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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2008 JUN -6 A 10: 3!

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

AZ CORP COMMISSION  
DOCKET CONTROL

STAFF OF THE UTILITIES DIVISION,

DOCKET NO. W-02258A-07-0470

COMPLAINANT,

Arizona Corporation Commission

DOCKETED

VS.

JUN 6 2008

AMERICAN REALTY AND MORTGAGE CO.,  
INC., DBA HACIENDA ACRES WATER  
SYSTEM,

DOCKETED BY

RESPONDENT.

PROCEDURAL ORDER

BY THE COMMISSION:

On August 13, 2007, the Arizona Corporation Commission's ("Commission") Utilities Division Staff ("Staff") filed a memorandum with the Commission's Docket Control Center requesting that a docket be opened in the above-captioned matter.

On August 13, 2007, Staff filed a Complaint and Petition for an Order to Show Cause ("Complaint") against American Realty and Mortgage Co., Inc., dba Hacienda Acres Water System ("American Realty and Mortgage").

On August 23, 2007, the Commission issued Decision No. 69865 which ordered American Realty and Mortgage to appear and show cause why the Commission should not make findings and orders on the enumerated counts; ordered American Realty and Mortgage, if it intended to appear and show cause as ordered, to file preliminary statement describing how it will respond to the Order to Show Cause and an Answer to the Complaint; and ordered the Hearing Division to schedule further appropriate proceedings.

By Procedural Order issued November 7, 2007, the hearing in this matter was scheduled to commence on February 8, 2008.

On February 8, 2008, the hearing commenced as scheduled, but was continued pending filing

1 of testimony and exhibits by the parties.

2 On February 28, 2008, by Procedural Order, Staff was ordered to file its prefiled its testimony  
3 and exhibits by March 7, 2008 and American Realty and Mortgage was ordered to file testimony and  
4 exhibits by April 4, 2008.

5 On March 7, 2008, Staff filed its testimony and evidence.

6 On March 17, 2008, Mr. Joseph W. Lee filed a Request to Withdraw as Attorney for the  
7 corporation known as American Realty and Mortgage Company, Inc. ("Request"). The Request was  
8 granted pursuant to our Procedural Order dated March 31, 2008.

9 American Realty and Mortgage did not file its testimony and exhibits.

10 On April 25, 2008, by Procedural Order, Staff was directed to file a recommendation on how  
11 to proceed in this matter.

12 On May 1, 2008, Staff filed a procedural recommendation. In its recommendation, Staff  
13 requested that a procedural conference be scheduled and American Realty and Mortgage be put on  
14 notice that if it chooses not to appear and participate, a hearing may be scheduled and convene in its  
15 absence.

16 On May 29, 2008, a procedural conference was held and Staff appeared but American Realty  
17 and Mortgage did not appear. Staff recommended that the hearing be recommenced and indicated  
18 that Staff had mailed correspondence by certified mail to American Realty and Mortgage and its  
19 statutory agent, but had not received a response.

20 American Realty and Mortgage has been given notice and an opportunity to participate in  
21 rescheduling the hearing and has failed to participate, and has also failed to comply with the  
22 Commission's order to file its testimony and exhibits. Accordingly, the hearing should be set to  
23 recommence.

24 **IT IS THEREFORE ORDERED that the evidentiary hearing shall recommence on June**  
25 **27, 2008, at 10:00 a.m., or as soon thereafter as is practicable, at the Commission's offices, 1200**  
26 **W. Washington St., Room 100, Phoenix, Arizona.**

27 **IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized**  
28 **Communications) continues to apply to this proceeding.**

1 IT IS FURTHER ORDERED that all parties must comply with Rule 31 and 38(a) of the Rules  
2 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*  
3 *hac vice*.

4 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
5 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
6 hearing.

7 DATED this 6<sup>th</sup> day of June, 2008.

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LYN FARMER  
CHIEF ADMINISTRATIVE LAW JUDGE

13 Copies of the foregoing mailed/delivered  
this 6<sup>th</sup> day of June, 2008 to:

14 Alma R. Lee, Jr.  
15 AMERICAN REALTY & MORTGAGE CO., INC.  
16 P.O. Box 232  
17 Wittman, AZ 85361  
**CERTIFIED MAIL**

18 Janice Alward, Chief Counsel  
19 Legal Division  
20 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, AZ 85007

21 Ernest G. Johnson, Director  
22 Utilities Division  
23 ARIZONA CORPORATION COMMISSION  
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Phoenix, AZ 85007

24 ARIZONA REPORTING SERVICE, INC.  
25 2200 N. Central Ave., Suite 502  
Phoenix, AZ 85004-1481

26 By:   
27 Debbi Person  
28 Secretary to Lyn Farmer