



0000037642

**MISSING DOCUMENT**

**FILED DATE:** 4/16/01

**DOC TYPE:** 04/Affidavit/certification

**FILED BY:** Jerry Lowe

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

IN THE MATTER OF: )  
MOBILE CASH SYSTEMS, LLC )  
8215 S. Eastern Ave., Suite 239 )  
Las Vegas, Nevada 89123 )  
WORLD WIRELESS SOLUTIONS, INC. )  
a/k/a WIRELESS EXPRESS USA, INC. )  
544 West Iron Drive, Suite 102 )  
Mesa, Arizona 85210 )  
WORLD ELECTRONIC PAYMENT )  
SOLUTIONS, INC., d/b/a WEPS )  
544 West Iron Drive, Suite 102 )  
Mesa, Arizona 85210 )  
WORLD CASH PROVIDERS, LLC )  
1851 Hillpointe Road, Suite 811 )  
Henderson, Nevada 89014 )  
WORLD CASH PROVIDERS, LLC )  
3649 West Beechwood, Suite 103 )  
Fresno, California 93711 )  
MARK ALAN MELKOWSKI, SR. )  
2173 East La Vieve Lane )  
Tempe, Arizona 85254 )  
EAGLE COMMUNICATIONS, INC. )  
4430 N. Civic Center Plaza, #204 )  
Scottsdale, Arizona 85251 )  
EAGLE ONE FINANCIAL & TAX, LLC )  
4430 N. Civic Center Plaza, #204 )  
Scottsdale, Arizona 85251 )  
GERALD B. ("JERRY") JOHNSON )  
2010 West Summit Place )  
Chandler, Arizona 85224-1170 )  
KIMBER LEA BAUDOUR )  
873 North Crossbow Court )  
Chandler, Arizona 85225 )  
Respondents. )

DOCKET NO.  
S-03396A-01-0000



0000037652

PREHEARING  
CONFERENCE

**FOR  
INTERNAL  
&  
INTERAGENCY  
USE  
ONLY**

Pursuant to the contract with Arizona Reporting Service all transcripts are available electronically for internal agency use only.

Do not copy, forward or transmit outside the Arizona Corporation Commission.

1  
2  
3  
4  
5  
6  
7  
8  
9

10 At: Phoenix, Arizona

11 Date: March 26, 2001

12 Filed: **APR 13 2001**

13  
14  
15

16 REPORTER'S TRANSCRIPT OF PROCEEDINGS

17  
18  
19

20 **ARIZONA REPORTING SERVICE, INC.**  
21 Court Reporting  
22 Suite Three  
2627 North Third Street  
Phoenix, Arizona 85004-1103

23 Prepared for: By: DAWNA J. BOSWELL, RPR  
24 CCR No. 50326

25 ACC

**ORIGINAL**

1 BE IT REMEMBERED that the above-entitled  
2 and numbered matter came on regularly to be heard  
3 before the Arizona Corporation Commission, in  
4 Conference Room 1 of said Commission, 1200 West  
5 Washington Street, Phoenix, Arizona, commencing at  
6 10:02 a.m. on the 26th day of March, 2001.

7

8 BEFORE: LYN A. FARMER, Chief Administrative Law  
9 Judge

10 APPEARANCES:

11 PAMELA T. JOHNSON, Staff Attorney, Securities  
12 Division, on behalf of the Arizona Corporation  
Commission;

13 JENNIFER A. BOUCEK, Office of the Attorney  
14 General, on behalf of the Arizona Corporation  
Commission;

15 WARREN JAY STAMM, General Counsel, Mobile Cash  
16 Systems, LLC, on behalf of Mobile Cash Systems,  
17 LLC, World Wireless Solutions, Inc., World  
18 Electronic Payment Solutions, Inc., World Cash  
Providers, LLC, World Cash Providers, Inc., and  
Kimber Lea Baudour;

19 MARK MELKOWSKI, In Propria Persona and on  
20 behalf of Eagle Communications, Inc., and Eagle  
One Financial & Tax, LLC;

21

22

DAWNA J. BOSWELL  
CCR No. 50326

23

24

25

1 CALJ FARMER: Good morning and welcome to  
2 the Arizona Corporation Commission. We are here  
3 this morning in the matter of the proposed order to  
4 cease and desist, for restitution, for  
5 administrative penalties and for other affirmative  
6 action. The Docket Number is S-03396A-01-0000. My  
7 name is Lyn Farmer. I'm the Administrative Law  
8 Judge presiding over this matter.

9 At this time, I'd like to start with taking  
10 appearances of counsel. The Securities Division  
11 initiated this action. I will take appearances  
12 from them first.

