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10 80 E. Rio Salado Parkway, Suite 511
11 Tempe, AZ 85281
12 Phone: (480) 968-1225
13 Fax: (480) 968-6255
14 E-mail: alan@bbrplc.com

15 Attorneys for Respondents
16 Chris Dean Dedmon, Kimberly Dedmon,
17 and SDC Montana Consulting, LLC

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AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED
JUN 18 2013

DOCKETED BY
[Handwritten initials]

BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of:

CHRISTOPHER DEAN DEDMON
CRD#3015575 and KIMBERLY DEDMON,
husband and wife,

ROBERT R. COTTRELL (a.k.a "ROB
COTTRELL"),

SDC MONTANA CONSULTING, LLC (a.k.a.,
d.b.a., a.b.n. "SDC MONTANA" and "SDC
MONTANA OIL & GAS EXPLORATION"),
an Arizona limited liability company,

RSC ADVENTURES LLC, an Arizona limited
liability company,

Respondents.

DOCKET No.: S-03479A-12-0360

**MOTION TO COMPEL
COMPLIANCE WITH
ADMINISTRATIVE SUBPOENA
DUCES TECUM**

Pursuant to Rules R14-3-101A, R14-3-106K, and R14-3-109, Rules Of Practice And Procedure Before The Corporation Commission ("Commission"), as well as Rule 37(a)(2)(C), Arizona Rules of Civil Procedure, Respondents Chris D. Dedmon, Kimberly Dedmon and SDC Montana Consulting, LLC move the Commission to issue its Order compelling Clear Energy

1 Systems, Inc. ("CES") to comply with the Administrative Subpoena Duces Tecum (Exhibit "A"
2 attached) issued by the Commission on February 19, 2013, and served upon CES commanding
3 said corporation to appear and bring all documents requested.

4 Following service of said Subpoena, CES has consistently failed and refused to obey or
5 comply with it.

6 This Motion is supported by Respondents' accompanying Memorandum of Points and
7 Authorities and Counsel's Certificate required by Rule 37(a)(2)(C).

8 DATED this ___ day of June, 2013.

9 THE BENTLEY LAW FIRM, P.C.
Burton M. Bentley

10 AND

11 BADE BASKIN RICHARDS, PLC
12 Alan S. Baskin

13 Attorney for Respondents
14 Chris Dean Dedmon, Kimberly Dedmon, and SDC
15 Montana Consulting, LLC

16 **MEMORANDUM OF POINTS AND AUTHORITIES**

17 **I. THE LAW.**

18 The Commission's Rules of Practice and Procedure do not contain a specific provision
19 providing for motions to compel, but the following rules support this motion:

20 A.A.C. R14-3-101(A) states: "...the Rules of Civil Procedure for the Superior Courts of
21 Arizona...shall govern" except as otherwise provided by law, these rules or the Commission.

22 A.A.C. R14-3-106(K) states: "Motions shall conform insofar as possible with the Rules
23 of Civil Procedure for the Superior Court..."

24 A.A.C. R14-3-109 provides complete procedures and protocols for hearings of this sort.

25 A.R.C.P. Rule 37(a)(2)(C) states: "No motion brought under this Rule 37 (to compel)
26 will be considered (unless counsel certifies)... after personal consultation and good faith efforts
27 to do so, counsel have been unable to satisfactorily resolve the matter."
28

1 **II. FACTS SUPPORTING ISSUANCE OF COMMISSION SUBPOENA AND**
2 **DEMONSTRATING CLEAR ENERGY'S NON-COMPLIANCE.**

3 On or about September 23, 2005, the Commission issued its Order To Cease and Desist,
4 Order Of Restitution, Order For Administrative Penalties, And Consent To Same By
5 Respondents by the terms of which Respondent Christopher D. Dedmon ("Dedmon") was
6 ordered to pay \$656,676.87 in restitution related to his sales of stock in a company called Clear
7 Energy Systems, Inc. ("CES"). The stock was not originally issued to the purchasers, but CES
8 later issued stock to many, but not all of the purchasers. Dedmon wishes to conclude the CES
9 matter by paying restitution to those who purchased stock from him. To the extent the stock
10 issued has value, Dedmon is entitled to a setoff of his restitution obligations. A.A.C. R14-4-
11 308(C). Accordingly, upon Dedmon's motion, on February 19, 2013, the Commission issued a
12 subpoena to CES seeking to identify those who purchased and ultimately received CES stock
13 Dedmon sold, the amount of shares purchased, whether there have been any subsequent sales or
14 transfers and the attendant details, and the value of the shares. (Exhibit A.)

15 The subpoena is very straightforward and the Securities Division did not oppose its
16 issuance. The return date on the subpoena was March 4, 2013. Despite multiple extensions and
17 professional courtesies by Dedmon's counsel, CES produced but a fraction of the subpoenaed
18 information, providing only a shareholder list and a one-line email of counsel purporting to
19 identify the share price for the most recent sale of Clear Energy stock, which read, in pertinent
20 part: "I have been authorized to disclose the last sale price for Clear Energy stock. According
21 to my client representative, the latest stock sales have been at \$.75..." (April 18 and May 14,
22 2013 e-mails from J. Daryl Dorsey to Alan Baskin and Burton Bentley; attached hereto as
23 Exhibits B and C.) CES provided this information over 6 weeks and two months, respectively,
24 after the return date provided in the subpoena. To date, CES has not provided a formal response
25 or objection to the subpoena or any other information.

26 The Securities Division advised Dedmon that the information CES produced was
27 insufficient to allow it to address the set-off issue. Despite renewed efforts by undersigned
28 counsel, CES refused to produce any additional information to Respondents. On June 11, 2013
the Securities Division's counsel advised undersigned counsel that in late May 2013, CES's

1 counsel had advised the Securities Division that it was unlikely to produce additional
2 information to Respondents in response to the subpoena. This has proven true and left Dedmon
3 with no choice but to file this motion.

