

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 16-CV-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS,
WILLIAM STENGER,
JAY PEAK, INC.,
Q RESORTS, INC.,
JAY PEAK HOTEL SUITES L.P.,
JAY PEAK HOTEL SUITES PHASE II L.P.,
JAY PEAK MANAGEMENT, INC.,
JAY PEAK PENTHOUSE SUITES L.P.,
JAY PEAK GP SERVICES, INC.,
JAY PEAK GOLF AND MOUNTAIN SUITES L.P.,
JAY PEAK GP SERVICES GOLF, INC.,
JAY PEAK LODGE AND TOWNHOUSES L.P.,
JAY PEAK GP SERVICES LODGE, INC.,
JAY PEAK HOTEL SUITES STATESIDE L.P.,
JAY PEAK GP SERVICES STATESIDE, INC.,
JAY PEAK BIOMEDICAL RESEARCH PARK L.P.,
AnC BIO VERMONT GP SERVICES, LLC,

Defendants, and

JAY CONSTRUCTION MANAGEMENT, INC.,
GSI OF DADE COUNTY, INC.,
NORTH EAST CONTRACT SERVICES, INC.,
Q BURKE MOUNTAIN RESORT, LLC,

Relief Defendants.

ANSWER TO AMENDED COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Defendant Ariel Quiros (“Quiros”), by his attorneys, hereby answers the Amended Complaint of the Securities and Exchange Commission (“SEC”) as follows:

I. INTRODUCTION¹

1. Answering Paragraph 1, Quiros denies the allegations therein.
2. Answering Paragraph 2, Quiros denies the allegations therein.
3. Answering Paragraph 3, Quiros denies the allegations therein.
4. Answering Paragraph 4, Quiros denies the allegations therein.
5. Answering Paragraph 5, Quiros denies the allegations therein.
6. Answering Paragraph 6, Quiros denies the allegations therein.
7. Answering Paragraph 7, Quiros denies the allegations therein.
8. Answering Paragraph 8, Quiros denies the allegations therein.
9. Answering Paragraph 9, Quiros denies the allegations therein.
10. Answering Paragraph 10, Quiros denies the allegations therein.

II. DEFENDANTS AND RELIEF DEFENDANTS

A. Defendants

11. Answering Paragraph 11, Quiros admits the allegations therein, except denies that “Defendants raised money” and denies the allegations of the last sentence of Paragraph 11.

12. Answering Paragraph 12, Quiros denies the allegations therein, except admits that Q Resorts is a Delaware corporation with offices in Miami, Florida and the 100% owner of Jay Peak and admits that Quiros is the sole owner, officer and director of Q Resorts.

13. Answering Paragraph 13, Quiros denies the allegations therein, except admits that he resides in Key Biscayne, Florida and that he is the sole owner, officer and director of Q Resorts.

¹ For ease of reference, Quiros has reproduced the headings of the Amended Complaint. To the extent the headings contain allegations, Quiros denies them.

14. Answering Paragraph 14, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

15. Answering Paragraph 15, Quiros admits that Jay Peak Hotel Suites L.P. is a Vermont limited partnership with its principal place of business in Jay, Vermont, admits that Suites Phase I raised money to build a hotel, and admits that the hotel is completed and operating. Quiros lacks sufficient knowledge or information as to the truth of the allegation that between December 2006 and May 2008, Suites Phase I raised \$17.5 million from 35 investors through an EB-5 offering of limited partnership interests. Quiros denies any remaining allegations in this paragraph.

16. Answering Paragraph 16, Quiros admits that Jay Peak Hotel Suites Phase II L.P. is a Vermont limited partnership with its principal place of business in Jay, Vermont, admits that Hotel Phase II raised money to build a hotel, an indoor water park, an ice rink, and a golf club house, and admits that construction on all these projects is complete and they are operating. Quiros lacks sufficient knowledge or information as to the truth of the allegation that between March 2008 and January 2011, Hotel Phase II raised \$75 million from 150 investors through an EB-5 offering of limited partnership interests. Quiros denies any remaining allegations in this paragraph.

17. Answering Paragraph 17, Quiros admits that Jay Peak Management, Inc. is a Vermont corporation which is the general partner of Suites Phase I and Hotel Phase II, and admits that Stenger was the company's president. Quiros denies any remaining allegations in this paragraph.

18. Answering Paragraph 18, Quiros admits that Jay Peak Penthouse Suites L.P. is a Vermont limited partnership with its principal place of business in Jay, Vermont, admits that Penthouse Phase III raised money to build a 55-unit "penthouse suites" hotel and an activities center, including a bar and restaurant, and admits that construction is complete and the facilities are

operating. Quiros lacks sufficient knowledge or information as to the truth of the allegation that between July 2010 and October 2012, Penthouse Phase III raised \$32.5 million from 65 investors through an EB-5 offering of limited partnership interests. Quiros denies any remaining allegations in this paragraph.

19. Answering Paragraph 19, Quiros admits that Jay Peak GP Services, Inc. is a Vermont corporation and the general partner of Penthouse Phase III. Quiros lacks sufficient knowledge or information as to the truth of the remaining allegations of Paragraph 19, and on that basis denies them.

20. Answering Paragraph 20, Quiros admits that Jay Peak Golf and Mountain Suites L.P. is a Vermont limited partnership with its principal place of business in Jay, Vermont, admits that Golf and Mountain Phase IV raised money to build “golf cottage” duplexes, a wedding chapel, and other facilities, and admits that construction is complete, and the facilities are operating. Quiros lacks sufficient knowledge or information as to the truth of the allegation that between December 2010 and November 2011, Golf and Mountain Phase IV raised \$45 million from 90 investors through an EB-5 offering of limited partnership interests. Quiros denies any remaining allegations in this paragraph.

21. Answering Paragraph 21, Quiros admits that Jay Peak GP Services Golf, Inc. is a Vermont corporation and the general partner of Golf and Mountain Phase IV. Quiros lacks sufficient knowledge or information as to the remaining allegations in Paragraph 21, and on that basis denies them.

