



BEFORE THE ARIZONA CORPORATION COMMISSION

AZ CORP COMMISSION
DOCKET CONTACT

COMMISSIONERS

2014 NOV 19 PM 1 21

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

ORIGINAL

In the matter of:
MARK DANA HUGHES, CRD# 1843511,
and DOLLY A. HUGHES, husband and
wife,
and
LEGACY FINANCIAL ADVISORS,
L.L.C., CRD# 114029, an Arizona limited
liability company,

Respondents.

DOCKET NO. S-20864A-12-0439

SECURITIES DIVISION'S NOTICE OF
FILING BANKRUPTCY COURT MINUTE
ENTRY

Arizona Corporation Commission

DOCKETED

NOV 19 2014

DOCKETED BY

On June 30, 2014, the Administrative Law Judge submitted a Recommended Opinion and Order ("ROO") in this matter that was submitted for the July 22, 2014 Open Meeting. Prior to the Open Meeting date, the ROO was removed from the agenda to allow the Division to address a matter in bankruptcy court.

On November 4, 2014, the bankruptcy court issued a minute entry. A copy of the minute entry is attached and concludes that the Commission's vote and/or entry of an order may proceed as planned. As a result, this matter may be placed back on Open Meeting for Commission vote.

RESPECTFULLY SUBMITTED this 19th day of November, 2014.

By
Phong (Paul) Huynh
Attorney for the Securities Division of the
Arizona Corporation Commission

1 ORIGINAL AND EIGHT (8) COPIES of the foregoing
2 filed this 19th day of November, 2014, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 W. Washington St.
6 Phoenix, AZ 85007

7 COPY of the foregoing hand-delivered
8 this 19th day of November, 2014 to:

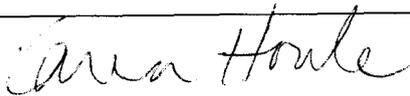
9 Administrative Law Judge Marc E. Stern
10 Arizona Corporation Commission/Hearing Division
11 1200 W. Washington St.
12 Phoenix, AZ 85007

13 COPY of the foregoing mailed
14 this 19th day of November, 2014, to:

15 Eric Ollason
16 182 N Court Ave,
17 Tucson, AZ 85701
18 Attorney for Mark Dana Hughes

19 Wayne Mortensen
20 FARNSWORTH MORTENSEN LAW OFFICES
21 1837 S. Mesa Dr., Ste. A103
22 Mesa, AZ 85210
23 Attorney for Dolly A. Hughes

24 Legacy Financial Advisors, LLC
25 4549 North Camino Campero
26 Tucson, AZ 85750



UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

Minute Entry

Hearing Information:

Debtor: MARK D & DOLLY A HUGHES
Case Number: 4:12-BK-25942-BMW **Chapter:** 13
Date / Time / Room: TUESDAY, NOVEMBER 04, 2014 10:00 AM COURTROOM 446
Bankruptcy Judge: BRENDA M. WHINERY
Courtroom Clerk: CINDY TURNBULL
Reporter / ECR: RHIANNA DOMINGUEZ

Matter:

RESPONSE IN OPPOSITION TO THE APPLICATION FOR ORDER TO SHOW CAUSE, FILED BY ARIZONA CORPORATION COMMISSION
R / M #: 50 / 0

Appearances:

WAYNE MORTENSEN, ATTORNEY FOR DOLLY A HUGHES
VALERIE L. MARCIANO, ATTORNEY FOR ARIZONA CORPORATION COMMISSION
PHONG (PAUL) HUYNH, SPECIAL ASSISTANT ATTORNEY GENERAL
ERIC SPARKS, FORMER COUNSEL FOR DEBTORS
ERIC OLLASON, ATTY FOR MARK HUGHES

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA
Minute Entry

(continue)... 4:12-BK-25942-BMW

TUESDAY, NOVEMBER 04, 2014 10:00 AM

Proceedings:

