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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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AZ CORP COMMISSION
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Arizona Corporation Commission
DOCKETED

AUG 28 2015

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DOCKET NO. S-20920A-14-0388

In the matter of:
RED MOUNTAIN FUNDING, INC., an Arizona corporation; and
BRYAN J. SAMMONS and MARY L. SAMMONS, husband and wife,
Respondents.

ORIGINAL

SEVENTH
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.

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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. The Respondents requested that the deadline for the exchange of
23 witness lists and exhibits be continued to August 31, 2015, because the parties were engaged in
24 settlement discussions. The Respondents asserted that Division counsel had been contacted and he
25 did not oppose a continuance.

26 On August 20, 2015, by Procedural Order, good cause was found to continue the exchange of
27 witness lists and exhibits to August 31, 2015.

28 ...

1 On August 28, 2015, the Respondents filed a Motion to Continue Deadline for Exchanging
2 Lists of Witnesses and Exhibits ("Motion"). The Respondents request that the deadline for the
3 exchange of witness lists and exhibits be continued to September 4, 2015, because the parties are
4 presently engaged in settlement discussions. The Respondents assert that Division counsel has been
5 contacted and that he does not oppose a continuance.

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

7 IT IS THEREFORE ORDERED that Respondents' Motion is granted. **The Division and**
8 **Respondents shall exchange copies of their Witness Lists and Exhibits by September 4, 2015,**
9 with courtesy copies provided to the presiding Administrative Law Judge.

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

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

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

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

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

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

26 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
27 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
28 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances

1 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
2 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
3 Administrative Law Judge or the Commission.

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

7 DATED this 28th day of August, 2015.

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10 
11 MARK PRENY
12 ADMINISTRATIVE LAW JUDGE

13
14 Copies of the foregoing mailed/emailed
15 this 28th day of August, 2015, to:

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