22. Answering Paragraph 22, Quiros admits that Jay Peak Lodge and Townhouses L.P. is a Vermont limited partnership with its principal place of business in Jay Vermont, admits that Lodge and Townhouses Phase V raised money to build vacation rental townhouses, vacation rental

cottages, a café, and a parking garage, and admits that construction is complete and the facilities are operating. Quiros lacks sufficient knowledge or information as to the truth of the allegation that between May 2011 and November 2012, Lodge and Townhouses Phase V raised \$45 million from 90 investors through an EB-5 offering of limited partnership interests. Quiros denies any remaining allegations in this paragraph.

23. Answering Paragraph 23, Quiros admits that Jay Peak GP Services Lodge, Inc. is a Vermont corporation and the general partner of Lodge and Townhouses Phase V. Quiros lacks sufficient knowledge or information as to the remaining allegations in Paragraph 23, and on that basis denies them.

24. Answering Paragraph 24, Quiros admits that Jay Peak Hotel Suites Stateside L.P. is a Vermont limited partnership with its principal place of business in Jay, Vermont, and admits that Stateside Phase VI raised money to build a hotel, 84 vacation rental cottages, a guest recreation center, and a medical center. Quiros lacks sufficient knowledge or information as to the truth of the remaining allegations in this paragraph, and on that basis denies them.

25. Answering Paragraph 25, Quiros admits that Jay Peak GP Services Stateside, Inc. is a Vermont corporation and the general partner of Stateside. Quiros lacks knowledge as to the remaining allegations of Paragraph 25, and on that basis denies them.

26. Answering Paragraph 26, Quiros admits that Jay Peak Biomedical Research Park L.P. is a Vermont limited partnership with its principal place of business in Newport, Vermont, and admits that “Biomedical Phase VII” raised money to construct a biomedical research facility. Quiros lacks sufficient knowledge or information as to the truth of the allegation that since November 2012, Biomedical Phase VII has raised approximately \$83 million from 166 investors

through an EB-5 offering of limited partnership interests. Quiros denies the remaining allegations of Paragraph 26.

27. Answering Paragraph 27, Quiros admits that AnC Bio Vermont GP Services, LLC is a Vermont limited liability company and the general partner of Biomedical Phase VII, and admits that Quiros and William Stenger are its only members. Quiros denies any remaining allegations in this paragraph.

B. Relief Defendants

28. Answering Paragraph 28, Quiros denies the allegations therein, except lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning the state of incorporation of JCM, whether it is listed as terminated, and the identities of the officers and directors of JCM.

29. Answering Paragraph 29, Quiros denies the allegations therein, except admits that GSI is a Florida corporation and that Quiros is the owner and sole officer and director of GSI.

30. Answering Paragraph 30, Quiros denies the allegations therein, except admits that William Kelly served as Jay Peak's COO and lacks knowledge or information sufficient to form a belief about the truth of the allegations of the first sentence of Paragraph 30.

31. Answering Paragraph 31, Quiros denies the allegations therein, except admits that Q Burke Mountain Resort, LLC ("Q Burke") is a Florida limited liability company headquartered in Miami, admits and avers that Quiros is the majority owner of Q Burke, and admits that Q Burke is also the owner of the Burke Mountain Resort located in East Burke, Vermont.

III. JURISDICTION AND VENUE

32. Answering Paragraph 32, Quiros admits that the SEC alleges that the Court has jurisdiction over this action pursuant to the Securities Act and the Exchange Act and otherwise denies the allegations therein.

33. Answering Paragraph 33, Quiros denies the allegations therein, except admits that Q Resorts owns Jay Peak.

34. Answering Paragraph 34, Quiros denies the allegations therein, except admits that he had communications with Raymond James.

35. Answering Paragraph 35, Quiros denies the allegations therein, except lacks knowledge or information sufficient to form a belief about the truth of the allegations of the last sentence and admits that William Kelly maintains a residence in Florida.

36. Answering Paragraph 36, Quiros denies the allegations therein.

IV. THE EB-5 PROGRAM

37. Answering Paragraph 37, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

38. Answering Paragraph 38, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

39. Answering Paragraph 39, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

40. Answering Paragraph 40, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

V. THE JAY PEAK EB-5 OFFERINGS

41. Answering Paragraph 41, Quiros denies the allegations therein, except admits that Biomedical Phase VII involves construction of a biomedical research facility and the other limited partnerships focused on ski resort and related facilities, such as hotels, lodges, condominiums, recreation and meeting facilities, and restaurants and cafes.

42. Answering Paragraph 42, Quiros denies the allegations therein.

43. Answering Paragraph 43, Quiros denies the allegations therein, except lacks sufficient knowledge or information to form a belief as to the truth of the allegations concerning the meetings and conversations engaged in by Stenger.

44. Answering Paragraph 44, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

45. Answering Paragraph 45, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

46. Answering Paragraph 46, Quiros refers to the alleged use of proceeds pages for their contents and otherwise states that he lacks sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 46.

47. Answering Paragraph 47, Quiros refers to the alleged “Source and Use of Investor Funds” page for its contents and otherwise states that he lacks sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 47.

48. Answering Paragraph 48, Quiros refers to the alleged offering materials and partnership agreements for their contents and otherwise denies the allegations of Paragraph 48, except admits that Stenger is the sole managing member of each general partner for each project

other than Biomedical Phase VII and that Quiros and Stenger are co-managing members of the general partner for the Biomedical Phase VII project.

49. Answering Paragraph 49, Quiros refers to the alleged offering materials and partnership agreements for their contents and otherwise lacks sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 49.

50. Answering Paragraph 50, Quiros denies the allegations therein.

51. Answering Paragraph 51, Quiros denies the allegations therein, except admits the allegations of the first sentence of Paragraph 51.

52. Answering Paragraph 52, Quiros denies the allegations therein.

53. Answering Paragraph 53, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

54. Answering Paragraph 54, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

55. Answering Paragraph 55, Quiros denies the allegations therein, except admits that Quiros's former son-in-law worked at Raymond James.

