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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

2010 OCT 22 P 1:51

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

OCT 22 2010

DOCKETED BY [Signature]

IN THE MATTER OF:

DOCKET NO. S-20757A-10-0373

RICHARD M. SCHMERMAN, individually and
d/b/a Diversified Financial and/or Diversified
Financial Planners, and Amy Schmerman, husband
and wife.

RESPONDENTS.

PROCEDURAL ORDER
(Schedules Status Conference)

BY THE COMMISSION:

On September 9, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Richard M. Schmerman d/b/a Diversified Financial and/or Diversified Financial Planners ("Diversified") and Amy Schmerman, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") and the Investment Management Act ("IM Act") in connection with Respondent Richard A. Schmerman's practices in business and securities matters which allegedly involved mishandling of client funds and misrepresentation.

The Respondents were duly served with copies of the Notice.

On September 20, 2010, a request for hearing was filed by the Respondents.

On September 22, 2010, by Procedural Order, a pre-hearing conference was scheduled on October 21, 2010.

On October 21, 2010, at the pre-hearing conference, the Division and Respondents appeared through counsel. The parties are discussing a possible resolution of the issues raised by the Notice, but have agreed in the interim that a status conference be scheduled in approximately 60 days.

Accordingly, a status conference should be scheduled.

IT IS THEREFORE ORDERED that a **pre-hearing conference** shall be held on **December 16, 2010, at 9:30 a.m.**, at the Commission's offices, 1200 West Washington Street, Hearing Room 1,

1 Phoenix, Arizona.

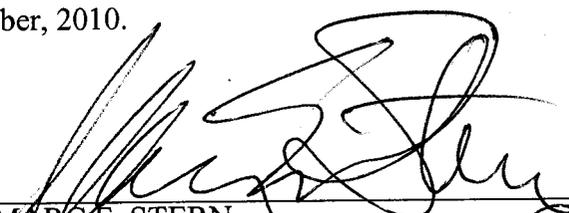
2 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
3 Communications) applies to this proceeding as the matter is now set for public hearing.

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

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

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

15 DATED this 22nd day of October, 2010.

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17
18 
19 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

20 Copies of the foregoing mailed/delivered
21 this 22nd day of October, 2010 to:

22 Alan Baskin
23 BADE & BASKIN, PLC
24 80 E. Rio Salado Pkwy, Suite 511
Tempe, AZ 85281
Attorney for Respondents

ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, AZ 85004

25 Matt Neubert, Director, Securities Division
26 ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, AZ 85007

By: 
Debra Broyles
Secretary to Marc E. Stern

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