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BEFORE THE ARIZONA CORPORATE

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AZ CORP COMMISSION
DOCKET CONTROL

2012 AUG 22 PM 3 12

COMMISSIONERS

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

IN THE MATTER OF:

THOMAS LAURENCE HAMPTON,
CRD #2470192, and STEPHANIE YAGER,
husband and wife;

TIMOTHY D. MORAN, CRD #2326078,
and PATRICIA MORAN, husband and wife;

PATRICK MORAN, CRD #1496354, and
KELLY MORAN, husband and wife; and

HAMPTON CAPITAL MARKETS, LLC,
an Arizona limited liability company,

RESPONDENTS.

DOCKET NO. S-20823A-11-0407

Arizona Corporation Commission

DOCKETED BY

AUG 22 2012

DOCKETED BY

EIGHTH
PROCEDURAL ORDER
(Continues Pre-Hearing Conference)

BY THE COMMISSION:

On November 10, 2011, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Temporary Order to Cease and Desist (“T.O.”) and a Notice of Opportunity for Hearing (“Notice”) against Thomas Laurence Hampton and Jane Doe Hampton, husband and wife, and Hampton Capital Markets, L.L.C. (“HCM”), an Arizona limited liability company, (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.

The spouse (“Respondent Spouse”) of Respondent Thomas Hampton is joined in the action pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital community.

The Respondents were duly served with copies of the T.O and Notice.

On November 30, 2011, a request for hearing was filed on behalf of all Respondents who had been named in the November 10, 2011, T.O. and Notice.

1 On December 6, 2011, by Procedural Order, a pre-hearing conference was scheduled on
2 January 5, 2012. Subsequently, the Division filed a Motion to File Amended T.O. and Notice in
3 order to state the correct name of Mr. Hampton's spouse.

4 On December 12, 2011, the Division and Respondent filed a Joint Stipulation regarding the
5 Amended T.O. and Notice. Respondents had no objections to the filing of the Amended T.O. and
6 Notice to correct the name of Mr. Hampton's spouse (Stephanie Yager) and the parties stipulated that
7 Respondents' initial request for hearing filed November 30, 2011, would be applicable as to the
8 Amended T.O. and Notice. Additionally, the parties stipulated that Respondents' would have at least
9 30 days to file an Answer from the date of an Order which authorizes the filing of the Amended T.O.
10 and Notice.

11 On December 15, 2011, the Division was granted leave to file an Amended T.O. and Notice
12 as stipulated by the parties.

13 On January 5, 2012, at the pre-hearing conference, the Division and Respondents, Thomas
14 Hampton and HCM appeared through counsel. Counsel for Mr. Hampton and HCM indicated that he
15 did not represent Mr. Hampton's spouse, Stephanie Yager, and that Mr. Hampton's spouse would be
16 represented by separate counsel in the proceeding. The Division and Mr. Hampton and HCM were
17 conducting settlement discussions, but the Division indicated that it intended to further amend the
18 T.O. and Notice. In the interim, the Division requested that a status conference be scheduled in
19 approximately 90 days.

20 On January 6, 2012, by Procedural Order, a status conference was scheduled on April 26, 2012.

21 On February 6, 2012, counsel for Respondents, Thomas Hampton and HCM, filed a Motion to
22 Withdraw as counsel stating that he and his clients had a conflict which rendered his representation
23 "untenable," and that to disclose the reason would violate the attorney client privilege.

24 On February 9, 2012, by Procedural Order, counsel for Respondents, Thomas Hampton and
25 HCM, was granted leave to withdraw.

26 On April 24, 2012, the Division and Respondents filed a Joint Stipulation to Continue the
27 status conference scheduled on April 26, 2012, for at least 60 days because Mr. Hampton was
28 currently traveling outside of Arizona, and because the Division intended to file an Amended T.O.

1 and Notice.

2 On April 25, 2012, by Procedural Order, the status conference was continued to July 10, 2012.

3 On June 27, 2012, the Division filed a Motion to Amend the caption and Notice in the
4 proceeding, and requested that the status conference scheduled on July 10, 2012, be vacated. The
5 Division included a copy of the Amended Notice as Exhibit "A".

6 On July 6, 2012, the Division and Respondents, Mr. Hampton and HCM, filed a Joint
7 Stipulation to amend the caption and the Notice in this proceeding and to vacate the status
8 conference. Respondent Stephanie Yager had not yet signed the Joint Stipulation.

9 On July 9, 2012, by Procedural Order, leave to amend the caption and the Notice was granted
10 and the status conference was vacated.

11 On July 12, 2012, the Division filed the Amended Notice naming additional Respondents and
12 adding more allegations to the Notice.

13 The additional Respondents were duly served with copies of the Amended Notice.

14 On August 6, 2012, Respondents Timothy D. Moran and Patricia Moran filed a request for
15 hearing.

16 On August 7, 2012, Respondents Patrick Moran and Kelly Moran filed a request for hearing.

17 On August 8, 2012, by Procedural Order, a pre-hearing conference was scheduled on August
18 21, 2012.

19 On August 20, 2012, Respondents Timothy and Patricia Moran filed a Motion to Stay
20 Proceedings based on what was termed "a reasonable fear of criminal prosecution" and requested
21 protection for Mr. Timothy Moran's constitutional rights under both the United States and Arizona
22 Constitutions.

23 On August 21, 2012, at the pre-hearing conference, the Division, Respondents Timothy
24 Moran and Patricia Moran and Respondents Patrick Moran and Kelly Moran were represented by
25 counsel. No appearances were made by Respondents Thomas Hampton, Stephanie Yager or HCM or
26 anyone on their behalf. Based on the August 20, 2012, motion filed by Timothy and Patricia Moran
27 to stay the proceeding, the parties who were present agreed that the pre-hearing conference should be
28 continued for at least 60 days. Counsel for the Division further indicated that the Division has not yet

1 had time to thoroughly review the pending Motion to Stay.

2 Accordingly, another pre-hearing conference should be scheduled. It is noted that although a
3 request for a hearing was filed pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306 for Respondent
4 Stephanie Yager neither she nor an attorney on her behalf has entered an appearance in subsequent
5 proceedings.

6 IT IS THEREFORE ORDERED that a **pre-hearing conference** shall be held on **November 8,**
7 **2012, 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, 2nd Floor Conference
8 Room, Phoenix, Arizona.

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

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

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

20 IT IS FURTHER ORDERED that Respondent's request for discovery shall be taken under
21 advisement.

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

24 DATED this 22nd day of August, 2012.

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MARC E. STERN
ADMINISTRATIVE LAW JUDGE

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Copies of the foregoing mailed/delivered
this 20th day of August, 2012 to:

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