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CONFIDENTIAL

BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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AZ CORP COMMISSION
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In the matter of:

LOANGO CORPORATION, a Utah corporation,

JUSTIN C. BILLINGSLEY and HEATHER BILLINGSLEY, husband and wife,

JEFFREY SCOTT PETERSON, an unmarried man,

JOHN KEITH AYERS and JENNIFER ANN BRINKMAN-AYERS, husband and wife,

Respondents.

DOCKET NO. S-20932A-15-0220

SEVENTH
PROCEDURAL ORDER
(Grants Motion to Withdraw)

BY THE COMMISSION:

On June 30, 2015, 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 LoanGo Corporation, Justin C. Billingsley and Heather Billingsley, husband and wife (the "Billingsleys"), Jeffrey Scott Peterson, and John Keith Ayers and Jennifer Ann Brinkman-Ayers, husband and wife (the "Ayerses") (collectively "Respondents"), in which the Division alleged violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of stock.

The spouse of Justin C. Billingsley, Heather Billingsley ("Billingsley Spouse") and the spouse of John Keith Ayers, Jennifer Ann Brinkman-Ayers ("Ayers Spouse") (collectively "Respondent Spouses") are joined in the action pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the respective marital communities.

The Respondents were duly served with copies of the Notice.

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1 On July 13, 2015, Respondents LoanGo Corporation and Jeffrey Scott Peterson filed a Request
2 for Hearing pursuant to Arizona Administrative Code ("A.A.C.") R14-4-306.

3 On July 15, 2015, Respondents the Ayerses filed a Request for Hearing.

4 On July 17, 2015, by Procedural Order, a pre-hearing conference was scheduled to commence
5 on July 30, 2015.

6 On July 22, 2015, Frank R. Mead and Joshua C. Black filed a Notice of Appearance on behalf
7 of the Billingsleys.

8 On that same date, Respondent Justin Billingsley filed a Request for Hearing.

9 On July 23, 2015, by Procedural Order, the pre-hearing conference scheduled for July 30, 2015,
10 was affirmed.

11 On July 30, 2015, the pre-hearing conference was held as scheduled. The Division and
12 Respondents appeared through counsel. The parties requested the scheduling of a hearing and agreed
13 to the date of February 4, 2016.

14 On July 30, 2015, by Procedural Order, a hearing was scheduled for February 4, 2016.

15 On July 31, 2015, a Consent to Email Service was filed by Kevin Fallon McCarthy on behalf
16 of the Ayerses.

17 On that same date, the Ayerses filed their Answer.

18 On August 3, 2015, Respondents LoanGo Corporation and Jeffrey Scott Peterson filed their
19 Answer to Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order
20 for Restitution, Order for Administrative Penalties, and Order for Other Affirmative Action.

21 On August 3, 2015, Respondents Billingsley filed their Amended Request for Hearing.

22 On August 25, 2015, Respondents LoanGo Corporation and Jeffrey Scott Peterson filed another
23 Answer to Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order
24 for Restitution, Order for Administrative Penalties, and Order for Other Affirmative Action.

25 On September 25, 2015, a Motion for Substitution of Counsel for Justin C. Billingsley and
26 Heather Billingsley was filed.

27 On that same date, the Billingsleys filed their Answer to Notice of Opportunity for Hearing
28 Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative

1 Penalties and Order for Other Affirmative Action.

2 On October 14, 2015, by Procedural Order, the Motion for Substitution of Counsel was granted
3 and Maureen Beyers of Osborn Maledon, P.A. was substituted as counsel for the Billingsleys.

4 On October 30, 2015, the Billingsleys filed an Unopposed Motion to Continue Administrative
5 Hearing requesting a continuance based upon counsel's upcoming jury trial which conflicted with the
6 scheduled dates of the hearing. Counsel for the Billingsleys averred to speaking with counsel for the
7 other parties and stated that no party objected to the requested continuance.

