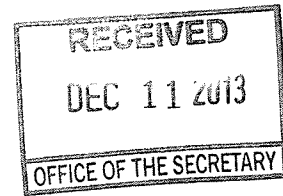


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

HARD COPY

ADMINISTRATIVE PROCEEDING
File No. 3-15526



In the Matter of

GEORGE B. FRANZ, III

and

RUBY CORPORATION,

Respondents.

ANSWER OF RESPONDENTS TO ORDER
INSTITUTING ADMINISTRATIVE AND
CEASE-AND-DESIST PROCEEDINGS

Now come the respondents, George B. Franz, III ("Franz") and Ruby Corporation ("Ruby") (Franz and Ruby are collectively referred to herein as "Respondents"), by and through counsel, and hereby file this answer ("Answer") to the Order Instituting Administrative and Cease-and-Desist Proceedings (the "OIP") initiated by the Securities and Exchange Commission ("Commission") on September 26, 2013.

FIRST DEFENSE

1. In response to the preamble of the OIP, Respondents admit the Commission's jurisdiction to hear the instant matter.

2. Respondents admit the following: a) Ruby is a registered investment adviser; b) Franz is the owner of Ruby; c) Franz is the father of Andrew Franz; d) Andrew Franz was a registered representative; e) Andrew Franz is alleged to have stolen from clients and others; f) as the result of Andrew Franz's misconduct, the Commission has pursued a regulatory action against Andrew Franz; g) Andrew Franz

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has also pled guilty to federal charges of wire fraud, tax fraud, violations of Section 10(b) of the Exchange Act and Sections 206(1) and 206(2) of the Advisers Act; and h) Andrew Franz has been ordered to pay restitution and is scheduled to commence serving a period of incarceration on December 6, 2013. Respondents deny the remaining statements and allegations of Section II, Par. 1, of the OIP.

3. Respondents admit that: a) Franz founded Ruby; b) Ruby is a registered investment adviser; c) Ruby is located in Beachwood; d) Franz owns residences in Ohio and Florida; and e) Franz was Series 6 licensed from 1982 to 2006. Respondents deny the remaining statements and allegations of Section II (A), Par. 2, of the OIP.

4. Respondents admit that: a) Ruby is an Ohio corporation, b) Ruby is a registered investment adviser; and c) Ruby is located in Beachwood. Respondents deny the remaining statements and allegations of Section II (A), Par. 3, of the OIP.

5. Respondents admit that: a) Andrew Franz resided in Aurora, Ohio, and b) Andrew Franz was a registered representative. Respondents deny the remaining statements and allegations of Section II (B), Par. 3 [SIC], of the OIP.

6. Respondents admit the statements and allegations of Section II (B), Par. 4 [SIC], of the OIP, but deny the accuracy of the allegations referenced therein for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

7. Respondents admit the statements and allegations of Section II (B), Par. 5 [SIC], of the OIP, but deny the accuracy of the allegations referenced therein for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

8. Respondents admit that Andrew Franz misappropriated funds belonging to clients and others; but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 6 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

9. Respondents admit that Ruby's clients were primarily invested in annuities and mutual funds and had powers of attorney granted to Ruby, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 7 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

10. Respondents admit that Andrew Franz misappropriated client funds, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 8 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

11. Respondents admit that Andrew Franz submitted fee requests and intercepted mail, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 9 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

12. Respondents admit that Franz intended Andrew Franz to succeed him in the business, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 10 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

13. Respondents admit that Franz had a residence in Florida, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 11 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

14. Respondents deny the statements and allegations of Section II (C), Par. 12 [SIC], of the OIP.

15. Respondents deny the statements and allegations of Section II (C), Par. 13 [SIC], of the OIP.

16. Respondents admit that a 1099 was issued from Ruby to Andrew Franz, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 14 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

17. Respondents admit that Andrew Franz took money from the Marie Franz Trust, but deny the accuracy of the remaining statements and allegations referenced in

Section II (C), Par. 15 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

18. Respondents admit that Andrew Franz took fees from Ruby, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 16 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

