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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
DOCKET CONTROL

1
2 COMMISSIONERS

3 JEFF HATCH-MILLER, Chairman
4 WILLIAM A. MUNDELL
5 MIKE GLEASON
6 KRISTIN K. MAYES
7 GARY PIERCE

8 IN THE MATTER OF:

DOCKET NO. S-20482A-06-0631

9 EDWARD A. PURVIS and MAUREEN H. PURVIS,
10 husband and wife
11 1231 West Shannon
12 Chandler, Arizona 85224

Arizona Corporation Commission
DOCKETED

SEP 05 2007

13 GREGG L. WOLFE and ALLISON A. WOLFE,
14 husband and wife
15 2092 West Dublin Lane
16 Chandler, Arizona 85224

DOCKETED BY

17 NAKAMI CHI GROUP MINISTRIES
18 INTERNATIONAL, (a/k/a NCGMI), a Nevada
19 corporation sole
20 4400 North Scottsdale Road, Suite 9-231
21 Scottsdale, Arizona 85251

22 JAMES W. KEATON, Jr. and JENNIFER
23 KEATON, husband and wife
24 11398 East Whitehorn Drive, Apt. D
25 Scottsdale, Arizona 85255

26 ACI HOLDINGS, INC., a Nevada corporation
27 17650 North 25th Avenue
28 Phoenix, Arizona 85023

Respondents.

ELEVENTH
PROCEDURAL ORDER

29 **BY THE COMMISSION:**

30 On October 3, 2006, the Securities Division ("Division") of the Arizona Corporation
31 Commission ("Commission") filed a Notice of Opportunity of Hearing ("Notice") against Edward A.
32 and Maureen H. Purvis, husband and wife, Gregg L. and Allison A. Wolfe, husband and wife,
33 Nakami Chi Group Ministries International aka NCGMI ("NCGMI"), James W. Keaton, Jr. and
34 Jennifer Keaton, husband and wife, and ACI Holdings, Inc. ("ACI"), (collectively "Respondents"), in
35 which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection

1 with the offer and sale of stock and investment contracts.

2 Respondents were duly served with copies of the Notice.

3 On October 11, 2006, Edward A. and Maureen H. Purvis filed a request for a hearing.

4 On October 16, 2006, James W. Keaton, Jr., Jennifer Keaton and ACI filed a request for a
5 hearing.

6 No requests for hearing have been filed on behalf of either Gregg and Allison Wolfe or
7 NCGMI.

8 On October 25, 2006, by Procedural Order, a pre-hearing conference was scheduled
9 November 16, 2006.

10 On November 16, 2006, counsel for the Division, counsel for Mr. and Mrs. Purvis and
11 counsel for Mr. and Mrs. Keaton and ACI appeared to discuss their relative positions in the
12 proceeding and whether a hearing should be scheduled. Counsel for the parties indicated that they
13 would prefer that a status conference be scheduled after certain matters are discussed with the
14 Division.

15 On November 17, 2006, by Procedural Order, a status conference was scheduled for
16 February 6, 2007.

17 On January 19, 2007, the Purvis Respondents filed a Notice of Videotaped Deposition.

18 On January 31, 2007, the Division filed a Motion to Quash the Purvis Respondents' Notice of
19 Videotaped Deposition.

20 On February 6, 2007, at the status conference, counsel for the Division, Mr. and Mrs. Purvis,
21 Mr. and Mrs. Keaton and ACI appeared to discuss the status of the proceeding and any pending
22 motions. Mr. and Mrs. Wolfe have not filed a response to the Notice and the Division indicates that
23 it will be filing a Default Order as to those Respondents. While the parties had been attempting to
24 resolve the matter without a hearing, they agreed upon setting a hearing date in mid-May 2007.

25 On February 7, 2007, by Procedural Order, a hearing was scheduled on May 14, 2007.

26 On March 16, 2007, the Division filed a Motion to Continue Hearing ("Motion") which states
27 one of the Division's witnesses will be unavailable and out of the country during the hearing
28 scheduled to begin on May 14, 2007. The Division further stated in its Motion that the witness would

1 be on a cruise and would not have ready access to a telephone. There were no objections to the
2 Division's Motion.

