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**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**ART INTELLECT, INC., a Utah corporation,
d/b/a Mason Hill and Virtual MG, PATRICK
MERRILL BRODY, LAURA A. ROSER, and
GREGORY D. WOOD,**

Defendants.

**DEFENDANT PATRICK M. BRODY
AND DEFENDANT LAURA A.
ROSER'S ANSWERS TO
PLAINTIFF'S FIRST SET OF
REQUESTS FOR ADMISSION TO
DEFENDANTS**

Case No.: 2:11-cv-00357

Judge Tena Campbell

Pursuant to Fed. R. Civ. P. 36, Defendants Patrick M. Brody and Laura A. Roser hereby respond to Plaintiff Securities and Exchange Commission's Requests for Admission dated June 24, 2011.

GENERAL OBJECTIONS

Defendants assert the following general objections, which, whether or not separately set forth in response to each specific response below, are hereby expressly incorporated into each

response. By asserting additional objections and/or responses, Defendants do not waive any of the following general objections.

1. Defendants object to Plaintiff's First set of Requests for Admission to Defendant Patrick Merrill Brody and Laura Roser ("discovery requests") to the extent it seeks the production or disclosure of information or documents that are protected by confidentiality agreements in other litigation, the attorney-client privilege, the attorney work product doctrine, the Fifth Amendment to the United States Constitution, or other privilege. In responding to the discovery requests Defendants will not produce or disclose any documents, information, or communications that are privileged or constitute work product. Any inadvertent disclosure or production of documents or things relating to this answer or other production is not a waiver of any privilege.
2. Defendants object to the definitions in the discovery requests to the extent they attempt to impose obligations upon Defendants which are contrary to or inconsistent with the Federal Rules of Civil Procedure. In responding to the discovery requests, Defendants will rely on the definitions and rules governing answers to requests for admissions as set forth in the Federal Rules of Civil Procedure.
3. Defendants object to the definitions and demands contained in the discovery requests to the extent that they require Defendants to provide information not in their direct possession, custody or control. Defendants assert a standing objection to the discovery requests to the extent such requests require more from Defendants than any obligation imposed by law, would subject Defendants to unreasonable and undue annoyance, pressure, burden and expense and seek to impose on Defendants an obligation to investigate or discover information or materials from third parties and sources who are readily or easily accessible to Plaintiff or to Third-party Defendants via subpoena or otherwise. Defendants further object to the discovery request

definitions to the extent they could be deemed to require Defendants to produce documents protected from disclosure by the attorney-client privilege and/or the attorney work product doctrine, or other privilege.

4. Defendants reserve all objections or other questions as to competency, relevance, materiality, privilege or admissibility as evidence in any subsequent proceeding or in the trial of this or any other action relating to this response and to any document or thing or information provided in response to the discovery requests. Nothing in these responses is to be construed as an admission by Defendants with respect to the authenticity, admissibility or relevance of any document produced, or of the truth or accuracy of any characterization or statement of any kind contained in any document.

5. Defendants object to the discovery requests to the extent they seek information which is obtainable in a more convenient, less burdensome and less expensive method than through his discovery requests. In particular, Defendants object to the Commission's attempt to require Defendants to identify in excessive detail all facts, all persons and all documents as impermissibly shifting the burden of discovery from Plaintiff to Defendants. See Uinta Oil Refinery Company v. Continental Oil Company, 236 F. Supp. 495 (D. Utah 1964).

6. Defendants answers to the discovery requests will be made to the best of their present knowledge, information and belief. The answers will, at all times, be subject to additional or different information that discovery or further investigation may disclose. Defendants reserve the right to make use of or to introduce at any hearing or trial documents and information provided in response to the discovery requests including documents or things received or obtained by Defendants after the date of this answer.

DEFENDANTS' ANSWERS

Notwithstanding any previous objection, Defendants respond to the Commission's Requests for Admission as follows:

REQUEST NO. 1: Admit that Mason Hill solicited persons to purchase or reserve a Mason Hill property.

RESPONSE: Admit.

REQUEST NO. 2: Admit that Mason Hill solicited potential clients through its website (www.masonhill.com), through "webinar" presentations, and other communications.

RESPONSE: Admit.

REQUEST NO. 3: Admit that Mason Hill executed Reservation Agreements with clients.

RESPONSE: Admit.

REQUEST NO. 4: Admit that the Reservation Agreements asked for clients to transfer at least \$20,000 to Mason Hill to secure the opportunity to purchase a property.