8 On November 3, 2015, by Procedural Order, the Unopposed Motion to Continue Administrative
9 Hearing was granted.

10 On December 11, 2015, by Procedural Order, the Ayerses' Consent to Email Service was
11 approved.

12 On January 27, 2016, Eric J. Jeide and Ashley C. Grimes filed a Notice of Appearance and
13 Substitution of Counsel. Mr. Jeide and Ms. Grimes asserted they are substituting for Alan S. Baskin
14 and the law firm of Baskins Richards PLC as counsel of record for Respondents Loan Go Corporation
15 and Jeffrey Scott Peterson.

16 On February 16, 2016, Maureen Beyers filed a Motion to Withdraw as Counsel for the
17 Billingsleys, pursuant to A.A.C. R-14-3-104(E) and Rule 5.1(a)(2)(B) of the Arizona Rules of Civil
18 Procedure. Citing ER 1.16(b)(5) of the Arizona Rules of Professional Conduct, Ms. Beyers contends
19 good cause exists for the permissive withdrawal of her representation of the Billingsleys, arising from
20 the Billingsleys' failure to fulfill an obligation to counsel. Ms. Beyers asserts that the Billingsleys have
21 been notified in writing of the status of the case and that they have been advised of the pending
22 deadlines in this matter. Ms. Beyers has provided the Commission with the last known mailing address
23 and telephone number of the Billingsleys.

24 On February 18, 2016, the Division filed its Response to Motion to Withdraw as Counsel. The
25 Division states that it has no objection to the motion provided that the withdrawal of counsel does not
26 affect the scheduling of the hearing.

27 IT IS THEREFORE ORDERED that the Motion to Withdraw as Counsel filed by attorney
28 Maureen Beyers is hereby granted, good cause having been established for Ms. Beyers' withdrawal as

1 counsel for the Billingsleys.

2 IT IS FURTHER ORDERED that the **hearing remains scheduled to commence on April 4,**
3 **2016, at 10:00 a.m., at the Commission's Offices, 1200 West Washington Street, Hearing Room**
4 **No. 2, Phoenix, Arizona.** The parties shall also set aside April 5-7, 11, and 13-15, 2016, for
5 **additional days of hearing, if necessary.**

6 IT IS FURTHER ORDERED that **the Division and Respondents shall exchange copies of**
7 **their Witness Lists and copies of the Exhibits by February 19, 2016,** with courtesy copies provided
8 to the presiding Administrative Law Judge.

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

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

14 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
15 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

25 DATED this 19TH day of February, 2016.

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27 
28 _____
MARK PRENY
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/mailed/delivered
2 this ~~10th~~ day of February, 2016, to:

3 Eric J. Jeide
4 9510 W. Monte Vista Rd.
5 Phoenix, AZ 85037
6 Attorney for LoanGo Corporation
7 and Jeffrey Peterson

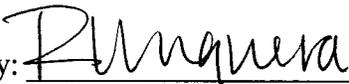
8 Ashley C. Grimes
9 GRIMES LAW PLLC
10 4140 E. Baseline Rd., Suite 101
11 Mesa, AZ 85206
12 Attorney for LoanGo Corporation
13 and Jeffrey Peterson

14 Kevin Fallon McCarthy
15 MCCARTHY LAW PLC
16 4250 North Drinkwater Blvd., Suite 320
17 Scottsdale, AZ 85251
18 Attorney for John Keith Ayers
19 and Jennifer Ann Brinkman-Ayers
20 kevin.mccarthy@mccarthylawyer.com
21 **Consented to Service by Email**

22 Maureen Beyers
23 OSBORN MALEDON, P.A.
24 2929 North Central Ave., Suite 2100
25 Phoenix, AZ 85012
26 ppalmer@omlaw.com

27 Justin C. Billingsley
28 Heather Billingsley
29 11 Louis Allan Dr.
30 Danbury, CT 06811

31 Matthew Neubert, Director
32 Securities Division
33 ARIZONA CORPORATION COMMISSION
34 1300 West Washington Street
35 Phoenix, AZ 85007

36 By: 
37 _____
38 Rebecca Unquera
39 Assistant to Mark Preny