



### **STATEMENT OF FACTS**

Kahn incorporates by reference his admissions and denials to the OSC below. Furthermore, Kahn states that at no time was he aware of or required to be licensed as an investment adviser representative in the role under which he operated at RJR Investments, LLC (“RJR”). Mr. Kahn’s responsibilities and actions on RJR’s behalf did not require him to obtain license from the Utah Department of Commerce, Division of Securities (the “Division”).

### **STATEMENT OF RELIEF**

Kahn seeks dismissal of this action with prejudice based on the fact that he was not acting as an unlicensed investment adviser representative under Utah Code Section 61-1-3 and that he did not violate Utah Code Section 61-1-2.

### **FIRST DEFENSE**

The OSC fails to state a claim against Kahn upon which relief may be granted.

### **SECOND DEFENSE**

Responding to the specific paragraphs of the Notice, Kahn admits, denies, and otherwise alleges as follows:

1. Kahn admits the allegations of Paragraph 1 of the OSC.
2. Kahn admits the allegations of Paragraph 2 of the OSC.
3. Kahn admits the allegations of Paragraph 3 of the OSC.
4. Kahn lacks sufficient knowledge and information as to the truth of the allegations set forth in Paragraph 4 of the OSC, and therefore denies the same.

5. Kahn lacks sufficient knowledge and information as to the truth of the allegations set forth in Paragraph 5 of the OSC, and therefore denies the same.

6. Kahn lacks sufficient knowledge and information as to the truth of the allegations set forth in Paragraph 6 of the OSC, and therefore denies the same.

7. Kahn admits the allegations of Paragraph 7 of the OSC.

8. Kahn admits the allegations of Paragraph 8 of the OSC.

9. Kahn admits the allegations of Paragraph 9 of the OSC.

10. Kahn denies the allegations of Paragraph 10 of the OSC.

11. Kahn lacks sufficient knowledge and information as to the truth of the allegations set forth in Paragraph 11 of the OSC, and therefore denies the same.

12. Kahn admits the allegations of Paragraph 12 of the OSC.

13. Kahn admits the allegations of Paragraph 13 of the OSC.

14. Kahn lacks sufficient knowledge and information as to the truth of the first clause set forth in paragraph 14 of the OSC, and therefore denies the same; Kahn admits the allegation that at some point, "Budge informed Kahn that Kahn needed to be licensed."

15. Kahn lacks sufficient knowledge and information as to the truth of the allegations set forth in Paragraph 15 of the OSC, and therefore denies the same.

16. The referenced documents speak for themselves. Kahn denies the remaining allegations of Paragraph 16 of the OSC.

17. Kahn admits the allegations of Paragraph 17 of the OSC.

18. The referenced documents speak for themselves. Kahn denies the remaining allegations of Paragraph 18 of the OSC.

19. Kahn lacks sufficient knowledge and information as to the truth of the allegations set forth in Paragraph 19(a) of the OSC, and therefore denies the same. Kahn responds to the subparts of this paragraph as follows:

- a. The referenced form speaks for itself. Kahn denies the remaining allegations set forth in Paragraph 19(a).
- b. Kahn denies the allegations of Paragraph 19(b) of the OSC.
- c. Kahn denies the allegations of Paragraph 19(c) of the OSC.

20. Kahn admits that Budge attempted to remove Kahn as an officer of RJR and as an active member of the LLC. Kahn denies the remaining allegations set forth in Paragraph 20.

21. Kahn admits the allegations of Paragraph 21 of the OSC.

22. Kahn denies the allegations of Paragraph 22 of the OSC.

23. Kahn denies the allegations of Paragraph 23 of the OSC.

24. Kahn denies the allegations of Paragraph 24 of the OSC.

25. Paragraph 25 is a legal conclusion and therefore does not require a response; to the extent a response is required, Kahn denies the allegations of Paragraph 25 of the OSC.

26. Paragraph 26 is a legal conclusion and therefore does not require a response; to the extent a response is required, Kahn denies the allegations of Paragraph 25 of the OSC.

27. Paragraph 27 is a legal conclusion and therefore does not require a response; to the extent a response is required, Kahn denies the allegations of Paragraph 25 of the OSC.

**THIRD DEFENSE**

Kahn denies all of the allegations in the Complaint that are not specifically admitted. WHEREFORE, Respondent Kahn prays that the OSC be dismissed with prejudice.

DATED this 6th day of March, 2013.

BENNETT TUELLER JOHNSON & DEERE



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Jeremy C. Reutzel  
Eric Boyd Vogeler  
*Attorneys for Jeffrey Kahn*

**CERTIFICATE OF SERVICE**

I hereby certify that on this 6th day of March, 2013, I caused to be hand-delivered, a signed original and a true and correct copy, respectively of the foregoing **RESPONSE TO NOTICE OF AGENCY ACTION AND ORDER TO SHOW CAUSE** upon the following:

**Original:**

Administrative Court Clerk  
c/o Julie Price  
Utah Division of Securities  
160 E. 300 S., 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760

**Copy:**

D. Scott Davis  
Assistant Attorney General  
Utah Division of Securities  
160 East 300 South, 5<sup>th</sup> Floor  
Salt Lake City, UT 84114-0872

  
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