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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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Arizona Corporation Commission

**DOCKETED**

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AZ CORP COMMISSION  
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2 COMMISSIONERS:

- 3 KRISTIN K. MAYES, Chairman
- 4 GARY PIERCE
- 5 PAUL NEWMAN
- 6 SANDRA D. KENNEDY
- 7 BOB STUMP

8 IN THE MATTER OF:

- 9 ENERGETICS, INC., a Nevada corporation;
- 10 STEVEN P. GIUFFRIDA and MICHELLE  
11 GIUFFRIDA, husband and wife;
- 12 RODNEY PETERSON and JANE DOE  
13 PETERSON, husband and wife,

RESPONDENTS.

DOCKET NO. S-20648A-09-0010

**TENTH**  
**PROCEDURAL ORDER**

14 **BY THE COMMISSION:**

15 On January 12, 2009, the Securities division ("Division") of the Arizona Corporation  
16 Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against  
17 Energetics, Inc. ("Energetics"), Stephen P. Giuffrida and Michelle Giuffrida, husband and wife  
18 (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona  
19 Securities Act ("Act") in connection with the offer and sale of securities in the form of notes and/or  
20 investment contracts.

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

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

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

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

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

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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 and Energetics filed a response  
20 indicating that they did not oppose the amendment of the Notice. Subsequently, by Procedural Order,  
21 the Division's Motion to Amend the Notice was granted, and Rodney and Jane Doe Peterson,  
22 husband and wife, were added as Respondents. It was further ordered that a hearing commence on  
23 October 13, 2009, 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 On September 3, 2009, by Procedural Order, it was ordered that all prior orders remain in  
27 effect with respect to the commencement of the hearing and hearing dates.

28 On September 8, 2009, the Division and Giuffrida Respondents and Energetics filed a Joint

1 Stipulation to Continue Hearing and the Exchange of Witness Lists and Exhibits due to the joinder of  
2 new Respondents and because the Division, pursuant to A.A.C. R14-4-303, required additional time  
3 to provide service by publication of the Notice in this proceeding and to allow time for the filing of a  
4 request for a hearing by the newly-named Respondents. The parties further requested that a status  
5 conference be scheduled after November 9, 2009, to allow for service by publication of the Notice  
6 and any subsequent request for hearing.

7 On September 9, 2009, the Joint Stipulation was granted and the hearing date vacated along  
8 with the related date for the exchange of documents and witness lists. A status conference was  
9 scheduled on November 19, 2009.

10 On September 28, 2009, Attorney Ron Kilgard of Keller Rohrback, P.L.C. filed a request for  
11 hearing on behalf of Respondent Rodney Peterson.

12 On September 30, 2009, by Procedural Order, the hearing date was vacated and the newly  
13 added Respondent, Rodney Peterson, was provided with notice of the present status of the proceeding  
14 and with notice of the status conference scheduled on November 19, 2009.

15 On October 23, 2009, Notice of Appearance and Motion for an Extension of Time was filed  
16 by a new attorney on behalf of Respondents Rodney and Virginia Peterson. Therein, it was  
17 represented that Attorney Maureen Beyers of Osborn Maledon, P.A. would be substituting in place of  
18 Mr. Peterson's first attorney who she indicates had withdrawn as counsel. Further, Ms. Beyers  
19 requested the following extensions of time: to produce documents by October 28, 2009; to file an  
20 Answer by November 23, 2009; and to appear for an examination under oath on December 3, 2009.

21 The Division's counsel indicated telephonically that there were no objections to the requested  
22 extensions of time.

23 On October 29, 2009, by Procedural Order, the requested extensions were granted, and  
24 Attorney Ron Kilgard was permitted to withdraw from the representation of the Peterson  
25 Respondents. It was further ordered that the status conference take place as was previously ordered  
26 on November 19, 2009

27 On November 19, 2009, at the status conference, the Division and Respondents appeared  
28 through counsel. Although the parties are discussing a possible resolution of the proceeding, the

1 Division requested that a hearing be scheduled in the interim. The parties stipulated to a three day  
2 hearing to commence on May 4, 2010. The parties also agreed to an exchange of Witness Lists and  
3 copies of Exhibits prior to the hearing.

4 Accordingly, a hearing should be scheduled and documents exchanged.

5 IT IS THEREFORE ORDERED that a **hearing** shall be held on **May 4, 2010, at 10:00 a.m.**,  
6 or as soon thereafter as practicable, at the Commission's offices, 1200 West Washington Street,  
7 Hearing Room 1, Phoenix, Arizona.

8 IT IS FURTHER ORDERED that the parties shall also set aside **May 5, and 6, 2010**, for  
9 **additional days of hearing**, if necessary.

10 IT IS FURTHER ORDERED that the **Division** shall provide a copy of its **Witness List** and  
11 copies of its **Exhibits** to the Respondents by **March 19, 2010**, with courtesy copies provided to the  
12 presiding Administrative Law Judge.

13 IT IS FURTHER ORDERED that the **Respondents** shall provide a copy of their **Witness**  
14 **List** and copies of their **Exhibits** to the Division by **April 12, 2010**, with courtesy copies provided to  
15 the presiding Administrative Law Judge.

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

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

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

28 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,

1 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by  
2 ruling at hearing.

3 DATED this 20th day of November 2009.

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6   
7 MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered  
9 this 20th day of November 2009 to:

10 Jeffrey Proper  
11 JEFFREY M. PROPER, PLLC  
12 10645 North Tatum Blvd., Ste. C200-652  
13 Phoenix, AZ 85028  
14 Attorney for Steven Guiffrida, Michelle  
15 Giuffrida and Energetics, Inc.

16 Maureen Beyers  
17 OSBORN MALEDON, P.A.  
18 2929 North Central Avenue  
19 Phoenix, AZ 85012  
20 Attorneys for Respondents Rodney and  
21 Virginia Peterson

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

27 ARIZONA REPORTING SERVICE, INC.  
28 2200 N. Central Ave., Suite 502  
Phoenix, AZ 85004-1481

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