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BEFORE THE ARIZONA CORPORATION COMMISSION

25H

COMMISSIONERS

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

IN THE MATTER OF:

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 25<sup>th</sup> 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.

DOCKET NO. S-03505A-04-0000

Arizona Corporation Commission  
**DOCKETED**

AUG 10 2004

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AZ CORP COMMISSION  
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**FOURTH**  
**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. Fandrich, 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 On July 1, 2004, by Procedural Order, a pre-hearing conference was scheduled for August 10,  
22 2004.

23 On August 10, 2004, at the pre-hearing conference, the Division, FCM, the Fazios and the  
24 Hiltbrands were represented by counsel. The parties agreed to schedule a hearing starting on  
25 November 8, 2004, since a settlement had not been reached.

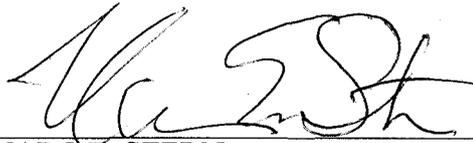
26 Accordingly, a hearing should be scheduled.

27 IT IS THEREFORE ORDERED that a hearing shall be held on November 8, 2004, at 9:30  
28 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

1 IT IS FURTHER ORDERED that the parties reserve November 9 and 10, 2004 for additional  
2 days of hearing, if necessary.

3 IT IS FURTHER ORDERED that the Division and Respondents exchange, by October 15,  
4 2004, copies of their exhibits and copies of their witness lists with courtesy copies provided to the  
5 presiding Administrative Law Judge.

6 Dated this 10<sup>TH</sup> day of August, 2004

7  
8 

9 MARC E. STERN  
10 ADMINISTRATIVE LAW JUDGE

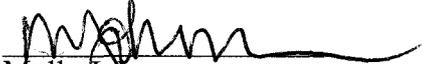
11 Copies of the foregoing were mailed/delivered  
12 this 10 day of August, 2004 to:

13 Alan Baskin  
14 BADE & BASKIN  
15 80 East Rio Salado Parkway, Ste. 515  
16 Tempe, AZ 85281  
17 Attorneys for Stephen A. and Cheryl Hiltbrand

18 Michael Salcido  
19 RENAUD COOK DRURY MESAROS, P.A.  
20 Phelps Dodge Tower  
21 One North Central, Ste. 900  
22 Phoenix, AZ 85004-4417  
23 Attorneys for Fountain Capital Management, LLC, and David A. and Deborah Fazio

24 Matt Neubert, Director  
25 Securities Division  
26 ARIZONA CORPORATION COMMISSION  
27 1300 West Washington Street  
28 Phoenix, AZ 85007

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2627 N. Third Street, Ste. Three  
Phoenix, AZ 85004-1003

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