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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2007 SEP 28 P 4: 08

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

AZ CORP COMMISSION
DOCKET CONTROL

In the matter of:

DOCKET NO. S-20482A-06-0631

EDWARD A. PURVIS and MAUREEN H. PURVIS, husband and wife
2131 W. Shannon
Chandler, Arizona 85224

SECURITIES DIVISION'S
REPLY TO RESPONDENTS'
RESPONSE TO SET DEADLINES

GREGG L. WOLFE and ALLISON A. WOLFE, husband and wife
2092 W. Dublin Lane
Chandler, Arizona 85224

NAKAMI CHI GROUP MINISTRIES INTERNATIONAL, (a/k/a NCGMI), a Nevada corporation sole
4400 N. Scottsdale Road, Suite 9-231
Scottsdale, Arizona 85251

Arizona Corporation Commission
DOCKETED

SEP 28 2007

JAMES W. KEATON, Jr. and JENNIFER KEATON, husband and wife
11398 E. Whitehorn Drive, Apt. D
Scottsdale, Arizona 85255

DOCKETED BY
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ACI HOLDINGS, INC., a Nevada corporation
17650 N. 25th Avenue
Phoenix, Arizona 85023

Respondents.

The Securities Division (the "Division") of the Arizona Corporation Commission (the "Corporation Commission") hereby responds to *Purvis' Reply in Support of Notice for Subpoenas and Response to Motion to Set Deadlines* ("Reply") filed by Respondents Edward and Maureen Purvis ("Respondents") as follows:

1 ***The Division's request to set deadlines is not moot.***

2 On September 10, 2007, the Respondents filed a *Notice of Request for Issuance of*
3 *Subpoenaes Duces Tecum* ("Notice"). In response to the Respondents' Notice the Division filed
4 *Securities Division's Response to Purvis' Notice of Request for Issuance of Subpoenas Duces*
5 *Tecum and Motion to Set Deadline* ("Response"). The Division's Response requested, *inter alia*,
6 that Administrative Law Judge Marc Stern ("ALJ Stern") set firm time limits and deadlines to
7 conduct all pre-trial discovery related to the pending administrative matter. The Division's request
8 was based upon the multiple continuances afforded the Respondents in order to conduct discovery
9 and prepare for the hearing. The Division also expressed concern that with each continuance
10 granted to the Respondents the Division runs the risk of losing its investor/witnesses before they
11 have had the opportunity to testify at the administrative hearing.

12 Subsequently, the Respondents filed *Purvis' Reply in Support of Notice for Subpoenas and*
13 *Response to Motion to Set Deadlines* ("Reply") stating that the Division's motion to set deadlines
14 was moot "by the schedule set forth by the ALJ"¹. However, a pre-trial discovery schedule was
15 not set in this matter in ALJ Stern's Eleventh Procedural Order which is his most recent order. In
16 fact, in ALJ Stern's procedural order he only scheduled new dates for the administrative hearing
17 and vacated the previously scheduled dates. Since a pre-trial discovery schedule has not been set,
18 the Division's request for firm pre-trial discovery time limits and deadlines is not moot.

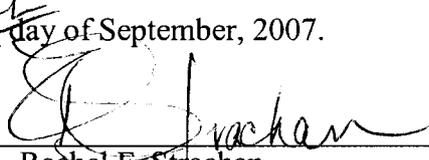
19 Furthermore, the setting of deadlines is necessary because of Respondents' counsel John
20 O'Neal's statement that it may be necessary for him to file additional motions. Specifically, Mr.
21 O'Neal stated in an e-mail to Division staff that in order to reserve his right to exclude evidence
22 and testimony he would "make the appropriate motion at the proper time."²(*Exhibit A*). Mr.
23 O'Neal's attempt to delay the administrative hearing by waiting to file motions "at the proper
24 time", is yet another indication of why firm deadlines should be set. This is another example of

25 _____
26 ¹ See *Purvis' Reply in Support of Notice for Subpoenas and Response to Motion to Set Deadlines* filed September 19,
2007 before Arizona Corporation Commission. Page 2, Lines 9-10.

² See e-mail from John M. O'Neal to Veronica Sandoval, et al dated August 22, 2007

1 Mr. O'Neal attempt to engage in pre-trial discovery immediately prior to the scheduled
2 administrative hearing and then claiming that the necessity to conduct pre-trial discovery is the
3 basis for the continuance. However, if firm time limits and deadlines for discovery are set, the
4 Respondents will be required to abide by a schedule established by the Court to conclude pre-trial
5 discovery. Therefore, the Division again requests ALJ Stern to set time limits and deadlines for
6 pre-trial discovery to be conducted in the instant matter.

7 RESPECTFULLY SUBMITTED this 28th day of September, 2007.

8
9 By 
10 Rachel F. Strachan
11 Attorney for the Securities Division of the
12 Arizona Corporation Commission

12 ORIGINAL AND THIRTEEN (13) COPIES of the foregoing
13 filed this 28th day of September, 2007, with:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, AZ 85007

18 COPY of the foregoing hand-delivered this
19 28th day of September, 2007, to:

20 ALJ Marc Stern
21 Arizona Corporation Commission/Hearing Division
22 1200 West Washington
23 Phoenix, AZ 85007

24 COPY of the foregoing mailed
25 this 28th day of September, 2007, to:

26 John O'Neal, Esq.
Zachary Cain, Esq.
Quarles & Brady LLP
Renaissance One,
2 North Central Avenue
Phoenix, AZ 85004-2391
Attorneys for Respondents Ed and Maureen Purvis

By: 

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EXHIBIT A

Rachel Strachan

From: O'Neal, John M. [JONEAL@quarles.com]
Sent: Wednesday, August 22, 2007 12:18 PM
To: Veronica Sandoval; Cain, Zachary; Fulwiler, Frances
Cc: Rachel Strachan; Shoshana Epstein
Subject: RE: In the matter of Edward Purvis
Importance: High

Where is his retention letter? Where are the invoices showing what he was paid? Where are the emails from the investigators' and the ACC's computers? Where are his notes? Where are his draft charts? Where are the pie graphs referenced? Where is his file?

The production of the attached limited material is too little, too late. I again reserve my right to exclude this evidence and his testimony, and will make the appropriate motion at the proper time. This is especially true given the fact that the ACC has now taken the position that the hearing must proceed the first week of September.

John Maston O'Neal

Partner
 Quarles & Brady LLP
 One Renaissance Square
 Two North Central Ave
 Phoenix, AZ 85004

Direct Dial: (602) 229-5436
 Fax: (602) 229-5690
 E-mail: joneal@quarles.com

From: Veronica Sandoval [mailto:vsandoval@azcc.gov]
Sent: Wednesday, August 22, 2007 10:59 AM
To: O'Neal, John M.; Cain, Zachary; Fulwiler, Frances
Cc: Rachel Strachan; Shoshana Epstein
Subject: In the matter of Edward Purvis

In reference to your request for copies of documents and information relied upon by Ricardo Gonzales, attached are copies of e-mail correspondence. I will also send a hard copy by first class mail to your office.

Veronica Sandoval, Legal Assistant
 Arizona Corporation Commission, Securities Division
 Phone (602) 542-0206
 Fax (602) 594-7416

e-mail: vsandoval@azcc.gov

Note: THIS RESPONSE IS THE OPINION OF THE SENDER ONLY. THIS RESPONSE DOES NOT BIND THE SECURITIES DIVISION AND IS NOT OFFERED AS LEGAL ADVICE.

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9/13/2007

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