



**ORIGINAL**

**BEFORE THE ARIZONA CORPORATION COMMISSION**

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2 COMMISSIONERS  
3 BOB STUMP - Chairman  
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ARIZONA CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**  
APR 26 2013

DOCKETED BY *mn*

7 In the matter of:  
8 MORRIE S. FRIEDMAN and  
9 JUDITH ANN FRIEDMAN  
10 husband and wife;  
  
Respondents.

DOCKET NO. S-20855A-12-0393

**THIRD**  
**PROCEDURAL ORDER**  
**(Schedules Hearing)**

**BY THE COMMISSION:**

12 On September 4, 2012, the Securities Division ("Division") of the Arizona Corporation  
13 Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Morrie S.  
14 Friedman and Judith Ann Friedman, husband and wife (collectively "Respondents"), in which the  
15 Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the  
16 offer and sale of securities in the form of stock.

17 On October 26, 2013, the Division filed an Amended Notice against the Respondents.

18 The spouse ("Respondent Spouse") of Respondent Morrie S. Friedman is joined in the action  
19 pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital  
20 community.

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

22 On December 14, 2012, Morrie S. Friedman and Judith Ann Friedman filed requests for  
23 hearing in this matter.

24 On January 10, 2013, the Division filed a Motion to Set a Status Conference.

25 On February 6, 2013, by Procedural Order, a pre-hearing conference was scheduled on March  
26 6, 2013.

27 On February 21, 2013, counsel for Respondents filed a "Motion to Vacate and Re-set  
28 Prehearing Conference" stating that he had a scheduling conflict with the prehearing conference

1 scheduled on March 6, 2013. Additionally it was stated that a 30 day continuance would facilitate an  
2 Examination Under Oath ("EUO") of Mr. Freidman by the Division. Respondents' counsel also  
3 indicated that the Division was in agreement with the motion.

4 On February 26, 2013, by Procedural Order, the pre-hearing conference was continued to  
5 April 23, 2013.

6 On April 23, 2013, the Division and Respondents appeared through counsel. The parties  
7 indicated that they are discussing a possible resolution of the proceeding, but agreed that hearing  
8 should be scheduled in the interim.

9 Accordingly, a hearing should be scheduled.

10 IT IS THEREFORE ORDERED that a **hearing** shall be held on **September 23, 2013, at**  
11 **10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Hearing Room No. 2,  
12 Phoenix, Arizona.

13 IT IS FURTHER ORDERED that the parties shall reserve **September 24, 25, 26, and 27,**  
14 **2013, for additional days of hearing**, if necessary.

15 IT IS FURTHER ORDERED that the **parties shall exchange copies of their Exhibits and**  
16 **their Witness Lists by August 9, 2013**, with courtesy copies provided to the presiding  
17 Administrative Law Judge.

18 IT IS FURTHER ORDERED that **if the parties reach a resolution of the issues raised in**  
19 **the Notice prior to the hearing, the Division shall file a Motion to Vacate the proceeding.**

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

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

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

7 DATED this 26<sup>TH</sup> day of April, 2013.

  
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

12 Copies of the foregoing mailed/delivered  
13 this 26<sup>th</sup> day of April, 2013 to:

14 Robert D. Mitchell  
15 Megan R. Jury  
16 Sarah K. Deutsch  
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Attorneys for Respondents

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21 Phoenix, AZ 85004-1481

22 By:   
23 Debbi Person  
24 Assistant to Marc E. Stern

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