4 Dedmon cannot compute the true amount of restitution owed currently as CES refuses to
5 provide Respondents with crucial factual information contained within its books and records in
6 response to the Commission's Subpoena. Such information will provide reliable evidence
7 regarding shares of CES that have been issued or not issued to investors, subsequent sales,
8 transfers or other disposition of said shares and the value of the shares.

9 As a result of CES's failure to comply Dedmon cannot accurately compute the exact
10 dollar amount of set offs that must be credited by law against the restitution previously ordered
11 by the Commission. The information sought by the Subpoena should help Respondents and the
12 Commission negotiate the amount of set-off, if any, and address all remaining issues related to
13 the 2005 Order.

14 **III. RULE 37 ARCP COMPLIANCE.**

15 In support of Respondent's Motion, Declaration and Certification of Alan Baskin and
16 Declaration of Burton M. Bentley are attached as Exhibits D and E. The following are exhibits
17 to Mr. Baskin and Mr. Bentley's declarations:

18 April 9, 2013 e-mail from Alan Baskin ("Baskin") to J. Daryl Dorsey ("Dorsey")
19 extending the time to respond to the Subpoena from March 4, 2013 to April 12, 2013;

20 April 11, 2013, 4:50 e-mail from Dorsey to Baskin requesting additional information
21 related to the underlying action;

22 April 11, 2013, 5:28 e-mail from Baskin to Dorsey, with a copy to the Commission,
23 factually explaining the reasons for issuing the Subpoena;

24 April 18, 2013 e-mail from Dorsey to Baskin attaching the shareholder list;

25 April 24, 2013 e-mail from Baskin to Dorsey, with a copy to the Commission, again
26 requesting the financial information requested in the Subpoena;

27 May 3, 2013 e-mail from Baskin to Dorsey further agreeing to extend the time for
28 compliance;

1 May 13, 2013 e-mail from Burton Bentley (“Bentley”) to Dorsey, with a copy to Baskin,
2 requesting response to Subpoena by no later than 5:00 p.m. on May 15, 2013;

3 May 14, 2013 e-mail from Dorsey to Bentley, with a copy to Baskin, providing CES’s
4 stock sales price; and

5 May 23, 2013 e-mail from Bentley to Dorsey, with a copy to Baskin, again requesting
6 the information requested in the Subpoena.

7 **IV. CONCLUSION.**

8 CES deliberately, wantonly and willfully chose to ignore the plain duties imposed upon
9 CES by law including the commandments of the Commission contained in the Subpoena served
10 upon it. Dedmon respectfully requests that the Commission order CES to immediately comply
11 with the subpoena. Pursuant to Rule 37(a)(2)(A), ARCP, Respondents also ask for appropriate
12 sanctions, including Respondents’ reasonable attorney fees expended in bringing this matter
13 before the Commission and filing this Motion to Compel.

14 DATED this 30th day of June, 2013.

15 THE BENTLEY LAW FIRM, P.C.
16 Burton M. Bentley
17 5333 N. 7th Street, Suite C-121
18 Phoenix, Arizona 85014

19 AND

20 BADE BASKIN RICHARDS PLC

21 

22 Alan S. Baskin
23 80 E. Rio Salado Parkway, Suite 511
24 Tempe, Arizona 85281

25 Attorney for Respondents
26 Chris Dean Dedmon, Kimberly Dedmon, and SDC
27 Montana Consulting, LLC
28

1 Original and thirteen (13) copies filed
2 this 13th day of June, 2013, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

6 COPY of the foregoing hand-delivered
7 this 13th day of June, 2013 to:

8 Hearing Officer
9 Hearing Division
10 Arizona Corporation Commission
11 1200 W. Washington
12 Phoenix, AZ 85007

11 COPY of the foregoing mailed
12 this 13th day of June, 2013 to:

13 J. Daryl Dorsey
14 TIFFANY & BOSCO, P.A.
15 Camelback Esplanade II, Third Floor
16 2525 E. Camelback Road
17 Phoenix, AZ 85016-9240
18 Attorney for Clear Energy Systems, Inc.

18 Ryan J. Millecam
19 Securities Division
20 Arizona Corporation Commission
21 1300 W. Washington, 3rd Floor
22 Phoenix, AZ 85007

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EXHIBIT A

0

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP- Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

IN THE MATTER OF

CHRISTOPHER DEAN DEDMON
CRD#3015575 and KIMBERLY DEDMON,
husband and wife,

ROBERT R. COTTRELL (a.k.a. "ROB
COTTRELL"),

SDC MONTANA CONSULTING, LLC (a.k.a.,
d.b.a., a.b.n. "SDC MONTANA" and "SDC
MONTANA OIL & GAS EXPLORATION"), an
Arizona limited liability company,

RSC ADVENTURES LLC, an Arizona limited
liability company,

Respondents.

DOCKET NO. S-03479A-12-0360

**ADMINISTRATIVE
SUBPOENA DUCES TECUM**

TO: Clear Energy Systems, Inc.
c/o Daniel McCauley, Statutory Agent
6638 E. Ashler Hills Drive
Cave Creek, Arizona 85331

YOU ARE HEREBY COMMANDED, pursuant to A.R.S. § 44-1823 and A.A.C. R14-3-109
to appear and produce documents in connection with the administrative hearing in the above-
captioned action.

BEFORE WHOM APPEARANCE TO BE MADE: Bade Baskin Richards PLC

DATE AND TIME OF APPEARANCE: March 4, 2013 at 10:00 a.m.

