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OPEN MEETING AGENDA ITEM

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AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of:

CHARLES RAY STEDMAN
3001 East Frontage Road
Amado, AZ 85629

WENDELL T. DECKER, JR.
5249 N. Adobe Circle
Tucson, AZ 85750

OXFORD DEVELOPMENT, L.L.C.
5249 North Adobe Circle
Tucson, AZ 85750

PROFUTURA, L.L.C.
P.O. Box 4252
Tubac, AZ 85646

CNT FAMILY FUN OUTLETS, INC.
One East First Street
Reno, NV 89501

CHARLES W. TESTINO, JR.
3656 E. Windy Point Dr.
Tucson, AZ 85718
CRD#1216651

ARIZONA INVESTMENT ADVISORS, INC.
2920 North Swan Road, Suite 206
Tucson, AZ 85712

KEITH B. "SKIP" DAVIS
6550 North Silversmith Place
Tucson, AZ 85750

SPY GLASS ENTERPRISES, L.L.C.
6550 North Silversmith Place
Tucson, AZ 85750

KEITH B. DAVIS, INC.
6550 North Silversmith Place
Tucson, AZ 85750,

Respondents.

DOCKET NO. S-03353A-00-0000

**STEDMAN'S RESPONSE TO SECURITIES
DIVISION'S EXCEPTIONS TO HEARING
OFFICER'S RECOMMENDED OPINION
AND ORDER**

Arizona Corporation Commission
DOCKETED

DEC 13 2001

DOCKETED BY	<i>now</i>
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Charles Ray Stedman and Profutura, L.L.C. (collectively, Stedman) respond to the Securities Division's Exceptions to Hearing Officer's Recommended Opinion and Order as follows.

INTENT

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2 A number of investors attended Stedman's hearing. At that hearing, investors testified
3 and, significantly, Respondents Wendell T. Decker, Jr., Charles W. Testino, Jr., and Keith B.
4 "Skip" Davis testified. This public hearing was an opportunity for investors to voice
5 complaints and for Respondents to respond to those complaints and state the bonafide and
6 good faith efforts that were made to make the Dacono project and the investors' investments
7 succeed. A considerable amount of the hearing involved testimony regarding the intent of the
8 investors, the investors' responsibilities, and Respondents' intent and efforts to make the
9 Dacono project a success.

10 Although the investors apparently have lost the money that the investors put at risk,
11 Respondents also put their money at risk and suffered substantial losses.

12 The administrative law judge heard testimony from a number of investors and the above
13 Respondents regarding the great efforts to develop the project, the personal contacts between
14 certain Respondents and investors, and the investors' statements regarding contacts with
15 certain Respondents. After hearing all of the testimony and reviewing the documentary
16 evidence, the administrative law judge made findings regarding Stedman's good faith beliefs
17 and lack of intent to defraud investors by misrepresentations or omissions. These findings are
18 personally important to investors and further the purpose of public hearings.

19 The Securities Division's objection to the administrative law judge's finding regarding
20 Stedman's belief and intent are contrary to the purpose of a public hearing, especially for
21 concerned investors.

EVIDENCE TO SUPPORT INNOCENT BELIEF BY STEDMAN

22
23 Contrary to the Securities Division, Stedman did not tell investors anything. Stedman
24 did not make any misrepresentation or omission to investors. Every time Stedman signed a
25 note, the investors already had dealt with others and had paid money for the note. Stedman did
26 not sign the note in connection with any statement or omission by Stedman. Stedman did not
27 sign the note until after others already had discussed the investment with investors and the
28 investors already had paid money.

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