3 On April 3, 2007, by Procedural Order, the hearing was continued to June 11, 2007.

4 On May 16, 2007, the Division filed a Motion to Allow Telephonic Testimony. There were
5 no objections filed to this Motion.

6 On May 18, 2007, the Purvis Respondents filed a Motion for 90-Day Extension ("Purvis
7 Motion") which stated that Mr. Purvis had recently been indicted on charges related to this
8 proceeding and as a result "*has been unable to meet with counsel and effectively communicate with*
9 *him with respect to the preparation of the defense.*" The Purvis Motion alluded to a possible conflict
10 issue with respect to the Commission's counsel if called as a witness in the criminal proceeding and
11 also argued that the Commission's recently granting a continuance to the Division entitled the Purvis
12 Respondents to similar treatment as a matter of equity.

13 On May 22, 2007, the Division filed its Response to the Purvis Motion pointing out that the
14 criminal charges against Mr. Purvis do not relate to any of the securities violations alleged by the
15 Division in this proceeding. The Division further related that the 90-day continuance sought by the
16 Purvis Motion could ultimately cause an additional problem if a speedy trial was requested in the
17 criminal case and possibly result in delaying an order of restitution in the Commission's
18 administrative proceeding. Concluding its arguments, the Division argued that the Purvis Motion
19 amounted to a delaying tactic.

20 On May 30, 2007, by Procedural Order, the proceeding was continued to July 30, 2007, due to
21 the Commission, on May 25, 2007, scheduling an Open Meeting to commence on June 13, 2007, to
22 run through June 15, 2007, to act on the Recommended Opinion and Order in the pending Arizona
23 Public Service Company rate proceeding. This resulted in a scheduling conflict for the Commission
24 in the event that members of the Commission wished to participate in this proceeding.

25 On June 11, 2007, the Division filed a Request for a Scheduling Conference ("Request") due
26 to scheduling conflicts of many prospective witnesses in the proceeding scheduled to commence on
27 July 30, 2007.

28 ...

1 On June 18, 2007, a scheduling teleconference was held with counsel for the Division, Mr.
2 and Mrs. Purvis, Mr. and Mrs. Keaton and ACI in attendance. The respective counsel agreed that the
3 proceeding commence on September 4, 2007.

4 On June 19, 2007, by Procedural Order, the hearing was rescheduled to commence on
5 September 4, 2007. The parties were further ordered to reserve September 5, 6, 7, 10, 11, 12,
6 November 13, 14, 15 and December 3, 4, 5, and 6, 2007 for additional days of hearing, if necessary.

7 On July 18, 2007, the Commission issued Decision Nos. 69701 and 69702 approving Consent
8 Orders for ACI Holdings, Inc. and the Keaton Respondents, respectively.

9 On July 24, 2007, by Procedural Order, the Division's Motion to Allow Telephonic
10 Testimony was granted.

11 On July 25, 2007, the Division filed a request for a telephonic scheduling conference.

12 On August 2, 2007, a telephonic scheduling conference was held by the presiding
13 Administrative Law Judge with counsel for the Division and counsel for the Purvis Respondents.
14 They agreed to amend the hearing schedule to add October 1, 2 and 3, 2007 for additional hearing
15 dates and to delete the dates of December 3, 4, 5 and 6, 2007.

16 On August 6, 2007, by Procedural Order, the scheduled dates of hearing were amended as
17 agreed between the parties.

18 On August 16, 2007, the Purvis Respondents filed a "Request for Scheduling Conference and
19 Motion for Rescheduling Certain Days of Hearing" ("Request/Motion") which took issue with delays
20 encountered in securing documents pursuant to subpoena, certain other discovery issues and a
21 personal scheduling conflict which had arisen for Respondents' counsel. As a result, a teleconference
22 was scheduled on August 21, 2007.