MR. MORTENSEN RENDERS A BRIEF BACKGROUND OF THIS CASE. THIS IS A JOINT CASE, BUT THEY WANT TO WAIT TO SEE WHAT HAPPENS WITH THIS ISSUE. HE WAS THINKING ABOUT DE-CONSOLIDATING THIS CASE, AND ALLOWING MS. HUGHES TO CONTINUE ON IN THIS CHAPTER 13. MR. HUGHES MAY CONTINUE ON IN A CHAPTER 7, BUT MR. OLLASON CAN DISCUSS THIS IF HE WANTS. THE DEBTORS WERE MARRIED, AND A FINAL SEPARATION AGREEMENT WAS ENTERED IN 2013. HE REVIEWS WHAT THE ARIZONA CORPORATION COMMISSION IS SEEKING. COMMUNITY PROPERTY IS ALSO DISCUSSED. THE DEBTORS HAVE KEPT EVERYTHING SEPARATE FOR THE LAST 15 YEARS. THEY STAYED MARRIED FOR INSURANCE PURPOSES, BUT HAVE NOT LIVED TOGETHER FOR THE LAST 15 YEARS. THERE IS NO PROBLEM WITH THE A.C.C. GOING AFTER MR. HUGHES. HE FEELS THERE IS NO MARITAL COMMUNITY PROPERTY.

COURT: YOU DON'T HAVE AN OBJECTION TO THE EXTENT THEY ARE PROCEEDING TO LIQUIDATE THE CLAIM IN THE ADMINISTRATIVE PROCEEDING, CORRECT?

MR. MORTENSEN RESPONDS. MS. HUGHES' PROPERTY SHOULD NOT BE PART OF THAT ACTION.

COURT: THE A.C.C.'S RESPONSE IS REVIEWED AND DISCUSSED WITH COUNSEL.

MS. MARCIANO WANTS TO MAKE IT CLEAR THAT THE A.C.C. FEELS THERE IS NO STAY THAT APPLIES TO THE ACTION THAT IS PROCEEDING.

COURT: WHY DID YOU GO BEFORE AN ADMINISTRATIVE LAW JUDGE FOR A DETERMINATION OF WHETHER THE STAY APPLIED IN A BANKRUPTCY PROCEEDING?

MS. MARCIANO STATES BECAUSE THE ISSUE WAS RAISED BY COUNSEL FOR THE DEFENDANTS. FURTHER DISCUSSION IS HELD WITH THE COURT.

COURT: THIS COURT DOESN'T FEEL THAT IT IS BOUND BY THE ADMINISTRATIVE LAW JUDGE'S FINDING THAT THE STAY DID NOT APPLY. REGARDING RESTITUTION, IS THERE A PRIVATE CAUSE OF ACTION FOR INDIVIDUALS TO PURSUE RESTITUTION UNDER THE SECURITIES ACT?

MR. HUYNH RESPONDS TO THE COURT'S QUESTION.

COURT: VARIOUS BAP CASES ARE CITED AND DISCUSSED WITH COUNSEL.

MR. HUYNH ADDRESSES THE COURT'S CONCERNS REGARDING COMFORT ORDERS.

COURT: CLARIFIES THAT THE A.C.C. IS SEEKING TO HAVE THE CLAIM LIQUIDATED, HAVE A JUDGMENT ENTERED, BUT NOT ENFORCE THE JUDGMENT, CORRECT?

MR. HUYNH STATES THAT IS CORRECT.

COURT: WITH THOSE CLARIFICATIONS, THE COURT FINDS THAT THE STAY DOES NOT APPLY PURSUANT TO §362(B)(4), AND THAT ORDER WILL BE ENTERED, WITH THE UNDERSTANDING THAT ANY ENFORCEMENT OF A JUDGMENT THAT IS APPROVED BY THE CORPORATION COMMISSION IS SUBJECT TO THE JURISDICTION OF THIS COURT WITH RESPECT TO ANY AND ALL COLLECTION EFFORTS AGAINST THE DEBTORS.