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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

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ARIZONA CORPORATION COMMISSION DOCKET CONTROL

IN THE MATTER OF:

DOCKET NO. S-20716A-09-0574

MIKO D. WADY and JENNIFER L. SAVAGE (f.k.a. JENNIFER L. WADY), formerly husband and wife;

NATO ENTERPRISES, LLC, an Arizona limited liability company;

MALIKA S. SMITH and KORY C. SMITH, formerly wife and husband;

BOBBY G. GOODSON and PAMELA D. GOODSON, husband and wife;

CAA GENERAL PARTNERSHIP, an Arizona general partnership;

MARIO K. REED, a single man;

PHOENICIAN ENTERTAINMENT, L.L.C., an Arizona limited liability company;

THURSTON SMITH and SHAVONE SMITH, husband and wife; and

B.Y.B. ENTERTAINMENT, L.L.C., an Arizona limited liability company;

RESPONDENTS.

Arizona Corporation Commission DOCKETED

NOV - 5 2010

DOCKETED BY [Signature]

SIXTH PROCEDURAL ORDER (Continues Hearing)

BY THE COMMISSION:

On December 23, 2009, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Miko D. Wady and Jennifer L. Savage (f.k.a. Jennifer L. Wady), formerly husband and wife; NATO Enterprises, LLC, an Arizona limited liability company ("NATO"); Malika S. Smith and Kory C. Smith, formerly wife and husband; Bobby G. Goodson and Pamela D. Goodson, husband and wife; CAA General Partnership, an Arizona general partnership ("CAA"); Mario K. Reed, a single man;

1 Phoenician Entertainment, L.L.C., an Arizona limited liability company ("Phoenician"); Thurston
2 Smith and Shavone Smith, husband and wife; and B.Y.B. Entertainment, L.L.C., an Arizona limited
3 liability company ("B.Y.B.") (collectively "Respondents") in which the Division alleged multiple
4 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in
5 the form of investment contracts.

6 The Respondents were duly served with copies of the Notice.

7 On January 7, 2010, a request for hearing was filed by Respondent Malika S. Smith.

8 On January 14, 2010, a request for hearing was filed by Respondent Mario Reed.

9 On January 15, 2010, a request for hearing was filed by Respondent Bobby Goodson.

10 On February 1, 2010, by Procedural Order, a pre-hearing conference was scheduled on
11 February 25, 2010.

12 On February 9, 2010, counsel for the Division filed a Motion to Continue the pre-hearing
13 conference due to a scheduling conflict with another matter which was scheduled earlier.

14 On February 12, 2010, by Procedural Order, the proceeding was continued to March 11, 2010.

15 On March 11, 2010, at the pre-hearing conference, the Division appeared with counsel and
16 Ms. Smith appeared on her own behalf. None of the other Respondents who requested a hearing
17 appeared at the pre-hearing conference. Ms. Smith and several of the Respondents have retained an
18 attorney, but he has not yet entered an appearance. It was concluded that a status conference should
19 be scheduled in approximately 45 days. By Procedural Order, a status conference was scheduled on
20 April 29, 2010

21 On April 8, 2010, the Commission issued Decision No. 71600, a Default Order, against
22 Respondents Miko E. Wady, Jennifer L. Savage f/k/a Jennifer L. Wady, and NATO.

23 On April 29, 2010, at the status conference, the Division appeared with counsel. Neither
24 Respondents Smith, Goodson nor Reed appeared. The Division requested that a hearing be
25 scheduled.

26 On April 30, 2010, by Procedural Order, a hearing was scheduled on August 11 and 12, 2010,
27 and a date established for the exchange of Witness Lists and copies of Exhibits.

28 On July 8, 2010, the Division filed a Motion to Continue ("Motion") the hearing and

1 exchange of documentation to complete service on three Respondents who have not yet been served.

2 There were no objections to the Division's Motion.

3 On July 12, 2010, by Procedural Order, the hearing was continued from August 11, 2010, to
4 November 9, 2010, and the exchange of Witness Lists and copies of Exhibits was delayed.

5 On November 4, 2010, the Commission approved a Consent Order with respect to
6 Respondents Malika S. Smith and CAA.

7 On November 5, 2010, the Division filed a Motion to Continue the hearing scheduled for
8 November 9, 2010, because the Division has reached a settlement with Respondents Bobby G.
9 Goodson, Thurston Smith and B.Y.B. and that, as a result, a proposed Consent Order will be
10 submitted for approval by the Commission at its Open Meeting scheduled on December 1, 2010. The
11 Division further stated that a hearing for the remaining Respondents, Mario Reed and Phoenician
12 should be brief, if a settlement is not reached, and requested the hearing be scheduled after December
13 1, 2010.

14 Accordingly, the proceeding should be continued.

15 IT IS THEREFORE ORDERED that the **hearing** scheduled to be held on November 9, 2010,
16 2010, shall be continued to **January 5, 2011, at 10:00 a.m.**, at the Commission's offices, 1200 West
17 Washington Street, Hearing Room 1, Phoenix, Arizona.

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

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

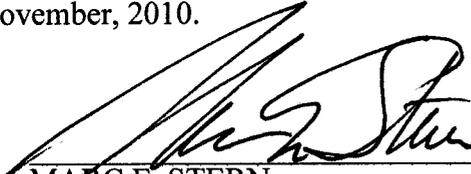
22 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
23 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
24 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
25 at all hearings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

28

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

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

6 DATED this 5TH day of November, 2010.

7
8 
9 _____
10 MARC E. STERN
11 ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered
13 this 5th day of November, 2010 to:

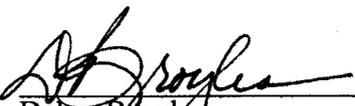
14 Mario Reed
15 1225 North Woodburne Drive
16 Chandler, AZ 85224

17 Bobby Goodson
18 c/o Jennifer Savage
19 1130 West Longhorn
20 Chandler, AZ 85286

21 Thurston Smith and
22 B.Y.B. Entertainment, L.L.C.
23 P.O. Box 3336
24 Chandler, AZ 85244

25 Matt Neubert, Director
26 Securities Division
27 ARIZONA CORPORATION COMMISSION
28 1300 West Washington Street
Phoenix, AZ 85007

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

29 By: 
30 _____
31 Debra Broyles
32 Secretary to Marc E. Stern