PLACE OF APPEARANCE: Bade Baskin Richards PLC
80 East Rio Salado Parkway, Suite 511
Tempe, Arizona 85281

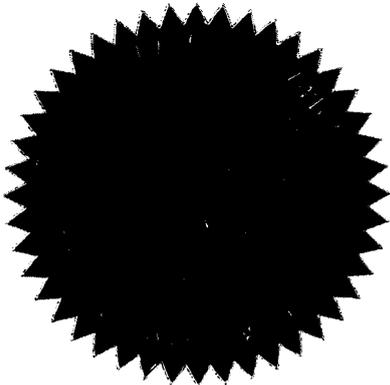
Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail sabernal@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

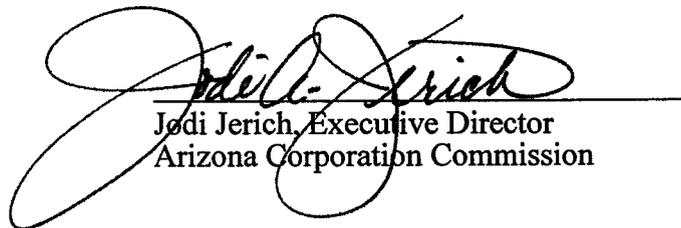
1 YOU ARE COMMANDED to bring with you and produce for inspection and copying the
2 documents listed on attached Exhibit "A."

3
4
5 YOU HAVE BEEN SUBPOENAED BY: Respondents Christopher Dedmon,
6 Kimberly Dedmon and SDC Montana
7 Consulting, LLC
8 c/o Alan Baskin, Esq.
9 Bade Baskin Richards PLC
10 80 East Rio Salado Parkway, Suite 511
11 Tempe, Arizona 85281
12 Telephone: 480-968-1225
13 E-mail: alan@bbrplc.com

14 DISOBEDIENCE OF THIS SUBPOENA constitutes contempt of the Arizona Corporation
15 Commission and may subject you to further proceedings and penalties under law, pursuant to A.R.S.
16 § 44-1825.

17 Given under by hand the seal of the Arizona Corporation Commission this 19th day
18 of February, 2013.



27 
28 Jodi Jerich, Executive Director
Arizona Corporation Commission

1
2 EXHIBIT "A"

3 For the period of September 1, 2003 to the present:

4 1. The names, addresses, telephone numbers and e-mail addresses of all of the
5 individuals or entities to whom Christopher Dedmon sold, gave and/or provided Clear Energy
6 Systems, Inc. ("Clear Energy") stock, and who subsequently received stock directly from Clear
7 Energy.

8 2. The amount, if any, those named in paragraph 1 paid for the shares, the amount of
9 shares issued to those individuals by Clear Energy and the date said shares were issued.

10 3 All documents related to the ownership, transfer or sale of Clear Energy shares by any
11 shareholder identified in response to paragraph 1, including, but not limited to:

- 12
- 13 a. All communications with said shareholders;
 - 14 b. All documents related to the value of their Clear Energy stock;
 - 15 c. All documents related to the transfer of their Clear Energy stock,
16 including date of transfer and consideration, if any, paid for the shares;
17 and
 - 18 d. Name, address, telephone number and e-mail address of any
19 transferees.
20

21 4. To the extent not provided in response to paragraph 3, all documents related to the
22 ownership, transfer or sale of Clear Energy stock by the shareholders listed in attached Exhibit "B,"
23 including but not limited to:

- 24 a. Name, address, telephone number and e-mail address for said
25 shareholders;
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- b. Amount paid for the shares, the amount of shares issued to those individuals by Clear Energy and the date said shares were issued;
- c. All communications with said shareholders;
- d. All documents related to the value of their Clear Energy stock;
- e. All documents related to the transfer of their Clear Energy stock, including date of transfer and consideration, if any, paid for the shares; and
- f. Name, address, telephone number and e-mail address of any transferees.

5. All valuations of Clear Energy stock, and all documents relied upon in making said valuations.

6. All documents or information reflecting or relating to the value of Clear Energy stock. This would include but not be limited to (a) all financial statements (balance sheet, profit and loss, cash flow and changes of equity), annual, quarterly and monthly financial reports, whether audited or unaudited, with accompanying footnotes and any auditor's reports including any amendments; and (b) all federal and state tax returns.

7. All documents signed in connection with the issuance to and/or receipt of Clear Energy stock by any individual or entity identified in response to this subpoena.

8. The names, addresses and telephone numbers of any individuals to whom Mr. Dedmon sold Clear Energy stock, but who did not ultimately receive stock from the company.

9. All communications with Clear Energy shareholders.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shaylin A. Bernal, Executive Assistant to the Executive Director, voice phone number 602-542-3931, e-mail sabernal@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

27
28

EXHIBIT "B"

<u>Last Name</u>	<u>First</u>
Aldrich - RT	Ardelle S
Bensemon	Richard
Bohnert	Curtis & Barbara I
Brown	James
Butt	Ronald
Carcione	Fredrick D
Cebulski	Scott
Chalmers	Amos
Coombs	David
Crouse	Ronald S & Shelley R
Davenport	Todd & Joi
Dietrichs	Rudy
Ekberg	Niel Bryce
Engen	Robert
Engen	Steve
Engen	Robert
Erickson	Bradley T
Foote	Randall D
Glynn	James P
Glynn	Timothy
Guida	Michael & Pamela A
Guthrie	Ronald
Guthrie	Rick
Hansen	Mable Keck
Hendrickson	Chris
Jean	Katherine A
Jennings	Kevin J
Johnson	Dave & Lauri Serota
Klein	Mike
McCarthy Jr	John A & Cynthia L
Mercurio Jr	Phillip
Miller	Mark A
Miller	Stan & Judith
Modena	Michael
Monteleone	Anthony J & Linda M
Murray	Jeannie
Naimo	Anthony
Nickel	Alex Wong

