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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

2002 DEC 17 P 12:42

AZ CORP COMMISSION
DOCUMENT CONTROL

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

DEC 17 2002

DOCKETED BY

AMENDED FIFTH
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 On July 1, 2002, by Procedural Order, pursuant to agreement of counsel, a further pre-hearing
23 conference was scheduled on July 25, 2002.

24 On July 25, 2002, Mr. Salcido appeared on behalf of the "Roberts Respondents", Mr.
25 Shoemaker appeared on his own behalf and Mr. Jamie Palfai appeared for the Division. Mr. Palfai
26 indicated that Mr. Sagnelli has not been served. The "Roberts Respondents" indicated negotiations
27 for resolution of the action by means of a Consent Order were proceeding and that the matter could
28 be continued indefinitely pending this resolution. Mr. Shoemaker also indicated that he would join in

1 those discussions. In the event that a Consent Order was not concluded and approved by the
2 Commission, the Division would file a Motion to set the matter for hearing.

3 On July 29, 2002, by Procedural Order, the proceeding was continued indefinitely pending
4 approval of a Consent Order. The Division was ordered to file a Motion to schedule a hearing on the
5 matter in the event a Consent Order was not approved.

6 Subsequently, although a Consent Order was concluded and prepared for Commission
7 approval, it was pulled from the Commission's agenda.

8 On December 2, 2002, the Division filed a Motion to schedule a hearing pending approval of
9 the Consent Order by the commission. Following a teleconference between counsel on December 9,
10 2002, it was agreed that if the Consent Order was not approved by the Commission, that a hearing
11 should be scheduled to commence on March 4, 2003.

12 IT IS THEREFORE ORDERED that a hearing on the above-captioned proceeding shall be
13 held on March 4, 2003, at 9:30 a.m. at the Commission's offices, 1200 West Washington Street,
14 Phoenix, Arizona.

15 IT IS FURTHER ORDERED that the parties shall also set aside **March 5 and 6, 2003** for
16 additional days of hearing, if necessary.

17 DATED this 17TH day of December, 2002.



MARC E. STERN
ADMINISTRATIVE LAW JUDGE

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21
22 Copies of the foregoing were mailed/delivered
this 11 day of December, 2002, to:

23 Michael Salcido
24 RENAUD, COOK & DRURY, P.A.
25 Two Renaissance Square
40 North Central, Ste. 1600
26 Phoenix, AZ 85004
Attorney for all Respondents except
Respondents Shoemaker and Sagnelli

27 Robert H. Roberts
1300 West Warner Road, #2113
28 Gilbert AZ 85233

1 Donald P. Shoemaker
2 910 South Una Avenue
3 Tempe, AZ 85281

3 Garrett L. Wright
4 a/k/a Garrett Lee
5 5530 North 17th Avenue
6 Phoenix, AZ 85015

6 Dan ("D.J.") R. Harper
7 550 East Earll Drive, #7
8 Phoenix, AZ 85012

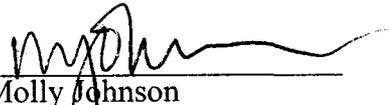
8 Michael J. Sagnelli
9 640 North Cedar Street
10 Mason, MI 48854

10 Joyce Goodman
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12 Apache Junction, AZ 85220

12 Moira McCarthy
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17 ARIZONA CORPORATION COMMISSION
18 1300 West Washington Street
19 Phoenix, AZ 85007

17 ARIZONA REPORTING SERVICE, INC.
18 2627 N. Third Street, Ste. Three
19 Phoenix, AZ 85004

20
21 By: 
22 Molly Johnson
23 Secretary to Marc E. Stern
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26
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