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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

2010 MAR 11 P 3: 15

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20716A-09-0574

MIKO D. WADY and JENNIFER L. SAVAGE
(f.k.a. JENNIFER L. WADY), formerly husband
and wife;

NATO ENTERPRISES, LLC, an Arizona limited
liability company;

MALIKA S. SMITH and KORY C. SMITH,
formerly wife and husband;

BOBBY G. GOODSON and PAMELA D.
GOODSON, husband and wife;

CAA GENERAL PARTNERSHIP, an
Arizona general partnership;

MARIO K. REED, a single man;

PHOENICIAN ENTERTAINMENT, L.L.C.,
an Arizona limited liability company;

THURSTON SMITH and SHAVONE
SMITH, husband and wife; and

B.Y.B. ENTERTAINMENT, L.L.C., an
Arizona limited liability company;

RESPONDENTS.

Arizona Corporation Commission

DOCKETED

MAR 11 2010

DOCKETED BY [Signature]

THIRD
PROCEDURAL ORDER
(Schedules Status Conference)

BY THE COMMISSION:

On December 23, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Miko D. Wady and Jennifer L. Savage (f.k.a. Jennifer L. Wady), formerly husband and wife; NATO Enterprises, LLC, an Arizona limited liability company ("NATO"); Malika S. Smith and Kory C. Smith, formerly wife and husband; Bobby G. Goodson and Pamela D. Goodson, husband and wife; CAA General Partnership, an Arizona general partnership ("CAA"); Mario K. Reed, a single man;

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1 Phoenician Entertainment, L.L.C., an Arizona limited liability company ("Phoenician"); Thurston
2 Smith and Shavone Smith, husband and wife; and B.Y.B. Entertainment, L.L.C., an Arizona limited
3 liability company ("B.Y.B.") (collectively "Respondents") in which the Division alleged multiple
4 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in
5 the form of investment contracts.

6 The Respondents were duly served with copies of the Notice.

7 On January 7, 2010, a request for hearing was filed by Respondent Malika S. Smith.

8 On January 14, 2010, a request for hearing was filed by Respondent Mario Reed.

9 On January 15, 2010, a request for hearing was filed by Respondent Bobby Goodson.

10 On February 1, 2010, by Procedural Order, a pre-hearing conference was scheduled on
11 February 25, 2010.

12 On February 9, 2010, counsel for the Division filed a Motion to Continue the pre-hearing
13 conference due to a scheduling conflict with another matter which was scheduled earlier.

14 On February 12, 2010, by Procedural Order, the proceeding was continued to March 11, 2010.

15 On March 11, 2010, at the pre-hearing conference, the Division appeared with counsel and
16 Ms. Smith appeared on her own behalf. None of the other Respondents who requested a hearing
17 appeared at the pre-hearing conference. Ms. Smith and several of the Respondents have retained an
18 attorney, but he has not yet entered an appearance. It was concluded that a status conference should
19 be scheduled in approximately 45 days.

20 Accordingly, a status conference should be scheduled.

21 IT IS THEREFORE ORDERED that a **status conference** shall be held on **April 29, 2010, at**
22 **10:30 a.m.**, at the Commission's offices, 1200 West Washington Street, Room 100, Phoenix,
23 Arizona.

24 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
25 Communications) applies to this proceeding as the matter is now set for public hearing.

26 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
27 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
28 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances

1 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
2 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
3 Administrative Law Judge or the Commission.

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 the Presiding Officer may rescind, alter, amend, or waive
8 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

9 DATED this 11th day of March, 2010.

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12 
13 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

14 Copies of the foregoing mailed/delivered
15 this 11th day of March, 2010 to:

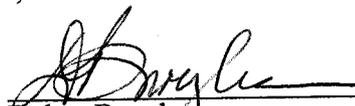
16 Mario Reed
1225 North Woodburne Drive
Chandler, AZ 85224

17 Bobby Goodson
2205 East Taurus Place
Chandler, AZ 85249

18 Malika S. Smith
1175 West Pecos Road, No. 1038
Chandler, AZ 85224

19 Matt Neubert, Director
20 Securities Division
21 ARIZONA CORPORATION COMMISSION
22 1300 West Washington Street
23 Phoenix, AZ 85007

24 ARIZONA REPORTING SERVICE, INC.
25 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004

26
27 By: 
28 Debra Broyles
Secretary to Marc E. Stern