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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS:

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

2009 JUN 26 A 10: 27

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20649A-09-0013

JEFFRIE HARPER (CRD #2863910) (aka Jeff Harper) and KATHLEEN JANICE HARPER, husband and wife;

Arizona Corporation Commission
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DONALD ROBERT MATTSON, JR. (aka Rob Mattson) and JANE DOE MATTSON, husband and wife;

DOCKETED BY

KNUCKLEBALL CAPITAL MANAGEMENT, LLC, an Arizona limited liability company;

RESPONDENTS.

SIXTH
PROCEDURAL ORDER

BY THE COMMISSION:

On January 15, 2009, the Securities division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Knuckleball Capital Management, LLC ("Knuckleball"), Jeffrie Harper, aka Jeff Harper, and Kathleen Janice Harper, husband and wife, and Donald Robert Mattson, Jr., aka Rob Mattson, and Jane Doe Mattson, 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 and/or commodity investment contracts.

The Respondents were duly served with a copy of the Notice.

On January 23, 2009, a request for hearing was filed by Respondent Donald Robert Mattson.

On January 30, 2009, a request for hearing was filed by Respondent Jeffrie Harper.

On February 3, 2009, by Procedural Order, a pre-hearing conference was scheduled on February 26, 2009.

1 On February 26, 2009, the Division and Respondents appeared with counsel to discuss issues
2 arising from the Notice and stipulated to a status conference being scheduled after discussions
3 between the parties regarding a possible resolution of the proceeding.

4 On February 27, 2009, by Procedural Order, a status conference was scheduled on April 2,
5 2009, as agreed between the parties.

6 On April 2, 2009, at the status conference, the Division and Respondent Mattson appeared
7 through counsel. The Division's attorney indicated that she had spoken with counsel for the Harper
8 Respondents who was unable to attend. The Division and Respondents are continuing their attempts
9 to resolve the issues raised by the Notice and the parties agreed to a status conference being
10 scheduled in approximately 30 days.

11 On April 3, 2009, by Procedural Order, a status conference was scheduled on May 7, 2009.

12 On May 7, 2009, at the status conference, the Division appeared with counsel. The Division's
13 attorney indicated that a proposed Consent order with respect to the Respondent Mattson and a
14 Default Order with respect to Respondent Knuckleball would be considered by the Commission at its
15 May 20, 2009, Open Meeting. The Division's attorney further indicated that the Harper
16 Respondents' current attorney would be withdrawing due to illness and a new attorney would be
17 substituting as counsel for the Harpers.

18 On May 14, 2009, the current Harper Respondents' counsel filed a notice of withdrawal.

19 On May 19, 2009, a notice of substitution of counsel was filed by a new attorney for the
20 Harpers.

21 On May 21, 2009, the Commission approved Decision No. 71068 and Decision No. 71069, a
22 Default Order against Respondent Knuckleball and a Consent Order against Respondent Mattson,
23 respectively. Subsequently, the Division filed a motion to schedule another status conference with
24 the Harper Respondents.

25 On May 26, 2009, by Procedural Order, a status conference was scheduled on June 18, 2009.

26 On May 29, 2009, counsel for the Harpers filed a motion for a brief continuance because she
27 would be out of town and unavailable on June 18, 2009. Subsequently, by Procedural Order, the
28 motion for a continuance was granted and the status conference continued to June 25, 2009.

1 On June 25, 2009, the Division and Harper Respondents appeared through counsel. Although
2 the parties are attempting to reach a resolution of the proceeding, the Division requested that a
3 hearing be scheduled in the event a Consent Order is not approved.

4 Accordingly, a hearing should be scheduled.

5 IT IS THEREFORE ORDERED that a **hearing** shall be held on **September 15, 2009, at**
6 **9:30 a.m.**, at the Commission's offices, Room 100, 1200 West Washington Street, Phoenix, Arizona.

7 IT IS FURTHER ORDERED that the parties shall also reserve **September 16 and 17, 2009,**
8 for additional days of hearing, if necessary.

9 IT IS FURTHER ORDERED that the **Division and Respondents shall exchange copies of**
10 **their Exhibits and Witness Lists**, with courtesy copies provided to the presiding Administrative
11 Law Judge, by **August 20, 2009**.

12 IT IS FURTHER ORDERED that the *ex parte* rule (A.A.C. R14-3-113 – Unauthorized
13 Communications) applies to this proceeding and shall remain in effect until the Commission's
14 Decision in this matter is final and non-appealable.

15 IT IS FURTHER ORDERED that in the event a Consent Order is approved by the
16 Commission, the Division shall file a motion to vacate the proceeding

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

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

23 DATED this 26TH day of June, 2009.

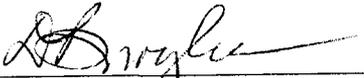
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27 MARC E. STERN
28 ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/delivered
this 26th day of June, 2009 to:

2 Ashley D. Adams
3 RYAN RAPP & UNDERWOOD, P.L.C.
3101 North Central Avenue, Suite 1500
Phoenix, Arizona 85012
4 Attorneys for Jeffrie and Kathleen Harper

5 Matt Neubert, Director
Securities Division
6 ARIZONA CORPORATION COMMISSION
1300 West Washington Street
7 Phoenix, Arizona 85007-2929

8 ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
9 Phoenix, Arizona 85004-1481

10 By: 
11 Debra Broyles
12 Secretary to Marc E. Stern

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