

ORIGINAL



0000139625

OPEN MEETING AGENDA ITEM

BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

COMMISSIONERS

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

2012 SEP 21 A 11:19

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

DOCKETED

SEP 21 2012

DOCKETED BY	<i>JM</i>
-------------	-----------

In the matter of:

DOCKET NO. S-20843A-12-0121

BENJAMIN M. CVETKOVICH;

STERLING INVESTMENTS GROUP  
INTERNATIONAL, LLC; and

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

Respondents.

**FIFTH**  
**PROCEDURAL ORDER**  
**(Vacates 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 12<sup>th</sup> 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 had not requested a hearing. Although Mr. Pruden filed his Answer  
19 on June 12, 1012, he had 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 On July 27, 2012, by Procedural Order, a status conference was scheduled on September 24,  
23 2012.

24 On September 21, 2012, a proposed Consent Order was filed by the Division for the  
25 Commission's approval at Open Meeting scheduled on October 4, 2012.

26 Under the circumstances, the status conference should be vacated.

27 **IT IS THEREFORE ORDERED that the status conference scheduled on September 24,**  
28 **2012, is hereby vacated.**

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

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

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

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 the Presiding Administrative Law Judge may rescind, alter,  
17 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by  
18 ruling at hearing.

19 DATED this 21<sup>st</sup> day of September, 2012.

20  
21  
22   
23 MARC E. STERN  
24 ADMINISTRATIVE LAW JUDGE

25  
26 Copies of the foregoing mailed/delivered  
this 21<sup>st</sup> day of September, 2012 to:

27 Benjamin M. Cvetkovich  
28 1182 Belle Drive  
Loveland, CO 80537

1 George A. Pruden  
Janet F. Pruden  
2 1140 Wall Street, No. 9018  
La Jolla, CA 92038-9018  
3

4 Matt Neubert, Director  
Securities Division  
ARIZONA CORPORATION COMMISSION  
5 1300 West Washington Street  
Phoenix, AZ 85007  
6

7 ARIZONA REPORTING SERVICE, INC.  
2200 North Central Avenue, Suite 502  
Phoenix, AZ 85004-1481  
8

9 By:   
Debra Broyles  
10 Secretary to Marc E. Stern  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28