Nickel	Dale
Nickel	Kevin
Nickel	Chase
Nickel	Mark
Nickel	Robert
Obeidi Sinclair's Gallery	
Parsons	Mark
Pieters	Bram & Nellie
Pope	Linda
Pope Jr	Frederick E
Prine	Roland D or Pamela B
Ransom	W Irving
Reynolds	Ralph E & Barbara L
Reynolds	Rick
Reynolds Jr	Ralph
Ricci-Webb	Christine
Rondberg	Randy & Debbie
Seifman	Thomas
Seligmiller	Brian
Serota	Barry M & Cynthia A
Stinnett	Renee
Stinnett	Sharon
Swortzel	Richard
Swortzel	Robert
Tapella	Fred
Tartaglio	Edward
Totman	James T
Trepak	Phillip
Walshire	Steve
Warner	Morgan
Wengred	Robin
Whitten	Ruben
Willse	George
Winn	John
Workman	Hugh Lene
Workman	Kit K
Workman	Tony
Workman	Tony & Kit
Zobler	Eric

EXHIBIT B

Alan Baskin

From: J. Daryl Dorsey
Sent: Thursday, April 18, 2013 3:50 PM
To: 'Alan Baskin'
Subject: RE: Clear Energy Subpoena
Attachments: Clear Energy - Dedmon Stock List.pdf

Alan,

I have received the attached shareholder list. These represent the persons who purchased stock from Mr. Dedmon. I wanted to get this to you before the end of the day. I will be speaking again with my client tomorrow.

J. Daryl Dorsey
Attorney



**TIFFANY
& BOSCO**
P.A.

Third Floor Camelback Esplanade II
2525 East Camelback Road
Phoenix, AZ 85016-9240

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From: Alan Baskin [<mailto:alan@bbrplc.com>]
Sent: Thursday, April 11, 2013 5:28 PM
To: J. Daryl Dorsey
Cc: Burton M. Bentley; Ryan Millecam; Rosemarie Connell; Cristina McDonald
Subject: RE: Clear Energy Subpoena

Daryl

Attached is an ACC order from 2005 involving the sale of Clear Energy stock. My client, Chris Dedmon, was a party to that action. He was ordered to pay restitution related to his sales of Clear Energy stock. The stock was not originally issued to the purchasers, but my understanding is that Clear Energy subsequently issued stock to many, but not all of the purchasers.

Mr. Dedmon wishes to conclude the Clear Energy matter by paying restitution to those who purchased stock from him. To the extent the stock issued has value, Mr. Dedmon will be entitled to a setoff of his restitution obligations. Accordingly, the subpoena seeks to identify those who purchased and ultimately received Clear Energy

stock sold by Mr. Dedmon, the amount of shares purchased, whether there have been any subsequent sales or transfers and the attendant details, and the value of the shares.

The subpoena is very straightforward and the Securities Division did not oppose its issuance, because it too would like to have this information so we can attempt to resolve the restitution issue. I copied Ryan Millicam, the Securities Division's prosecutor, so he can confirm that I have accurately described the relevant context and provide any additional relevant information.

Please have Clear Energy produce the subpoenaed information ASAP. I look forward to hearing from you tomorrow.

Thanks

Alan

From: J. Daryl Dorsey [mailto:jdd@tblaw.com]
Sent: Thursday, April 11, 2013 4:50 PM
To: 'Alan Baskin'
Subject: RE: Clear Energy Subpoena

Alan,
I do appreciate your courtesy and apologize for just getting back to you. I have been involved in some matters that seemed to take quite a bit of my time. As an initial response to the subpoena, can you provide me with a copy of the ACC's complaint so I have an understanding as to how information concerning Clear Energy is relevant and has a bearing on that case. Secondly, the Subpoena requests information from 2003 to the present. Mr. Dedmon has been separated from Clear Energy since 2008 as I recall. So, again, I would like to understand the relevance of this time frame.

Despite these concerns, if you can provide me with the complaint tomorrow morning, we can work through these issues. My client is expecting my call on Friday so feel free to call me to discuss to hasten this process, if necessary.

J. Daryl Dorsey
Attorney



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Phoenix, AZ 85016-9240
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From: Alan Baskin [mailto:alan@bbrplc.com]
Sent: Tuesday, April 09, 2013 10:09 AM
To: J. Daryl Dorsey
Cc: Burton M. Bentley; Rosemarie Connell; Cristina McDonald
Subject: Clear Energy Subpoena

Daryl

This is a follow-up to our conversation and my voicemails regarding the Arizona Corporation Commission subpoena issued to Clear Energy. The return date for the subpoena was March 4, 2013. We have patiently waited for Clear Energy to comply with the subpoena, and I extended you a professional courtesy with the understanding that we would have a response last week.

We cannot tolerate any further delay. Please have Clear Energy produce the subpoenaed documents by Friday, April 12, 2013. If we do not receive the documents by that date we will take all appropriate action to enforce the subpoena and recover our fees.

Thanks

Alan

Alan Baskin
Bade Baskin Richards PLC
80 East Rio Salado Parkway, Suite 511
Tempe, Arizona 85281
Telephone: 480-968-1225
Facsimile: 480-968-6255
E-mail: alan@bbrplc.com

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EXHIBIT C

Alan Baskin

From: J. Daryl Dorsey
Sent: Tuesday, May 14, 2013 4:27 PM
To: Burton M. Bentley
Cc: 'Alan Baskin'
Subject: RE: Motion Tto Compel -- Rule 37(a)(2)(C) Compliance

Mr. Bentley,

I have been authorized to disclose the last sale price for Clear Energy stock. According to my client representative, the latest stock sales have been at \$.75. I provided other information previously to Mr. Baskin. I am not sure whether the information provided is sufficient at this time to curtail the filing of a motion to compel, but I am more than happy to have a call regarding this matter today (480-292-1883 (my cellphone) or tomorrow with you or Mr. Baskin.