56. Answering Paragraph 56, Quiros denies the allegations therein.

**VI. THE DEFENDANTS FRAUDULENTLY USED INVESTOR FUNDS
TO FINANCE QUIROS' PURCHASE OF JAY PEAK**

57. Answering Paragraph 57, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein, except admits that MSSI previously owned Jay Peak.

58. Answering Paragraph 58, Quiros refers to the alleged stock transfer agreement for its date and contents and the purchase price of the stock of Jay Peak and otherwise lacks sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 58.

59. Answering Paragraph 59, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

60. Answering Paragraph 60, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

61. Answering Paragraph 61, Quiros denies the allegations therein.

62. Answering Paragraph 62, Quiros denies the allegations therein.

63. Answering Paragraph 63, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

64. Answering Paragraph 64, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

65. Answering Paragraph 65, Quiros avers that the letter speaks for itself, and otherwise denies the allegations of Paragraph 65.

66. Answering Paragraph 66, Quiros avers that the letter speaks for itself, and otherwise denies the allegations of Paragraph 66.

67. Answering Paragraph 67, Quiros denies the allegations therein.

68. Answering Paragraph 68, Quiros denies the allegations of the first sentence and otherwise lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein.

69. Answering Paragraph 69, Quiros denies the allegations therein.

70. Answering Paragraph 70, Quiros denies the allegations therein.

71. Answering Paragraph 71, Quiros denies the allegations therein.

72. Answering Paragraph 72, Quiros denies the allegations therein.

73. Answering Paragraph 73, Quiros denies the allegations therein.

74. Answering Paragraph 74, Quiros refers to the alleged “Source and Use of Investor Funds” documents for its contents and otherwise denies the allegations of Paragraph 74.

75. Answering Paragraph 75, Quiros refers to the alleged “Estimated and Projected Cost of Development” document for its contents and otherwise denies the allegations of Paragraph 75.

76. Answering Paragraph 76, Quiros denies the allegations therein.

77. Answering Paragraph 77, Quiros refers to the relevant partnership agreements for their contents and otherwise denies the allegations of Paragraph 77.

VII. IMPROPER USE OF INVESTOR FUNDS FOR MARGIN LOANS

78. Answering Paragraph 78, Quiros denies the allegations therein.

79. Answering Paragraph 79, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

80. Answering Paragraph 80, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations of the first sentence and denies the allegations of the second sentence.

81. Answering Paragraph 81, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein, except denies the allegations of the third sentence and denies that Quiros was given complete control over the funds in question.

82. Answering Paragraph 82, Quiros lacks sufficient knowledge or information as to the truth of the allegations therein and on that basis denies them.

83. Answering Paragraph 83, Quiros denies the allegations therein.

84. Answering Paragraph 84, Quiros refers to the alleged use of proceeds pages and partnership agreements for their contents, lacks sufficient knowledge or information to form a belief

as to the truth of the allegations concerning what Stenger told investors, and otherwise denies the allegations of Paragraph 84.

85. Answering Paragraph 85, Quiros refers to the alleged credit agreement for its contents and otherwise denies the allegations of Paragraph 85.

86. Answering Paragraph 86, Quiros refers to the alleged credit agreement for its contents and otherwise denies the allegations of Paragraph 86.

87. Answering Paragraph 87, Quiros denies the allegations therein.

88. Answering Paragraph 88, Quiros denies the allegations therein, except lacks sufficient knowledge or information to form a belief as to the truth of the allegations concerning what Stenger authorized.

89. Answering Paragraph 89, Quiros denies the allegations therein, except lacks sufficient knowledge or information to form a belief as to the truth of the allegations concerning what Stenger authorized.

90. Answering Paragraph 90, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein, excepts denies such allegations to the extent that they allege that he engaged in any wrongdoing.

91. Answering Paragraph 91, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein, except denies that he commingled investor funds.

92. Answering Paragraph 92, Quiros denies the allegations therein.

93. Answering Paragraph 93, Quiros refers to the alleged credit agreement for its contents and otherwise denies the allegations of Paragraph 93.

94. Answering Paragraph 94, Quiros denies the allegations therein.

95. Answering Paragraph 95, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations of the first sentence and otherwise denies the allegations of Paragraph 95.

VIII. MISREPRESENTATIONS AND OMISSIONS IN PHASES II-VI

A. Hotel Phase II

96. Answering Paragraph 96, Quiros denies the allegations therein.

97. Answering Paragraph 97, Quiros denies the allegations therein.

98. Answering Paragraph 98, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein, except denies that he improperly used investor funds.

B. Penthouse Phase III

99. Answering Paragraph 99, Quiros denies the allegations therein.

100. Answering Paragraph 100, Quiros avers that the Penthouse Phase III use of proceeds document speaks for itself, and otherwise denies the allegations of Paragraph 100.

101. Answering Paragraph 101, Quiros denies the allegations therein.

102. Answering Paragraph 102, Quiros denies the allegations therein.

C. Golf and Mountain Phase IV

103. Answering Paragraph 103, Quiros denies the allegations therein.

104. Answering Paragraph 104, Quiros avers that the Golf and Mountain Phase IV use of proceeds document speaks for itself, and otherwise denies the allegations of Paragraph 104.

105. Answering Paragraph 105, Quiros avers that the Golf and Mountain Phase IV use of proceeds document speaks for itself, and otherwise denies the allegations of Paragraph 105.

106. Answering Paragraph 106, Quiros denies the allegations therein.

D. Lodge and Townhouses Phase V

107. Answering Paragraph 107, Quiros denies the allegations therein.

108. Answering Paragraph 108, Quiros avers that the Lodge and Townhouses Phase V use of proceeds document speaks for itself, and otherwise denies the allegations of Paragraph 108.