19. Respondents admit that George (Charles) Wilkinson was hired to review records of Ruby, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 17 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

20. Respondents deny the statements and allegations of Section II (C), Par. 18 [SIC], of the OIP.

21. Respondents deny the statements and allegations of Section II (C), Par. 19 [SIC], of the OIP.

22. Respondents admit that George (Charles) Wilkinson was hired to review records of Ruby, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 20 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon

Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

23. Respondents admit that Andrew Franz wrote checks to Ruby, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 21 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

24. Respondents deny the statements and allegations of Section II (C), Par. 22 [SIC], of the OIP.

25. Respondents admit that he took steps to prevent wrongful conduct by Andrew Franz, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 23 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

26. Respondents deny the statements and allegations of Section II (C), Par. 24 [SIC] of the OIP.

27. Respondents deny the statements and allegations of Section II (C), Par. 25 [SIC], of the OIP.

28. Respondents deny the statements and allegations of Section II (C), Par. 26 [SIC], of the OIP.

29. Respondents deny the statements and allegations of Section II (C), Par. 27 [SIC], of the OIP.

30. Respondents deny the statements and allegations of Section II (C), Par. 28 [SIC], of the OIP.

31. Respondents admit that they wrote checks to Ruby clients, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 29 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

32. Respondents admit that the Commission examined Ruby, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 30 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

33. Respondents deny the statements and allegations of Section II (C), Par. 31 [SIC], of the OIP.

34. Respondents admit that they became aware of Andrew Franz lying in 2011, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 32 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

35. Respondents admit that FINRA pursued claims against Andrew Franz, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 33 [SIC], of the OIP based upon inaccuracies in the claims, for lack

of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

36. Respondents admit that Andrew Franz cooperated with FINRA, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 34 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

37. Respondents admit that Andrew Franz was terminated, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 35 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

38. Respondents admit that Andrew Franz is alleged to have misappropriated funds in 2011, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 36 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

39. Respondents deny the statements and allegations of Section II (C), Par. 37 [SIC], of the OIP.

40. Respondents deny the statements and allegations of Section II (C), Par. 38 [SIC], of the OIP.

41. Respondents deny the statements and allegations of Section II (C), Par. 39 [SIC], of the OIP.

42. Respondents deny the statements and allegations of Section II (C), Par. 40 [SIC], of the OIP.

43. Respondents deny the statements and allegations of Section II (C), Par. 41 [SIC], of the OIP.

44. Respondents admit that they wrote checks to Ruby clients, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 42 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

45. Respondents deny the statements and allegations of Section II (C), Par. 43 [SIC], of the OIP.

46. Respondents admit that Franz spoke to Ruby clients after discovering Andrew Franz's misconduct, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 44 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

47. Respondents admit that Franz reimbursed client accounts, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 45 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or

information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

48. Respondents deny the statements and allegations of Section II (C), Par. 46 [SIC], of the OIP.

49. Respondents admit that Franz was interviewed by the Commission, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 47 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

50. Respondents deny the statements and allegations of Section II (C), Par. 48 [SIC], of the OIP.

51. Respondents admit that Franz was interviewed by the Commission, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 49 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

52. Respondents admit that Franz and his counsel met with the Commission, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 50 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew

Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

53. Respondents deny the statements and allegations of Section II (C), Par. 51 [SIC], of the OIP.

54. Respondents deny the statements and allegations of Section II (C), Par. 52 [SIC], of the OIP.

55. Respondents deny the statements and allegations of Section II (C), Par. 53 [SIC], of the OIP.

56. Respondents admit that they retained Cohen Audit Services, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 54 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

57. Respondents deny the statements and allegations of Section II (C), Par. 55 [SIC], of the OIP.

58. Respondents deny the statements and allegations of Section II (C), Par. 56 [SIC], of the OIP.

59. Respondents admit that they told clients they had retained Cohen Audit Services to perform an audit, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 57 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

60. Respondents deny the statements and allegations of Section II (C), Par. 58 [SIC], of the OIP.

61. Respondents admit that they produced copies of correspondence, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 59 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

62. Respondents deny the statements and allegations of Section II (C), Par. 60 [SIC], of the OIP.

63. Respondents admit that they produced additional correspondence, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 61 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

64. Respondents admit George Franz discussed surrender charges, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 62 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

65. Respondents deny the statements and allegations of Section II (C), Par. 63 [SIC], of the OIP.

66. Respondents deny any fabricated correspondence and further deny for lack of knowledge or information sufficient to ascertain the truth thereof the remaining statements and allegations of Section II (C), Par. 64 [SIC], of the OIP.