J. Daryl Dorsey
Associate



**TIFFANY
& BOSCO**
P.A.

Third Floor Camelback Esplanade II
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From: Burton M. Bentley [<mailto:bmb@burtonbentley.com>]
Sent: Monday, May 13, 2013 11:22 AM
To: J. Daryl Dorsey
Cc: 'Alan Baskin'
Subject: Motion Tto Compel -- Rule 37(a)(2)(C) Compliance

J. Daryl Dorsey:

Respecting the ACC Subpoena issued requiring Clear Energy to provide information about Omni shares sold by Christopher Dedmon as to which shares were issued or not issued, and all transactions involving these shares thereafter, you may wish to discuss with me any reasons you may have why we should not invoke the remedies of Rule 37, ARCP, by 5:00 pm on Tuesday, May 15, 2013.

**Best Regards
Burton M. Bentley
(602) 861-3055**

Notice: This is privileged legal communication. If you receive it by mistake, delete it and notify the sender immediately. Unauthorized use or forwarding of this email or the information herein is forbidden and may subject you to penalties and legal action.

EXHIBIT D

1 Burton M. Bentley (Bar No.: 000980)
THE BENTLEY LAW FIRM, P.C.
5333 N. 7th St., Suite C-121
2 Phoenix, AZ 85014
Phone: (602) 861-3055
3 Fax: (602) 861-3230
E-mail: bmb@burtonbentley.com

4 Alan S. Baskin (Bar No. 013155)
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6 Tempe, AZ 85281
Phone: (480) 968-1225
7 Fax: (480) 968-6255
E-mail: alan@bbrplc.com

8 Attorney for Respondents

9
10 **BEFORE THE ARIZONA CORPORATION COMMISSION**

11
12 In the matter of:

DOCKET No.: S-03479A-12-0360

13 CHRISTOPHER DEAN DEDMON
14 CRD#3015575 and KIMBERLY DEDMON,
husband and wife,

15 ROBERT R. COTTRELL (a.k.a "ROB
16 COTTRELL"),

17 SDC MONTANA CONSULTING, LLC (a.k.a.,
18 d.b.a., a.b.n. "SDC MONTANA" and "SDC
MONTANA OIL & GAS EXPLORATION"),
19 an Arizona limited liability company,

20 RSC ADVENTURES LLC, an Arizona limited
liability company,

21 Respondents.
22

**DECLARATION AND
CERTIFICATION OF ALAN
BASKIN**

23
24 Alan Baskin, pursuant to Rule 37(a)(2)(C) of the Arizona Rules of Civil Procedure, declares as
25 follows:

- 26 1. I am counsel for Respondents Christopher Dean Dedmon, Kimberly Dedmon and SDC
27 Montana Consulting, LLC (collectively "Respondents") in this action.
2. I have personal knowledge of all matters set forth herein.

1 3. On or about February 21, 2013 Respondents served Clear Energy Systems, Inc. ("CES")
2 with an Administrative Subpoena Duces Tecum.

3 4. On or about March 26, 2013 I spoke with J. Daryl Dorsey, counsel for CES, regarding
4 responding to the subpoena. During that conversation I provided CES additional time to respond to the
5 subpoena.

6 5. On or about April 9, 2013 I sent an e-mail to Mr. Dorsey inquiring as to the status of the
7 response and indicating that if responsive information was not provided by April 12, 2013 Respondents
8 would take appropriate action against CES. (E-mail string between Alan Baskin and J. Daryl Dorsey
9 dated April 9 and 11, 2013; attached hereto as Exhibit A.)

10 6. On or about April 11, 2013 Mr. Dorsey responded to my April 9, 2013 e-mail requesting
11 additional information related to the underlying Arizona Corporation Commission complaint. I
12 provided Mr. Dorsey with the information he requested by e-mail later that same day. (Exhibit A.)

13 7. On or about April 18, 2013 CES provided a list of shareholders who purchased stock
14 from Mr. Dedmon. (April 18, 2013 e-mail from J. Daryl Dorsey to Alan Baskin; attached hereto as
15 Exhibit B.)

16 8. On or about April 24, 2013 I sent Mr. Dorsey an e-mail again requesting the financial
17 information requested in the subpoena. I copied Ryan Millecam, the Securities Division attorney
18 assigned to this matter, on the e-mail as Respondents were in negotiations to resolve the underlying
19 matter and wanted to show CES the importance of obtaining the information requested in the subpoena.
(April 24, 2013 e-mail from Alan Baskin to J. Daryl Dorsey; attached hereto as Exhibit C.)

20 9. On or about May 3, 2013 Mr. Dorsey and I had a telephone call where I again requested
21 the subpoenaed information. We agreed to speak again on May 6, 2013, but I explained that if
22 Respondents did not receive the requested information they would have no choice but to file a motion to
23 compel. (May 3, 2013 e-mail from Alan Baskin to J. Daryl Dorsey; attached hereto as Exhibit D.)

24 10. On or about May 6, 2013 Mr. Dorsey and I spoke regarding the status of the requested
25 information.

26 11. On or about May 13, 2013 Burton Bentley, co-counsel to Respondents, sent Mr. Dorsey
27 an e-mail requesting the information from CES by no later than 5:00 p.m. on May 15, 2013. (May 13,
2013 e-mail from Burton M. Bentley to J. Daryl Dorsey; attached hereto as Exhibit E.)

