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Utah Department of Commerce
Division of Securities

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Attorneys for Respondent Sonocine, Inc.

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF: SONOCINE, INC. Respondent.	**ANSWER TO ORDER TO SHOW CAUSE** Docket No. SD-12-0059

Respondent Sonocine, Inc. ("Sonocine" or "Respondent"), by and through its undersigned counsel of record, hereby responds to the Order to Show Cause filed by the Utah Department of Commerce, Division of Securities ("Division") and alleges as follows:

STATEMENT OF JURISDICTION

1. Respondent admits only that the Division has alleged that Sonocine violated §61-1-1 of the Uniform Securities Act. All other allegations in his paragraph are denied.

STATEMENT OF FACTS

2. Admitted.

General Allegations

3. Respondent admits that as of the date of the Order to Show Cause $9,000 was invested by Utah residents (a husband and wife) through a stock offering Respondent conducted under an exemption under Rule 506 of Regulation D of the Securities Act of 1933 (the "Offering").

4. Denied.

Investors T.M. and K.M. (Husband and Wife)

5. Admitted.

6. Admitted.

7. Admitted.

8. Admitted.

9. Admitted.

10. Respondent admits that the referenced fact was not disclosed to investors, but avers that the referenced information was not material to the Offering because there is no "substantial likelihood that disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available" in connection with the Offering. See *TSC Industries, Inc. v. Northway, Inc.*, 426 U.S. 438, 449 (1976).

11. Admitted.

CAUSES OF ACTION

Securities Fraud Under § 61-1-1 of the Act
(Investor T.M. and K.M.)

12. Respondents incorporate their responses to the preceding paragraphs as if fully set forth herein.

13. Admitted.

14. Denied.

AFFIRMATIVE DEFENSES

Respondent asserts the following affirmative defenses:

1. The Order to Show Cause fails to state facts sufficient to constitute causes of action and/or claims for relief;

2. The claims are barred by the doctrines of waiver, ratification, laches, and estoppel;

3. Respondent acted in good faith;

4. The information concerning Ms. Cangal's personal bankruptcy was not material to the Offering;

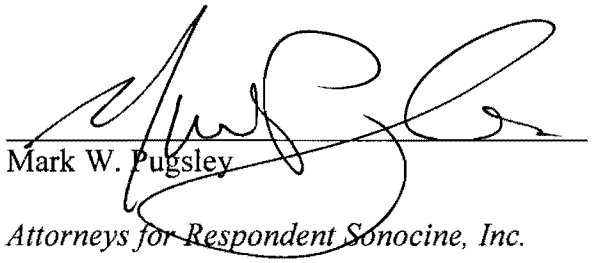
5. Investors TM and KM were accredited, sophisticated investors who met all of the requisites of the Offering and were fully informed of the material facts relating to the Offering;

6. Investors TM and KM did not suffer any losses with respect to the investment described in the Order to Show Cause;

7. Respondent reserves the right to amend this answer and raise additional Affirmative Defenses if, during the course of discovery, information comes to its attention that would, in good faith, allow for the raising of such affirmative defenses.

DATED this 5TH day of November 2012.

RAY QUINNEY & NEBEKER P.C.



Mark W. Pugsley

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CERTIFICATE OF SERVICE

I hereby certify on this 5th day of November 2012, a true and correct copy of the **ANSWER TO ORDER TO SHOW CAUSE** was served by U.S. First Class Mail, postage prepaid, to the following:

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Assistant Attorney General
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UTAH DEPARTMENT OF COMMERCE
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