109. Answering Paragraph 109, Quiros denies the allegations therein.

110. Answering Paragraph 110, Quiros denies the allegations therein.

E. Stateside Phase VI

111. Answering Paragraph 111, Quiros denies the allegations therein.

112. Answering Paragraph 112, Quiros avers that the Stateside Phase VI use of proceeds document speaks for itself, and otherwise denies the allegations of Paragraph 112.

113. Answering Paragraph 113, Quiros denies the allegations therein.

114. Answering Paragraph 114, Quiros denies the allegations therein.

115. Answering Paragraph 115, Quiros denies the allegations therein.

IX. MISREPRESENTATIONS AND OMISSIONS IN BIOMEDICAL PHASE VII

A. Misrepresentations and Omissions About the FDA Approval Process

116. Answering Paragraph 116, Quiros refers to the offering documents for Biomedical Phase VII for the nature of the project and otherwise denies the allegations of Paragraph 116.

117. Answering Paragraph 117, Quiros refers to the alleged original offering materials for their contents and otherwise denies the allegations of Paragraph 117.

118. Answering Paragraph 118, Quiros denies the allegations therein.

119. Answering Paragraph 119, Quiros lacks sufficient knowledge or information to form a belief as to the truth of the allegations therein, except denies such allegations insofar as relate to what Quiros supposedly knew and/or was aware of.

120. Answering Paragraph 120, Quiros refers to the alleged information sheet and offering documents for their contents and otherwise denies the allegations of Paragraph 120.

121. Answering Paragraph 121, Quiros denies the allegations therein, except lacks sufficient knowledge or information to form a belief as to the truth of the allegations concerning what Stenger knew.

122. Answering Paragraph 122, Quiros denies that the amended offering materials relating to Biomedical Phase VII contained any untrue or misleading statements and otherwise states that he lacks sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 122.

123. Answering Paragraph 123, Quiros denies the allegations therein as they relate to him and otherwise states that he lacks sufficient knowledge or information to form a belief as to the truth of the allegations of Paragraph 123.

B. Baseless Revenue Projections

124. Answering Paragraph 124, Quiros denies the allegations therein.

125. Answering Paragraph 125, Quiros avers that the offering documents speak for themselves and otherwise denies the allegations of Paragraph 125.

126. Answering Paragraph 126, Quiros avers that the offering documents speak for themselves and otherwise denies the allegations of Paragraph 126.

C. Further Misrepresentations and Misappropriation of Phase VII Investor Money

127. Answering Paragraph 127, Quiros denies the allegations therein.

128. Answering Paragraph 128, Quiros avers that the use of proceeds document speaks for itself, and otherwise denies the allegations of Paragraph 128.

129. Answering Paragraph 129, Quiros avers that the Phase VII limited partnership agreement speaks for itself, and otherwise denies the allegations of Paragraph 129.

130. Answering Paragraph 130, Quiros denies the allegations therein.

1. Paying Off Margin Loan IV

131. Answering Paragraph 131, Quiros denies the allegations therein.

132. Answering Paragraph 132, Quiros denies the allegations therein.

133. Answering Paragraph 133, Quiros denies the allegations therein.

2. Taxes To The IRS And The State of Vermont

134. Answering Paragraph 134, Quiros denies the allegations therein.

3. The Citibank Line Of Credit

135. Answering Paragraph 135, Quiros denies the allegations therein.

136. Answering Paragraph 136, Quiros denies the allegations therein.

4. The Trump Place Luxury Condominium

137. Answering Paragraph 137, Quiros denies the allegations therein.

5. Q Burke Mountain Resort

138. Answering Paragraph 138, Quiros denies the allegations therein, except admits that Q Burke owns the Q Burke resort, which is a Vermont ski resort.

6. Misrepresentations To The State Of Vermont

139. Answering Paragraph 139, Quiros refers to the alleged documents provided to the State of Vermont for their contents and otherwise denies the allegations of Paragraph 139.

140. Answering Paragraph 140, Quiros denies the allegations therein.

D. The Status Of Biomedical Phase VII

141. Answering Paragraph 141, Quiros denies the allegations therein.

142. Answering Paragraph 142, Quiros denies the allegations therein.

X. THE DEFENDANTS' CONTINUED FUNDRAISING

143. Answering Paragraph 143, Quiros denies the allegations therein.

144. Answering Paragraph 144, Quiros denies the allegations therein.

145. Answering Paragraph 145, Quiros denies the allegations therein.

146. Answering Paragraph 146, Quiros denies the allegations of the first and fourth sentences and lacks sufficient knowledge or information to form a belief as to the truth of the remaining allegations of Paragraph 146.

147. Answering Paragraph 147, Quiros refers to the revised offering documents for their contents and otherwise denies the allegations of Paragraph 147.

148. Answering Paragraph 148, Quiros denies the allegations therein.

XI. CLAIMS FOR RELIEF

SUITES PHASE 1

COUNT 1

Section 17(a)(1) of the Securities Act

(Against Suites I, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

149. Answering Paragraph 149, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

150. Answering Paragraph 150, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

151. Answering Paragraph 151, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 2

Section 17(a)(3) of the Securities Act

(Against Suites Phase I, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

152. Answering Paragraph 152, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

153. Answering Paragraph 153, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

154. Answering Paragraph 154, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 3

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Suites Phase I, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

155. Answering Paragraph 155, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

156. Answering Paragraph 156, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

157. Answering Paragraph 157, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 4

Section 10(b) and Rule 10b-5(c) of the Exchange Act

(Against Suites Phase I, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

158. Answering Paragraph 158, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

159. Answering Paragraph 159, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

160. Answering Paragraph 160, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 5

Section 20(a) – Control Person Liability

(Against Suites Phase I and Jay Peak Management’s Violations Of The Exchange Act

(Against Quiros)

161. Answering Paragraph 161, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

162. Answering Paragraph 162, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

163. Answering Paragraph 163, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

164. Answering Paragraph 164, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

165. Answering Paragraph 165, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

HOTEL PHASE II

COUNT 6

Section 17(a)(1) of the Securities Act

(Against Hotel Phase II, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

166. Answering Paragraph 166, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

167. Answering Paragraph 167, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

168. Answering Paragraph 168, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 7

Section 17(a)(2) of the Securities Act

(Against Hotel Phase II, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

169. Answering Paragraph 169, Quiros realleges Paragraphs 1-17, 28-98, 115 and 142-148 of his Answer as if fully set forth herein.

