



0000044220

EXCEPTION Arizona Corporation Commission
DOCKETED

RECEIVED

Date 4/17/00

Docket Nos: S-03312A-99-0000 And S-03375A-0000

2000 APR 17 A 11:36

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DOCKETED BY	
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AZ CORP COMMISSION
REGISTRATION CONTROL

Pursuant to A.A.C.R14-3-110(B). Respondent Daniel J. Garcia is filing exception to the recommendation of the hearing officer in regards to the opinion and order on Charles Shull, John Ebdon, Cochise financial Corp, Carol Ebdon and Daniel J. Garcia.

Respondent Daniel J. Garcia takes exception to the following:

1. The division charges that Respondent Daniel J. Garcia violated A.R.S. 44-1841 (unlawful sale of unregistered securities) A.R.S. 44-1842 (unlawful transaction by unregistered dealer or salesman) and A.R.S. 44-1991 (fraud in connection with the offer and sale of securities)

(A) Respondent Daniel J. Garcia did not sell or offer for sale any security. (A.R.S. 44-1841)

(B) Respondent Daniel J. Garcia did not sell or purchase or offer to sell or buy any security. (A.R.S. 44-1842).

(C) Respondent Daniel J. Garcia having not violated A.R.S. 44-1841 and A.R.S. 44-1842 cannot be liable for A.R.S. 44-1991 (Fraud in Purchase or sale of securities (2)(3)).

Respondent Daniel J. Garcia did not sell or offer for sale any security to anyone. Debt transfer letters (see attached previously entered as exhibits s-39, s-96 and s-28 not admitted). These debt transfer letters were done without any financial payment no money changed hands for these letters. These letters were given without any violation within the meaning of A.R.S 44-1841 and A.R.S 44-1842.

In regards to the debt assumption letters it should be made known to the Division that Respondent Daniel J. Garcia does not have at this time any recollection of a second set of letters being given to parties mentioned in previous exhibits. (S-39, s-96 or not admitted s-28). Or to Respondent John Ebdon. Respondent Daniel J. Garcia questions the authenticity of the letters previously entered as exhibits (s-92, s-81, s-40).

Conclusion

Respondent Daniel J. Garcia asserts that the Division has not provided adequate evidence to support its claim of violation of A.R.S. 44-1801(13)(19). Or A.R.S. 44-1841. Or A.R.S. 44-1842, A.R.S. 44-1991.

Respondent further asserts that A.C.C 14-2-308. Has nothing to do with this matter and does not apply. (Attached description of rule).

Respectfully submitted by,

Daniel J. Garcia

We Have Original

December 13, 1995

4725 Via Viento
Sierra Vista, AZ 85635

Dear Mr. and Mrs. Lightner,

This letter is to inform you that I have assumed John E. Ebdon's debt to you in the amount of \$50,000, of which will be paid to you on or before 3/22/96.

Attached to this letter is an acknowledgement. You will need to have this signed and returned to Carol Ebdon Garcia on or before your payment date.

The terms of this letter are non-negotiable. It is your option whether or not you accept the arrangement set forth in this letter.

Further, if there is any legal action pending to the collection of this debt from John E. Ebdon, you must terminate this action.

Sincerely,

[Handwritten Signature]

Daniel J. Garcia

SUBSCRIBED AND SWORN to me before me this 5th day of JAN, 1996

Susan J. Santos
NOTARY PUBLIC

My Commission Expires:

My Commission Expires Jan. 10, 1998

EXHIBIT
S-76
admitted

ACC02245
S-3312A

December 13, 1995

4725 Via Viento
Sierra Vista, AZ 85635

Dear Maureen Kelly,

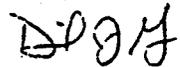
This letter is to inform you that I have assumed John E. Ebdon's debt to you in the amount of \$1.1 million, of which will be paid to you on or before 2/28/96.

Attached to this letter is an acknowledgement. You will need to have this signed and returned to Carol Ebdon Garcia on or before your payment date.

The terms of this letter are non-negotiable. It is your option whether or not you accept the arrangement set forth in this letter.

Further, if there is any legal action pending to the collection of this debt from John E. Ebdon, you must terminate this action.

Sincerely,



Daniel J. Garcia

SUBSCRIBED AND SWORN to me before me this 5th day of JAN, 1996.



NOTARY PUBLIC

My Commission Expires:

My Commission Expires Jan. 10, 1998



ACC02273
S-3312A

December 13, 1995

4725 Via Viento
Sierra Vista, AZ 85635

Dear Daniel Kattle,

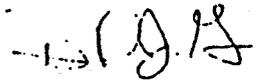
This letter is to inform you that I have assumed John E. Ebdon's debt to you in the amount of \$520,000, of which will be paid to you on or before 2/15/96.