13 MS. JOHNSON: Good morning. Pam Johnson  
14 for the Securities Division.

15 MS. BOUCEK: Jennifer Boucek, assistant  
16 attorney general for the Division.

17 CALJ FARMER: Thank you.

18 MR. STAMM: Good morning, Your Honor.  
19 Warren Stamm. I'm here on behalf of the  
20 respondents Mobile Cash Systems, LLC, World  
21 Wireless Solutions, Inc., World Electronic Payment  
22 Solutions, Inc., World Cash Providers, LLC, World  
23 Cash Providers, Inc., and Kimber Lea Baudour  
24 individually.

25 MS. JOHNSON: Mr. Melkowski is here on his

1 own behalf as well.

2 CALJ FARMER: Okay. I just want to get  
3 your name again, sir.

4 MR. STAMM: Warren Stamm, S-t-a-m-m.

5 CALJ FARMER: Thank you.

6 Okay. Now, let's move to the individuals.

7 MR. MELKOWSKI: I'm Mark Melkowski.

8 CALJ FARMER: Okay.

9 MR. MELKOWSKI: I'm here on my own behalf.

10 CALJ FARMER: Okay.

11 MS. BAUDOUR: I'm Kim Baudour, Kimber Lea  
12 Baudour.

13 CALJ FARMER: How do you pronounce your  
14 last name?

15 MS. BAUDOUR: Baudour.

16 CALJ FARMER: Do you go by just Kim or  
17 Kimber Lea?

18 MS. BAUDOUR: I go by Kim.

19 CALJ FARMER: Okay, Kim, thank you.

20 According to my list, I'm just trying to  
21 see who amongst these respondents are not  
22 represented this morning. Is there anyone  
23 representing Eagle Communications, Inc.?

24 MR. MELKOWSKI: That's me. I'm with Eagle  
25 Communications, Eagle One and Eagle Financial.

1 CALJ FARMER: Okay. For the record, it  
2 looks like one of the respondents, Gerald Jerry  
3 Johnson, did not file a request for hearing, is  
4 that correct?

5 MS. JOHNSON: That's correct.

6 CALJ FARMER: And is Mr. Johnson present  
7 this morning? There's no response.

8 MR. STAMM: No, Your Honor.

9 CALJ FARMER: Okay.

10 Well, as you're all aware, there was a  
11 notice of opportunity for hearing regarding this  
12 proposed order that was issued on January 29th.  
13 Each of you of the respondents who are present this  
14 morning have requested a hearing on the matter, and  
15 that's what we're here to talk about. Before we go  
16 into that, though, let me just ask whether the  
17 Securities Division has had a chance to discuss any  
18 of the procedural aspects with any of the  
19 respondents.

20 MS. JOHNSON: We have engaged in some  
21 correspondence, some exchange of proposed consent  
22 orders. Right now we're pretty far apart, and  
23 we're hopeful that we will have, be able to define  
24 our positions a little bit better within the next  
25 couple of weeks.

1 CALJ FARMER: Okay. Would you like an  
2 opportunity to go off the record now and discuss  
3 amongst yourselves a procedural time frame or would  
4 you like to, for me to set a hearing date?

5 MS. JOHNSON: Do you want to talk, Warren?

6 MR. STAMM: Yes, Your Honor, I think it  
7 would be in both sides' best interest perhaps to  
8 recess for a few moments and give us the  
9 opportunity to discuss it.

10 CALJ FARMER: Okay. We'll go off the  
11 record. When you're ready for me to come back in,  
12 come in through this door and get me. I'll turn  
13 off the system.

14 MS. JOHNSON: Thank you.

15 MR. STAMM: Thank you, Your Honor.

16 (A recess ensued.)

17 CALJ FARMER: Let's go back on the record.  
18 The parties had an opportunity to discuss  
19 this matter?

20 MS. JOHNSON: Yes, Your Honor.

21 MR. STAMM: Yes, Your Honor.

22 CALJ FARMER: Do you have something to  
23 report?

24 MS. JOHNSON: We would like to schedule a  
25 hearing for the first week of May. I have a

1 conflict because I have a hearing scheduled in  
2 Tucson that week, but looking at all of our  
3 calendars and with all of our conflicting schedules  
4 and other things going on, that looks like the best  
5 week. And I've already pretty much established  
6 with the other participants in the Tucson hearing  
7 that they would be willing to continue that one.  
8 So what we'd like to do is request a hearing for  
9 the first week of May, and then I'll take care of  
10 that other conflict later today.

11 CALJ FARMER: Okay. I'm looking at the  
12 hearing calendar which is where we keep the list of  
13 the hearings that are scheduled. It looks like on  
14 Wednesday, May 2nd, there's a Commission open  
15 meeting. How many days, first of all, do you  
16 anticipate the hearing going?

