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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

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

**NINTH**  
**PROCEDURAL ORDER**  
**(Grants Motion to**  
**Allow Telephonic Testimony)**

**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 had secured the Division's agreement to a continuance.

13 On January 4, 2011, by Procedural Order, the hearing was continued to April 4, 2011.

14 On March 24, 2011, the Division filed a Motion to allow telephonic testimony.

15 On March 25, 2011, this Jensen and Preciado Respondents filed their response in opposition  
16 to the Division's Motion to allow telephonic testimony.

17 On March 30, 2011, the Jensen and Preciado Respondents filed an additional motion for a  
18 continuance because Respondent Christopher Jensen had been scheduled for surgery on March 30<sup>th</sup>  
19 and would require four to six weeks to recover and would be unable to travel. A letter from Mr.  
20 Jensen's doctor was attached to the motion. The Respondents' motion indicated that the Division did  
21 not oppose this motion. By Procedural Order, the proceeding was continued to July 11, 2011.

22 On April 1, 2011, the Division filed a reply in support of its Motion to allow telephonic  
23 testimony.

24 Accordingly, the Division's Motion to allow telephonic testimony is reasonable and should be  
25 granted.

26 IT IS THEREFORE ORDERED that the Division's Motion to allow telephonic testimony is  
27 hereby granted.

28

1 IT IS FURTHER ORDERED that a **hearing shall be held on July 11, 2011, at 10:00 a.m.**, at  
2 the Commission's offices, 1200 West Washington Street, Hearing Room 1, Phoenix, Arizona, as  
3 previously ordered.

4 IT IS FURTHER ORDERED that the parties shall also set aside **July 12, 13 and 14, 2011,**  
5 **for additional days of hearing**, if necessary.

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

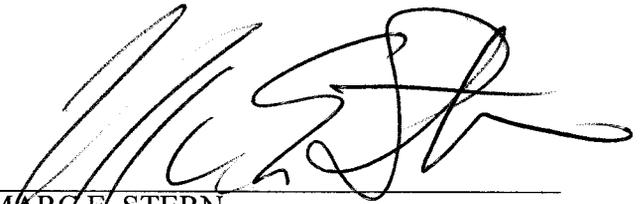
8 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
9 Communications) applies to this proceeding as the matter is now set for public hearing.

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

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

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

21 DATED this 12<sup>TH</sup> day of April, 2011.

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25   
26 MARC E. STERN  
27 ADMINISTRATIVE LAW JUDGE  
28

1 Copies of the foregoing mailed/delivered  
2 this 12th day of April, 2011 to:

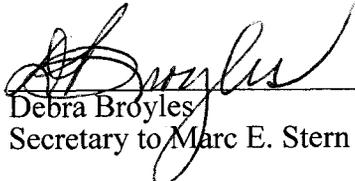
3 Paul Winick  
4 LYNN & CAHILL, LLP  
5 9121 East Tanque Verde Road, Suite 105  
6 Tucson, AZ 85749  
7 Attorney for Respondents Jensen and Preciado

8 Edward Gartenberg  
9 GARTENBERG GELFAND WASSON  
10 & SELDEN, LLP  
11 801 South Figueroa Street, Suite 2170  
12 Los Angeles, CA 90017  
13 Attorney *Pro Hac Vice*  
14 for Respondents Jensen and Preciado

15 David E. Walsh  
16 540 Brickell Key Drive, Unit 1024  
17 Miami, FL 33131

18 Matt Neubert, Director  
19 Securities Division  
20 ARIZONA CORPORATION COMMISSION  
21 1300 West Washington Street  
22 Phoenix, AZ 85007

23 ARIZONA REPORTING SERVICE, INC.  
24 2200 North Central Avenue, Suite 502  
25 Phoenix, AZ 85004

26 By:   
27 Debra Broyles  
28 Secretary to Marc E. Stern