170. Answering Paragraph 170, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

171. Answering Paragraph 171, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 8

Section 17(a)(3) of the Securities Act

(Against Hotel Phase II, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

172. Answering Paragraph 172, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

173. Answering Paragraph 173, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

174. Answering Paragraph 174, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 9

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Hotel Phase II, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

175. Answering Paragraph 175, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

176. Answering Paragraph 176, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

177. Answering Paragraph 177, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 10

Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against Hotel Phase II, Jay Peak Management, Jay Peak and Stenger)

178. Answering Paragraph 178, Quiros realleges Paragraphs 1-17, 28-98, 115 and 142-148 of his Answer as if fully set forth herein.

179. Answering Paragraph 179, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

180. Answering Paragraph 180, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 11

Section 10(b) and Rule 10b-5(c) of the Exchange Act

(Against Hotel Phase II, Jay Peak Management, Jay Peak, Q Resorts, Quiros, and Stenger)

181. Answering Paragraph 181, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

182. Answering Paragraph 182, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

183. Answering Paragraph 183, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 12

Section 20(a) – Control Person Liability

For Hotel Phase II and Jay Peak Management’s Violations Of The Exchange Act

(Against Quiros)

184. Answering Paragraph 184, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

185. Answering Paragraph 185, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

186. Answering Paragraph 186, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

187. Answering Paragraph 187, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

188. Answering Paragraph 188, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 13

**Aiding and Abetting Hotel Phase II, Jay Peak Management, Jay Peak and Stenger's
Violations Of Section 10(b) and Rule 10b-5(b) of the Exchange Act
(Against Quiros and Q Resorts)**

189. Answering Paragraph 189, Quiros realleges Paragraphs 1-17, 28-98, 115 and 142-148 of his Answer as if fully set forth herein.

190. Answering Paragraph 190, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

191. Answering Paragraph 191, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

192. Answering Paragraph 192, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

PENTHOUSE PHASE II

COUNT 14

Section 17(a)(1) of the Securities Act

**(Against Penthouse Phase III, Jay Peak GP Services, Jay Peak, Q Resorts,
Quiros, and Stenger)**

193. Answering Paragraph 193, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

194. Answering Paragraph 194, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

195. Answering Paragraph 195, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 15

Section 17(a)(2) of the Securities Act

(Against Penthouse Phase III, Jay Peak GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

196. Answering Paragraph 196, Quiros realleges Paragraphs 1-14, 18-19, 28-56, 78-95, 99-102, 115, and 142-148 of his Answer as if fully set forth herein.

197. Answering Paragraph 197, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

198. Answering Paragraph 198, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 16

Section 17(a)(3) of the Securities Act

(Against Penthouse Phase III, Jay Peak GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

199. Answering Paragraph 199, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

200. Answering Paragraph 200, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

201. Answering Paragraph 201, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 17

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Penthouse Phase III, Jay Peak GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

202. Answering Paragraph 202, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

203. Answering Paragraph 203, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

204. Answering Paragraph 204, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 18

Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against Penthouse Phase III, Jay Peak Management, Jay Peak and Stenger)

205. Answering Paragraph 205, Quiros realleges Paragraphs 1-14, 18-19, 28-56, 78-95, 99-102, 115, and 142-148 of his Answer as if fully set forth herein.

206. Answering Paragraph 206, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

207. Answering Paragraph 207, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 19

Section 10(b) and Rule 10b-5(c) of the Exchange Act

**(Against Penthouse Phase III, Jay Peak GP Services, Jay Peak, Q Resorts,
Quiros, and Stenger)**

208. Answering Paragraph 208, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

209. Answering Paragraph 209, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

210. Answering Paragraph 210, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 20

Section 20(a) – Control Person Liability

**For Penthouse Phase III and Jay Peak GP Services' Violations Of The Exchange Act
(Against Quiros)**

211. Answering Paragraph 211, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

212. Answering Paragraph 212, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

213. Answering Paragraph 213, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

214. Answering Paragraph 214, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

215. Answering Paragraph 215, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 21

**Aiding and Abetting Penthouse Phase III, Jay Peak GP Services, Jay Peak and Stenger's
Violations Of Section 10(b) of the Exchange Act and Rule 10b-5(b)
(Against Quiros and Q Resorts)**

216. Answering Paragraph 216, Quiros realleges Paragraphs 1-14, 18-19, 28-56, 78-95, 99-102, 115, and 142-148 of his Answer as if fully set forth herein.

217. Answering Paragraph 217, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

218. Answering Paragraph 218, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

219. Answering Paragraph 219, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

GOLF AND MOUNTAIN PHASE IV

COUNT 22

Section 17(a)(1) of the Securities Act

(Against Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak, Q Resorts, Quiros, and Stenger)

220. Answering Paragraph 220, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

221. Answering Paragraph 221, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

222. Answering Paragraph 222, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 23

Section 17(a)(2) of the Securities Act

(Against Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak, Q Resorts, Quiros, and Stenger)

223. Answering Paragraph 223, Quiros realleges Paragraphs 1-14, 20-21, 28-56, 78-95, 103-106, 115, and 142-148 of his Answer as if fully set forth herein.

224. Answering Paragraph 224, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

225. Answering Paragraph 225, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 24

Section 17(a)(3) of the Securities Act

(Against Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak, Q Resorts, Quiros, and Stenger)

226. Answering Paragraph 226, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

227. Answering Paragraph 227, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

228. Answering Paragraph 228, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 25

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak, Q Resorts, Quiros and Stenger)

229. Answering Paragraph 229, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

230. Answering Paragraph 230, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

231. Answering Paragraph 231, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 26

Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak, and Stenger)

232. Answering Paragraph 232, Quiros realleges Paragraphs 1-14, 20-21, 28-56, 78-95, 103-106, 115, and 142-148 of his Answer as if fully set forth herein.

