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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

RECEIVED

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

2013 AUG 23 P 3:07
AZ CORP COMMISSION
DOCKET CONTROL

In the matter of:

DOCKET NO. S-03479A-12-0360

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

Arizona Corporation Commission

DOCKETED

AUG 23 2013

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

DOCKETED BY nr

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.

FIFTH
PROCEDURAL ORDER
(Schedules Procedural Conference)

BY THE COMMISSION:

On August 10, 2012, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Christopher Dean Dedmon 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") ("SDC"), an Arizona limited liability company, and RSC ADVENTURES, LLC ("RSC"), 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 membership interests in a limited liability company.

Respondent spouse, Kimberly Dedmon, was joined in the action for the sole 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.

1 On August 22, 2012, a request for hearing in this matter was filed by an attorney, Burton M.
2 Bentley, on behalf of all Respondents.

3 On August 23, 2012, Mr. Bentley filed an Application to Withdraw ("Application") as the
4 attorney for Respondents Robert R. Cottrell and RSC citing E.R. 1.16(a) and (b)(6). Mr. Bentley
5 represented that the aforementioned Respondents had been instructed to obtain substitute counsel.
6 Mr. Bentley also provided the Commission with a forwarding address for Mr. Cottrell and RSC in his
7 Application.

8 On August 24, 2012, by Procedural Order, a pre-hearing conference was scheduled on
9 September 18, 2012, and Mr. Bentley was granted leave to withdraw as counsel for Respondents
10 Cottrell and RSC.

11 On September 13 and October 5, 2012, Answers were filed on behalf of all Respondents.

12 On September 18, 2012, at the pre-hearing conference, the Division and the Respondents all
13 appeared through counsel. However, due to representation issues and a request for time to attempt to
14 resolve the issues raised by the Notice, the proceeding was recessed prior to a hearing being
15 scheduled.

16 On January 10, 2013, the Division filed a request for a status conference to be set because the
17 parties had not resolved their issues.

18 On January 24, 2013, by Procedural Order, a status conference was scheduled on February 14,
19 2013.

20 On January 29, 2013, the Dedmon and SDC Respondents filed a Motion for Disclosure of
21 Information and Request for Subpoena of Clear Energy Systems, Inc. ("CES") ("Motion"). This
22 action relates to Decision No. 68160 (September 23, 2005) in Docket No. S-03479-05-0000. CES
23 was neither a party in that proceeding nor in this proceeding.

24 On February 8, 2013, the Division and the Dedmon and SDC Respondents filed a Joint
25 Stipulation for Abeyance with respect to the Motion filed on January 29, 2013.

26 On February 14, 2013, the Division, the Dedmon Respondents and SDC, and Respondents
27 Cottrell and RSC appeared through counsel at the status conference. The parties agreed that pending
28 discovery required that another status conference be scheduled in approximately 90 days.

1 Subsequently, by Procedural Order, a status conference was scheduled on May 14, 2013.

2 On May 8, 2013, the Commission issued Decision No. 73865, a Consent Order with respect
3 to Respondent Cottrell and Respondent RSC.

4 On May 13, 2013, the Division filed a Motion to Vacate the status conference, which was
5 scheduled on May 14, 2013. Subsequently, by Procedural Order, the status conference was vacated.

6 On June 12, 2013, Respondents, the Dedmons and SDC filed a Motion to Compel
7 Compliance with Administrative Subpoena Duces Tecum ("Motion to Compel") with respect to their
8 Motion initially filed on January 29, 2013, with respect to CES.

9 On June 13, 2013, the Dedmons and SDC Respondents filed a Notice of Withdrawal with
10 respect to their Motion to Compel filed on June 12, 2013.

11 On June 17, 2013, the Division filed a response to Respondents' Motion to Compel filed on
12 June 12, 2013, and took no position on the alleged noncompliance of CES.

13 On June 27, 2013, the Division issued Decision No. 73919 with respect to the Mr. Dedmon
14 and SDC. Mrs. Dedmon was dismissed from the proceeding at that time.

15 On July 10, 2013, Respondent Dedmon and SDC filed a request for an immediate ruling on
16 their Motion to Compel arguing CES had not complied with the Commission's subpoena.

17 On July 26, 2013, CES filed a response arguing either that the subpoena should be quashed or
18 in the alternative that a protective order should be issued because the subpoena is unduly
19 burdensome.

20 On August 5, 2013, Respondents, Dedmon and SDC, filed a reply to the response which had
21 been filed by CES arguing that CES made misrepresentations in its response and ignored the
22 Commission's subpoena.

23 Under the circumstances, a procedural conference should be held to discuss the matters
24 related to the Commission's subpoena with respect to the 2005 proceeding, and if there is any relation
25 to this proceeding where the recent filings have been made. Additionally, prior to the procedural
26 conference, the Division should make a filing of what additional information is required from CES to
27 enable Respondents to make restitution as ordered in Decision No. 68160.

28

1 IT IS THEREFORE ORDERED that a **procedural conference** shall be held on **September**
2 **23, 2013, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, 2nd Floor
3 Conference Room, Phoenix, Arizona.

4 IT IS FURTHER ORDERED that the Division shall file by **September 16, 2013**, what
5 additional information is required from CES to enable Respondents to make restitution as ordered in
6 Decision No. 68160.

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

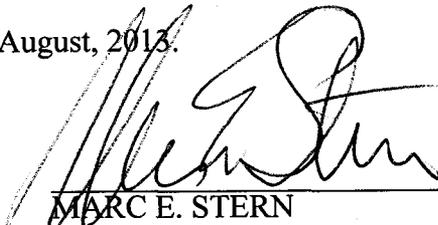
10 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
11 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
12 *pro hac vice*.

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

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

4 DATED this 23rd day of August, 2013.



MARC E. STERN
ADMINISTRATIVE LAW JUDGE

8
9 Copies of the foregoing mailed/delivered
this 23rd day of August, 2013 to:

10 Alan S. Baskin
11 BADE BASKIN RICHARDS, PLC
12 80 East Rio Salado Parkway, Suite 511
13 Tempe, AZ 85281
14 Attorneys for Respondents Christopher
15 Dean Dedmon, Kimberly Dedmon and
16 SDC Montana Consulting, LLC

17 Burton M Bentley
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21 Attorneys for Respondents Christopher
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27 By: 
28 Tammy Velarde
Assistant to Marc E. Stern