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BEFORE THE ARIZONA CORPORATIO

IN THE MATTER OF:)
)
DAVID LEE MCMILLAN and POLLY)
P. MCMILLAN, husband and wife)
CRD#1828333)
)
Respondents.)
_____)

DOCKET NO.
S-20452A-06-0218
PREHEARING
CONFERENCE

At: Phoenix, Arizona

Date: June 22, 2006

Filed: JUN 30 2006

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AZ CORP COMMISSION
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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Court Reporting
Suite Three
2627 North Third Street
Phoenix, Arizona 85004-1126

Prepared for:

By: Kate E. Baumgarth
Certified Reporter
Certificate No. 50582

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Corporation Commission, in Hearing Room 1 of said
4 Commission, 1200 West Washington Street, Phoenix, Arizona,
5 commencing at 2:30 p.m., on the 22nd, of June, 2006.

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7

8 BEFORE: MARC E. STERN, Administrative Law Judge

9

10 APPEARANCES:

11

12 For the Securities Division:

13 Ms. Sharleen Day
14 and
15 Ms. Julie Coleman
16 Staff Attorney, Legal Division
17 1200 West Washington Street
18 Phoenix, Arizona 85007

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18 For the Respondent Mrs. Polly McMillan appearing
19 telephonically:

19 By Mr. Daniel J. Oehler
20 2001 Highway 95
21 Suite 15
22 Bullhead City, Arizona 86442

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KATE E. BAUMGARTH
Certified Reporter
Certificate No. 50582

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1 ALJ STERN: All right. We are going to go on the
2 record in this prehearing. We haven't really been on the
3 record yet. I just wanted to get you situated that there
4 is an attorney here on behalf of the Securities Division,
5 and in just a minute now we will go on the record.

6 We are on the record in the matter of
7 David Lee McMillan and Polly P. McMillan, husband and
8 wife, in docket No. S-20452A-06-0218.

9 My name is Marc Stern, and I will preside over
10 this prehearing conference today. And before we go
11 further I think, as I will note for the record, there has
12 been a default order against Mr. McMillan who did not
13 request a hearing. Mrs. McMillan did, and at this time we
14 will take an appearance on behalf of the Division.

15 MS. COLEMAN: Julie Coleman and Sharleen Day on
16 behalf of the Commission.

17 ALJ STERN: Okay. And, Mr. Oehler, do you want
18 to enter your appearance?

19 MR. OEHLER: I do, Your Honor. On behalf of
20 Polly P. McMillan, Attorney Dan Oehler, O-e-h-l-e-r.

21 ALJ STERN: Is that Oehler?

22 MR. OEHLER: That is how it's pronounced,
23 allegedly, at least.

24 ALJ STERN: Okay. I will allegedly try to
25 pronounce it correctly now that I have heard you pronounce

1 it.

2 In any event, the purpose of having this
3 prehearing conference is primarily because you requested a
4 hearing on behalf of your client. She is named in a
5 proceeding by the Division.

6 I don't know what the Division's plans are, and
7 actually because we are doing this by telephone, normally
8 in some of these prehearing conferences we will go off the
9 record and I will let you talk to the Division counsel who
10 is present; however, under the circumstances perhaps what
11 we might do, because this sound system that we are on in
12 the hearing room, it broadcasts all over the building in
13 which the commission is tied in to here, so I don't know
14 how many people are listening to your conversation.
15 Sometimes when you have discussions with counsel for the
16 other side it's better to be off the record.

17 So what I'm going to suggest, and Ms. Coleman is
18 here; she will be able to provide you with a phone number,
19 I believe, over at the securities division or perhaps
20 since you have your client with you she can call you in
21 Bullhead City there shortly, and then you can discuss this
22 matter a little bit.

23 Would that be agreeable to you, Ms. Coleman?

24 MS. COLEMAN: Actually our office had a brief
25 conversation with Mr. Oehler's office yesterday.

1 Just to let you know it is my understanding --
2 Pam Johnson is the attorney in this matter -- there has
3 been correspondence and communication between both
4 Mr. Oehler and our office. Mr. Oehler represented
5 Mrs. McMillan for purposes of her dissolution against
6 Mr. McMillan, and we are in the process of trying to
7 resolve this manner.

8 We have obtained certain documentation to
9 facilitate that, and I think we are looking at this point
10 in time just for a continuance of, say, about 60 days so
11 we can figure out what needs to be done in light of other
12 circumstances which have arisen with respect to
13 Mrs. McMillan.

14 ALJ STERN: Okay. Is that your agreement also,
15 Mr. Oehler?

16 MR. OEHLER: I would concur, Your Honor. I have
17 met or spoken with Ms. Johnson on multiple occasions and
18 supplied her documentation. And, in fact, quite --
19 several weeks ago we agreed to submit a settlement
20 proposal, which, in fact, has been transmitted; although,
21 I'm not certain Ms. Johnson received it prior to her leave
22 this week for -- I believe, she is on vacation.

23 ALJ STERN: Okay. Well, why don't we do this. I
24 will continue this proceeding for about 60 days. In the
25 interim if you and Ms. Johnson arrive at some sort of

1 solution, I'm sure you and/or she can, primarily the
2 Division, can advise me, and we can take the matter off of
3 our schedule.

4 So if you have no objections, then I will just
5 reset this for another prehearing in about 60 days. If
6 the matter is resolved or close to it, I will leave it up
7 to the Division to either reschedule it or something, or
8 Mr. Oehler, the both of you can contact me.

9 Is that agreeable?

10 MR. OEHLER: That's agreeable, Your Honor.

11 MS. COLEMAN: That is fine with the Division.

12 ALJ STERN: All right. With that we will
13 continue this proceeding. I will set out another date. I
14 will send out another Procedural Order, and I thank you
15 for your time today. That concludes this proceeding.

16 (Whereupon, the prehearing conference concluded
17 at 2:34 p.m.)

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1 STATE OF ARIZONA)
) ss.
 2 COUNTY OF MARICOPA)

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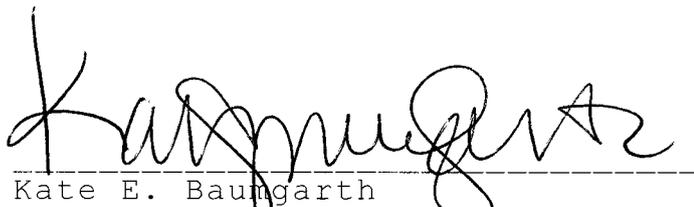
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I, KATE E. BAUMGARTH, Certified Reporter
 No. 50582, for the State of Arizona, do hereby certify
 that the foregoing printed pages constitute a full, and
 accurate transcript of the proceedings had in the
 foregoing matter, all done to the best of my skill and
 ability.

WITNESS my hand this 27th day of
June, 2006.


 Kate E. Baumgarth
 Certified Reporter, No. 50582