1 12. On or about May 14, 2013 CES provided the stock sales price. I provided this
2 information to Mr. Millecam. (May 14, 2013 e-mail from J. Daryl Dorsey to Burton M. Bentley;
3 attached hereto as Exhibit F.)

4 13. Mr. Millecam indicated that the information CES produced was insufficient to allow the
5 Securities Division to address the set-off issue.

6 14. On or about May 23, 2013 Mr. Bentley contacted Mr. Dorsey to attempt to obtain the
7 information requested from CES. (May 23, 2013 e-mail from Burton M. Bentley to J. Daryl Dorsey;
8 attached hereto as Exhibit G.)

9 15. On June 11, 2013, Mr. Millecam advised me that in late May 2013, CES's counsel had
10 advised him that CES was unlikely to produce additional information to Respondents in response to the
11 subpoena.

12 16. As of the date of this declaration Respondents have received no further information from
13 CES.

14 17. Pursuant to Rule 37(a)(2)(C), undersigned counsel certifies that, after personal
15 consultation and good faith efforts to do so, counsel have been unable to satisfactorily resolve the
16 matter.

17 I declare under the penalty of perjury that the foregoing statements are true and correct.

18 DATED this 13th day of June, 2013.

19 
20 _____
21 Alan Baskin

EXHIBIT A

Alan Baskin

From: Alan Baskin
Sent: Thursday, April 11, 2013 5:28 PM
To: 'J. Daryl Dorsey'
Cc: Burton M. Bentley; Ryan Millecam (rmillecam@azcc.gov); Rosemarie Connell; Cristina McDonald (cmcdonald@bbrplc.com)
Subject: RE: Clear Energy Subpoena
Attachments: 9-23-05 Dedmon Consent.pdf

Daryl

Attached is an ACC order from 2005 involving the sale of Clear Energy stock. My client, Chris Dedmon, was a party to that action. He was ordered to pay restitution related to his sales of Clear Energy stock. The stock was not originally issued to the purchasers, but my understanding is that Clear Energy subsequently issued stock to many, but not all of the purchasers.

Mr. Dedmon wishes to conclude the Clear Energy matter by paying restitution to those who purchased stock from him. To the extent the stock issued has value, Mr. Dedmon will be entitled to a setoff of his restitution obligations. Accordingly, the subpoena seeks to identify those who purchased and ultimately received Clear Energy stock sold by Mr. Dedmon, the amount of shares purchased, whether there have been any subsequent sales or transfers and the attendant details, and the value of the shares.

The subpoena is very straightforward and the Securities Division did not oppose its issuance, because it too would like to have this information so we can attempt to resolve the restitution issue. I copied Ryan Millecam, the Securities Division's prosecutor, so he can confirm that I have accurately described the relevant context and provide any additional relevant information.

Please have Clear Energy produce the subpoenaed information ASAP. I look forward to hearing from you tomorrow.

Thanks

Alan

From: J. Daryl Dorsey [mailto:jdd@tblaw.com]
Sent: Thursday, April 11, 2013 4:50 PM
To: 'Alan Baskin'
Subject: RE: Clear Energy Subpoena

Alan,

I do appreciate your courtesy and apologize for just getting back to you. I have been involved in some matters that seemed to take quite a bit of my time. As an initial response to the subpoena, can you provide me with a copy of the ACC's complaint so I have an understanding as to how information concerning Clear Energy is relevant and has a bearing on that case. Secondly, the Subpoena requests information from 2003 to the present. Mr. Dedmon has been separated from Clear Energy since 2008 as I recall. So, again, I would like to understand the relevance of this time frame.

Despite these concerns, if you can provide me with the complaint tomorrow morning, we can work through these issues. My client is expecting my call on Friday so feel free to call me to discuss to hasten this process, if necessary.

J. Daryl Dorsey
Attorney



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From: Alan Baskin [<mailto:alan@bbrplc.com>]
Sent: Tuesday, April 09, 2013 10:09 AM
To: J. Daryl Dorsey
Cc: Burton M. Bentley; Rosemarie Connell; Cristina McDonald
Subject: Clear Energy Subpoena

Daryl

This is a follow-up to our conversation and my voicemails regarding the Arizona Corporation Commission subpoena issued to Clear Energy. The return date for the subpoena was March 4, 2013. We have patiently waited for Clear Energy to comply with the subpoena, and I extended you a professional courtesy with the understanding that we would have a response last week.

We cannot tolerate any further delay. Please have Clear Energy produce the subpoenaed documents by Friday, April 12, 2013. If we do not receive the documents by that date we will take all appropriate action to enforce the subpoena and recover our fees.

Thanks

Alan

Alan Baskin
Bade Baskin Richards PLC
80 East Rio Salado Parkway, Suite 511
Tempe, Arizona 85281
Telephone: 480-968-1225
Facsimile: 480-968-6255
E-mail: alan@bbrplc.com

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EXHIBIT B

Alan Baskin

From: J. Daryl Dorsey
Sent: Thursday, April 18, 2013 3:50 PM
To: 'Alan Baskin'
Subject: RE: Clear Energy Subpoena
Attachments: Clear Energy - Dedmon Stock List.pdf

Alan,

I have received the attached shareholder list. These represent the persons who purchased stock from Mr. Dedmon. I wanted to get this to you before the end of the day. I will be speaking again with my client tomorrow.

