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BEFORE THE ARIZONA CORPORAT:

IN THE MATTER OF:)
)
 CONCORDIA FINANCING COMPANY, LTD,)
 a/k/a "CONCORDIA FINANCE,")
)
 ER FINANCIAL & ADVISORY SERVICES,)
 LLC,)
)
 LANCE MICHAEL BERSCH, and)
)
 DAVID JOHN WANZEK and LINDA WANZEK,)
 husband and wife,)
)
 Respondents.)
)

DOCKET NO.
 S-20906A-14-0063
 PREHEARING
 CONFERENCE

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Corporation Commission, in Hearing Room 2 of
4 said Commission, 1200 West Washington Street, Phoenix,
5 Arizona, commencing at 11:01 a.m. on the 10th day of
6 April, 2014.

7

8 BEFORE: MARK PRENY, Administrative Law Judge

9 APPEARANCES:

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11 Division:

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13 Enforcement Attorney, Securities Division
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19 David John Wanzek and Linda Wanzek:

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27 For Respondent Concordia Finance:

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29 By Mr. David Wood
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GARY W. HILL, RMR, CRR
Certified Reporter
Certificate No. 50812

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1 ALJ PRENY: Good morning, everyone.

2 MR. WOMACK: Good morning.

3 MR. SABO: Good morning.

4 MR. WOOD: Good morning.

5 ALJ PRENY: Welcome to the Arizona Corporation
6 Commission. This is the time set for a prehearing
7 conference in the matter of Concordia Financing Company,
8 et al. This is Docket No. S-20906A-14-0063. My name is
9 Mark Preny. I'll be presiding over the matter this
10 morning. We'll take appearances, beginning with the
11 Division.

12 MR. WOMACK: Your Honor, Steve Womack for the
13 Securities Division of the Arizona Corporation
14 Commission.

15 ALJ PRENY: Thank you.

16 MR. SABO: Good morning, Your Honor. Tim Sabo
17 with the law firm of Roshka, DeWulf & Patten on behalf
18 of all the respondents other than Concordia.

19 ALJ PRENY: Thank you.

20 MR. WOOD: Good morning, Your Honor. David
21 Wood on behalf of the law firm of Baskin Richards and
22 here representing Concordia Finance.

23 ALJ PRENY: Thank you. I guess I'll first
24 ask, I just have a question for the Division. Noticing
25 the record, I hadn't noticed that Concordia had

1 actually -- I hadn't seen an affidavit of service for
2 Concordia. Do you have any information on that?

3 MR. WOMACK: If it hasn't been filed, it will
4 be filed today.

5 ALJ PRENY: Okay. Mr. Wood, Concordia has
6 received service, I'm assuming?

7 MR. WOOD: Yes, Your Honor, we filed our
8 answer yesterday afternoon.

9 ALJ PRENY: Okay. Thank you. Mr. Womack,
10 where do things stand now? Has the Division had an
11 opportunity to speak with Respondents' counsel about any
12 settlement opportunities, or do we need to go ahead and
13 schedule a hearing date, or what is your recommendation?

14 MR. WOMACK: Well, Your Honor may have noticed
15 that the ER respondents included in their answer a
16 motion to dismiss, and the attorneys here today have
17 discussed dates regarding that, and we have some
18 proposals for you to determine whether you find them
19 appropriate and they fit into your calendar.

20 ALJ PRENY: I'm assuming you're planning on
21 filing a response to the motion.

22 MR. WOMACK: Correct.

23 ALJ PRENY: And dates for oral argument on the
24 motion is what we're looking at, or what --

25 MR. WOMACK: Well, counsel for Concordia may

1 choose to join the motion, and we would like to
2 establish April 25 as the deadline for them to determine
3 that and get something on file, in which case the
4 Division's response would be due May 9. Any replies
5 would be due the following May 16. And then the motion
6 heard, we had hoped May 21 or 22. We don't know the
7 Court's calendar, but attorneys here are free either of
8 those days.

9 ALJ PRENY: Mr. Sabo, does that correctly sum
10 up your understanding as well?

11 MR. SABO: Yes, Your Honor. We had some
12 discussions, and we think that that is a briefing
13 schedule that would work for everyone.

14 ALJ PRENY: Mr. Wood, is that your sentiment
15 as well?

16 MR. WOOD: It is, Your Honor. Just to
17 clarify, Concordia might be filing -- I think that I can
18 save a lot of volume of paperwork; we could probably
19 just join or adopt some of the arguments by the other
20 respondents, but I might be filing a
21 supplement/rejoinder, but I'll try to keep it brief.
22 But otherwise, yes, the times are all correct.

23 ALJ PRENY: At this point should we also be
24 considering scheduling a hearing date sometime out in
25 the future?

1 MR. WOMACK: What we had contemplated is
2 having oral argument and a status conference. So at
3 that last May date, the 21st or 22nd, we would come
4 back. There may be some discovery issues and other
5 matters to address.

6 Correct me if I'm wrong, gentlemen, but I
7 believe the parties here today find setting a hearing
8 today premature as there are some issues that need to be
9 resolved.

10 MR. SABO: Yes, Your Honor, it would be our
11 view that our motion raises some threshold issues that
12 should at least be considered before going forward with
13 the hearing.

14 ALJ PRENY: All right. Very well. I guess
15 looking at the hearing calendar, it looks like May 21
16 seems to be an available date. So we'll go ahead and
17 schedule oral arguments and status conference for May 21
18 at, do that at 10:00.

19 Any other issues from the Division at this
20 time?

21 MR. WOMACK: Just one other issue. As the ER
22 respondents might have conflicting interests, the
23 Division would ask for an acknowledgment and waiver of
24 potential conflicts of interest by each of the
25 individual ER respondents be filed.

1 ALJ PRENY: Do you have a proposed form of
2 filing?

3 MR. WOMACK: We can propose a form, yes.

4 ALJ PRENY: Mr. Sabo, your position?

5 MR. SABO: I haven't seen that before, but if
6 that's a concern, I'm not opposed to filing something,
7 and we'll get together with the Division on the format
8 of that.

9 ALJ PRENY: Okay. Do the parties believe they
10 could have that done prior to the status conference?

11 MR. WOMACK: Certainly.

12 MR. SABO: Yes.

13 ALJ PRENY: Anything else from the Division?

14 MR. WOMACK: Nothing else from the Division,
15 Your Honor.

16 ALJ PRENY: Mr. Sabo, is there anything that
17 you would like to point out at this time?

18 MR. SABO: No, Your Honor.

19 ALJ PRENY: Mr. Wood, anything additional?

20 MR. WOOD: No. Thank you very much, Your
21 Honor.

22 ALJ PRENY: All right. Sounds like we have
23 concluded all of our business for today. Thank you,
24 all. We'll be seeing everyone on May 21. We are
25 adjourned.

1 MR. WOMACK: Thank you.

2 MR. SABO: Thank you.

3 MR. WOOD: Thank you.

4 (The proceeding concluded at 11:08 a.m.)

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I, GARY W. HILL, Certified Reporter No. 50812
for the State of Arizona, do hereby certify that the
foregoing printed pages constitute a full, true and
accurate transcript of the proceedings had in the
foregoing matter, all done to the best of my skill and
ability.

WITNESS my hand this 10th day of April, 2014.


GARY W. HILL, RMR, CRR
Certified Reporter
Certificate No. 50812