

ORIGINAL



0000121758

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

2011 JAN -4 A 11: 04
AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF:

DAVID E. WALSH AND LORENE WALSH,
Respondent and spouse, d/b/a New York Networks,
Inc., a dissolved Delaware corporation formerly
f/k/a Jubilee Acquisition Corporation and as Caliper
Acquisition Corporation, the New York Network
Inc., a revoked Nevada corporation and the New
York Networks, Inc., an entity of unknown origin,

CHRISTOPHER A. JENSEN AND JULIE
SHAYNE JENSEN, Respondent and spouse,

RODOLFO PRECIADO AND JANE DOE
PRECIADO, Respondent and spouse,

RESPONDENTS.

DOCKET NO. S-20726A-10-0062

Arizona Corporation Commission

DOCKETED

JAN 4 2011

DOCKETED BY [Signature]

**SEVENTH
PROCEDURAL ORDER
(Continues Hearing)**

BY THE COMMISSION:

On February 19, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against David E. Walsh And Lorene Walsh, husband and wife, d/b/a New York Networks, Inc. ("NYN"), a dissolved Delaware corporation formerly f/k/a Jubilee Acquisition Corporation ("JAC") and as Caliper Acquisition Corporation ("CAC"), the New York Network Inc., a revoked Nevada Corporation and the New York Networks, Inc., an entity of unknown origin, Christopher A. Jensen and Julie Shayne Jensen, husband and wife, Rodolfo Preciado and Jane Doe Preciado, 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 stock and warrants.

The Respondents were duly served with copies of the Notice.

On March 8, 2010, a request for hearing was filed by Respondents, Christopher A. Jensen, Julie Shayne Jensen and Rodolfo Preciado.

1 On March 18, 2010, by Procedural Order, a pre-hearing conference was scheduled on May 4,
2 2010.

3 On March 26, 2010, Respondent Linda Preciado filed a request for hearing and an Answer
4 was filed on behalf of the Jensen and Preciado Respondents.

5 On March 31, 2010, by Procedural Order, it was ordered that the a pre-hearing conference
6 should be held as previously scheduled

7 On May 4, 2010, the Division and the Jensen and Preciado Respondents appeared through
8 counsel. Although the Walsh Respondents have been served, they have not yet requested a hearing.
9 Counsel for the Division requested that a status conference be scheduled in approximately 60 days.

10 On May 5, 2010, by Procedural Order, a status conference was scheduled on June 22, 2010.

11 On June 14, 2010, pursuant to A.A.C. R14-4-305, Respondent, David E. Walsh, filed an
12 Answer on his own behalf. However, Respondent Walsh failed to request a hearing as required by
13 A.R.S. § 44-1972, and A.A.C. R14-4-406, a prerequisite to filing his Answer. Respondent Walsh's
14 failure to file a request for hearing can be cured if an extension of time is granted for leave which will
15 enable him to file his request.

16 On June 22, 2010, at the status conference, the Division appeared through counsel and the
17 Jensen and Preciado Respondents appeared through counsel who appeared telephonically. It was
18 determined that an additional status conference should be scheduled and Respondent Walsh be
19 granted an extension of time for leave to file a request for hearing pursuant to A.R.S. § 44-1972 if he
20 wants a hearing in this matter.

21 On June 30, 2010, by Procedural Order, Respondent Walsh was granted an extension of time
22 for leave to file a request for hearing until August 6, 2010, pursuant to A.R.S. § 44-1972 and A.A.C.
23 R14-2-306 if he wanted to request a hearing on the issues raised in the Notice and another status
24 conference was scheduled on August 26, 2010

25 On July 9, 2010, by Procedural Order, due to a scheduling conflict it became necessary to
26 continue the status conference scheduled on August 26, 2010, to September 30, 1020. Further,
27 Respondent David E. Walsh was granted an extension of time for leave to file his request for hearing
28 until August 6, 2010.

1 On August 2, 2010, Mr. Walsh filed a request for hearing pursuant to A.R.S. § 44-1972.

2 On September 30, 2010, at the status conference, the Division and the Jensen and Preciado
3 Respondents appeared through counsel. Mr. Walsh failed to enter an appearance. The Division's
4 counsel requested that a hearing be scheduled while he continued to attempt to settle the matter with
5 counsel for the Jensen and Preciado Respondents. Subsequently, by Procedural order, a hearing was
6 scheduled to commence on January 19, 2011, and an exchange of documentation was set for
7 December 17, 2010.

8 On December 28, 2010, the Jensen and Preciado Respondents filed a motion for a
9 continuance because their attorney is scheduled to be called as a witness in a proceeding in federal
10 court in California scheduled to commence on January 19, 2011, a day upon which this proceeding is
11 also scheduled to be heard. The motion which was filed by counsel for the Respondents indicated
12 that he has secured the Division's agreement to a continuance.

13 Accordingly, the Respondents' request is reasonable and this proceeding should be continued.

14 **IT IS THEREFORE ORDERED that a hearing scheduled on January 18, 2011, shall be**
15 **continued to April 4, 2011, at 10:00 a.m.,** at the Commission's offices, 1200 West Washington
16 Street, Hearing Room 1, Phoenix, Arizona.

17 **IT IS FURTHER ORDERED that the parties shall also set aside April 5, 6 and 7, 2011, for**
18 **additional days of hearing, if necessary.**

19 **IT IS FURTHER ORDERED that that the Division and Respondents shall exchange copies**
20 **of their Witness Lists and copies of the Exhibits by December 17, 2010,** with courtesy copies
21 provided to the presiding Administrative Law Judge, as previously ordered.

22 **IT IS FURTHER ORDERED that if the case is resolved by proposed Consent Orders**
23 **prior to the hearing, the Division shall file a Motion to Vacate the Proceeding.**

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

26 **IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance**
27 **with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the**
28 **Rules of the Arizona Supreme Court). Representation before the Commission includes appearances**

1 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
2 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
3 Administrative Law Judge or the Commission.

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

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

9 DATED this 4TH day of January, 2011.

10
11
12
13
14

MARC E. STERN
ADMINISTRATIVE LAW JUDGE

15 Copies of the foregoing mailed/delivered
16 this 4th day of January, 2011 to:

17 Paul Winick
18 LYNN & CAHILL, LLP
19 9121 East Tanque Verde Road, Suite 105
20 Tucson, AZ 85749
21 Attorney for Respondents Jensen and Preciado

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

23 Edward Gartenberg
24 GARTENBERG GELFAND WASSON
25 & SELDEN, LLP
26 801 South Figueroa Street, Suite 2170
27 Los Angeles, CA 90017
28 Attorney *Pro Hac Vice*
for Respondents Jensen and Preciado

David E. Walsh
540 Brickell Key Drive, Unit 1024
Miami, FL 33131

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

By: 
Debra Broyles
Secretary to Marc E. Stern