233. Answering Paragraph 233, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

234. Answering Paragraph 234, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 27

Section 10(b) and Rule 10b-5(c) of the Exchange Act

(Against Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak, Q Resorts, Quiros and Stenger)

235. Answering Paragraph 235, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

236. Answering Paragraph 236, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

237. Answering Paragraph 237, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 28

Section 20(a) – Control Person Liability

**For Golf and Mountain Phase IV and Jay Peak GP Services Golf’s Violations Of
The Exchange Act (Against Quiros)**

238. Answering Paragraph 238, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

239. Answering Paragraph 239, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

240. Answering Paragraph 240, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

241. Answering Paragraph 241, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

242. Answering Paragraph 242, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 29

Aiding and Abetting Golf and Mountain Phase IV, Jay Peak GP Services Golf, Jay Peak and Stenger's Violations Of Section 10(b) of the Exchange Act and Rule 10b-5(b)

(Against Quiros and Q Resorts)

243. Answering Paragraph 243, Quiros realleges Paragraphs 1-14, 20-21, 28-56, 78-95, 103-106, 115, and 142-148 of his Answer as if fully set forth herein.

244. Answering Paragraph 244, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

245. Answering Paragraph 245, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

246. Answering Paragraph 246, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

LODGE AND TOWNHOUSES PHASE V

COUNT 30

Section 17(a)(1) of the Securities Act

(Against Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak, Q Resorts, Quiros, and Stenger)

247. Answering Paragraph 247, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

248. Answering Paragraph 248, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

249. Answering Paragraph 249, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 31

Section 17(a)(2) of the Securities Act

**(Against Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak,
Q Resorts, Quiros, and Stenger)**

250. Answering Paragraph 250, Quiros realleges Paragraphs 1-14, 22-23, 28-56, 78-95, 107-110, 115, and 142-148 of his Answer as if fully set forth herein.

251. Answering Paragraph 251, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

252. Answering Paragraph 252, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 32

Section 17(a)(3) of the Securities Act

**(Against Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak,
Q Resorts, Quiros, and Stenger)**

253. Answering Paragraph 253, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

254. Answering Paragraph 254, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

255. Answering Paragraph 255, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 33

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak, Q Resorts, Quiros, and Stenger)

256. Answering Paragraph 256, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

257. Answering Paragraph 257, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

258. Answering Paragraph 258, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 34

Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak, and Stenger)

259. Answering Paragraph 259, Quiros realleges Paragraphs 1-14, 22-23, 28-56, 78-95, 107-110, 115, and 142-148 of his Answer as if fully set forth herein.

260. Answering Paragraph 260, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

261. Answering Paragraph 261, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 35

Section 10(b) and Rule 10b-5(c) of the Exchange Act

**(Against Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak,
Q Resorts, Quiros, and Stenger)**

262. Answering Paragraph 262, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

263. Answering Paragraph 263, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

264. Answering Paragraph 264, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 36

Section 20(a) – Control Person Liability

**For Lodge and Townhouses Phase V and Jay Peak GP Services Lodge’s Violations Of
The Exchange Act (Against Quiros)**

265. Answering Paragraph 265, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

266. Answering Paragraph 266, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

267. Answering Paragraph 267, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

268. Answering Paragraph 268, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

269. Answering Paragraph 269, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 37

**Aiding and Abetting Lodge and Townhouses Phase V, Jay Peak GP Services Lodge, Jay Peak and Stenger's Violations Of Section 10(b) of the Exchange Act and Rule 10b-5(b)
(Against Quiros and Q Resorts)**

270. Answering Paragraph 270, Quiros realleges Paragraphs 1-14, 22-23, 28-56, 78-95, 107-110, 115, and 142-148 of his Answer as if fully set forth herein.

271. Answering Paragraph 271, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

272. Answering Paragraph 272, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

273. Answering Paragraph 273, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

STATESIDE PHASE VI

COUNT 38

Section 17(a)(1) of the Securities Act

**(Against Stateside Phase VI, Jay Peak GP Services Stateside, Jay Peak, Q Resorts,
Quiros, and Stenger)**

274. Answering Paragraph 274, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

275. Answering Paragraph 275, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

276. Answering Paragraph 276, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 39

Section 17(a)(2) of the Securities Act

**(Against Stateside Phase VI, Jay Peak GP Services Stateside, Jay Peak, Q Resorts,
Quiros, and Stenger)**

277. Answering Paragraph 277, Quiros realleges Paragraphs 1-14, 24-25, 28-56, 78-95, 111-115, and 142-148 of his Answer as if fully set forth herein.

278. Answering Paragraph 278, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

279. Answering Paragraph 279, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 40

Section 17(a)(3) of the Securities Act

**(Against Stateside Phase VI, Jay Peak GP Services Stateside, Jay Peak, Q Resorts,
Quiros, and Stenger)**

280. Answering Paragraph 280, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

281. Answering Paragraph 281, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

282. Answering Paragraph 282, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 41

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Stateside Phase VI, Jay Peak GP Services Stateside, Jay Peak, Q Resorts, Quiros, and Stenger)

283. Answering Paragraph 283, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

284. Answering Paragraph 284, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

285. Answering Paragraph 285, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 42

Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against Stateside Phase VI, Jay Peak GP Services Stateside, Jay Peak, and Stenger)

286. Answering Paragraph 286, Quiros realleges Paragraphs 1-14, 24-25, 28-56, 78-95, 111-115, and 142-148 of his Answer as if fully set forth herein.

