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BEFORE THE ARIZONA CORPORATION COMMISSION

25P

COMMISSIONERS

MARC SPITZER, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES

Arizona Corporation Commission

DOCKETED

APR 15 2004

DOCKETED BY	<i>[Signature]</i>
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DOCKET NO. S-03541A-03-0000

IN THE MATTER OF:

WORLDWIDE FOREX, INC.
Steven Labell, Registered Agent
700 North Hiatus Road, Ste. 203
Pembroke Pines, FL 33026

UNIVERSAL FX, INCORPORATED
Darren C. Blum, P.A., Registered Agent
8751 West Broward Blvd.
Plantation, FL 33324

DAVID BRIDGES
c/o WORLDWIDE FOREX
700 North Hiatus Road, Ste. 203
Pembroke Pines, FL 33026

Respondents.

AZ CORP COMMISSION
DOCUMENT CONTROL

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THIRD
PROCEDURAL ORDER

BY THE COMMISSION:

On October 28, 2003, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of Opportunity for Hearing ("Notice") against Worldwide Forex, Inc. ("Worldwide"), Universal FX, Incorporated ("UFX") and Mr. David Bridges (collectively the "Respondents") in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of foreign currency investment contracts.

Respondents were duly served with copies of the T.O. and Notice.

On November 26, 2003, Respondents, through Florida counsel, filed what was captioned "Combined Request for Hearing, Notice of Appearance, Answer and Waiver of Timely Hearing Requirement" ("Request"). Counsel for Respondents indicated he would be associating with Arizona counsel in the near future, but did not submit evidence of admission Pro Hac Vice ("PHV") in compliance with Rule 33 of the Rules of the Arizona Supreme Court and evidence that he

1 had paid the required filing fees.

2 On December 4, 2003, Respondents' counsel indicated telephonically to the presiding
3 Administrative Law Judge that he would comply with Rule 33, but had not yet done so.

4 On December 4, 2003, the Commission issued the first Procedural Order ("FPO") in this
5 proceeding and ordered that Respondents' Request filed in response to the T.O. and Notice be held in
6 abeyance for 45 days from the date of the receipt of the FPO by Florida counsel pending
7 Respondents' counsel filing with the Commission a Motion and Consent for Admission Pro Hac Vice
8 ("Motion PHV"). The filing of the Motion PHV would establish Florida counsel's compliance with
9 Rule 33 of the Rules of the Arizona Supreme Court and evidence that the required filing fees had
10 been paid in a timely fashion. The Commission's FPO further ordered that, if Respondents' counsel
11 failed to timely file a Motion PHV, Respondents would be in default in the proceeding.

12 On December 8, 2003, according to a certified U.S. mail return receipt, the Commission's
13 FPO was received by the office of Respondents' Florida counsel. Based on the date of receipt, the
14 Motion PHV should have been filed not later than January 24, 2004.

15 On February 6, 2004, an Arizona law firm entered an appearance in the proceeding indicating
16 that the firm would consent to be local counsel once the Motion PHV of the Florida counsel was
17 submitted and approved.

18 On February 17, 2004, the Division filed a Motion for Entry of Default ("Default Motion")
19 based on the failure of Florida counsel to comply with the Commission's FPO to file a Motion PHV
20 within 45 days of receipt of the initial Procedural Order. The Division cited points and authorities in
21 support of its Default Motion. Copies of the Division's Default Motion were mailed to the offices of
22 Respondents' Florida counsel and to the Arizona law firm. No objections to the Division's Motion
23 were filed with the Commission.

24 On March 11, 2004, the Commission issued the Second Procedural Order ("SPO"), in which
25 the Division's Default Motion was granted and the Division was ordered to file a Default Order for
26 Commission approval.

27 On March 14, 2004, Respondents' Arizona counsel filed what was captioned as
28 "Respondents' Motion to Vacate Second Procedural Order and in the Alternative, Motion to Set

1 Aside Default” (“Motion to Vacate”). Respondents argued that neither their Arizona counsel nor
2 their Florida counsel had received a copy of the Division’s Default Motion filed on February 17,
3 2004. Arizona counsel stated that if either he or the Florida counsel for Respondents had received the
4 Division’s Default Motion, an immediate response to the Default Motion would have been filed and
5 immediate steps would have been taken to resolve the default issue. However, until receipt of the
6 SPO, Respondents’ Florida and Arizona counsel remained unaware of the Division’s Default Motion.
7 Respondents’ local counsel further argued that the case should be heard on its merits and that since
8 Respondents had ceased doing business in Arizona pending resolution of this proceeding, no
9 prejudice would result if the Motion to Vacate is granted.

10 On March 25, 2004, Respondents’ Arizona counsel filed notice that Respondents’ Florida
11 counsel had submitted his application to the State Bar of Arizona (“SBA”) for admission Pro Hac
12 Vice and expected the SBA to issue a Notice of Receipt of Complete Application for Florida counsel
13 on March 26, 2004.

14 On March 26, 2004, Respondents’ Arizona counsel consented to serve as local counsel in the
15 proceeding, and submitted the Motion PHV pursuant to Rule 33 of the Rules of the Arizona Supreme
16 Court on behalf of Respondents’ Florida counsel, Kenneth J. Dunn.

17 On April 2, 2004, the Division filed its response to Respondents’ Motion to Vacate. The
18 Division argued that the Respondents failed to demonstrate that they are entitled to relief from the
19 Commission’s Procedural Orders due to inadvertence without a reasonable excuse and cited past
20 cases supporting its position.

21 On April 14, 2004, Respondents’ Arizona counsel filed a reply and argued further for a
22 hearing on the merits.

23 Under the circumstances, while there have been a violation of a timeliness requirement in
24 violation of prior Commission Orders, there has been colorable compliance by Respondents’ Florida
25 counsel when he became aware of the problem. Such violations should not prevent a hearing on the
26 merits of the Division’s T.O. and Notice filed herein. Accordingly, the Respondents’ Motion to
27 Vacate should be granted, the Motion PHV of Florida counsel should be approved and a pre-hearing
28 conference should be scheduled.

1 IT IS THEREFORE ORDERED that the Respondents' Motion to Vacate be, and is hereby,
2 granted.

3 IT IS FURTHER ORDERED that the Respondents' default be, and is hereby, set aside.

4 IT IS FURTHER ORDERED that the Motion Pro Hac Vice to admit Kenneth J. Dunn be, and
5 is hereby, approved.

6 IT IS FURTHER ORDERED that a pre-hearing conference shall be held on May 11, 2004 at
7 10:00 a.m. at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

8 IT IS FURTHER ORDERED that the Temporary Order shall remain in effect until a final
9 Order is issued by the Commission in this proceeding.

10 Dated this 15th day of April, 2004

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14 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

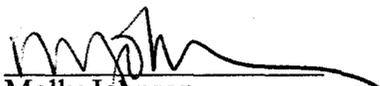
15 Copies of the foregoing were mailed/delivered
this 15 day of April, 2004 to:

16 Paul J. Roshka, Jr.
17 James. M. McGuire
18 Roshka Heyman & DeWulf
19 One Arizona Center
400 East Van Buren, Ste. 800
Phoenix, AZ 85004
Attorneys for Respondents

20 Kenneth J. Dunn
21 FEDER & DUNN, P.A.
11575 Heron Bay Blvd., Ste. 315
22 Coral Springs, FL 33076
Attorneys for Respondents

23 Matt Neubert, Director
24 Securities Division
ARIZONA CORPORATION COMMISSION
25 1300 West Washington Street
Phoenix, AZ 85007

26
27 By:


28 Molly Johnson
Secretary to Marc E. Stern