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BEFORE THE ARIZONA CORPORATION COMMISSION

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1
2 **MARC SPITZER**
3 **Chairman**
4 **WILLIAM A. MUNDELL**
5 **Commissioner**
6 **JEFF HATCH-MILLER**
7 **Commissioner**
8 **MIKE GLEASON**
9 **Commissioner**
10 **KRIS MAYES**
11 **Commissioner**

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISS
DOCUMENT CONTROL

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8 IN THE MATTER OF
9
10 INTERSECURITIES, INC.
11 570 Carillon Parkway
12 St. Petersburg, FL 33716-1202
13 CRD #16164

12 GREGORY RUSSELL BROWN and JANE
13 DOE RUSSELL, husband and wife
14 16417 South 15th Drive
15 Phoenix, AZ 85045
16 CRD #2233684

Respondents.

DOCKET NO. S-03482A-03-0000

**RESPONDENT INTERSECURITIES,
INC.'S FIRST REQUEST FOR
PRODUCTION OF DOCUMENTS**

17 Pursuant to the Rules of Practice before the Arizona Corporation Commission and Rule 34
18 of the Arizona Rules of Civil Procedure, Respondent InterSecurities, Inc. ("ISI") requests that the
19 documents or things designated in the attached list be produced for inspection and copying.

20 Except as provided otherwise in the attached list, the time and place of production are:

21 **Time:** Forty (40) calendar days from the date of service of this Request unless
22 this time frame is modified by the Administrative Law Judge.

23 **Place:** Roshka Heyman & DeWulf, One Arizona Center, 400 East Van Buren
24 Street, Suite 800, Phoenix, Arizona 85004.

25 The attached list sets forth the items to be produced, either by individual item or by
26 category; describes each item and category with reasonable particularity; and specifies the
27 reasonable time, place and manner of making the production and performing the related acts in
connection with each item.

1 The party upon whom this Request is served shall satisfy or object to it in writing within
2 forty (40) days from the date of service of this Request unless this time frame is modified by the
3 Administrative Law Judge.

4 The Response shall state, with respect to each item or category, that the documents will be
5 produced and related activities will be permitted as requested, unless the Request is objected to, in
6 which event the reasons for objection shall be stated.

7 The documents or things sought by this Request include documents, information and things
8 in the possession, custody or control of the Securities Division, their attorneys and all present and
9 former agents, servants, representatives, investigators and others who may have obtained custody
10 of the documents and things on behalf of the party or their attorneys.

11 Unless otherwise indicated, this Request covers the time frame of January 1, 1999 to the
12 present.
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14 DEFINITIONS

15 For the purposes of this Request for Production of Documents, the following terms and
16 references have been abbreviated and defined as follows:
17

- 18 1. The terms "and" and "or" shall be construed conjunctively or disjunctively,
19 whichever makes the document request more inclusive.
- 20 2. The terms "Securities Division," "you" and "your" shall mean the Securities
21 Division of the Arizona Corporation Commission.
- 22 3. The term "Respondent" or "ISI" shall mean InterSecurities, Inc.
- 23 4. The term "Brown" shall mean Gregory Brown.
- 24 5. The term "Respondents" shall mean ISI and Gregory Brown.
- 25 6. The term "Notice" is intended to include the Notice of Opportunity for Hearing for
26

27 Docket No. S-03482A-03-0000.

1 7. The terms "document" or "documents" include, without limiting their generality, all
2 contracts, agreements, correspondence, letters, files, memoranda, messages, handwritten notes, e-
3 mail, inter- or intra-departmental or office or firm communications, telephone logs, telephone
4 messages, computer disks, hard drives, telegrams, newsletters or other publications, stock
5 certificates, stock options, promissory notes, appraisal reports, expressions of opinion as to value
6 or use of real or personal property, valuation estimates of any kind, financial data, *pro formas*,
7 estimates, financial projections, statements, credit and loan applications, accounting records and
8 worksheets, financial statements, diaries, calendars, logs, desk diaries, appointment books,
9 feasibility studies, recordings, notes of conversations, notes of meetings, notes of conferences,
10 notes of investigations, notes of opinions, notes of interviews, written statements, recorded or
11 taped interviews or statements, drafts of reports, preliminary reports, final reports, studies,
12 forecasts, prospectuses, charts, graphs, maps, drawings or other representations or depictions,
13 telephone records, motion picture film, audio or video tape recordings, facsimile copies, computer
14 printouts, data card programs or other input or output of data processing systems, photographs
15 (positive print, slides or negatives), microfilm or microfiche, or other data compilations from
16 which information can be obtained or translated through detection devices into reasonably usable
17 form, whether originals or copies, altered or unaltered, made by any means. The terms
18 "document" and "documents" also include all copies which are, in any manner, not identical in
19 content to the originals. Any comment or notation appearing on any document, and not a part of
20 the original text, is to be considered a separate "document." Any draft, or any other preliminary
21 form of any document, is also to be considered a separate "document."
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25 8. The term "all documents" means every document, as defined above, known to you
26 and every document which can be located or discovered by reasonably diligent efforts.

