

ORIGINAL



0000138217

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

Arizona Corporation Commission

DOCKETED

JUL 27 2012

DOCKETED BY [Signature]

COMMISSIONERS

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

2012 JUL 21 P 2:16

AZ CORP COMMISSION
DOCKET CONTROL

In the matter of:

BENJAMIN M. CVETKOVICH;

STERLING INVESTMENTS GROUP
INTERNATIONAL, LLC; and

GEORGE A. PRUDEN AND JANET F.
PRUDEN, husband and wife,

Respondents.

DOCKET NO. S-20843A-12-0121

**FOURTH
PROCEDURAL ORDER
(Schedules Status Conference)**

BY THE COMMISSION:

On March 30, 2012, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Benjamin M. Cvetkovich, Sterling Investments Group International, LLC ("SIGI"), and George A. Pruden and Janet F. Pruden, 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 or investment contracts.

Respondent spouse, Janet F. Pruden, was joined in the action for the purpose of determining the liability of the marital community pursuant to A.R.S. §44-2031(C).

The Respondents were duly served with copies of the Notice.

On May 21, 2012, pursuant to A.A.C. R14-4-305, Respondent Benjamin M. Cvetkovich filed an Answer on his own behalf. However, Respondent Cvetkovich failed to request a hearing as required by A.R.S. § 44-1972, and A.A.C. R14-4-406, a prerequisite to filing his Answer. Respondent Cvetkovich's failure to file a request for hearing could be cured if an extension of time was granted for leave which would enable him to file a request if he wanted a hearing in this matter.

On June 6, 2012, by Procedural Order, Respondent Cvetkovich was granted an extension of time until June 27, 2012, for leave to file a request for hearing pursuant to A.R.S. § 44-1972 and

1 A.A.C. R14-2-306 if he wanted to request a hearing on the issues raised in the Notice.

2 On June 12, 2012, pursuant to A.A.C. R14-4-305, an Answer similar to that filed by
3 Respondent Cvetkovich was filed by it appears one of the Pruden Respondents on his or her own
4 behalf. However, this Respondent failed to request a hearing as required by A.R.S. § 44-1972, and
5 A.A.C. R14-4-406, a prerequisite to filing his or her Answer. Further, the Answer which was filed on
6 June 12th was not signed and only identifiable by a return address. The Respondent who failed to file
7 a request for hearing may cure the defect if an extension of time is granted for leave which will
8 enable him or her to file a request if he or she wants a hearing in this matter. When filing the request,
9 it should be signed by the party filing the request or both Pruden Respondents, if both Mr. and Mrs.
10 Pruden are requesting a hearing. By Procedural Order, the Pruden Respondents were granted an
11 extension of time until July 3, 2012, for leave to file a request for hearing pursuant to A.R.S. § 44-
12 1972 and A.A.C R14-2-306.

13 On June 28, 2012, Respondent Cvetkovich filed a request for hearing.

14 On July 12, 2012, by Procedural Order, Mr. Cvetkovich's request for hearing was found
15 timely, and a pre-hearing conference was scheduled on July 26, 2012.

16 On July 26, 2012, at the pre-hearing conference the Division appeared with counsel.
17 Respondents Benjamin Cvetkovich and George Pruden appeared telephonically on their own behalf.
18 Mrs. Pruden did not appear and has not requested a hearing. Although Mr. Pruden filed his Answer
19 on June 12, 1012, he has not yet filed a written request for hearing, but he was directed to do so. The
20 Respondents indicated that they intend to discuss a resolution of the issues raised by the Notice with
21 The Division prior to a hearing being scheduled.

22 Under the circumstances, a status conference should be scheduled.

23 IT IS THEREFORE ORDERED that a **status conference** shall be held on **September 24,**
24 **2012, at 10:00 a.m.,** at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1,
25 Phoenix, Arizona.

26 IT IS FURTHER ORDERED that in the event a Consent Order is to be submitted for
27 Commission approval prior to the status conference, the Division shall file a Motion to Vacate the
28 proceeding.

1 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
2 Communications) is in effect and shall remain in effect until the Commission's Decision in this
3 matter is final and non-appealable.

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 the practice of law and admission
6 *pro hac vice*.

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

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

16 DATED this 27TH day of July, 2012.

17
18
19 
20 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

21 Copies of the foregoing mailed/delivered
this 27th day of July, 2012 to:

22 Benjamin M. Cvetkovich
23 1182 Belle Drive
Loveland, CO 80537

ARIZONA REPORTING SERVICE, INC.
2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

24 George A. Pruden
25 Janet F. Pruden
1140 Wall Street, No. 9018
La Jolla, CA 92038-9018

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

By: 
Debra Broyles
Secretary to Marc E. Stern