J. Daryl Dorsey
Attorney



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From: Alan Baskin [mailto:alan@bbrplc.com]
Sent: Thursday, April 11, 2013 5:28 PM
To: J. Daryl Dorsey
Cc: Burton M. Bentley; Ryan Millecam; Rosemarie Connell; Cristina McDonald
Subject: RE: Clear Energy Subpoena

Daryl

Attached is an ACC order from 2005 involving the sale of Clear Energy stock. My client, Chris Dedmon, was a party to that action. He was ordered to pay restitution related to his sales of Clear Energy stock. The stock was not originally issued to the purchasers, but my understanding is that Clear Energy subsequently issued stock to many, but not all of the purchasers.

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stock sold by Mr. Dedmon, the amount of shares purchased, whether there have been any subsequent sales or transfers and the attendant details, and the value of the shares.

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Please have Clear Energy produce the subpoenaed information ASAP. I look forward to hearing from you tomorrow.

Thanks

Alan

From: J. Daryl Dorsey [mailto:jdd@tblaw.com]
Sent: Thursday, April 11, 2013 4:50 PM
To: 'Alan Baskin'
Subject: RE: Clear Energy Subpoena

Alan,
I do appreciate your courtesy and apologize for just getting back to you. I have been involved in some matters that seemed to take quite a bit of my time. As an initial response to the subpoena, can you provide me with a copy of the ACC's complaint so I have an understanding as to how information concerning Clear Energy is relevant and has a bearing on that case. Secondly, the Subpoena requests information from 2003 to the present. Mr. Dedmon has been separated from Clear Energy since 2008 as I recall. So, again, I would like to understand the relevance of this time frame.

Despite these concerns, if you can provide me with the complaint tomorrow morning, we can work through these issues. My client is expecting my call on Friday so feel free to call me to discuss to hasten this process, if necessary.

J. Daryl Dorsey
Attorney



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From: Alan Baskin [mailto:alan@bbrplc.com]
Sent: Tuesday, April 09, 2013 10:09 AM
To: J. Daryl Dorsey
Cc: Burton M. Bentley; Rosemarie Connell; Cristina McDonald
Subject: Clear Energy Subpoena

Daryl

This is a follow-up to our conversation and my voicemails regarding the Arizona Corporation Commission subpoena issued to Clear Energy. The return date for the subpoena was March 4, 2013. We have patiently waited for Clear Energy to comply with the subpoena, and I extended you a professional courtesy with the understanding that we would have a response last week.

We cannot tolerate any further delay. Please have Clear Energy produce the subpoenaed documents by Friday, April 12, 2013. If we do not receive the documents by that date we will take all appropriate action to enforce the subpoena and recover our fees.

Thanks

Alan

Alan Baskin
Bade Baskin Richards PLC
80 East Rio Salado Parkway, Suite 511
Tempe, Arizona 85281
Telephone: 480-968-1225
Facsimile: 480-968-6255
E-mail: alan@bbrplc.com

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EXHIBIT C

Alan Baskin

From: Alan Baskin
Sent: Wednesday, April 24, 2013 11:13 AM
To: J. Daryl Dorsey
Cc: Burton M. Bentley; Rosemarie Connell; Ryan Millecam (rmillecam@azcc.gov); Cristina McDonald (cmcdonald@bbrplc.com)
Subject: Clear Energy Subpoena

Daryl

A quick follow-up to my voicemail from yesterday. Our primary goal is to determine the value of Clear Energy's stock, both today and since September 2005. If there are no valuations we will need the financials necessary to make that determination; in that case we can discuss the specific materials we need, but we are hopeful that there already are valuations.

Also, we want to know if the company is aware of any transfers/sales by any of the shareholders who received their shares as a result of Mr. Dedmon's 2005 ACC Order, and the consideration.

I look forward to hearing from you.

Alan

Alan Baskin
Bade Baskin Richards PLC
80 East Rio Salado Parkway, Suite 511
Tempe, Arizona 85281
Telephone: 480-968-1225
Facsimile: 480-968-6255
E-mail: alan@bbrplc.com

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EXHIBIT D

Alan Baskin

From: Alan Baskin
Sent: Friday, May 03, 2013 4:54 PM
To: J. Daryl Dorsey
Subject: Clear Energy subpoena

Daryl

Just a quick follow-up to our call. You told me you still have not heard from Clear Energy. I advised you that we will not file a motion to compel on Monday, but that is due primarily to another client crisis I must manage this weekend. We agreed to talk Monday 5/7 at 4 p.m.

Absent a major turn of events Monday we will have no choice to file a motion to compel as soon as it is ready.

Alan

Alan Baskin
Bade Baskin Richards PLC
80 East Rio Salado Parkway, Suite 511
Tempe, Arizona 85281
Telephone: 480-968-1225
Facsimile: 480-968-6255
E-mail: alan@bbrplc.com

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EXHIBIT E

Alan Baskin

From: Burton M. Bentley
Sent: Monday, May 13, 2013 11:22 AM
To: jdd@tblaw.com
Cc: 'Alan Baskin'
Subject: Motion Tto Compel -- Rule 37(a)(2)(C) Compliance

J.Daryl Dorsey:

Respecting the ACC Subpoena issued requiring Clear Energy to provide information about Omni shares sold by Christopher Dedmon as to which shares were issued or not issued, and all transactions involving these shares thereafter, you may wish to discuss with me any reasons you may have why we should not invoke the remedies of Rule 37, ARCP, by 5:00 pm on Tuesday, May 15, 2013.

Best Regards
Burton M. Bentley
(602) 861-3055

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EXHIBIT F

Alan Baskin

From: J. Daryl Dorsey
Sent: Tuesday, May 14, 2013 4:27 PM
To: Burton M. Bentley
Cc: 'Alan Baskin'
Subject: RE: Motion Tto Compel -- Rule 37(a)(2)(C) Compliance

Mr. Bentley,

I have been authorized to disclose the last sale price for Clear Energy stock. According to my client representative, the latest stock sales have been at \$.75. I provided other information previously to Mr. Baskin. I am not sure whether the information provided is sufficient at this time to curtail the filing of a motion to compel, but I am more than happy to have a call regarding this matter today (480-292-1883 (my cellphone) or tomorrow with you or Mr. Baskin.