17 MS. JOHNSON: Well, I think we may need a  
18 full week of hearing. However, the Division would  
19 plan to complete its case on the third day of  
20 hearing.

21 We could probably start on April the 30th.  
22 Do you have a conflict on that Monday?

23 MR. STAMM: Yes.

24 MS. JOHNSON: You do have a conflict on  
25 that Monday. So May 1st would be the first date

1 you would be available?

2 MR. STAMM: Yes, May 1st.

3 MS. JOHNSON: We could probably go into the  
4 first couple of days of the second week of May if  
5 we needed to.

6 CALJ FARMER: I'll note for the record it  
7 looks like there is another securities case, The  
8 Chamber Group, that's scheduled to start on  
9 May 2nd. Is that the conflict you were talking  
10 about?

11 MS. JOHNSON: No.

12 CALJ FARMER: Okay.

13 MR. STAMM: Your Honor, he's raising his  
14 hand.

15 MR. MELKOWSKI: I have a situation that I  
16 have explained to them, and June 14th, I have to,  
17 my son is going to have open heart surgery. He's  
18 11 years old, it's going to be in San Francisco,  
19 and during the month of May, as I explained to the  
20 people from the attorney general's office and the  
21 Corporation Commission, we don't know if he's going  
22 to live or die off of this operation. So I don't  
23 know if during the month of May if I'm going to be  
24 available to spend a week going through all these  
25 hearings.

1           We go up on June 14th. He's going to be up  
2 there for probably two weeks in June if everything  
3 goes well, and then it's in San Francisco. Then  
4 after that he will have four to six weeks of, we  
5 have to watch him real close because he has three  
6 major heart problems they have to correct. So just  
7 from my standpoint on this, I don't know, this is  
8 my heart talking. I don't know if these are my  
9 last 60 days with my son or not. So do I want to  
10 spend a week in court? Not really, during that  
11 time. If I have to, I have to, but I'm not  
12 interested in doing that if it's going to conflict  
13 with me being with my son.

14           CALJ FARMER: What about the week before  
15 that? Why is that not a good week?

16           MR. STAMM: I have a conflict, Your Honor,  
17 the last week of April.

18           Your Honor, if I may, I think that, I'm  
19 hopeful that this matter, that the Commission and  
20 my respondents will be able to come to some type of  
21 an agreement, and if that's the case, then perhaps  
22 the necessity for a week's worth of hearing may be  
23 obviated. And perhaps if we can, if we do come to  
24 some type of a resolution, if we do come to some  
25 finality, we could use the May date as the

1 opportunity to appear before the Court to perhaps  
2 resolve this matter finally instead of having to  
3 take it to trial.

4 So if the Court is flexible with respect to  
5 the date and understanding the limitations that  
6 Mr. Melkowski has and the hopefulness of the  
7 parties to be able to resolve this, perhaps at that  
8 time we can consider a continuance if it's  
9 necessary. But if we can shoot for the May date, I  
10 think we're hopefully optimistic, Your Honor.

11 CALJ FARMER: Okay. I tell you, we can  
12 start the hearing on May 2nd which is a Wednesday,  
13 but that Monday and Tuesday are not available. We  
14 could start Wednesday, May 2nd, 3rd, 4th, and if  
15 necessary, go into the first couple of days of the  
16 following week.

17 Mr. Melkowski, is that all right with you?

18 MR. MELKOWSKI: If I said no, does it make  
19 any difference?

20 CALJ FARMER: Well, it might if you can  
21 come up with a better time.

22 MR. MELKOWSKI: My time would be after my  
23 son gets out of the hospital, because in May, like  
24 I said, I don't know if those are going to be my  
25 last 30 days with him. Do I want to spend three,

1 four, five days in court? Not really. And if I  
2 have to, I have to. Yes, I want to get this over  
3 with, too, but I also know that I have an 11 year  
4 old boy that means more to me, no disrespect to  
5 anybody here, but than this whole matter.

6 CALJ FARMER: Sure. Given what the other  
7 respondents have stated that they are hopeful they  
8 can discuss this matter with the Securities  
9 Division and possibly not, end up not going to a  
10 hearing, are you also intending to see if you can  
11 make such a discussion or arrangement with the  
12 Securities Division also?

13 MR. MELKOWSKI: I am. I'm really hopeful.

14 CALJ FARMER: Okay. And you understand if  
15 we were to set the hearing to begin on May 2nd,  
16 that you have an opportunity to request a  
17 continuance if, for example, the health of your  
18 child deteriorated and you needed to reschedule it,  
19 you always have that opportunity?