23 On August 21, 2007, shortly before the teleconference, a fax was received from Respondents'
24 counsel which consisted of a copy of a letter from the Utah Army National Guard ("National Guard")
25 directing Mr. Purvis, an officer in the National Guard, to appear on September 8 and 9, 2007 for an
26 "Annual Muster Assembly" in Riverton, Utah. Subsequently, during the teleconference, it was
27 indicated that the issues raised in the Request/Motion had mostly been resolved except the new issue
28 with the National Guard commitment for Mr. Purvis and counsel's personal conflict. The proceeding

1 was recessed to allow the Division to investigate the possible conflict with Mr. Purvis' National
2 Guard obligation and was scheduled to resume on August 22, 2007.

3 On August 22, 2007, shortly before the teleconference was to resume, the Division's counsel
4 forwarded an E-mail from the commander of Mr. Purvis' National Guard unit which appeared to
5 indicate that his commanding officer had excused him from his September 8 and 9, 2007 obligation
6 and rescheduled him to appear on October 13 and 14, 2007, which would not conflict with the
7 pending proceeding before the Commission. After arguing the issues, the proceeding was adjourned.

8 On August 23, 2007, Respondents' Request/Motion failed to establish good cause for a
9 further continuance of this proceeding and the matter was to proceed as previously scheduled in the
10 Commission's Eighth Procedural Order which ordered the hearing to commence on September 4,
11 2007.

12 On August 27, 2007, the Purvis Respondents filed a Motion to Continue Hearing for 30 Days.
13 The Purvis Respondents argued they are encountering ongoing delays in securing certain documents
14 needed to defend themselves against the allegations raised in the Notice.

15 On August 28, 2007, the presiding Administrative Law Judge's office contacted counsel for
16 the Division and the Purvis Respondents to arrange a teleconference on the Purvis Respondents'
17 Motion for August 29, 2007.

18 On August 29, 2007, prior to the teleconference, the Division emailed a response to counsel
19 for the Purvis Respondents and the presiding Administrative Law Judge. Subsequently, a
20 teleconference took place between counsel for the Division and the Purvis Respondents with the
21 presiding Administrative Law Judge during which time the parties argued their positions concerning
22 the requested continuance. Subsequently, by Procedural Order, in order to ensure that the
23 Respondents were afforded due process, a brief continuance of 30 days was granted and additional
24 dates of hearing were scheduled. Further, a scheduling teleconference was scheduled on September
25 4, 2007.

26 On September 4, 2007, the Division and the Purvis Respondents through counsel participated
27 in a scheduling teleconference with the presiding Administrative Law Judge. The parties stipulated
28 that the dates of the hearing presently scheduled on October 1, 2, and 3, 2007 should be vacated.

1 They further stipulated to the hearing commencing on November 13, 2007, and that the following
2 dates also be reserved for dates of hearing: November 14, 15, 26, 27, 28 (afternoon only), 29,
3 December 3, 4, 5, and 6, 2007; and January 22, 23, 28, 29, 30 and 31, 2008.

4 IT IS THEREFORE ORDERED that the hearing dates of October 1, 2 and 3, 2007 are hereby
5 vacated.

6 IT IS FURTHER ORDERED that the hearing in this proceeding shall commence on
7 **November 13, 2007, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street,
8 Phoenix, Arizona.

9 IT IS FURTHER ORDERED that **November 13, 14, 15, 26, 27, 28 (afternoon only), 29,**
10 **December 3, 4, 5 and 6, 2007; and January 22, 23, 28, 29, 30 and 31, 2008** shall be used as
11 additional days of hearing as previously stipulated.

12 Dated this 5TH day of September, 2007.

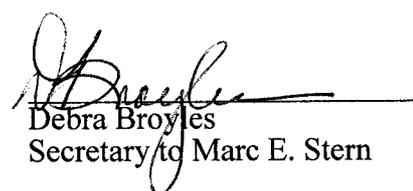
13
14
15 
16 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

17 Copies of the foregoing mailed/delivered
18 this 5TH day of September, 2007 to:

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20 Zachary Cain
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By: 
Debra Broyles
Secretary to Marc E. Stern