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

122. Answering paragraph 121 [sic] of the Amended NOH, this allegation is incomplete, does not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the August 13, 2015 "email" speaks for itself.

123. Answering paragraph 122 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph. Further, the "Ventures 7000 Official News Brief" speaks for itself.

124. Answering paragraph 123 [sic] of the Amended NOH, the "Ventures 7000 Official News Brief" speaks for itself. Further, Respondents allege that said brief was prepared and distributed to existing revenue sharing interest holders only.

125. Answering paragraph 124 [sic] of the Amended NOH, the "Ventures 7000 Official News Brief" speaks for itself. Further, Respondents allege that no subsequent offer to increase investment position was made to existing revenue sharing interest holders in Arizona and no additional funds were received from residents of Arizona.

126. Answering paragraph 125 [sic] of the Amended NOH, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

127. Answering paragraph 126 [sic] of the Amended NOH, Respondents deny that the revenue sharing units being offered constituted securities and had to be registered as securities with the Commission, which are legal conclusions. Respondents allege that to the extent the revenue sharing units constitute securities, they were exempt from registration, and thus did not have to be registered with the Commission.

128. Answering paragraph 127 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

129. Answering paragraph 128 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents, Respondents were not a party to or involved in the purported dealings and communications, and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

130. Answering paragraph 129 [sic] of the Amended NOH, Respondents admit that they are not and have never been registered with the Commission as a dealer or salesman but deny that such registration is or was required.

V.

VIOLATION OF A.R.S § 44-1841

(Offer and Sale of Unregistered Securities)

131. Answering paragraph 130 [sic] of the Amended NOH, Respondents deny that they have been offering or selling securities in the form of promissory notes and/or investment contracts and shares of stock within or from Arizona, which calls for legal conclusions.

132. Answering paragraph 131 [sic] of the Amended NOH, Respondents admit the investments were not registered pursuant to Articles 6 or 7 of the Securities Act, but Respondents deny that the investments constitute securities that had to be registered pursuant to Articles 6 or 7 of the Securities Act, which calls for legal conclusions.

133. Answering paragraph 132 [sic] of the Amended NOH, Respondents deny that they engaged in any conduct that violates A.R.S. § 44-1841, which calls for legal conclusions.

VI.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

134. Answering paragraph 133 [sic] of the Amended NOH, Respondents deny that they have been offering or selling securities in the form of promissory notes and/or investment contracts and shares of stock within or from Arizona, which calls for legal conclusions. Respondents admit that they are not registered as dealers or salesmen pursuant to Article 9 of the Securities Act, but Respondents deny that they qualify as dealers or salesman that had to be registered pursuant to Article 9 of the Securities Act, which calls for legal conclusions.

135. Answering paragraph 134 [sic] of the Amended NOH, Respondents deny that they engaged in any conduct that violates A.R.S. § 44-1842, which calls for legal conclusions.

VII.

VIOLATION OF A.R.S. § 44-1991

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

136. Answering paragraph 135 [sic] of the Amended NOH, Respondents deny the allegations in said paragraph, which calls for legal conclusions. Respondents specifically deny that in connection with offer or sale of securities within or from Arizona, they, 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.

137. Answering paragraph 136 [sic] of the Amended NOH, Respondents deny that they engaged in any conduct that violates A.R.S. § 44-1991, which calls for legal conclusions.

VIII.

CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999

138. Answering paragraph 137 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

139. Answering paragraph 138 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph, which calls for legal conclusions.

140. Answering paragraph 139 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

141. Answering paragraph 140 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph, which calls for legal conclusions.

142. Answering paragraph 141 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph.

143. Answering paragraph 142 [sic] of the Amended NOH, the allegations in said paragraph do not specifically pertain to Respondents and Respondents are without sufficient knowledge or information to admit or deny the allegations in said paragraph, and therefore Respondents deny the allegations in said paragraph, which calls for legal conclusions.

144. Answering paragraph 143 [sic] of the Amended NOH, Respondents admit that Respondent Vernon R. Twyman, Jr. has been the manager, a director and an executive officer of

Respondent Ventures 7000, LLC since at least July 9, 2013 and that Respondent Robert J. Moss was a director of Respondent Ventures 7000, LLC until his resignation on February 29, 2016.

145. Answering paragraph 144 [sic] of the Amended NOH, said paragraph regarding whether Respondents Vernon R. Twyman, Jr. and Robert J. Moss directly or indirectly controlled Respondent Ventures 7000, LLC such that they are subject to control person liability under A.R.S. § 44-1999 calls for a legal conclusion and therefore Respondents deny said paragraph.

146. Respondents expressly deny each and every allegation of this Amended NOH not expressly admitted herein. At no time have Respondents violated any securities laws of the State of Arizona, nor authorized anyone else to do so on their behalf. It has been, and continues to be, Respondents' intention to fully comply with the laws and regulations of the State of Arizona and Respondents are committed to working with the Commission and Division to address each and every one of its concerns about Respondents' activities.

