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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2004 DEC 10 A 10: 21

Arizona Corporation Commission

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MARC SPITZER, Chairman
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MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
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DEC 10 2004

DOCKETED BY

IN THE MATTER OF:

DOCKET NO. S-03465A-02-0000

VICTOR MONROE STOCKBRIDGE
[CRD # 1233627] and
G. IRENE STOCKBRIDGE
[Husband and Wife]

61 Rufous Lane
Sedona, AZ 86336-7117

Respondents.

NINTH
PROCEDURAL ORDER

BY THE COMMISSION:

On December 30, 2002, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Victor Monroe Stockbridge and G. Irene Stockbridge ("Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities by fraudulent transactions.

The Respondents were duly served with a copy of the Notice.

On January 10, 2003, a request for hearing was filed for Respondents.

On January 17, 2003, by Procedural Order, a pre-hearing conference was scheduled for February 4, 2003.

On February 4, 2003, the pre-hearing conference was held as scheduled. The Respondents and the Division were present with counsel. Matters related to discovery were discussed and dates agreed upon for scheduling a hearing.

On February 5, 2003, by Procedural Order, a hearing was scheduled to commence on May 12, 2003.

On April 14, 2003, the Division and the Respondents filed a joint Stipulated Motion to

1 Continue ("Stipulated Motion") the above-captioned matter until the Division notifies the
2 Respondents and the presiding Administrative Law Judge that the Division is ready to go forward.
3 The Stipulated Motion requested an indefinite continuance because counsel for the Division was
4 going on an extended medical leave without a definite date to return to work.

5 On April 17, 2003, by Procedural Order, the proceeding was continued until further Order.

6 On June 22, 2004, the Division filed a motion to schedule a pre-hearing conference.

7 On June 24, 2004, by Procedural Order, a pre-hearing conference was scheduled.

8 On July 9, 2004, Respondents filed a Motion to Stay and/or Extend the Indefinite
9 Continuance ("Motion to Extend") pending the resolution of parallel civil proceedings before the
10 Maricopa County Superior Court and a scheduled arbitration before a panel of arbitrators pursuant to
11 the terms of a customer account agreement.

12 On July 15, 2004, a pre-hearing conference was held as scheduled. The Division and
13 Respondents appeared through counsel. A discussion concerning aspects of the proceeding and when
14 the Division would be filing its response to Respondents' Motion to Extend.

15 On July 23, 2004, the Division filed its Response in opposition to Respondents' Motion to
16 extend. The Division argued that Respondents would not be unduly prejudiced if the proceeding is
17 not continued further and cited a series of cases which strongly support its arguments in opposition of
18 a further continuance. In fact, the Division's position in the proceeding may be unduly prejudiced as
19 time passes due to the age and health of the parties involved.

20 On August 19, 2004, by Procedural Order, the Respondents' Motion to Extend was denied
21 and a pre-hearing conference was scheduled for September 14, 2004.

22 On September 2, 2004, by teleconference, the Division and Respondents requested the pre-
23 hearing conference be continued due to a scheduling conflict.

24 On September 3, 2004, by Procedural Order, the pre-hearing conference was continued to
25 September 22, 2004.

26 On September 22, 2004, the Division and the Respondents appeared through counsel at the
27 pre-hearing conference. The status of the various civil proceedings and procedural and discovery
28 issues were discussed. Due to certain outstanding discovery issues which had been stayed when the

1 proceeding had been continued indefinitely on April 17, 2003, Respondents' counsel indicated that he
2 would file a response(s) to pending objections to outstanding Subpoenas Duces Tecum by October 8,
3 2004. The Division indicated that it reserved its rights to also file a response(s) by that date also.
4 The parties were directed to exchange copies of their witness lists and exhibits by December 1, 2004,
5 pending the commencement of a hearing on the Notice herein on January 10, 2005.

6 On September 24, 2004, by Procedural Order, responses were scheduled for filing on October
7 8, 2004, witness lists and exhibits were scheduled to be exchanged by December 1, 2004 and the
8 hearing was scheduled to commence on January 10, 2005.

9 On October 7, 2004, the parties filed a stipulated request to file their responses concerning the
10 outstanding Subpoenas Duces Tecum on October 15, 2004.

11 On October 13, 2004, by Procedural Order, a deadline was scheduled for October 15, 2004 to
12 file the responses regarding outstanding Subpoenas Duces Tecum.

13 On December 7, 2004, Subpoenas were issued for Mark Klamrzynski and Michael Donovan
14 of the Division to be deposed on December 13, 2004.

15 On December 8, 2004, the Division filed a Motion for Protective Order and a Motion for
16 Expedited Ruling on the Motion for Protective Order.

17 IT IS THEREFORE ORDERED that the depositions of Mark Klamrzynski and Michael
18 Donovan shall be stayed pending oral argument on the Motion for Protective Order.

19 IT IS FURTHER ORDERED that oral argument on the Motion for Protective Order is
20 scheduled for December 22, 2004 at 11:00 a.m. at the Commission's offices, 1200 West Washington,
21 Phoenix, Arizona.

22 DATED this 10th day of December, 2004

23 *Marc E. Stern / by D. Hodas*
24 MARC E. STERN
25 ADMINISTRATIVE LAW JUDGE

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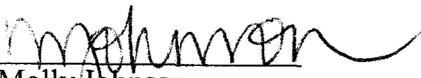
1 Copies of the foregoing mailed/delivered
this 10 day of December, 2004 to:

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10 Securities Division
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14 ARIZONA REPORTING SERVICE
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17 By:

18 
19 Molly Johnson
20 Secretary to Marc E. Stern
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