20 MR. MELKOWSKI: Okay. Well, I'll wait  
21 until then to say, but his health is not going to  
22 deteriorate. It's just spending time with him. I  
23 don't know if we're going to go on vacation or just  
24 take a month off. I don't know what I'm going to  
25 do. So that's my dilemma. And no disrespect to

1 you, the judge here, but like I said, it's more  
2 important for me to spend time with my son than be  
3 here in this matter. If we could get it past June  
4 or July, it would be much better for me, mentally  
5 and physically and all the other things that go  
6 with having, if you all have kids here, knowing  
7 what your kids go through.

8 CALJ FARMER: Let me let the Division  
9 respond to that. Why is June or July not  
10 appropriate for this matter?

11 MS. JOHNSON: Well, I think Mr. Melkowski  
12 is talking about perhaps the end of July, and if  
13 his son's surgery is in June, and if we want to  
14 wait, we have a conflict the last week of June, we  
15 have a conflict the first week of July, but we  
16 could do it, say, the last two weeks of July, or  
17 what, did Mr. Melkowski propose another date,  
18 sooner in June?

19 MR. MELKOWSKI: If we could do it the last  
20 two weeks of July, I would beg you to do that so I  
21 could have time with my kid and get through all  
22 this.

23 MS. JOHNSON: We were hoping to use the May  
24 date as a date to help us facilitate a settlement,  
25 and that's what, why we wanted to schedule a

1 hearing the first week of May. We feel that right  
2 now is the time when we've got everyone's  
3 attention. I think Mr. Stamm agrees with me that  
4 both of our clients are focused right now on  
5 settlement, and if we had a May hearing date, that  
6 would help us facilitate that, notwithstanding  
7 Mr. Melkowski's concerns, which obviously we  
8 sympathize with.

9 CALJ FARMER: Sir, do you want to respond  
10 to that?

11 MR. MELKOWSKI: No, like I said, I would be  
12 more apt to, me, mentally, I think I'm pretty  
13 strong mentally, but to go through all this before  
14 the operation, I don't have the mental capacity to  
15 do that and pay attention and to understand  
16 everything that is going on because my heart is not  
17 here. It's there.

18 CALJ FARMER: Sure. I understand.

19 MR. MELKOWSKI: But I also want to get it,  
20 and on the flip side of that, I also want to get  
21 this all settled.

22 CALJ FARMER: What if we go ahead and set  
23 the May 2nd date, everyone work towards that, and  
24 with the understanding that you may need to file  
25 something for an extension if your child's health

1 condition interferes with that.

2 MR. MELKOWSKI: I'm agreeable to that. I'd  
3 like to get this all settled for everybody, even  
4 the taxpayers.

5 CALJ FARMER: Okay. Thank you.

6 Then we'll go ahead and set the hearing to  
7 begin on Wednesday, May 2nd. And I would encourage  
8 the parties to discuss as much as you can. If you  
9 can come to a resolution of the matter that's in  
10 the interest of the public, that would be a  
11 beneficial thing to do.

12 Is there anything else that we need to take  
13 up now while we're on the record?

14 MS. JOHNSON: I don't believe so, Your  
15 Honor.

16 MR. STAMM: No, Your Honor.

17 CALJ FARMER: All right. Then the hearing  
18 will begin on Wednesday, May 2nd. And I will note  
19 Mr. Melkowski's concerns and the discussion that  
20 we've had today, and if necessary, you can file  
21 something in the docket when it's appropriate.

22 MR. MELKOWSKI: Okay. Thank you very  
23 much.

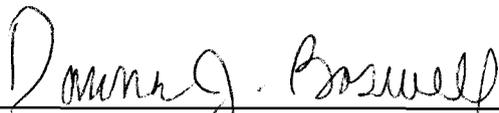
24 CALJ FARMER: Thank you.

25 (The proceedings concluded at 10:35 a.m.)

1 STATE OF ARIZONA )  
 2 ) ss.  
 3 COUNTY OF MARICOPA )  
 4  
 5  
 6

7 I, DAWNA J. BOSWELL, Certified Court  
 8 Reporter No. 50326 for the State of Arizona, do  
 9 hereby certify that the foregoing printed pages  
 10 constitute a full, true and accurate transcript of  
 11 the proceedings had in the foregoing matter, all  
 12 done to the best of my skill and ability.

13  
 14 WITNESS my hand this 10<sup>th</sup> day of April,  
 15 2001.

16  
 17   
 18 DAWNA J. BOSWELL  
 19 CCR No. 50326  
 20  
 21  
 22  
 23  
 24  
 25