RESPONSE: Defendants are without sufficient knowledge or information at this time to admit or deny Request No. 4, as such the Request is denied. As there were in excess of 68 Reservation Agreements entered into between Mason Hill and its clients and the agreements are not in Defendants' possession, Defendants cannot say with any specificity whether the Reservation Agreements asked clients to transfer "at least" \$20,000 to Mason Hill.

REQUEST NO. 5: Admit that Mason Hill engages "strategic partners," independent contractors recruited by Mason Hill.

RESPONSE: Deny. Mason Hill no longer engages "strategic partners" since the Commission shut the business down on or about April 18, 2011. During its active operations, Mason Hill did undertake a program to increase referral business which it called the strategic partner program.

REQUEST NO. 6: Admit that Mason Hill strategic partners solicited persons to execute Reservation Agreements and purchase Mason Hill properties.

RESPONSE: Deny. The purpose of the strategic partner program was to have market professionals refer individuals interested in purchasing real estate from Mason Hill.

REQUEST NO. 7: Admit that Mason Hill promised, or offered, or paid its strategic partners a commission payment for any person that signed a Reservation Agreement with Mason Hill.

RESPONSE: Deny. The strategic partner program was intended to reward an individual who referred a party to Mason Hill. A referral fee was paid typically upon the closing of a property or half upon receipt of reservation payment and the remainder upon completion of the transaction. It depends on the time period.

REQUEST NO. 8: Admit that Mason Hill executed Reservation Agreements with residents of several states.

RESPONSE: Admit.

REQUEST NO. 9: Admit that the reservation deposit or payment asked for by Mason Hill was \$20,000.

RESPONSE: Deny. See answer to Request No. 4.

REQUEST NO. 10: Admit that Mason Hill claimed or indicated to clients that reservation deposits or payments would be placed in an escrow account.

RESPONSE: Deny. See answer to Request No. 4.

REQUEST NO. 11: Admit that clients' reservation deposits or payments were not placed in escrow.

RESPONSE: Deny. See answer to Request No. 4.

REQUEST NO. 12: Admit that Mason Hill indicated that reservation deposits or payments would be applied as down payments towards the purchase of properties.

RESPONSE: Deny. See Reservation Agreements. The Reservation Agreement clearly states that *"The Reservation Payment is not a deposit, but is payment toward the purchase of qualifying real property. Buyer acknowledges the Reservation Payment is not refundable. Upon payment of the Reservation payment, Buyer has purchased the real property described herein or the right to purchase a qualifying real property with the characteristics described herein."*

REQUEST NO. 13: Admit that Mason Hill indicated or claimed that it maintained an inventory of properties.

RESPONSE: Admit.

REQUEST NO. 14: Admit that Mason Hill indicated or claimed that it owned an inventory of properties.

RESPONSE: Admit.

REQUEST NO. 15: Admit that Mason Hill indicated or suggested that the properties were in well-desired areas.

RESPONSE: Admit.

REQUEST NO. 16: Admit that Mason Hill indicated that the properties were distressed properties.

RESPONSE: Admit.

REQUEST NO. 17: Admit that properties offered or proposed by Mason Hill included properties located in Florida, Ohio and/or Kansas.

RESPONSE: Admit.

REQUEST NO. 18: Admit that Mason Hill claimed to purchase properties in bulk.

RESPONSE: Admit.

REQUEST NO. 19: Admit that Mason Hill claimed to purchase properties at below market value or at prices lower than the price at which an individual could purchase the property.

RESPONSE: Admit.

REQUEST NO. 20: Admit that Mason Hill indicated that clients would receive discounts on the purchase price of Mason Hill properties.

RESPONSE: Deny.

REQUEST NO. 21: Admit that Mason Hill promised or offered Mason Hill clients a yearly percentage return after the purchase of any Mason Hill property.

RESPONSE: Deny. Mason Hill did not promise, offer, or guarantee a specific return to any client on any property.

REQUEST NO. 22: Admit that Mason Hill promised or offered clients returns ranging from 14 percent to 30 percent per year.

RESPONSE: Deny. See answer to Request No. 21.

REQUEST NO. 23: Admit that Mason Hill promised or offered monthly money profits to Mason Hill clients.

RESPONSE: Deny. See answer to Request No. 21.

REQUEST NO. 24: Admit that the promised or offered monthly net profits were between \$650 to \$1,000, or more.

RESPONSE: Deny. See answer to Request No. 21.

REQUEST NO. 25: Admit that Mason Hill's website indicated that it presented a "turnkey cash flow real estate investment."

RESPONSE: Admit.

