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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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ARIZONA CORP COMMISSION
DOCKET CONTROL

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In the matter of:

DOCKET NO. S-20876A-13-0014

JAMES F. LIEBES, CRD #2332174, a single man and

ORIGINAL

LANESBOROUGH FINANCIAL GROUP, LLC, an Arizona limited liability company,

EIGHTH
PROCEDURAL ORDER
(Schedules Status Conference)

Respondents.

BY THE COMMISSION:

On January 28, 2013, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing (“Notice”) against James F. Liebes and Lanesbrough Financial Group, LLC, an Arizona limited liability company (“LFG”) (collectively “Respondents”), in which the Division alleged multiple violations of the Arizona Securities Act (“Act”) as an unregistered dealer or salesman in connection with the offer and sale of securities.

The Respondents were duly served with copies of the Notice.

On February 11, 2013, Respondents James F. Liebes and LFG filed a request for hearing in this matter.

On February 28, 2013, by Procedural Order, a pre-hearing conference was scheduled on March 14, 2013.

On March 14, 2013, the parties appeared through counsel at the pre-hearing conference, and requested that a status conference be scheduled in approximately 30 days while the issues raised by the Notice are discussed.

On March 18, 2013, by Procedural Order, a status conference was scheduled on April 23, 2013.

1 On April 23, 2013, the Division and Respondents appeared through counsel, and while the
2 parties are attempting to resolve the issues raised in the Notice, the Division requested that a hearing
3 be scheduled.

4 On April 26, 2013, by Procedural Order, a hearing was scheduled on December 2, 2013.

5 On May 16, 2013, a Motion to Withdraw was filed by counsel for Respondents James F.
6 Liebes and LFG stating that his clients had failed to fulfill their financial obligations which were
7 owed for legal services despite warnings that counsel would withdraw "if his bills were not made
8 current." In support of his Motion to Withdraw, counsel cited Rule 1.16 of the Arizona Rules of
9 Professional Conduct where the rule is set forth. Counsel served a copy of his Motion to Withdraw
10 upon his clients and certified that his clients had been notified in writing of the status of the case
11 including pending matters related to the proceeding.

12 On June 6, 2013, by Procedural Order, the Motion to Withdraw was granted and the hearing
13 was scheduled to commence on December 2, 2013, as previously ordered.

14 On November 15, 2013, the Division filed a pleading which was captioned as "Motion to
15 Consolidate Hearings and Recommendation to Continue December 2nd Hearing". The Division's
16 pleading stated that while the proceeding was pending, the Division had found evidence that
17 Respondents had allegedly "committed additional ongoing violations" of the Act. As a result, the
18 Division, on November 5, 2013, filed a Temporary Order to Cease and Desist in Docket No. S-
19 20876A-13-0376 ("TC&D"). The Division stated that Respondents were not served with the TC&D
20 until November 14, 2013, and pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-307, Respondents had
21 20 days to request a hearing and within 30 days of service, file their Answers. The Division stated
22 further that the proceedings were interrelated and should be consolidated; however, Respondents had
23 not yet responded to the TC&D and it was unknown if Respondents would either request a hearing or
24 file an Answer in that proceeding.

25 On November 20, 2013, by Procedural Order, the hearing was vacated, and the Motion to
26 Consolidate the two proceedings was held in abeyance until Respondents either defaulted or
27 requested a hearing in the TC&D proceeding.

28 On January 29, 2014, the Commission issued Decision No. 74302, a Default Order, in Docket

1 No. S-20876A-13-0376 because the Respondents had neither requested a hearing nor filed an Answer
2 in the proceeding.

3 On February 12, 2014, the Division filed a Motion to Schedule Hearing in this proceeding.

4 On February 19, 2014, by Procedural Order, a hearing was scheduled to commence on May
5 20, 2014.

6 On May 8, 2014, the Division filed a Motion to Allow Telephonic Testimony stating that it
7 would be unduly burdensome for an out of state witness to appear at the hearing scheduled in
8 Phoenix. Respondents did not file a response to this request.

9 On May 14, 2014, by Procedural Order, the Division's Request was granted.

10 On May 20, 2014, a full public hearing was convened before a duly authorized Administrative
11 Law Judge ("ALJ") of the Commission at its offices in Phoenix, Arizona. The Division was present
12 with counsel, but Respondents failed to enter an appearance. At the conclusion of the proceeding,
13 after the Division had presented its evidence, the matter taken under advisement pending submission
14 of a Recommended Opinion and Order to the Commission. However, a representative of the Division
15 came to the proceeding as it was concluded with an email from Respondent Liebes requesting a
16 continuance. The request had been received by the Division that morning, but Respondent Liebes had
17 not sent the email to the Hearing Division. Liebes requested a continuance until the fall because he
18 represented that he will not be in a position to retain counsel until August.

19 Under the circumstances, a status conference should be scheduled which will permit
20 Respondent Liebes to appear to address the issues raised by his request and to determine the time
21 required for a continuance in order for Respondents to present their evidence.

22 IT IS THEREFORE ORDERED that a status conference shall be held on **June 12, 2014 at**
23 **10:00 a.m.** the Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix,
24 Arizona, as ordered previously.

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

28 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules

1 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
2 *pro hac vice*.

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

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

12 DATED this 22nd day of May, 2014.

13
14 
15 MARC E. STERN
16 ADMINISTRATIVE LAW JUDGE

17 Copies of the foregoing mailed/delivered
18 this 22nd day of May, 2014 to:

19 James F. Liebes
20 6301 E. Vista Drive
21 Paradise Valley, AZ 85253
22 **(SERVICE BY CERTIFIED AND
23 REGULAR U.S. MAIL)**

24 Lanesborough Financial Group, LLC
25 7373 E. Doubletree Ranch Road, Suite 125
26 Scottsdale, AZ 85258

27 Matt Neubert, Director
28 Securities Division
ARIZONA CORPORATION COMMISSION
1300 West Washington Street
Phoenix, AZ 85007

By:


Rebecca Unquera
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