AFFIRMATIVE DEFENSES

147. Respondents allege that the Amended NOH fails to state a claim upon which relief can be granted, and that this matter should be dismissed in its entirety with prejudice.

148. Respondents allege that no securities are involved in the alleged transactions.

149. Respondents allege that, to the extent securities were involved in the alleged transactions, the securities are exempt or except from the registration and/or licensing provisions of the Securities Act.

150. Respondents allege that they did not offer or sell any securities under Arizona law.

151. Respondents allege that all of their actions were taken for a proper purpose.

152. Respondents allege that they have not taken any improper actions within or from the State of Arizona.

153. Respondents allege that the claims in the Amended NOH are barred by the applicable statute of limitations.

154. Respondents allege that the claims in the Amended NOH are barred by the doctrines of waiver, estoppel, laches, unclean hands, and contributory negligence.

155. Respondents allege that the claims in the Amended NOH are barred by assumption of risk.

156. Respondents allege that the Commission has failed to allege securities fraud with reasonable particularity as required by A.R.S. § 44-2082(A) and Ariz. R. Civ. P. 9(b).

157. Respondents allege that they did not know, nor could they have known through the exercise of reasonable care, of any alleged untrue statements or material omissions as alleged in the Amended NOH.

158. Respondents allege that they did not act with the requisite scienter.

159. Respondents allege that they have not employed a device, scheme or artifice to defraud in connection with the offer, purchase, or sale of any security.

160. Respondents allege that they have not made any misrepresentations or omissions, material or otherwise, and any alleged misrepresentation or omission was not material and not made in connection with a transaction involving the offer or sale of a security within or from Arizona.

161. Respondents allege that they have acted in good faith and did not directly or indirectly induce the conduct at issue.

162. Respondents allege that the alleged investors have suffered no injuries or damages as a result of their alleged acts.

163. Respondents allege that they have caused no damages.

164. Respondents allege that the investors relied on other culpable parties in connection with the matters at issue in the Amended NOH.

165. Respondents allege that restitution is barred because the damages, if any, were caused by the investors' own acts or omissions and/or by the investors' failure to mitigate their damages.

166. Respondents allege that the claims in the Amended NOH are barred, in whole or in part, because the investors' damages, if any, were caused by the acts of others over whom Respondents have no control, and for whose acts Respondents are not legally answerable.

167. Respondents allege that the claims in the Amended NOH are barred, in whole or in part, because the investors' damages, if any, were caused by the intervening and superseding acts of others over whom Respondents have no control, and for whose acts Respondents are not legally answerable.

168. Respondents allege a lack of causation.

169. Respondents allege that the claims in the Amended NOH are barred, in whole or in part, because of mutual mistake.

170. Respondents allege that the claims in the Amended NOH are barred, in whole or in part, because of payment, accord, and satisfaction.

171. Respondents allege that the claims in the Amended NOH are precluded, in whole or in part, by offsets.

172. Respondents allege that the claims in the Amended NOH are barred, in whole or in part, because the investors acted in bad faith.

173. Further investigation and discovery in this matter may reveal the existence of additional affirmative defenses. Therefore, Respondents reserve as possible defenses all remaining defenses set forth in the Arizona Rules of Civil Procedure.

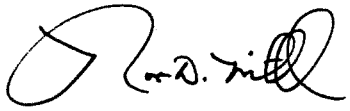
174. Respondents reserve the right to amend this Answer to assert additional affirmative defenses after completion of investigation and discovery.

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 Respondents Ventures 7000, LLC and Vernon R. Twyman, Jr., and that all requested relief should be denied and the action should be dismissed with respect to these Respondents in its entirety.

Respondents have previously requested a hearing in this matter and reaffirm that request.

DATED this 19th day of August, 2016.

TIFFANY & BOSCO, P.A.



By: _____

Robert D. Mitchell
Megan R. Jury
Sarah K. Deutsch
Camelback Esplanade II, Seventh Floor
2525 East Camelback Road
Phoenix, Arizona 85016-4229
Counsel for Respondents Ventures 7000, LLC and Vernon R. Twyman, Jr.

ORIGINAL plus 10 COPIES of the foregoing
filed on this 19th day of August, 2016 with:

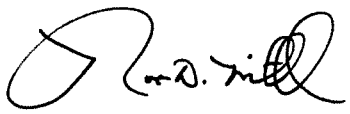
Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPIES of the foregoing mailed
on this 19th day of August, 2016 to:

The Honorable Marc E. Stern
Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

James D. Burgess, Esq.
Securities Division
Arizona Corporation Commission
1300 West Washington Street, Third Floor
Phoenix, Arizona 85007-2996

Robert and Jennifer Moss
125 West Baylor Lane
Gilbert, Arizona 85233

Jeffrey and Starla McHatton
The Fortitude Foundation
P.O. Box 1983
Higley, Arizona 85236

Kevin Krause
Solar Store
2833 North Country Club Road
Tucson, Arizona 85716