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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS:

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

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AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED

SEP -3 2009

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IN THE MATTER OF:

ENERGETICS, INC., a Nevada corporation;
STEVEN P. GIUFFRIDA and MICHELLE
GIUFFRIDA, husband and wife;
RODNEY PETERSON and JANE DOE
PETERSON, husband and wife,

DOCKET NO. S-20648A-09-0010

RESPONDENTS.

SEVENTH
PROCEDURAL ORDER

BY THE COMMISSION:

On January 12, 2009, the Securities division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Energetics, Inc. ("Energetics"), Stephen P. Giuffrida and Michelle Giuffrida, 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 notes and/or investment contracts.

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

On January 23, 2009, a request for hearing was filed by the Respondents.

On January 27, 2009, by Procedural Order, a pre-hearing conference was scheduled on February 25, 2009.

On February 25, 2009, the Division and Respondents appeared with counsel to discuss issues arising from the Notice and stipulated to a status conference being scheduled after certain documents were reviewed.

On February 26, 2009, by Procedural Order, a status conference was scheduled for April 2, 2009.

1 On March 24, 2009, counsel for Respondents filed an Application for Withdrawal as Counsel
2 of Record (“Application”) pursuant to A.A.C. R14-3-104(E) and consistent with ER 1.16 stating that
3 Respondents had failed to meet their financial obligation for counsel’s services. Counsel further
4 stated that he had provided notice to the Respondents of pending matters related to the case, such as
5 discovery, and the previously scheduled Examination Under Oath of Mr. Giuffrida. Notice of the
6 Application was also provided to Respondents.

7 On April 1, 2009, by Procedural Order, the Application of counsel was granted.

8 On April 2, 2009, the status conference was held with the Division present with counsel and
9 Mr. Giuffrida appeared on his own behalf. The Division indicated that the parties are attempting to
10 reach a resolution in the proceeding, and requested that another status conference be scheduled in
11 approximately 30 days.

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

13 On May 7, 2009, at the status conference, the Division appeared with counsel and attorney
14 Jeffrey Proper entered an appearance on behalf of the Respondents. The parties indicated that they
15 are attempting to resolve the issues in the proceeding and the Division requested that a hearing be
16 scheduled in the fall. By Procedural Order, a hearing was scheduled on October 13, 2009.

17 On July 15, 2009, the Division filed a Motion to Amend the Notice filed on January 12, 2009,
18 by adding Rodney and Jane Doe Peterson as Respondents.

19 On July 30, 2009, counsel for the Giuffrida Respondents filed a response indicating that they
20 did not oppose the amendment of the Notice. Subsequently, by Procedural Order, the Division’s
21 Motion to Amend the Notice was granted, and Rodney and Jane Doe Peterson, husband and wife,
22 were added as Respondents. It was further ordered that a hearing commence on October 13, 2009,
23 with additional days of hearing on October 14 and 15, 2009, if necessary.

24 On August 18, and 31, 2009, the Giuffrida Respondents and Energetics filed a request for
25 hearing and Answer to the Amended Complaint, respectively.

26 Under the circumstances, all prior orders remain in effect with respect to the commencement
27 of the hearing and hearing dates.

28 IT IS THEREFORE ORDERED that the **hearing** shall be held as previously scheduled

1 commencing on **October 13, 2009, at 10:00 a.m.** at the Commission's offices, 1200 West
2 Washington Street, Hearing Room 1, in Phoenix, Arizona with additional days of hearing on October
3 14, and 15, 2009, if necessary.

4 IT IS FURTHER ORDERED that the **parties shall exchange copies of their Exhibits and**
5 **Witness Lists by September 14, 2009**, with copies provided to the presiding Administrative Law
6 Judge.

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

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

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

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

22 DATED this 3rd day of September, 2009.

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25 
26 MARC E. STERN
27 ADMINISTRATIVE LAW JUDGE
28

1 Copies of the foregoing mailed/delivered
2 this 3rd day of September, 2009 to:

3 Jeffrey Proper, Esq.
4 JEFFREY M. PROPER, PLLC
5 10645 North Tatum Blvd., Ste. C200-652
6 Phoenix, AZ 85028

7 Matt Neubert, Director
8 Securities Division
9 ARIZONA CORPORATION COMMISSION
10 1300 West Washington Street
11 Phoenix, AZ 85007

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

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