Attached to this letter is an acknowledgement. You will need to have this signed and returned to Carol Ebdon Garcia on or before your payment date.

The terms of this letter are non-negotiable. It is your option whether or not you accept the arrangement set forth in this letter.

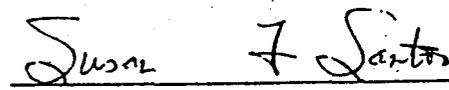
Further, if there is any legal action pending to the collection of this debt from John E. Ebdon, you must terminate this action.

Sincerely,



Daniel J. Garcia

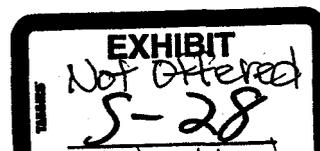
SUBSCRIBED AND SWORN to me before me this 5th day of JAN, 1996



NOTARY PUBLIC

My Commission Expires:

Jan. 10, 1998



ACC00368
S-3312A

March 1, 1996

678 Moorman
Sierra Vista, AZ 85635

Dear Frank Dull,

D.J.G. - Carol Ebdon
This letter is to inform you that I have assumed John E. Ebdon's debt to you in the amount of \$300,000, of which will be paid to you on or before 3/21/96.

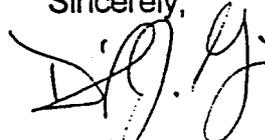
Attached to this letter is an acknowledgment. You will need to have this signed and returned to Carol Ebdon Garcia on or before your payment date.

The terms of this letter are non-negotiable. It is your option whether or not you accept the arrangement set forth in this letter.

Further, if there is any legal action pending to the collection of this debt from John E. Ebdon, you must terminate this action.

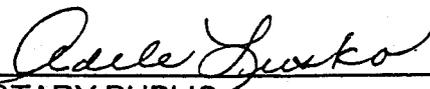
If the payments are not paid by 3/21/96, then you will be granted a lien against the judgment.

Sincerely,



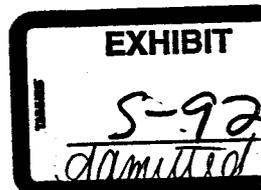
Daniel J. Garcia

SUBSCRIBED AND SWORN to me before me this 1st day of March, 1996


NOTARY PUBLIC

My Commission Expires:

February 8, 1999



ACC00559
S-3312A

March 1, 1996

678 Moorman
Sierra Vista, AZ 85635

Dear Mr. and Mrs. Lightner,

This letter is to inform you that I have assumed John E. Ebdon's debt to you in the amount of \$50,000, of which will be paid to you on or before 3/21/96.

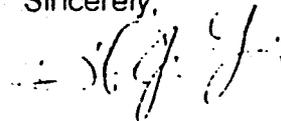
Attached to this letter is an acknowledgment. You will need to have this signed and returned to Carol Ebdon Garcia on or before your payment date.

The terms of this letter are non-negotiable. It is your option whether or not you accept the arrangement set forth in this letter.

Further, if there is any legal action pending to the collection of this debt from John E. Ebdon, you must terminate this action.

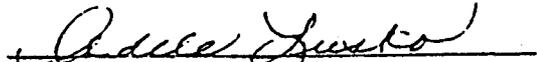
If the payments are not paid by 3/21/96, then you will be granted a lien against the judgment.

Sincerely,



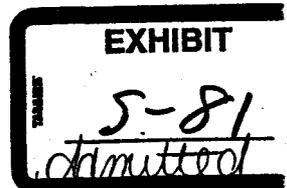
Daniel J. Garcia

SUBSCRIBED AND SWORN to me before me this 1st day of March, 1996


NOTARY PUBLIC

My Commission Expires:

February 8, 1999



ACC00370
S-3312A

March 1, 1996

678 Moorman
Sierra Vista, AZ 85635

Dear Maureen Kelly,

This letter is to inform you that I have assumed John E. Ebdon's debt to you in the amount of \$1.1 million, of which will be paid to you on or before 3/21/96.

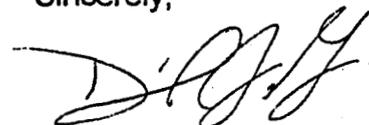
Attached to this letter is an acknowledgment. You will need to have this signed and returned to Carol Ebdon Garcia on or before your payment date.

The terms of this letter are non-negotiable. It is your option whether or not you accept the arrangement set forth in this letter.

Further, if there is any legal action pending to the collection of this debt from John E. Ebdon, you must terminate this action.

