

2510



0000116867

ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

2002 JUL -1 P 2 28

ARIZONA CORPORATION COMMISSION  
RECEIVED

IN THE MATTER OF:

DOCKET NO. S-03474A-02-0000

BOB'S CASH EXPRESS, INC.  
2155 East University Drive, Ste. 110  
Tempe, AZ 85281

BOB'S LAND ONE, INC.  
2155 East University Drive, Ste. 110  
Tempe, AZ 85281

CHALLENGE/LAND USA, INC.  
2155 East University Drive, Ste. 110  
Tempe, AZ 85281

ARIZONA DIGITAL SECURITY TECH., INC.  
2155 East University Drive, Ste. 110  
Tempe, AZ 85281

AMERICAN DISH TECH., INC.  
2155 East University Drive, Ste. 110  
Tempe, AZ 85281

ROBERT H. ROBERTS  
1300 West Warner Road, #2113  
Gilbert AZ 85233

DONALD P. SHOEMAKER  
910 South Una Avenue  
Tempe, AZ 85281

GARRETT L. WRIGHT, (A/K/A GARRETT LEE)  
5530 North 17th Avenue  
Phoenix, AZ 85015

DAN ("D.J.") R. HARPER  
550 East Earll Drive, #7  
Phoenix, AZ 85012

MICHAEL J. SAGNELLI  
640 North Cedar Street  
Mason, MI 48854

JOYCE GOODMAN  
2141 South Palo Verde Drive  
Apache Junction, AZ 85220

Respondents.

Arizona Corporation Commission

DOCKETED

JUL - 1 2002

DOCKETED BY *cam*

**THIRD  
PROCEDURAL ORDER**

1 **BY THE COMMISSION:**

2 On May 8, 2002, the Securities Division ("Division") of the Arizona Corporation Commission  
3 ("Commission") filed a Temporary Order to Case and Desist ("T.O.") and a Notice of Opportunity for  
4 Hearing ("Notice") against Bob's Cash Express, Inc. ("Bob's Cash"), Bob's Land One, Inc. ("Bob's  
5 Land"), Challenge/Land USA, Inc. ("Challenge/Land"), Arizona Digital Security Tech, Inc. ("ADS"),  
6 American Dish Tech, Inc. ("Dish Tech"), Robert H. Roberts, Ronald P. Shoemaker, Garrett L. Wright  
7 (aka Garrett Lee), Dan ("D.J.") R. Harper, Michael J. Sagnelli and Joyce Goodman (collectively  
8 "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act  
9 ("Act") in connection with the offer and sale of securities in the form of notes and/or investment  
10 contracts. As a result of the T.O., the Respondents were immediately ordered to cease and desist  
11 from violating the Act.

12 The Respondents were duly served with copies of the Notice with the exception of  
13 Respondent Sagnelli as of June 27, 2002.

14 On May 15, 2002, Respondent Shoemaker filed a response to the Division's action, which  
15 appears to be a denial of the allegations in the Notice and will be treated as an individual request for  
16 hearing.

17 On May 23, 2002, a request for hearing was filed by Attorney Michael Salcido on behalf of  
18 all Respondents, except Respondent Sagnelli.

19 On June 3, 2002, by Procedural Order, a pre-hearing conference was scheduled for June 13,  
20 2002.

21 On June 13, 2002, a pre-hearing conference was held to address the issues raised in the T.O.  
22 and the Notice and the presentation of evidence. An issue raised during the pre-hearing conference  
23 dealt with the question of whether adequate service of the Notice was made on Respondent Sagnelli  
24 since, according to Mr. Salcido, Respondent Sagnelli was no longer employed by or associated with  
25 the other-named Respondents when copies of the T.O. and Notice were served upon Respondent  
26 Roberts at the above-named corporate Respondents' offices. Mr. Salcido also indicated that, if the  
27 matter could not be resolved by a Consent Order, the other above-named individual Respondents  
28 would probably be represented by alternate counsel, but he would continue to represent Mr. Roberts