REQUEST NO. 26: Admit that Mason Hill indicated that transactions could be completed within 30 to 60 days.

RESPONSE: Defendants object to Request No. 26 in that it is so vague and uncertain as to the subject matter of the request that Defendants cannot form a cogent response to the request, and therefore deny the same.

REQUEST NO. 27: Admit that Mason Hill told persons that it offered in-house seller financing.

RESPONSE: Deny. Mason Hill indicated it could help an individual arrange for financing from other lenders.

REQUEST NO. 28: Admit that Mason Hill indicated that it would arrange financing from other lenders.

RESPONSE: Deny. Mason Hill indicated it could help an individual arrange for financing from other lenders.

REQUEST NO. 29: Admit that Mason Hill did not provide in-house seller financing to clients.

RESPONSE: Defendants are without sufficient knowledge or information at this time to admit or deny Request No. 29, as such the Request is denied. As there were in excess of 68 Reservation Agreements entered into between Mason Hill and its clients and the relevant

documents and agreements needed to determine the correct response to Request No. 29 are not in Defendants' possession, Defendants cannot say with any specificity whether it provided or assisted any client to qualify for in-house seller financing.

REQUEST NO. 30: Admit that Mason Hill indicated to persons that they could use IRA or 401(k) funds to purchase Mason Hill properties.

RESPONSE: Admit.

REQUEST NO. 31: Admit that Mason Hill claimed to purchase properties for clients.

RESPONSE: Deny. Mason Hill purchased property for Mason Hill and sold those properties to clients.

REQUEST NO. 32: Admit that Mason Hill clients wired funds to Mason Hill bank accounts.

RESPONSE: Deny. See answer to Request No. 4.

REQUEST NO. 33: Admit that the reservation payment funds were commingled with Mason Hill's operating accounts.

RESPONSE: Defendants object to Request No. 33 to the extent the question is confusing and ambiguous as to what are "reservation payment funds" and what is intended by the term "commingled". Defendants affirmatively state that after it submitted a qualifying property to a client, pursuant to the express terms of the Reservation Agreement, it earned the reservation payment. Once the reservation payment was earned, Mason Hill considered the funds available for use as management directed. Therefore, Request No. 33 is denied.

REQUEST NO. 34: Admit that Mason Hill refused to refund clients' reservation payments or deposits.

RESPONSE: Defendants object to Request No. 34 to the extent the question is confusing and ambiguous as to the reference to "refund" and what are "reservation payments." Defendants affirmatively state that after it submitted a qualifying property to a client, pursuant to the express terms of the Reservation Agreement, it earned the reservation payment. Once the reservation payment was earned, Mason Hill considered the funds available for use as management directed. To Defendants' best recollection and belief, none of Mason Hill's clients qualified for a refund or return of the reservation payment. Therefore, Request No. 34 is denied.

REQUEST NO. 35: Admit that reservation payment funds paid for all or part of Mason Hill's operating expenses or sales commissions.

RESPONSE: Deny. See response to Request No. 33.

REQUEST NO. 36: Admit that reservation payment funds were used to pay all or part of your personal expenses.

RESPONSE: Defendants object to Request No. 36 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 36.

REQUEST NO. 37: Admit that reservation payment funds obtained from later Mason Hill clients were used to purchase properties for earlier clients.

RESPONSE: Deny.

REQUEST NO. 38: Admit that reservation payment funds obtained from later Mason Hill clients were used to make payments to earlier clients.

RESPONSE: Deny.

REQUEST NO. 39: Admit that Mason Hill executed promissory notes to clients.

RESPONSE: Defendants are without sufficient knowledge and information to admit or deny Request No. 39, and therefore deny the same. Without waiving said denial, on information and belief, one client, Tom Love, was offered a return of his reservation payment and a promissory note was prepared, but never executed. Beth Denton may have also had a promissory note with Mason Hill.

REQUEST NO. 40: Admit that interest payments made to clients on promissory notes were funded by reservation payments funds.

RESPONSE: Deny. See response to Request No. 33.

REQUEST NO. 41: Admit that you did not take steps to assure investors were financially sophisticated or accredited investors.

RESPONSE: Deny.

REQUEST NO. 42: Admit that you directed or guided Mason Hill operations or personnel.

RESPONSE: Defendants object to Request No. 42 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 42.

REQUEST NO. 43: Admit that you directed the withdrawal or transfer or payment of Mason Hill funds.

RESPONSE: Defendants object to Request No. 43 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 43.

REQUEST NO. 44: Admit that you have had actual possession of Mason Hill funds or instruments to access such funds.

