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BEFORE THE ARIZONA CORPORATION COMMISSION  
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COMMISSIONERS

KRISTIN K. MAYES - Chairman 2010 JUL 12 A 8:41  
GARY PIERCE  
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BOB STUMP

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

JUL 12 2010

DOCKETED BY [Signature]

**FIFTH**  
**PROCEDURAL ORDER**  
**(Continues Hearing)**

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;

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. By Procedural Order, a status conference was scheduled on  
20 April 29, 2010

21 On April 8, 2010, the Commission issued Decision No. 71600, a Default Order, against  
22 Respondents Miko E. Wady, Jennifer L. Savage f/k/a Jennifer L. Wady, and NATO.

23 On April 29, 2010, at the status conference, the Division appeared with counsel. Neither  
24 Respondents Smith, Goodson nor Reed appeared. The Division requested that a hearing be  
25 scheduled.

26 On April 30, 2010, by Procedural Order, a hearing was scheduled on August 11 and 12, 2010,  
27 and a date established for the exchange of Witness Lists and copies of Exhibits.

28 On July 8, 2010, the Division filed a Motion to Continue (“Motion”) the hearing and

1 exchange of documentation to complete service on three Respondents who have not yet been served.

2 There are no objections to the Division's Motion.

3 Accordingly, the proceeding should be continued and the exchange of documentation delayed.

4 IT IS THEREFORE ORDERED that the **hearing** scheduled to be held on August 11 and 12,  
5 2010, **shall be continued to November 9, 2010 at 9:30 a.m.**, at the Commission's offices, 1200  
6 West Washington Street, Hearing Room 1, Phoenix, Arizona.

7 IT IS FURTHER ORDRED that the parties shall set aside **November 10, 2010, for an**  
8 **additional day of hearing**, if necessary.

9 IT IS FURTHER ORDERED that the **Division and Respondents shall exchange copies of**  
10 **their Witness Lists and copies of their Exhibits by October 8, 2010**, with courtesy copies provided  
11 to the presiding Administrative Law Judge.

12 IT IS FURTHER ORDERED that **if the case is resolved by a proposed Consent Order**  
13 **prior to the hearing, the Division shall file a Motion to Vacate the proceeding.**

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

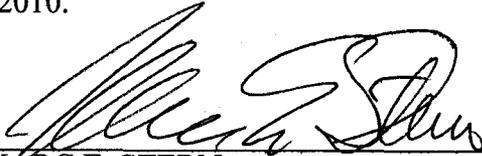
16 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance  
17 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
18 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
19 at all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

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

25 ...  
26 ...  
27 ...  
28 ...

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

3 DATED this 12<sup>TH</sup> day of July, 2010.

4  
5   
6 MARC E. STERN  
7 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered  
9 this 12<sup>th</sup> day of July, 2010 to:

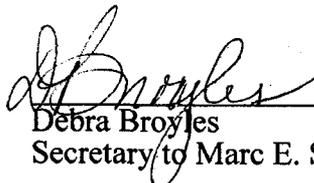
10 Mario Reed  
11 1225 North Woodburne Drive  
12 Chandler, AZ 85224

13 Bobby Goodson  
14 c/o Jennifer Savage  
15 1130 West Longhorn  
16 Chandler, AZ 85286

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

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

25 ARIZONA REPORTING SERVICE, INC.  
26 2200 North Central Avenue, Suite 502  
27 Phoenix, AZ 85004

28 By:   
Debra Broyles  
Secretary to Marc E. Stern