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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

Arizona Corporation Commission

DOUG LITTLE – Chairman
BOB STUMP
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TOM FORESE
ANDY TOBIN

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AZ CORP COMMISSION
DOCKET CONTROL

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IN THE MATTER OF THE:

DOCKET NO. S-20956A-16-0090

DAVID J. ESCARCEGA (CRD No. 4367584), an
unmarried man

Respondents.

SECOND
PROCEDURAL ORDER
(Schedules Hearing)

BY THE COMMISSION:

On March 14, 2016, 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, of Revocation, of Denial, and for Other Affirmative Action (“Notice”) against David J. Escarcega, an unmarried man (“Escarcega” or “Respondent”) in which the Division alleged violations of the Arizona Securities Act (“Securities Act”) and the Arizona Investment Management Act (“IM Act”) in connection with the offer and sale of securities in the form of debentures.

The Respondent was duly served with a copy of the Notice.

On March 24, 2016, Respondent filed a Request for Hearing pursuant to A.R.S. § 44-1972 and Arizona Administrative Code (“A.A.C.”) R14-4-306.

On March 29, 2016, by Procedural Order, a pre-hearing conference was scheduled to commence on April 14, 2016.

On April 13, 2016, Respondent filed his Answer to Notice of Opportunity for Hearing Regarding Proposed Orders.

On April 14, 2016, the pre-hearing conference was held as scheduled. The Division and Respondent appeared through counsel. The scheduling of a hearing date was discussed.

Accordingly, a hearing should be scheduled.

1 IT IS THEREFORE ORDERED that a hearing shall be held commencing on
2 November 7, 2016, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street,
3 Hearing Room No. 1, Phoenix, Arizona.

4 IT IS FURTHER ORDERED that the parties shall also reserve November 9, 10, and 14-18,
5 2016, for additional days of hearing, if necessary.

6 IT IS FURTHER ORDERED that the Division and Respondent shall exchange copies of
7 their Witness Lists and copies of the Exhibits by September 23, 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 Rules 31 and 39 of the Rules of
15 the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission *pro*
16 *hac vice*.

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

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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 14TH day of April, 2016.

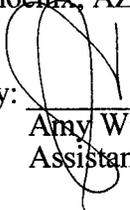
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7 _____
8 MARK PRENY
9 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered
9 this 14TH day of April, 2016, to:

10 Paul J. Roshka
11 Craig M. Waugh
12 POLSINELLI, PC
13 City Scape, One E. Washington St., Ste. 1200
14 Phoenix, AZ 85004
15 Attorneys for Respondent David J. Escarcega

13 Matthew Neubert, Director
14 Securities Division
15 ARIZONA CORPORATION COMMISSION
16 1200 West Washington Street
17 Phoenix, AZ 85007

16 COASH & COASH, INC.
17 Court Reporting, Video and Videoconferencing
18 1802 North 7th Street
19 Phoenix, AZ 85006

19 By: 
20 _____
21 Amy Wilson
22 Assistant to Mark Preny
23
24
25
26
27
28