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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2005 NOV -2 A 11: 22

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

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03550A-04-0000

ARTHUR B. COOPER  
CRD # 1856331  
8025 E. Redwing  
Scottsdale, AZ 85250

LINDA EBINGER-COOPER  
CRD# 1353173  
8025 E. Redwing  
Scottsdale, AZ 85250

Respondents.

SEVENTH  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On December 15, 2004, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Arthur B. Cooper and Linda Ebinger-Cooper (collectively "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 membership interests and/or investment contracts.

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

On December 29, 2004, a request for hearing was filed for Respondents.

On January 3, 2005, by Procedural Order, a pre-hearing conference was scheduled.

On February 3, 2005, pursuant to the Commission's Procedural Order, a pre-hearing conference was held with both the Division and Respondent represented by counsel. After a discussion concerning the possible number of witnesses and the evidence, it was agreed that a hearing should be scheduled in May, 2005. By Procedural Order, a hearing was scheduled for May 17, 2005.

On April 28, 2005, following a teleconference with the presiding Administrative Law Judge, the parties filed a stipulation to continue the hearing.

1 On May 2, 2005, by Procedural Order, the hearing was continued from May 17, 2005, to June  
2 29, 2005.

3 On June 1, 2005, by Procedural Order, due to a scheduling conflict, it became necessary to  
4 continue the commencement of this hearing to June 30, 2005.

5 On June 21, 2005, following a teleconference with the presiding Administrative Law Judge,  
6 the parties filed a stipulation to continue the proceeding to a date after October 10, 2005, and to allow  
7 for three days of hearing.

8 On June 22, 2005, by Procedural Order, the hearing was continued to October 11, 2005.

9 On September 27, 2005, the Division filed a Motion to Continue due to scheduling conflicts  
10 which have arisen due to other pending court actions. Subsequently, by Procedural Order, the  
11 proceeding was continued to November 1, 2005.

12 On October 28, 2005, Respondents' counsel filed a Motion to Continue ("Motion") the  
13 hearing for at least 30 days because Respondents had recently filed a Chapter 13 proceeding in the  
14 United States Bankruptcy Court in Phoenix, Arizona. The filing raised issues with respect to the  
15 applicability of the automatic stay and the necessity of Respondents' counsel in the securities  
16 proceeding to secure the approval of the Bankruptcy Court to represent the Coopers before the  
17 Commission.

18 On October 31, 2005, the Division filed its Response in opposition to the Respondents'  
19 Motion arguing that the automatic stay is not applicable to the Commission proceedings and that  
20 Respondents' counsel has unduly delayed securing the Court's approval to represent the Respondents  
21 before the Commission. Respondents' counsel in the bankruptcy proceeding cited case law and  
22 argued that in a Chapter 13 proceeding, the Commission cannot proceed with its hearing without the  
23 stay being lifted by the Court, and without Court approval being granted to Respondents' counsel in  
24 the Commission's proceeding.

25 Accordingly, the proceeding should be continued as requested by the Respondents, and the  
26 issues of the release of the automatic stay and approval of counsel for Respondents in the  
27 Commission proceeding be resolved prior to hearing.

28 IT IS THEREFORE ORDERED that the **hearing** shall be continued from November 1, 2005,

1 to December 5, 2005, at 9:30 a.m., at the Commission's offices, 1200 West Washington Street,  
2 Phoenix, Arizona.

3 IT IS FURTHER ORDERED that the parties shall also set aside **December 6, 7 and 8, 2005**,  
4 for additional days of hearing, if necessary, and in the event the presiding Administrative Law Judge  
5 is required to attend the Commission's Open Meeting on either December 6 or 7, 2005.

6 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
7 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

8 DATED this 2nd day of November, 2005

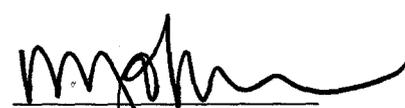
  
9  
10 MARC E. STERN  
11 ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered  
13 this 2 day of November, 2005 to:

14 Mark D. Chester  
15 CHESTER & SHEIN, P.C.  
16 8777 N. Gainey Center Drive, Ste. 191  
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18 Attorneys for Respondents

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20 Securities Division  
21 ARIZONA CORPORATION COMMISSION  
22 1300 West Washington Street  
23 Phoenix, AZ 85007

24 ARIZONA REPORTING SERVICE, INC.  
25 2627 N. Third Street, Ste. Three  
26 Phoenix, AZ 85004

27  
28  
By:   
Molly Johnson  
Secretary to Marc E. Stern