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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES - Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

2010 NOV -3 A 9:01

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

NOV - 3 2010

DOCKETED BY [Signature]

IN THE MATTER OF:

MORGAN FINANCIAL, L.L.C., an Arizona  
limited liability company,

and

JIMMY HARTGRAVES JR. and LAURIE  
HARTGRAVES, husband and wife,

RESPONDENTS.

DOCKET NO. S-20719A-09-0583

**SIXTH**  
**PROCEDURAL ORDER**  
**(Continues Hearing)**

BY THE COMMISSION:

On December 30, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Morgan Financial, L.L.C., an Arizona limited liability company ("Morgan") and Jimmy Hartgraves, Jr. and Laurie Hartgraves, husband and wife, (collectively "Respondents") in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of notes.

The Respondents were duly served with copies of the Notice.

On January 28, 2010, a request for hearing was filed by Respondents.

On February 2, 2010, by Procedural Order, a pre-hearing conference was scheduled on February 25, 2010.

On February 12, 2010, a Stipulation to Continue the pre-hearing conference was filed by the parties stating that due to conflicts in Respondents' counsel's schedule a continuance was necessary. Subsequently, by Procedural Order, the pre-hearing conference was continued to March 9, 2009.

On March 9, 2010, the Division and Respondents appeared through counsel. Counsel for the Division indicated that discussions are being conducted with Respondents' counsel and requested that a status conference be scheduled in approximately 45 days.

1 On March 10, 2010, by Procedural Order, a status conference was scheduled on April 26,  
2 2010.

3 On April 26, 2010, the Division and Respondents appeared through counsel at the status  
4 conference. The Division and Respondents indicated that they were continuing to attempt to settle  
5 the proceeding, but indicated that a brief hearing should be scheduled in late August or September to  
6 avoid scheduling conflicts.

7 On April 26, 2010, by Procedural Order a hearing was scheduled on September 1, 2010, and  
8 the exchange of Witness Lists and copies of Exhibits on August 2, 2010.

9 On July 27, 2010, The Division and Respondents filed a stipulation to continue the hearing  
10 and the exchange of documentation because the parties are close to reaching a settlement which will  
11 be submitted in the form of a Consent Order for Commission approval.

12 On July 30, 2010, by Procedural Order, the hearing was continued to November 2, 2010, and  
13 a date established for the exchange of Witness Lists and copies of Exhibits.

14 On September 28, 2010, a Notice of Appearance was filed by a new attorney for the  
15 Respondents.

16 On November 2, 2010, the Division and Respondents filed a Joint Stipulation to Continue the  
17 proceeding for at least 60 days. The parties stated that additional time was needed to review and  
18 investigate the matter based on facts recently brought to the Division's attention and that the parties  
19 required more time to discuss settlement.

20 Accordingly, the hearing should be continued and Respondents granted leave to provide  
21 copies of their Witness List and Exhibits to the Division, if the proceeding is not settled in a timely  
22 fashion.

23 IT IS THEREFORE ORDERED that the **hearing** scheduled on November 2, 2010, shall be  
24 continued to **January 13, 2011 at 9:30 a.m.**, at the Commission's offices, 1200 West Washington  
25 Street, Hearing Room 1, Phoenix, Arizona.

26 IT IS FURTHER ORDERED that **the Respondents shall provide copies of their Witness**  
27 **List and copies of their Exhibits to the Division by December 13, 2010**, with courtesy copies  
28 provided to the presiding Administrative Law Judge, as the Division has previously provided copies

1 of its Witness List and Exhibits to Respondents' counsel on October 1, 2010.

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

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

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

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

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

17 DATED this 3rd day of November, 2010.

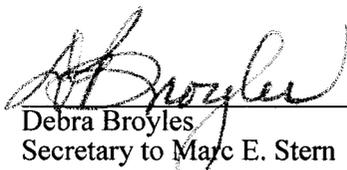
18  
19  
20   
21 MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered  
23 this 3rd day of November, 2010 to:

24 Charles R. Berry  
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By:   
Debra Broyles  
Secretary to Marc E. Stern