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ASAP

BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK Arizona Corporation Commission  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
WILLIAM A. MUNDELL  
COMMISSIONER

DOCKETED

OCT 31 2000

DOCKETED BY

JM

IN THE MATTER OF

DOCKET NO. S-03386A-00-0000

ARTHUR ANDERSEN L.L.P.  
501 North 44<sup>th</sup> Street - 300  
Phoenix, Arizona 85008,

Respondent.

**SECOND**  
**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On September 27, 2000, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Arthur Andersen L.L.P. ("Andersen" or "Respondent") in which the Division alleged multiple violations of the Arizona Securities Act ("Act") by aiding and abetting in the fraudulent offer and sale of various securities products by the Baptist Foundation of Arizona and related entities.

The Respondent was duly served with a copy of the Notice.

On October 3, 2000, Andersen filed a request for hearing.

On October 10, 2000, by Procedural Order, a pre-hearing conference was scheduled for October 18, 2000.

On October 17, 2000, Respondent filed a Motion to Dismiss.

On October 18, 2000, a pre-hearing conference was held at the Commission's offices in Phoenix, Arizona. The Respondent and Division were represented by counsel. Other pending proceedings arising from Andersen's involvement with the Baptist Foundation of Arizona and the briefing of motions were discussed.

On October 25, 2000, Respondent filed a Motion to Stay Proceeding.

On October 30, 2000, a teleconference was conducted by the presiding Administrative Law Judge between counsel for Respondent and counsel for the Division where a briefing schedule and other matters were agreed upon by counsel as follows: November 8, 2000, Division's Response to

1 Motion to Stay Proceeding due; November 17, 2000, Respondent's Reply due; November 30, 2000 a  
2 Procedural Order to issue which will determine whether the proceeding will be stayed; in the event  
3 that the proceeding is not stayed, December 8, 2000, the Division's Response to the Motion to  
4 Dismiss due; December 22, 2000, Respondent's Reply due; and oral argument on the Motion to  
5 Dismiss, will be heard on January 4, 2001, at 9:30 a.m., at the Commission's offices in Phoenix,  
6 Arizona.

7 DATED this 31<sup>st</sup> day of October, 2000.

8  
9  
10   
11 MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

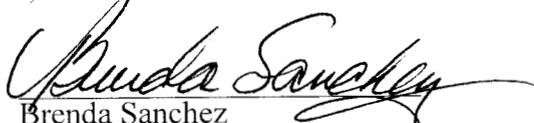
12 Copies of the foregoing mailed/delivered  
13 this 31<sup>st</sup> day of October, 2000 to:

14 Don P. Martin  
15 Edward F. Novak  
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26 W. Mark Sendrow, Director  
27 Securities Division  
28 ARIZONA CORPORATION COMMISSION  
1300 West Washington Street  
Phoenix, Arizona 85007

ARIZONA REPORTING SERVICE, INC.  
2627 N. Third Street, Suite Three  
Phoenix, Arizona 85004-1104

26 By:   
27 Brenda Sanchez  
28 Secretary to Marc E. Stern