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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2007 OCT 11 P 3: 33  
AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**  
OCT 11 2007

DOCKETED BY *MM*

IN THE MATTER OF:

KELLY J. WATERS AND DANIEL B. WATERS,  
HUSBAND AND WIFE  
  
KELLY'S MOBILE HOME SALES, INC.,  
AN ARIZONA CORPORATION,

DOCKET NO. S-20539A-07-0425

RESPONDENTS.

**THIRD**  
**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On July 20, 2007, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order ("T.O.") and Notice of Opportunity for Hearing ("Notice") against Kelly's Mobile Home Sales, Inc. ("KMH"), Kelly J. Waters and Daniel B. Waters, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of investment contracts.

Respondents were duly served with copies of the Notice.

On August 16, 2007, Respondents filed a request for a hearing.

On August 21, 2007, by Procedural Order, a pre-hearing conference was scheduled on September 18, 2007.

On September 18, 2007, the Division and Respondents appeared through counsel. The parties requested and agreed that a status conference be scheduled in several weeks. By Procedural Order, a status conference was scheduled for October 10, 2007.

1 On October 10, 2007, the Division and Respondents appeared through counsel. Counsel for  
2 the Division indicated that more time was needed to review documents and records of the  
3 Respondents to determine how best to resolve the proceeding with the Respondents. Counsel for the  
4 parties agreed to another status conference being scheduled in approximately 60 days.

5 Accordingly, a status conference should be scheduled as agreed between the parties.

6 IT IS THEREFORE ORDERED that a **status conference** shall be held on **December 13,**  
7 **2007, at 10:00 a.m.,** or as soon thereafter as is practicable, at the Commission's offices, 1200 West  
8 Washington Street, Phoenix, Arizona.

9 Dated this 11<sup>th</sup> day of October, 2007

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13 **MARC E. STERN**  
**ADMINISTRATIVE LAW JUDGE**

14 Copies of the foregoing were mailed/delivered  
15 this 11<sup>th</sup> day of October, 2007 to:

16 Ashley Adams  
17 RYAN RAPP & UNDERWOOD, P.L.C.  
18 3101 North Central Avenue, Suite 1500  
19 Phoenix, AZ 85012  
20 Attorney for Respondents.

21 Matt Neubert, Director  
22 Securities Division  
23 ARIZONA CORPORATION COMMISSION  
24 1300 West Washington Street  
25 Phoenix, Arizona 85007

26 ARIZONA REPORTING SERVICE, INC.  
27 2200 North Central Avenue, Suite 502  
28 Phoenix, AZ 85004-1481

29 By:   
30 Debra Broyles  
31 Secretary to Marc E. Stern