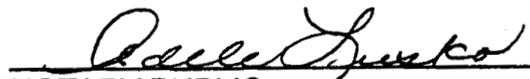
If the payments are not paid by 3/21/96, then you will be granted a lien against the judgment.

Sincerely,



Daniel J. Garcia

SUBSCRIBED AND SWORN to me before me this 1st day of March 1996


NOTARY PUBLIC

My Commission Expires:

February 8, 1999



ACC02274
S-3312A

R14-2-308. Provision of service

A. Utility responsibility

1. Each utility shall be responsible for the safe transmission and distribution of gas until it passes the point of delivery to the customer.
2. Each utility shall be responsible for maintaining in safe operating condition all meters, regulators, service pipe or other fixtures installed on the customer's premises by the utility for the purpose of delivering gas to the customer.
3. Each utility may, at its option, refuse service until the customer's pipes and appliances have been tested and found to be safe, free from leaks, and in good operating condition. Proof of such testing shall be in the form of a certificate executed by a licensed plumber or local inspector, certifying that the customer's facilities have been tested and are in safe operating condition.
4. Each utility shall be required to test the customer's piping for leaks when the gas is turned on. If such tests indicate leakage in the customer's piping, the utility shall refuse to provide service until such time as the customer has had the leakage corrected.

B. Customer responsibility

1. Each customer shall be responsible for maintaining all customer piping, fixtures and appliances on the customer's side of the point of delivery in safe operating condition.
2. Each customer shall be responsible for safeguarding all utility property installed in or on the customer's premises for the purpose of supplying utility service.
3. Each customer shall exercise all reasonable care to prevent loss or damage to utility property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to utility property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the utility for the cost of necessary repairs or replacements.
4. Each customer shall be responsible for payment for any equipment damage and/or estimated unmetered usage resulting from unauthorized breaking of seals, interfering, tampering or bypassing the utility meter.
5. Each customer shall be responsible for notifying the utility of any gas leakage identified in the customer's or the utility's equipment.

C. Continuity of service. Each utility shall make reasonable efforts to supply a satisfactory and continuous level of service. However, no utility shall be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

1. Any cause against which the utility could not have reasonably foreseen or made provision for, i.e., force majeure
2. Intentional service interruptions to make repairs or perform routine maintenance
3. Curtailment.

D. Change in character of service. When a change is made by the utility in the type of service rendered which would adversely affect the efficiency of operation or require the adjustment of the equipment of customers, all customers who may be affected shall be notified by the utility at least 30 days in advance of the change or, if such notice is not possible, as early as feasible. Where adjustments or replacements of the utility's standard equipment must be made to permit use under such changed conditions, adjustments shall be made by the utility without charge to the customers.

E. Service interruptions

1. Each utility shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.
2. Each utility shall make reasonable provisions to meet emergencies resulting from failure of service, and each utility shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.
3. In the event of a national emergency or local disaster resulting in disruption of normal service, the utility may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.
4. When a utility plans to interrupt service for more than 4 hours to perform necessary repairs or maintenance, the utility shall attempt to inform affected customers at least 24 hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the utility.
5. The Commission shall be notified of interruptions in service affecting the entire system or any major division thereof. The interruption of service and cause shall be reported within 1 hour after the responsible representative of the utility becomes aware of said interruption by telephone to the Commission and followed by a written report to the Commission.

F. Heat value standard for natural gas. Each gas utility operating under the jurisdiction of the Commission shall supply gas to its customers with an average total heating value of not less than 900 Btu's per cubic foot. The number of Btu's per cubic foot actually delivered through the customer's meter will vary according to the altitude/elevation of the location where the customer is being provided service.

G. Standard delivery pressure

1. Each utility shall maintain a standard delivery pressure at the outlet of the customer's meter of approximately 0.25 pounds per square inch gauge subject to variation under load conditions.
2. In cases where a customer desires service at greater than standard delivery pressure, the utility may supply at its option such greater pressure if and only as long as the furnishing of gas to such customer at higher than standard delivery pressure will not be detrimental to the service of other customers of the utility. The utility reserves the right to lower said delivery pressure or discontinue the delivery of gas at higher pressure at any time upon reasonable notice to the customer. Where service is provided at such higher pressure, the meter volumes shall be corrected to that higher pressure.

H. Curtailment. Each utility shall file with the Commission as a part of its general tariffs a procedural plan for handling severe supply shortages or service curtailments. The plan shall provide for equitable treatment of individual customer classes in the most reasonable and effective manner given the existing circumstances. When the availability of service is so restricted that the reduction of service on a proportionate basis to all customer classes will not maintain the integrity of the total system, the utility shall develop procedures to curtail service giving service priority to those customers and/or customer classes where health, safety and welfare would be adversely affected.