J. Daryl Dorsey
Associate



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From: Burton M. Bentley [<mailto:bmb@burtonbentley.com>]
Sent: Monday, May 13, 2013 11:22 AM
To: J. Daryl Dorsey
Cc: 'Alan Baskin'
Subject: Motion Tto Compel -- Rule 37(a)(2)(C) Compliance

J. Daryl Dorsey:

Respecting the ACC Subpoena issued requiring Clear Energy to provide information about Omni shares sold by Christopher Dedmon as to which shares were issued or not issued, and all transactions involving these shares thereafter, you may wish to discuss with me any reasons you may have why we should not invoke the remedies of Rule 37, ARCP, by 5:00 pm on Tuesday, May 15, 2013.

**Best Regards
Burton M. Bentley
(602) 861-3055**

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EXHIBIT G

Alan Baskin

From: Burton M. Bentley
Sent: Thursday, May 23, 2013 10:54 AM
To: jdd@tblaw.com
Cc: 'Alan Baskin'
Subject: Clear Energy - Dedmon Request

Daryl:

Confirming our tel conversation this am, the ACC requires documentation to support the stock values reported by your client PLUS documentation from random sales completed at that figure. Need this info **stat** to meet our deadlines, so please hand deliver docs to this office: 5333 N. 7th St., # C-121, Phx 85014. Please advise forthwith if this cannot be accomplished before 5 pm this date.

Best Regards
Burton M. Bentley
(602) 861-3055

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EXHIBIT E

1 Burton M. Bentley (Bar No.: 000980)
THE BENTLEY LAW FIRM, P.C.
2 5333 N. 7th St., Suite C-121
Phoenix, AZ 85014
3 Phone: (602) 861-3055
Fax: (602) 861-3230
4 E-mail: bmb@burtonbentley.com

5 Alan S. Baskin (Bar No. 013155)
BADE BASKIN RICHARDS PLC
6 80 E. Rio Salado Parkway, Suite 511
Tempe, AZ 85281
7 Phone: (480) 968-1225
Fax: (480) 968-6255
8 E-mail: alan@bbrplc.com

9 Attorneys for Respondents

10 **BEFORE THE ARIZONA CORPORATION COMMISSION**

11
12 In the matter of:

DOCKET No.: S-03479A-12-0360

13 CHRISTOPHER DEAN DEDMON
14 CRD#3015575 and KIMBERLY DEDMON,
husband and wife,

15 ROBERT R. COTTRELL (a.k.a "ROB
16 COTTRELL"),

17 SDC MONTANA CONSULTING, LLC (a.k.a.,
18 d.b.a., a.b.n. "SDC MONTANA" and "SDC
MONTANA OIL & GAS EXPLORATION"),
19 an Arizona limited liability company,

20 RSC ADVENTURES LLC, an Arizona limited
liability company,

21 Respondents.
22

**DECLARATION OF
BURTON M. BENTLEY**

23
24 Burton M. Bentley, co-counsel in the above referenced case, states that the factual
25 allegations herein are true and complete of my own personal knowledge, and declares as
follows:

26 1. The prior communications of Burton M. Bentley, undersigned co-counsel to
27 Respondents herein, Christopher Dean Dedmon, Kimberly Dedmon and SDC Montana
28 Consulting, LLC, are attached as Exhibits "E" and "G" to the Declaration of co-counsel Alan

1 Baskin, concurrently being filed with Respondents' Motion To Compel Compliance With
2 Administrative Subpoena Duces Tecum, and each of said Exhibits "E" and "G" truthfully
3 discloses the active non-compliance of Clear Energy Systems, Inc. and its attorneys.

4 2. All Exhibits filed with Respondents' Motion To Compel exemplify the extremely
5 arduous efforts of undersigned Declarant and attorney Alan Baskin to impel Respondents to
6 provide in good faith all information and documents required by the outstanding Subpoena
7 Duces Tecum issued by the Arizona Corporation Commission ("ACC").

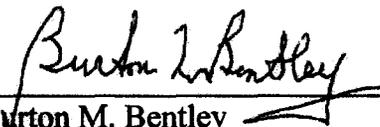
8 3. Clear Energy Systems, Inc and its attorneys have shown nothing but an abject
9 disrespect for both the Arizona Corporation Commission and Respondents who only seek
10 information within the ability of Clear Energy Systems, Inc. to supply without great expense or
11 effort.

12 4. Undersigned Declarant and Alan Baskin, as attorneys for Respondents, have
13 expended multitudinous hours in their efforts to obtain compliance, as indicated by
14 Respondents' Exhibits, for which Respondents are entitled to their attorney fees pursuant to
15 **Rule 37(a)(4)(A), ARCP, that expressly allows "...reasonable expenses incurred in making
the motion, including reasonable attorney fees..."**

16 5. Without full compliance by Clear Energy Systems, Inc. with the ACC's Subpoena
17 Duces Tecum, both the ACC and Respondents herein have been deprived of pertinent and
18 crucial information about certain trading history respecting Clear Energy Systems, Inc's shares
19 that can be easily furnished by that company.

20 6. The management of Clear Energy Systems, Inc. has instead chosen to remain in
21 contempt of the ACC's Subpoena Duces Tecum for the past several months, and to deprive
22 Respondents of the right to make full restitution as required by law for which Clear Energy
23 Systems, Inc. ought to be punished.

24 DATED this 12th day of June, 2013.

25
26 
27 Burton M. Bentley
28