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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

2008 OCT 20 P 3:03

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20600A-08-0340

MARK W. BOSWORTH and LISA A. BOSWORTH, husband and wife;

STEPHEN G. VAN CAMPEN and DIANE V. VAN CAMPEN, husband and wife;

MICHAEL J. SARGENT and PEGGY L. SARGENT, husband and wife;

ROBERT BORNHOLDT and JANE DOE BORNHOLDT, husband and wife;

MARK BOSWORTH & ASSOCIATES, LLC, an Arizona limited liability company;

3 GRINGOS MEXICAN INVESTMENTS, LLC, an Arizona limited liability company;

Respondents.

Arizona Corporation Commission

DOCKETED

OCT 20 2008

DOCKETED BY

FIFTH
PROCEDURAL ORDER

BY THE COMMISSION:

On July 3, 2008, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Mark W. Bosworth and Lisa A. Bosworth, husband and wife; Stephen G. Van Campen and Diane V. Van Campen, husband and wife; Michael J. Sargent and Peggy L. Sargent, husband and wife; Robert Bornholdt and Jane Doe Bornholdt, husband and wife; Mark Bosworth & Associates, LLC ("MBA"); and 3 Gringos Mexican Investments, LLC ("3GMI") (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 notes and investment contracts.

1 On August 6, 2008, by Procedural Order, a pre-hearing conference was scheduled for
2 September 18, 2008.

3 On August 15, 2008, Respondents Michael J. Sargent and Peggy L. Sargent filed a 12(b)(6)
4 Motion to Dismiss the Alleged Violations of A.R.S. § 44-1991 ("Motion to Dismiss").

5 On August 21, 2008, Respondents Michael J. Sargent and Peggy L. Sargent filed a Motion to
6 Stay and requested oral argument on the Motion ("Motion to Stay").

7 On August 28, 2008, the Division filed a Motion to Extend Due Date for Response to
8 Respondents Michael J. Sargent and Peggy L. Sargent's 12(b)(6) Motion to Dismiss the Alleged
9 Violations of A.R.S. § 44-1991.

10 On August 28, 2008, Respondents Stephen Van Campen and Diane Van Campen filed a
11 Joinder to the Sargent Respondents' Motion to Stay and also filed a Motion to Quash Subpoena.

12 On September 5, 2008, the Division filed its Response to the Motion to Dismiss and also filed
13 its Response to the Motion to Stay.

14 On September 9, 2008, the Sargent Respondents filed a Notice of Intent to File Reply Briefs
15 in Support of their (1) Motion to Stay and (2) 12(b)(6) Motion to Dismiss.

16 On September 11, 2008, the Division filed its Response to Respondents Van Campen's
17 Motion to Quash Subpoena and also filed its Response to Joinder of Respondents Stephen Van
18 Campen and Diane Van Campen in Respondents Sargents' Motion to Stay Proceedings.

19 On September 12, 2008, a Procedural Order was issued stating that due to the unavailability
20 of the Administrative Law Judge ("ALJ") assigned to hear this matter, that no substantive motions
21 would be heard at the September 18, 2008, pre-hearing conference, but at that time, discussions
22 would be held to schedule a subsequent pre-hearing conference to address the motions filed in this
23 matter.

24 On September 17, 2008, Respondents Michael J. Sargent and Peggy L. Sargent filed their
25 Reply in Support of Motion to Stay and request for oral argument. On the same day, the Sargent
26 Respondents filed their Reply in the Support of the 12(b)(6) Motion to Dismiss the Alleged
27 Violations of A.R.S. § 44-1991.

28 On September 18, 2008, the pre-hearing conference was held as scheduled. Respondents and

1 the Division appeared through counsel, and dates for the purpose of resetting the pre-hearing
2 conference were discussed. During the discussions, counsel for the Securities Division informed the
3 ALJ that Attorney David Farney represents Respondents Mark W. Bosworth and Lisa A. Bosworth.
4 Mr. Farney had not filed Notice of Appearance in this docket on behalf of his clients.

5 On September 22, 2008, by Procedural Order, the pre-hearing conference was re-scheduled
6 for October 17, 2008, and Mr. Farney was directed to file a Notice of Appearance.

7 On October 1, 2008, the Van Campsen Respondents filed their Answer to the Division's
8 Notice.

9 On October 2, 2008, Mr. Farney filed a Notice of Appearance on behalf of the Bosworth and
10 MBA Respondents.

11 On October 17, 2008, at the pre-hearing conference, the Division and Respondents appeared
12 through counsel. Mr. Bosworth was also present. Mr. Farney indicated that he is awaiting approval
13 of a Bankruptcy Court judge in a proceeding involving his clients to confirm his retention by the
14 court and that after the court's confirmation approving his retention he will file his clients'
15 Answer(s). Certain of the parties indicated that there are ongoing discussions with the Division to
16 resolve issues raised in the Notice. Additionally, Mr. Bosworth indicated that some form of response
17 may be entered on behalf of 3GMI. It was also disclosed that no indictments of any of the
18 Respondents had yet been issued. Rulings on the various pending motions were held in abeyance to
19 await the filing of the Answer(s) by Mr. Farney on behalf of his clients and the possible response by
20 3GMI after which time another pre-hearing conference should be held to address these matters.

21 Accordingly, a pre-hearing conference to address pending motions and the status of the
22 proceeding should be scheduled.

23 IT IS THEREFORE ORDERED that a **pre-hearing conference** for the purpose of addressing
24 the motions filed in this matter shall commence on **December 15, 2008, at 10:00 a.m.**, at the
25 Commission's offices, 1200 West Washington Street, Room 100, Phoenix, Arizona.

26 IT IS FURTHER ORDERED that counsel for Respondents Mark W. Bosworth and Lisa A.
27 Bosworth, and Mark Bosworth and Associates, LLC shall file no later than December 2, 2008,
28 their Answer(s).

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 – Unauthorized
2 Communications) is in effect and shall remain in effect until the Commission's Decision in this
3 matter is final and non-appealable.

4 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
5 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
6 *hac vice*.

7 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
8 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
9 Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation
10 to appear at all hearings and procedural conferences, as well as all Open Meetings for which the
11 matter is scheduled for discussion, unless counsel has previously been granted permission to
12 withdraw by the Administrative Law Judge or the Commission.

13 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
14 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

15 Dated this 20th day of October, 2008.

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19 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing were mailed/delivered
21 this 20th day of October, 2008 to:

22 David R. Farney
23 7972 West Thunderbird Road, Suite 107
24 Peoria, Arizona 85381-4903
25 Attorney for Respondents Mark W. Bosworth,
26 Lisa A. Bosworth and Mark Bosworth & Associates, LLC

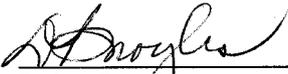
27 Paul J. Roshka
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11 Stephen G. Van Campen and Diane V. Van Campen

9 Matt Neubert, Director Securities Division
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11 1300 West Washington Street
12 Phoenix, Arizona 85007

12 ARIZONA REPORTING SERVICE, INC.
13 2200 North Central Avenue, Suite 502
14 Phoenix, Arizona 85004-1481

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15 By: 
16 Debra Broyles
17 Secretary to Marc E. Stern

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