27 9. The terms "writing" or "written" are intended to include, but not necessarily be

1 limited to, the following: handwriting, typewriting, printing, photographing and every other means
2 of recording upon any tangible thing, any form of communication later reduced to a writing or
3 confirmed by a letter.

4 10. The term "communication" means any oral, written, electronic, graphic,
5 demonstrative, or other transfer of information, ideas, opinions or thoughts between two or more
6 individuals or entities, regardless of the medium by which such communication occurred, and shall
7 include, without limitation, written contact by such means as letters, memoranda, telegrams, telex,
8 or any documents, and oral contact by such means as face to face meetings and telephone
9 conversations.
10

11 11. The terms "concerns" or "concerning" include referring to, alluding to, responding
12 to, relating to, connected with, commenting on, impinging or impacting upon, in respect of, about,
13 regarding, discussing, showing, describing, affecting, mentioning, reflecting, analyzing,
14 constituting, evidencing or pertaining to.

15 12. The term "person(s)" shall mean any natural person, corporation, partnership, sole
16 proprietorship, joint venture, association, limited liability company, governmental or other public
17 entity, or any other form of organization or legal entity, and all of their officials, directors, officers,
18 employees, representatives, attorneys and agents.
19

20 13. The terms "meeting" and "meetings" mean any coincidence of presence of two or
21 more persons between or among whom some communication occurs, whether or not such
22 coincidence of presence was by chance or prearranged, formal or informal, or in connection with
23 some other activity.
24

25 INSTRUCTIONS FOR USE

26 A. In producing documents and things, indicate the particular request to which a
27 produced document or thing is responsive.

1 B. In producing documents and things, furnish all documents or things known or
2 available to you, regardless of whether such documents or things are possessed directly by you or
3 your directors, officers, agents, employees, representatives and investigators or by your attorneys
4 or their agents, employees, representatives or investigators.

5 C. If any requested document or thing cannot be produced in full, produce each such
6 document to the extent possible, specifying each reason for your inability to produce the remainder
7 and stating whatever information, knowledge or belief you have concerning the unproduced
8 portion and the expected dates on which full production can be completed.

9
10 D. If any documents or things requested were in existence but are no longer in
11 existence, then so state, specifying for each document or thing:

- 12 (1) The type of document or thing;
- 13 (2) The type(s) of information contained therein;
- 14 (2) The date upon which it ceased to exist;
- 15 (4) The circumstances under which it ceased to exist;
- 16 (5) The identity of each person or persons having knowledge or who
17 had knowledge of the contents thereof; and
- 18 (6) The identity of each person or persons having knowledge of the
19 circumstances under which each document or thing ceased to
20 exist.

21 E. This Request for Production of Documents is deemed to be continuing. If, after
22 producing documents and things, you obtain or become aware of any further documents, things or
23 information responsive to this Request for Production of Documents, you are required to produce
24 to Respondent such additional documents and things, or provide Respondent with such additional
25 information.

26 F. Documents attached to each other should not be separated.
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1 G. In lieu of producing originals or copies thereof responsive to this Request, you may,
2 at your option, submit legible photographic or other reproductions of such documents, provided
3 that the originals or copies from which such reproductions were made are retained by you until the
4 final disposition of this proceeding.

5 H. In the event that you seek to withhold any documents, things or information on the
6 basis that it is properly subject to some limitation on discovery, you shall supply Respondent with
7 a list of the documents and things for which limitation of discovery is claimed, indicating:
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- 9 (1) The name of each author, writer, sender or initiator of such
10 document or thing, if any;
- 11 (2) The name of each recipient, addressee or party for whom such
12 document or thing was intended, if any;
- 13 (3) The name of the person in custody or charge or possession of each
14 such document;
- 15 (4) The date of each such document, if any, or an estimate thereof and
16 so indicated as an estimate;
- 17 (5) The general subject matter as described in each such document,
18 or, if no such description appears, then such other description
19 sufficient to identify said document;
- 20 (6) The name, business address and position of each person who has
21 seen, or has access to or knowledge of, the contents or nature of
22 any such document; and
- 23 (7) The claimed grounds for limitation of discovery (e.g., "attorney-
24 client privilege").

25 **DOCUMENTS TO BE PRODUCED**

26 1. The Securities Division's complete investigative file relating to and/or resulting in the
27 commencement of Arizona Corporation Commission Docket No. S-03482A-03-0000. This
should include, but not be limited to, the following:

- a. All tapes and/or transcripts of tapes and/or memoranda and/or notes
and/or transcripts of sworn testimony that in any way memorialize

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communications between the Securities Division and (i) ISI or Gregory Brown ("Brown") and/or (ii) employees/independent agents/representatives of ISI, including Examinations Under Oath, and all exhibits thereto;

