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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2004 MAY 11 P 1:44

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03541A-03-0000

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

Arizona Corporation Commission

DOCKETED

MAY 11 2004

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

DOCKETED BY *CAR*

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

Respondents.

FOURTH
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 commodity investment contracts in foreign currency.

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 On April 15, 2004, by Procedural Order, it was ordered as follows: the Respondents’ Motion
24 to Vacate was granted; Respondents’ default was set aside; the Motion PHV of Florida counsel was
25 granted; a pre-hearing conference was scheduled for May 11, 2003, and the T.O. extended until a
26 final Order by the Commission.

27 On May 11, 2003, at the pre-hearing conference, the Division and the Respondents appeared
28 with counsel. The parties indicated that while settlement would be explored, the proceeding could be

1 scheduled for hearing. The parties agreed that pre-hearing motions, if any, would be filed within ten
2 days and they further agreed to a hearing which begins on July 12, 2004, and lasting approximately
3 three days.

4 IT IS THEREFORE ORDERED that a hearing on the above-captioned matter shall
5 commence on July 12, 2004, at 9:30 a.m. at the Commission's offices, 1200 West Washington
6 Street, Phoenix, Arizona.

7 IT IS FURTHER ORDERED that the parties shall also set aside July 13 and 14, 2004 for
8 additional days of hearing, if necessary.

9 IT IS FURTHER ORDERED that copies of exhibits and witness lists shall be exchanged
10 between the parties by June 15, 2004, with courtesy copies provided to the presiding Administrative
11 Law Judge.

12 IT IS FURTHER ORDERED that pre-hearing motions shall be filed by May 21, 2004.

13 Dated this 11TH day of May, 2004

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16 
17 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

18 Copies of the foregoing were mailed/delivered
19 this 11 day of May, 2004 to:

20 Paul J. Roshka, Jr.
21 James. M. McGuire
22 Roshka Heyman & DeWulf
23 One Arizona Center
24 400 East Van Buren, Ste. 800
25 Phoenix, AZ 85004
26 Attorneys for Respondents
27 **Via Certified Mail**
28 **Return Receipt Requested**

29 Kenneth J. Dunn
30 FEDER & DUNN, P.A.
31 11575 Heron Bay Blvd., Ste. 315
32 Coral Springs, FL 33076
33 Attorneys for Respondents
34 **Via Certified Mail**
35 **Return Receipt Requested**

36 ...

1 Matt Neubert, Director
2 Securities Division
3 ARIZONA CORPORATION COMMISSION
4 1300 West Washington Street
5 Phoenix, AZ 85007

6 ARIZONA REPORTING SERVICE
7 2627 N. Third Street, Ste. Three
8 Phoenix, AZ 85004-1003

9 By: 
10 Molly Johnson
11 Secretary to Marc E. Stern
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