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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2004 JUL - 11 A 8: 02
AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03505A-04-0000

FOUNTAIN CAPITAL MANAGEMENT, LLC
c/o DAVID A. FAZIO
3616 West Cortez
Phoenix, AZ 85029

INTERGROWTH FINANCIAL GROUP
c/o ROGER ALVIN SANDE
CDC # V06974
P.O. Box 2210
Susanville, CA 96130

RICHARD A. FANDRICH
11424 North 25th Avenue
Phoenix, AZ 85029

DAVID A. and DEBORAH FAZIO
3616 West Cortez
Phoenix, AZ 85029

DONALD and HELEN ABERNATHY
2323 North Central Avenue, #803
Phoenix, AZ 85004

STEPHEN A. AND CHERYL J. HILTBRAND
2156 E. Estrella Circle
Mesa, AZ 85202

ROBERT ALVIN SANDE
CDC # V06974
P.O. Box 2210
Susanville, CA 96130

Respondents.

Arizona Corporation Commission

DOCKETED

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THIRD
PROCEDURAL ORDER

BY THE COMMISSION:

On May 7, 2004, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Fountain Capital Management, LLC ("FCM"), Intergrowth Financial Group ("IFG"), Richard A. Fandrigh, David A. and Deborah Fazio, Donald and Helen Abernathy, Stephen A. and Jane Doe Hiltbrand and

1 Roger Alvin Sande (collectively "Respondents") in which the Division alleged multiple violations of
2 the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of
3 viatical contracts and investment contracts.

4 All Respondents have been duly served with a copy of the Notice except Donald and Helen
5 Abernathy who have moved from Arizona.

6 On May 21, 2004, requests for hearing were filed for FCM, David A. and Deborah Fazio.

7 On May 24, 2004, a request for hearing was filed for Stephen A. and Cheryl J. Hiltbrand.

8 On June 7, 2004, by Procedural Order, a pre-hearing conference was scheduled for June 30,
9 2004.

10 On June 9, 2004, counsel for FCM and the Fazio Respondents filed a Motion for Extension of
11 Time to File Answer ("Extension Motion") until June 18, 2004. The Extension Motion indicated that
12 the Division did not oppose it.

13 On June 11, 2004, counsel for the Hiltbrands filed their Answer and demanded a jury trial.

14 On June 15, 2004, by Procedural Order, the Extension Motion was granted.

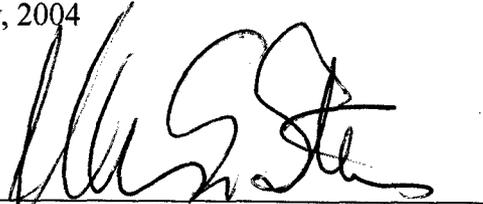
15 On June 18, 2004, an Answer was filed for FCM and the Fazios.

16 On June 30, 2004, a pre-hearing conference was held as scheduled earlier. The Division,
17 FCM, the Fazios and the Hiltbrands were represented by counsel. The Division and counsel who
18 were present for the Respondents, FCM, the Fazios and Hiltbrands agreed that another pre-hearing
19 conference should be scheduled on August 10, 2004, while a possible resolution of the allegations
20 raised in the Notice was discussed.

21 Accordingly, a pre-hearing conference should be scheduled as agreed between the parties.

22 IT IS THEREFORE ORDERED that a pre-hearing conference shall be held on August
23 10, 2004, at 9:30 am., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

24 Dated this 1st day of July, 2004

25
26
27 
28 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing were mailed/delivered
2 this 1 day of July, 2004 to:

3 Alan Baskin
4 BADE & BASKIN
5 80 East Rio Salado Parkway, Ste. 515
6 Tempe, AZ 85281
7 Attorneys for Stephen A. and Cheryl Hiltbrand

8 Michael Salcido
9 RENAUD COOK DRURY MESAROS, P.A.
10 Phelps Dodge Tower
11 One North Central, Ste. 900
12 Phoenix, AZ 85004-4417
13 Attorneys for Fountain Capital Management, LLC, and David A. and Deborah Fazio

14 Matt Neubert, Director
15 Securities Division
16 ARIZONA CORPORATION COMMISSION
17 1300 West Washington Street
18 Phoenix, AZ 85007

19 ARIZONA REPORTING SERVICE
20 2627 N. Third Street, Ste. Three
21 Phoenix, AZ 85004-1003

22 By: 
23 Molly Johnson
24 Secretary to Marc E. Stern
25
26
27
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