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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

EIGHTH
PROCEDURAL ORDER
(Grants Billingsleys' Motion
to Extend Deadline)

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.

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 LoanGo 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 contended
19 that good cause existed for the permissive withdrawal of her representation of the Billingsleys, arising
20 from the Billingsleys' failure to fulfill an obligation to counsel. Ms. Beyers asserted that the
21 Billingsleys had been notified in writing of the status of the case and that they had been advised of the
22 pending deadlines in this matter. Ms. Beyers provided the Commission with the last known mailing
23 address 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 stated that it had no objection to the motion provided that the withdrawal of counsel would
26 not affect the scheduling of the hearing.

27 On February 19, 2016, by Procedural Order, Ms. Beyers' motion to withdraw as counsel for the
28 Billingsleys was granted.

1 On February 19, 2016, Maureen Beyers, on behalf of the Billingsleys, filed an Unopposed
2 Motion to Extend Deadline for Respondents Billingsley to Exchange Witness and Exhibit Lists.
3 Specifically, Ms. Beyers requested on behalf of the Billingsleys that they be granted an extension until
4 February 29, 2016, “[t]o avoid any prejudice to Respondents Billingsley pending an order on the
5 Motion to Withdraw.” Ms. Beyers stated that she conferred with counsel for the Division and asserted
6 that the Division does not object to this request.

7 Also on February 19, 2016, Respondents LoanGo and Jeffrey Scott Peterson filed a Witness
8 and Exhibit List. Respondents LoanGo and Jeffrey Scott Peterson requested additional time to examine
9 documents from other parties before filing copies of their exhibits, which would total over 1,300 pages
10 if filed, with thirteen copies, to docket control.

11 IT IS THEREFORE ORDERED that the Unopposed Motion to Extend Deadline for
12 Respondents Billingsley to Exchange Witness and Exhibit Lists filed by attorney Maureen Beyers is
13 hereby granted. **Respondents Justin C. Billingsley and Heather Billingsley shall provide copies of**
14 **their Witness List and copies of their Exhibits to the other parties by February 29, 2016**, with
15 courtesy copies provided to the presiding Administrative Law Judge. **For clarification, the exchange**
16 **of Witness Lists and copies of the Exhibits does not require the filing of these documents with**
17 **docket control.** The parties are encouraged to resolve amongst themselves any issues regarding their
18 preferred means for transmitting and receiving documents. Copies for the Administrative Law Judge
19 may initially be made electronically by compact disc, however a hard copy shall be provided to the
20 Administrative Law Judge prior to the day of the hearing. **Any party may supplement its Witness**
21 **List and Exhibits as necessary, though parties are expected to do so in good faith and with good**
22 **cause for delay.**

23 IT IS FURTHER ORDERED that the **hearing remains scheduled to commence on April 4,**
24 **2016, at 10:00 a.m., at the Commission’s Offices, 1200 West Washington Street, Hearing Room**
25 **No. 2, Phoenix, Arizona.** The parties shall also **set aside April 5-7, 11, and 13-15, 2016, for**
26 **additional days of hearing**, if necessary.

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

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

4 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
5 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

15 DATED this 22ND day of February, 2016.

16
17 
18 MARK PRENY
ADMINISTRATIVE LAW JUDGE

19 Copies of the foregoing mailed/emailed/delivered
20 this 22ND day of February, 2016, to:

21 Eric J. Jeide
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23 Phoenix, AZ 85037
Attorney for LoanGo Corporation
and Jeffrey Peterson

24 Ashley C. Grimes
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Attorney for LoanGo Corporation
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3 Attorney for John Keith Ayers
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Consented to Service by Email

5 Maureen Beyers
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8 Justin C. Billingsley
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13
14 By: 
15 Debbi Person
Assistant to Mark Preny

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