67. Respondents deny the statements and allegations of Section II (C), Par. 65 [SIC], of the OIP.

68. Respondents deny the statements and allegations of Section II (C), Par. 66 [SIC], of the OIP.

69. Respondents admit George Franz provided investigative testimony, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 67 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

70. Respondents admit George Franz testified regarding client disclosures, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 68 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

71. Respondents admit that a Form ADV Part II was filed and the contents are restated accurately, but deny the accuracy of the remaining statements and allegations referenced in Section II (C), Par. 69 [SIC], of the OIP based upon inaccuracies in the claims, for lack of knowledge or information as to the truth thereof,

and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

72. Respondents admit the statements and allegations of Section II (C), Par. 70 [SIC], of the OIP.

73. Respondents deny the statements and allegations of Section II (C), Par. 71 [SIC], of the OIP.

74. Respondents admit Andrew Franz has pled guilty, but deny the accuracy of the remaining statements and allegations referenced in Section II (D), Par. 1, of the OIP based upon inaccuracies in the claims referenced therein, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

75. Respondents admit Andrew Franz has pled guilty, but deny the accuracy of the remaining statements and allegations referenced in Section II (D), Par. 2, of the OIP based upon inaccuracies in the claims referenced therein, for lack of knowledge or information as to the truth thereof, and also based upon Andrew Franz's lack of testimony and assertion of his Fifth Amendment rights in association therewith.

76. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 3, of the OIP.

77. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 4, of the OIP.

78. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 5, of the OIP.

79. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 6, of the OIP.

80. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 7, of the OIP.

81. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 8, of the OIP.

82. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 9, of the OIP.

83. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 10, of the OIP.

84. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 11, of the OIP.

85. Respondents deny the statements, allegations and legal conclusions of Section II (D), Par. 12, of the OIP.

86. Respondents state that Sections III and IV of the OIP require no response.

SECOND DEFENSE

87. The Commission's action is aggressive, misleading, and incomplete. It fails to recognize that not only is George Franz not liable for the actions of Andrew Franz, but that he is in fact the biggest victim of Andrew Franz. According to records obtained by Respondents, of which the SEC is well aware: a) Andrew Franz stole more than \$600,000 from the Marie Franz Trust, the trust of his deceased mother, which was managed by his father for the benefit of all three of his children; b) Andrew Franz stole or attempted to steal thousands of dollars from his father; c) Andrew Franz stole

thousands of dollars from his in-laws; and d) Andrew Franz stole or attempted to steal thousands of dollars from his grandmother. Though George Franz has attempted since 2010 to discover the truth about his son's actions, including retaining an accountant named George (Charles) Wilkinson to review all corporate records and also retaining Cohen Audit Services to perform an audit of the Ruby accounts, both at significant expense to George Franz, Andrew Franz has repeatedly lied to and concealed accurate information from The Ohio Department of Commerce Division of Securities, the Securities and Exchange Commission, the Financial Industry Regulatory Organization, accountants, auditors, banks, clients and others including Ruby, Ruby's employees and – most particularly – George Franz. George Franz has also submitted thousands of documents, participated in repeated investigations and depositions, and attempted at all stages to fully cooperate with all regulatory authorities. These actions evidence that George Franz not only did not knowingly aid, abet or conspire with Andrew Franz, but that he and his family were in fact – unwittingly – Andrew Franz's biggest victims. Notwithstanding, George Franz has paid and attempted to pay, out of his own pocket, with no insurance available, full restitution to all victims of Andrew Franz that he has discovered. He has further repeatedly offered to pay full restitution to all victims discovered by the Commission. Notwithstanding these offers the Commission has delayed providing the requisite records, and the information that the Commission has eventually produced is misleading, inconsistent, and incomplete. Further, in embarking upon this crusade, and inexplicably failing to recover any penalties or restitution from the perpetrator Andrew Franz, the Commission has falsely portrayed, defamed, and disparaged George Franz to clients whom he served for decades.

