

ORIGINAL



0000164596

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

2015 AUG 20 A 10:11

AZ CORP COMMISSION
DOCKET CONTROL

COMMISSIONERS

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

In the matter of:

DOCKET NO. S-20920A-14-0388

RED MOUNTAIN FUNDING, INC., an Arizona corporation; and

BRYAN J. SAMMONS and MARY L. SAMMONS, husband and wife,

Respondents.

SIXTH
PROCEDURAL ORDER
(Grants Motion)

BY THE COMMISSION:

On November 14, 2014, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, for Restitution, for Administrative Penalties, and for Other Affirmative Action ("Notice") against Red Mountain Funding, Inc., and Bryan J. Sammons and Mary L. Sammons (collectively "Respondents"), in which the Division alleged violations of the Arizona Securities Act ("Act") in connection with the execution of notes.

The spouse of Bryan J. Sammons, Mary L. Sammons ("Respondent Spouse"), is joined in the action pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital community.

The Respondents were duly served with a copy of the Notice.

On December 1, 2014, Respondents filed a Request for Hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306.

On December 2, 2014, by Procedural Order, a pre-hearing conference was scheduled for December 22, 2014.

...

Arizona Corporation Commission

DOCKETED

AUG 20 2015

DOCKETED BY *MLB*

1 On December 9, 2014, the Respondents filed a Motion to Continue the Prehearing Conference
2 Scheduled for December 22, 2014. The reason for a continuance was attributed to a vacation by
3 Respondents' counsel. Respondents' counsel asserted he contacted counsel for the Securities
4 Division and stated that a short continuance would not be opposed.

5 On December 10, 2014, by Procedural Order, the pre-hearing conference was rescheduled to
6 January 6, 2015.

7 On December 22, 2014, the Respondents filed an Answer.

8 On December 26, 2014, by Procedural Order, the pre-hearing conference, scheduled for
9 January 6, 2015, was rescheduled to January 26, 2015.

10 On January 26, 2015, a pre-hearing conference was held. The Division and the Respondents
11 appeared through counsel. The parties requested that a status conference and hearing be scheduled.

12 On January 26, 2015, by Procedural Order, a hearing was scheduled to commence on
13 September 21, 2015. A status conference was scheduled for July 21, 2015.

14 On July 21, 2015, a status conference was held. The Division and the Respondents appeared
15 through counsel. The parties requested a postponement of the deadline for the exchange of their
16 exhibits and witness lists. The parties also requested another status conference be scheduled prior to
17 the hearing.

18 Also on July 21, 2015, by Procedural Order, a status conference was scheduled for September
19 2, 2015. It was further ordered that the hearing would remain scheduled to commence on September
20 21, 2015. The exchange of witness lists and exhibits was ordered for August 21, 2015.

21 On August 19, 2015, the Respondents filed a Motion to Continue Deadline for Exchanging
22 Lists of Witnesses and Exhibits ("Motion"). The Respondents request that the deadline for the
23 exchange of witness lists and exhibits be continued to August 31, 2015, because the parties are
24 presently engaged in settlement discussions. The Respondents assert that Division counsel has been
25 contacted and that he does not oppose a continuance.

26 Good cause has been shown to continue the exchange of witness lists and exhibits.

27 ...

28 ...

1 IT IS THEREFORE ORDERED that Respondents' Motion is granted. **The Division and**
2 **Respondents shall exchange copies of their Witness Lists and Exhibits by August 31, 2015**, with
3 courtesy copies provided to the presiding Administrative Law Judge.

4 IT IS FURTHER ORDERED that the **status conference** remains scheduled to commence on
5 **September 2, 2015, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street,
6 Hearing Room No. 1, Phoenix, Arizona.

7 IT IS FURTHER ORDERED that the **hearing** remains scheduled to commence on
8 **September 21, 2015, at 10:00 a.m.**, at the Commission's offices, 1200 West Washington Street,
9 Hearing Room No. 1, Phoenix, Arizona.

10 IT IS FURTHER ORDERED that **the parties shall also set aside September 22-25, 2015,**
11 **for additional days of hearing**, if necessary.

12 IT IS FURTHER ORDERED that **if the parties reach a resolution of the issues raised in**
13 **the Notice prior to the hearing, the Division shall file a Motion to Vacate the Proceeding.**

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

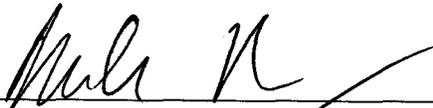
17 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
18 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
19 *pro hac vice*.

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

26 ...
27 ...
28 ...

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 20TH day of August, 2015.

5
6
7 
8 MARK PRENY
9 ADMINISTRATIVE LAW JUDGE

10
11 Copies of the foregoing mailed/mailed
12 this 20 day of August, 2015, to:

13 Paul J. Roshka, Jr.
14 Craig M. Waugh
15 POLSINELLI, PC
16 CityScape
17 One East Washington Street, Suite 1200
18 Phoenix, AZ 85004-2568
19 Attorney for Respondents
20 proshka@polsinelli.com
21 cwaugh@polsinelli.com

22 Matthew Neubert, Director
23 Securities Division
24 ARIZONA CORPORATION COMMISSION
25 1300 West Washington Street
26 Phoenix, AZ 85007

27
28 By: 
Tammy Velarde
Assistant to Mark Preny