- b. All tapes and/or transcripts of tapes and/or memoranda and/or notes an/or transcripts of sworn testimony that in any way memorialize communications between the Securities Division and any entity or individual interviewed and/or contacted in connection with the Securities Division's investigation of ISI or Brown and relating to the allegations set forth in the Notice. This also includes all complaints, correspondence and Examinations Under Oath, and all exhibits thereto;
- c. All documents in the possession or under the control of the Securities Division relating to ISI or Brown;
- d. All affidavits and statements provided by individuals interviewed or contacted by the Securities Division relating to the allegations set forth in the Notice and/or relating to ISI or Brown;
- e. All correspondence regarding or referring to ISI or Brown;
- f. All documents evidencing telephone calls made by the Securities Division or anyone acting on its behalf to any of the alleged "investors" as set forth in the Notice, including, but not limited to, (i) documents sufficient to identify each telephone call made by the Securities Division, (ii) who authorized each telephone call, (iii) who placed the telephone calls, (iv) the scripts or outlines used by the individuals who placed or received these calls; and (v) any notes, transcripts, tapes or other memoranda memorializing the telephone calls;
- g. All documents sufficient to identify the "49" Arizona investors referred in paragraph 8 of the Notice. Said documents should include the name, address, telephone number and/or email address for these individuals, and the date and amount of each investment;
- h. All subpoenas issued by the Securities Division in this matter and all documents provided in response to said subpoenas.

2. Copies of all other documents obtained during the Securities Division's investigation that are not specifically referred to in Request No. 1(a - h) above.

3. Copies of all documents in the possession or under the control of the Securities Division

1 relating to the investments or accounts of the "investors" referred to in the Notice.

2 4. Copies of all documents provided by the Securities Division to other state securities
3 agencies and/or law enforcement organizations regarding Brown or ISI, its registered
4 representatives, independent contractors, employees and/or other agents.

5 5. Copies of all documents provided to the Securities Division by other state securities
6 agencies and/or law enforcement organizations regarding Brown or ISI, its registered
7 representatives, independent contractors, employees and/or other agents.

8
9 6. Copies of any documents that concern or reflect any contacts or communications with other
10 state securities agencies and/or law enforcement organizations regarding Brown or ISI, its
11 registered representatives, independent contractors, employees and/or other agents.

12 7. Documents sufficient to identify the dates upon which the Securities Division learned of
13 the proceedings referred to in Paragraphs 15, 17, 18, 23-26, 29, 32 and 34 of the Notice.

14 8. Documents related to any Securities Division policies, procedures, manuals and/or
15 guidelines for handling calls from the public that are referred to a Securities Division
16 attorney or investigator.

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18 9. Schedule of Securities Division attorneys and investigators "of the day" and/or Division
19 attorneys or investigators who were designated to receive inquiries from the public from
20 January 1, 1999 through June 30, 1999.

21 10. Copies of all notes made by Wendy Coy of any conversations she had with Brown on or
22 about April 1999 or at any time.

23
24 11. Documents sufficient to identify the name and outcome of any case Wendy Coy worked on
25 from October 15, 1990 through December 31, 2000 that involved allegations related to the
26 offer and/or sale of telephones.

27 12. Personnel file for Wendy Coy.

1 13. Documents sufficient to identify any other enforcement actions brought by the Securities
2 Division within the past ten (10) years against a brokerage firm in which the firm's
3 compliance department was aware of and approved the outside business activity at issue.

4 14. For the period from January 1, 1994 to the present, all no-action letters issued by the
5 Securities Division related to the issue of whether the purchase of telephones or telephone
6 programs constituted a security within the meaning of the Arizona Securities Act.

7 RESPECTFULLY SUBMITTED this 14 day of October, 2003.

8
9 FOWLER WHITE BOGGS BANKER P.A.
10 Burton W. Wiand
11 501 East Kennedy Blvd., Suite 1700
12 Tampa, Florida 33602

13 AND

14 ROSHKA HEYMAN & DeWULF, PLC

15 By 
16 Alan S. Baskin
17 Laura Schoeler
18 One Arizona Center
19 400 East Van Buren Street, Suite 800
20 Phoenix, Arizona 85004

21 Attorneys for Respondent
22 InterSecurities, Inc.

23 ORIGINAL and 13 COPIES of the foregoing
24 hand-delivered this 14 day of October, 2003 to:

25 Docket Control
26 Arizona Corporation Commission
27 1200 West Washington Street
Phoenix, AZ 85007

1 COPY of the foregoing hand-delivered
this 7th day of October, 2003 to:

2 Matthew Neubert
3 Director of Securities
4 Securities Division
5 Arizona Corporation Commission
6 1300 W. Washington Street
7 Phoenix, AZ 85007

8 Philip J. Dion III, Esq.
9 Administrative Law Judge
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, AZ 85007

13 Pamela Johnson
14 Securities Division
15 Arizona Corporation Commission
16 1300 W. Washington, 3rd Floor
17 Phoenix, AZ 85007

18 COPY of the foregoing mailed
19 this 7th day of October, 2003 to:

20 Brian J. Schulman, Esq.
21 Kutak Rock LLP
22 8601 N. Scottsdale Road, Suite 300
23 Scottsdale, AZ 85253
24 *Attorneys for Gregory Russell Brown
25 and Karen Brown*

26 

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