287. Answering Paragraph 287, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

288. Answering Paragraph 288, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 43

Section 10(b) and Rule 10b-5(c) of the Exchange Act

(Against Stateside Phase VI, Jay Peak GP Services Stateside, Jay Peak, Q Resorts, Quiros, and Stenger)

289. Answering Paragraph 289, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

290. Answering Paragraph 290, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

291. Answering Paragraph 291, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 44

Section 20(a) – Control Person Liability

(Against Stateside Phase VI and Jay Peak GP Services Stateside’s Violations Of The Exchange Act (Against Quiros))

292. Answering Paragraph 292, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

293. Answering Paragraph 293, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

294. Answering Paragraph 294, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

295. Answering Paragraph 295, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

296. Answering Paragraph 296, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 45

Aiding and Abetting Stateside and Jay Peak GP Services Stateside's Violations Of Section 10(b) of the Exchange Act and Rule 10b-5(b) (Against Quiros and Q Resorts)

297. Answering Paragraph 297, Quiros realleges Paragraphs 1-14, 24-25, 28-56, 78-95, 111-115, and 142-148 of his Answer as if fully set forth herein.

298. Answering Paragraph 298, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

299. Answering Paragraph 299, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

300. Answering Paragraph 300, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

BIOMEDICAL PHASE VII

COUNT 46

Section 17(a)(1) of the Securities Act

(Against Biomedical Phase VII, AnC Bio Vermont GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

301. Answering Paragraph 301, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

302. Answering Paragraph 302, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

303. Answering Paragraph 303, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 47

Section 17(a)(2) of the Securities Act

(Against Biomedical Phase VII, AnC Bio Vermont GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

304. Answering Paragraph 304, Quiros realleges Paragraphs 1-14, 24-25, 26-56, 78-95, 115-148 of his Answer as if fully set forth herein.

305. Answering Paragraph 305, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

306. Answering Paragraph 306, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 48

Section 17(a)(3) of the Securities Act

(Against Biomedical Phase VII, AnC Bio Vermont GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

307. Answering Paragraph 307, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

308. Answering Paragraph 308, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

309. Answering Paragraph 309, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 49

Section 10(b) and Rule 10b-5(a) of the Exchange Act

(Against Biomedical Phase VII, AnC Bio Vermont GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

310. Answering Paragraph 310, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

311. Answering Paragraph 311, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

312. Answering Paragraph 312, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 50

Section 10(b) and Rule 10b-5(b) of the Exchange Act

(Against Biomedical Phase VII, AnC Bio Vermont GP Services, Jay Peak, Quiros, and Stenger)

313. Answering Paragraph 313, Quiros realleges Paragraphs 1-14, 26-56, 78-95, and 115-148 of his Answer as if fully set forth herein.

314. Answering Paragraph 314, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

315. Answering Paragraph 315, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 51

Section 10(b) and Rule 10b-5(c) of the Exchange Act

(Against Biomedical Phase VII, AnC Bio Vermont GP Services, Jay Peak, Q Resorts, Quiros, and Stenger)

316. Answering Paragraph 316, Quiros realleges Paragraphs 1-148 of his Answer as if fully set forth herein.

317. Answering Paragraph 317, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

318. Answering Paragraph 318, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

COUNT 52

Aiding and Abetting Biomedical Phase VII, AnC Bio Vermont GP Services, and Quiros'

Violations Of Section 10(b) of the Exchange Act and Rule 10b-5(b)

(Against Q Resorts)

319. Answering Paragraph 319, Quiros realleges Paragraphs 1-14, 26-56, 78-95, and 115-148 of his Answer as if fully set forth herein.

320. Answering Paragraph 320, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

321. Answering Paragraph 321, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

322. Answering Paragraph 322, Quiros avers that it is a legal conclusion that does not require a response, and otherwise denies the allegations therein.

XII. RELIEF REQUESTED

As to the relief requested by the SEC, Quiros denies that the SEC is entitled to any relief whatsoever, and further denies any allegations therein.

AFFIRMATIVE DEFENSES

As separate and distinct affirmative defenses to the SEC's alleged claims for relief, Quiros alleges the following without admission that such allegations are affirmative defenses on which Quiros bears the burden of proof:

FIRST AFFIRMATIVE DEFENSE

(Failure to State a Claim)

The Amended Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

(Statute of Limitations)

The SEC's claims are barred in whole or in part by the applicable statutes of limitation.

THIRD AFFIRMATIVE DEFENSE

(Failure to Plead Fraud with Particularity)

The claims alleged in the Amended Complaint cannot be maintained, in whole or in part, because the SEC failed to plead the underlying facts alleging fraud with sufficient particularity.

FOURTH AFFIRMATIVE DEFENSE

(Lack of Scienter)

Quiros is not liable on the SEC's claims because any alleged conduct by Quiros was done without the necessary scienter.

FIFTH AFFIRMATIVE DEFENSE

(Good Faith)

The claims alleged in the Amended Complaint cannot be maintained, in whole or in part, because Quiros at all times acted in good faith and with good cause.

SIXTH AFFIRMATIVE DEFENSE

(Reliance on Raymond James)

Quiros is not liable in whole or in part because he relied in good faith upon the information, opinions, reports or statements prepared or presented by one or more officers or employees of Raymond James & Associates, Inc. (“Raymond James”).

SEVENTH AFFIRMATIVE DEFENSE

(Conduct of Third Parties)

The claims alleged in the Amended Complaint cannot be maintained, in whole or in part, because the conduct of parties other than Quiros proximately caused the alleged harm, if any, complained of in the Amended Complaint.

EIGHTH AFFIRMATIVE DEFENSE

(No Liability for Statements of Others)

Quiros is not liable under Section 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 promulgated thereunder, or otherwise for any statements not made by Quiros.

NINTH AFFIRMATIVE DEFENSE

(No Attribution or Knowledge or Intent)

To the extent that it may be determined that any other defendant or other person or entity is responsible for the investors’ alleged losses and acted with the state of mind required under the Exchange Act, such mental state and actions may not be attributed to Quiros.

TENTH AFFIRMATIVE DEFENSE

(Equitable Defenses)

The SEC's claims are barred under such equitable defenses as the evidence demonstrates, including but not limited to the doctrines of waiver, estoppel, acquiescence, ratification, failure to use due care, and laches.