1 and the corporate Respondents. Additionally, during this proceeding, Mr. Salcido acknowledged that  
2 neither Respondent Shoemaker, who had filed his own response to the T.O. and Notice, or any other  
3 of the individual above-named Respondents other than Respondent Roberts and his above-named  
4 corporate Respondents had retained his services. Mr. Salcido indicated that, at the behest of  
5 Respondent Roberts, he had merely requested a hearing to protect the other Respondents' rights to a  
6 hearing. Because of certain fundamental questions including possible conflicts of interest being  
7 raised, Mr. Salcido indicated that, with the exception of Respondents Shoemaker and Sagnelli, he  
8 would file, within 10 days, written confirmation from the other above-named individual Respondents  
9 that they agreed with his actions on their behalf. Mr. Salcido further stipulated that the Respondents  
10 whom he represents including the corporate Respondents waived the 120 day time limit of the T.O.  
11 as set forth in A.A.C. R14-4-307 and that the T.O. would remain in effect as to these Respondents  
12 until the final disposition of the proceeding is approved by the Commission.

13 On June 14, 2002, by Procedural Order, a second pre-hearing conference was scheduled on  
14 June 27, 2002 to ensure that all Respondents were aware of the opportunity to appear at the pre-  
15 hearing or to have Mr. Salcido appear on their behalf if they so desired.

16 On June 27, 2002, Mr. Salcido filed a written declaration that he was appearing and  
17 requesting a hearing on behalf of all Respondents for the present, except Respondents Shoemaker and  
18 Sagnelli. The Division and Mr. Salcido's clients are engaged in settlement talks and may enter into a  
19 Consent Order, but agreed that they would need another approximate 30 day continuance while they  
20 worked at completing a settlement. Therefore, the parties stipulated to a further continuance of the  
21 proceeding to July 25, 2002.

22 Accordingly, based on the circumstances, it was agreed that a third pre-hearing conference  
23 should be held in approximately 30 days to allow time for a possible settlement of the proceeding  
24 against the majority of the Respondents and to prepare an agreed upon Consent Order.

25 ...

26 ...

27 ...

28 ...

1 IT IS THEREFORE ORDERED that a further pre-hearing conference shall be held on July  
2 25, 2002 at 11:30 a.m. at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

3 DATED this 15<sup>th</sup> day of July, 2002.



MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

4  
5  
6  
7  
8  
9 Copies of the foregoing were mailed/delivered  
this 15<sup>th</sup> day of July, 2002, to:

10 Michael Salcido  
11 GUST ROSENFELD  
12 201 N. Central Avenue, Ste. 3300  
13 Phoenix, AZ 85073  
14 Attorney for all Respondents except  
15 Respondents Shoemaker and Sagnelli

16 Robert H. Roberts  
17 1300 West Warner Road, #2113  
18 Gilbert AZ 85233

19 Donald P. Shoemaker  
20 910 South Una Avenue  
21 Tempe, AZ 85281

22 Garrett L. Wright  
23 a/k/a Garrett Lee  
24 5530 North 17th Avenue  
25 Phoenix, AZ 85015

26 Dan ("D.J.") R. Harper  
27 550 East Earll Drive, #7  
28 Phoenix, AZ 85012

Michael J. Sagnelli  
640 North Cedar Street  
Mason, MI 48854

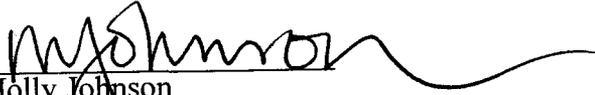
Joyce Goodman  
2141 South Palo Verde Drive  
Apache Junction, AZ 85220

Moira McCarthy  
Assistant Attorney General  
ARIZONA ATTORNEY GENERAL'S OFFICE  
1275 West Washington Street  
Phoenix, AZ 85007

1 W. Mark Sendrow, Director  
2 Securities Division  
3 ARIZONA CORPORATION COMMISSION  
4 1300 West Washington Street  
5 Phoenix, AZ 85007

6  
7 ARIZONA REPORT SERVICE, INC.  
8 2627 N. Third Street, Ste. Three  
9 Phoenix, AZ 85004

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

By:   
Molly Johnson  
Secretary to Marc E. Stern