THIRD DEFENSE

88. Respondents respectfully reserve their rights pursuant to the Fifth Amendment of the United States Constitution.

FOURTH DEFENSE

89. The Commission's action fails to state a claim upon which relief can be granted.

FIFTH DEFENSE

90. The Commission's action is predicated upon allegations of damages that were caused, in whole or in part, by Andrew Franz and others who are not parties to this action.

SIXTH DEFENSE

91. Respondents have no duty to supervise Andrew Franz.

SEVENTH DEFENSE

92. Respondents have no fiduciary duty to protect their clients or other third-parties from Andrew Franz.

EIGHTH DEFENSE

93. Respondents are not responsible for the wrongful actions of Andrew Franz, including pursuant to the doctrines of employment, agency, respondeat superior, actual authority, apparent authority, or as a matter of federal, state or common law.

NINTH DEFENSE

94. The wrongful actions of Andrew Franz were not authorized, accepted, condoned, approved, or otherwise permitted by Respondents.

TENTH DEFENSE

95. Respondents did not aid, abet, assist, disregard, ignore, or cooperate with the wrongful actions of Andrew Franz.

ELEVENTH DEFENSE

96. The actions of Andrew Franz are solely the liability and responsibility of Andrew Franz.

TWELFTH DEFENSE

97. Respondents did not benefit from the wrongful actions of Andrew Franz.

THIRTEENTH DEFENSE

98. The damages and violations alleged were the result of intervening and superseding negligent, willful, wanton, and/or intentional acts or omissions of persons or entities other than Respondents.

FOURTEENTH DEFENSE

99. Respondents did not have the requisite mental intent to commit or be liable for any of the violations alleged.

FIFTEENTH DEFENSE

100. Respondents have fulfilled all of their contractual, legal and statutory obligations to their clients.

SIXTEENTH DEFENSE

101. The SEC's action is barred by the doctrines of compromise and settlement, release and waiver and/or accord and satisfaction.

SEVENTEENTH DEFENSE

102. The SEC's action is barred by the doctrines of res judicata, collateral estoppel and/or judicial estoppel.

EIGHTEENTH DEFENSE

103. The SEC's action is barred by the applicable statute of limitations.

NINETEENTH DEFENSE

104. Respondent and others have made or shall voluntarily make full restitution to all alleged victims save for Respondent's own family who has not requested the same.

TWENTIETH DEFENSE

105. The Commission's action fails to allege that Respondents acted with the requisite scienter or mental state that is necessary under the circumstances for them to be held liable.

TWENTY-FIRST DEFENSE

106. The claims asserted are improperly vague, ambiguous and confusing, and omit critical facts.

TWENTY-SECOND DEFENSE

107. The claims asserted in the OIP were not asserted in the Wells Notice, dated June 26, 2013, directed to Respondents, thereby denying Respondents the ability to properly defend themselves.

TWENTY-THIRD DEFENSE

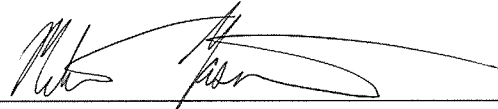
108. Respondents lacks knowledge or information sufficient to form a belief as to whether they may have additional and as yet unstated defenses, and they reserve the right to assert any and all such additional affirmative defenses.

WHEREFORE, Respondents pray that all claims for relief or request for judgment be denied and that this action be dismissed in its entirety with prejudice.

Dated: December 9, 2013

Respectfully submitted,

KOHRMAN JACKSON & KRANTZ, P.L.L.



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