ELEVENTH AFFIRMATIVE DEFENSE

(Lack of Inducement and Good Faith Conduct Under Section 20(a) of the Exchange Act)

Quiros cannot be held liable as a control person under Section 20(a) of the Exchange Act because Quiros at all times acted in good faith and did not directly or indirectly induce any act or acts constituting a violation of the Exchange Act. *See* 15 U.S.C. § 78t(a).

TWELFTH AFFIRMATIVE DEFENSE

(Bespeaks Caution Doctrine)

To the extent the Amended Complaint is based on any predictions, expressions of opinion or forward looking statements, the SEC is barred from recovery in whole or in part by the bespeaks caution doctrine.

THIRTEENTH AFFIRMATIVE DEFENSE

(Public Disclosure/Truth on the Market)

The SEC's claims are barred, in whole or in part, because the matters alleged in the Amended Complaint to be non-public and/or the subject of misrepresentations and omissions were publicly disclosed and/or in the public domain.

FOURTEENTH AFFIRMATIVE DEFENSE
(Safe Harbor for Forward-Looking Statements)

The SEC's claims are barred, in whole or in part, because forward-looking statements alleged by the Amended Complaint to have been made by or attributed to Quiros were protected by the statutory safe harbor set forth in 15 U.S.C. § 78u-5.

FIFTEENTH AFFIRMATIVE DEFENSE
(Non-Actionable Statements)

The SEC's claims are barred in whole or part because the alleged misstatements were opinions, judgments and estimates that are not actionable.

SIXTEENTH AFFIRMATIVE DEFENSE
(No Materially False or Misleading Statements or Omissions)

The SEC's claims are barred in whole or in part because the alleged statements at issue were not materially false or misleading.

SEVENTEENTH AFFIRMATIVE DEFENSE
(Lack of Materiality to Investment Decisions)

None of the alleged conduct, statements, or omissions alleged in the Amended Complaint was material to the investment decisions of reasonable investors.

EIGHTEENTH AFFIRMATIVE DEFENSE
(Lack of Material Violation)

None of the conduct alleged in the Amended Complaint materially violated the terms of the offering documents.

NINETEENTH AFFIRMATIVE DEFENSE

(No Duty of Disclosure)

The SEC's claims are barred in whole or in part because the Amended Complaint alleges violations of law based on information Quiros had no duty to disclose.

TWENTIETH AFFIRMATIVE DEFENSE

(No Duty to Update)

The SEC's claims are barred, in whole or in part, because there was no duty to update disclosure on matters merely because circumstances changed.

TWENTY-FIRST AFFIRMATIVE DEFENSE

(Rescission Offer)

The SEC's claims are barred, in whole or in part, because amended offering documents were issued for certain of the securities offerings, which contained offers of rescission whereby investors had the opportunity to remit their securities for a full refund without penalty.

TWENTY-SECOND AFFIRMATIVE DEFENSE

(Statements Not in Connection with Purchase or Sale)

The SEC's claims are barred to the extent that Quiros's alleged misstatements and omissions were not made in connection with the purchase or sale of securities.

TWENTY-THIRD AFFIRMATIVE DEFENSE

(Losses Resulted from Post-Sale Activity)

The SEC's claims are barred in whole or in part because any losses that the SEC alleges were tied to the alleged misrepresentations and omissions actually resulted from post-sale activity and thus are not actionable under the securities laws.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

(Lack of Causation)

Investors' losses, if any, were caused by market factors, superseding or intervening causes, or other factors for which Quiros is not responsible, or acts of other persons for whom Quiros is not responsible, and did not result from any acts or omissions of Quiros.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

(No Liability Exceeding Section 10(b))

Quiros is not liable under Rule 10b-5(a) or (c) for conduct that exceeds the scope of Section 10(b).

TWENTY-SIXTH AFFIRMATIVE DEFENSE

(Relief Sought Exceeds SEC's Authority)

The relief sought by the SEC in whole or in part exceeds its lawful authority.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

(Civil Penalties are Improper)

The Amended Complaint and each count thereof fail to allege facts and fail to make a showing sufficient to support the imposition of any civil penalties.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

(Imposition of Excessive Disclosure Obligations)

The SEC's claims are barred in whole or in part to the extent that they seek to impose upon Quiros disclosure obligations that are inconsistent with, or in excess of, those imposed by the federal securities law.

TWENTY-NINTH AFFIRMATIVE DEFENSE

(Contribution and/or Indemnity)

Quiros is entitled to receive contribution and/or indemnity from others for any liability he incurs, including but not limited to from Raymond James.

THIRTIETH AFFIRMATIVE DEFENSE

(Accord and Satisfaction)

The SEC's claims are barred in whole or in part by accord and satisfaction.

THIRTY-FIRST AFFIRMATIVE DEFENSE

(No Damages)

Neither the SEC nor the investors has suffered any damages.

THIRTY-SECOND AFFIRMATIVE DEFENSE

(Unjust Enrichment)

The SEC cannot recover damages because any such recovery would be a windfall resulting in unjust enrichment to the SEC or to the investors.

THIRTY-THIRD AFFIRMATIVE DEFENSE

(Forfeiture)

The SEC's claims fail because the Amended Complaint seeks an impermissible forfeiture.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

(Reservation)

Quiros further reserves the right to assert other and further defenses as may later become known to counsel during the course of discovery.

WHEREFORE, Quiros prays:

- (i) that the Amended Complaint be dismissed in its entirety;
- (ii) that the Court enter a judgment in favor of Quiros and against the SEC;

(iii) for an award to Quiros of his costs, including discretionary costs, and attorney's fees;
and

(iv) for such other relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Quiros hereby demands a trial by jury for all issues so triable.

Dated: December 21, 2016

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on this on December 21, 2016, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing documents

are being served this day on all counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF or in the manner stated in the service list attached.

s/ James R. Bryan
James R. Bryan

SERVICE LIST
US District Court, Southern District of Florida
Case No.: 16-cv-21301-DPG

Securities and Exchange Commission v. Ariel Quiros, et al.

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