RESPONSE: Defendants object to Request No. 44 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 44.

REQUEST NO. 45: Admit that the United States District Court for the District of Utah, Central Division issued an Asset Freeze Order on April 18, 2011 naming you as a defendant.

RESPONSE: Defendants are without sufficient knowledge, information or belief as to the truth of the allegations in Request No. 45 and therefore deny the same.

REQUEST NO. 46: Admit that the Asset Freeze Order states that all assets of Brody, Roser, and Mason Hill "are frozen until further order of this Court."

RESPONSE: Defendants are without sufficient knowledge, information or belief as to the truth of the allegations in Request No. 46 and therefore deny the same.

REQUEST NO. 47: Admit that on or after April 18, 2011 your legal counsel or representative made you aware of your obligations under the Asset Freeze Order.

RESPONSE: Defendants object to Request No. 47 as the question seeks information protected from disclosure by the attorney client privilege and furthermore, Defendants affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 47.

REQUEST NO. 48: Admit that on or after April 18, 2011 you directly or indirectly, with or without compensation transferred, changed, sold, pledged, assigned, liquidated or otherwise disposed of assets that were frozen pursuant to the Asset Freeze Order.

RESPONSE: Defendants object to Request No. 48 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 48.

REQUEST NO. 49: Admit that on or after April 18, 2011 you instructed or directed persons to transfer, change, sell, pledge, assign, liquidate or otherwise dispose of your assets.

RESPONSE: Defendants object to Request No. 49 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 49.

REQUEST NO. 50: Admit that you lived permanently or for an extended time at Canyon Crest.

RESPONSE: Admit.

REQUEST NO. 51: Admit that you were aware that Canyon Crest was advertised for sale on the internet.

RESPONSE: Defendants object to Request No. 51 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 51.

REQUEST NO. 52: Admit that you owned or jointly owned a grand piano, antique typewriter, hot tub, books, jewelry, and/or a Porsche automobile.

RESPONSE: Defendants object to Request No. 52 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 52.

REQUEST NO. 53: Admit that you stored or deposited paper or electronic documents at Canyon Crest.

RESPONSE: Defendants object to Request No. 53 in that it is so vague and uncertain as to the subject matter of the request that Defendants cannot form a cogent response to the request, and therefore deny the same.

REQUEST NO. 54: Admit that on or after April 18, 2011 you removed, hid, or transferred a piano, typewriter, hot tub, book, jewelry, automobile, painting, electronic device or paper or electronic document from Canyon Crest.

RESPONSE: Defendants object to Request No. 54 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 54.

REQUEST NO. 55: Admit that you have not transferred your federal tax returns or a copy of your federal tax returns to the Receiver.

RESPONSE: Deny. A copy of the requested income tax returns were provided to the Commission by Defendants' counsel on June 24, 2011.

REQUEST NO. 56: Admit that on or after April 18, 2011 you directly or indirectly instructed or advised persons to transfer, deposit, withdraw or invest any form of currency, commodity, good or service.

RESPONSE: Defendants object to Request No. 56 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 56.

REQUEST NO. 57: Admit that on or after April 18, 2011 you directly or indirectly offered or marketed, or attempted to offer or market an investing, financial, banking, tax, or real estate product or service.

RESPONSE: Defendants object to Request No. 57 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 57.

REQUEST NO. 58: Admit that you are directly or indirectly in control of funds that originated from Mason Hill clients.

RESPONSE: Defendants object to Request No. 58 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 58.

REQUEST NO. 59: Admit that on or after April 18, 2011 you received or accepted funds belonging to other persons.

RESPONSE: Defendants object to Request No. 59 and affirmatively assert their right, pursuant to the Fifth Amendment protection against self incrimination, to not answer Request No. 59.

As to objections only:

NELSON SNUFFER DAHLE & POULSEN,



Steven R. Paul
Attorney for Defendants

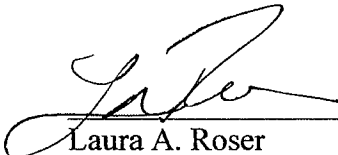
VERIFICATION

I hereby verify that I have read the foregoing **DEFENDANT PATRICK M. BRODY AND DEFENDANT LAURA A. ROSER'S ANSWERS TO PLAINTIFF'S FIRST SET OF REQUESTS FOR ADMISSION TO DEFENDANTS** and that the answers are true and correct to the best of my knowledge, information and belief.

6/30/11
Date


Patrick Merrill Brody

6-30-11
Date


Laura A. Roser