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ORIGINAL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

DOUG LITTLE – Chairman  
BOB STUMP  
BOB BURNS  
TOM FORESE  
ANDY TOBIN

Arizona Corporation Commission

DOCKETED

AUG 1 2016

DOCKETED BY [Signature]

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In the matter of:

FRANKLIN AAA HOLDINGS, LLC, A TEXAS  
LIMITED LIABILITY COMPANY,

ANTHONY CLAVIEN, A SINGLE MAN,

Respondents.

DOCKET NO. S-20930A-15-0211

**PROCEDURAL ORDER**  
**(Schedules a Hearing)**

**BY THE COMMISSION:**

On June 24, 2015, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing (“Notice”) against Franklin AAA Holdings, LLC, A Texas limited liability company (“FAH”) and Anthony Clavien (collectively “Respondents”), in which the Division alleged multiple violations of the Arizona Securities Act (“Act”) in connection with the offer and sale of securities in the form of percentage interests in real estate transactions, investment contracts and promissory notes.

On April 5, 2016, Respondent Clavien filed a request for hearing in this matter.

On April 13, 2016, by Procedural Order, a pre-hearing conference was scheduled on May 17, 2016.

On April 26, 2016, by Procedural Order, counsel for Respondent Clavien was approved for service of all filings in this docket via his designated email address.

On May 17, 2016, at the pre-hearing conference, the Division and Respondent Clavien appeared through counsel. No appearance was made on behalf of FAH. Counsel for the Division indicated that the parties were discussing a resolution of the issues raised in the Notice and requested that a status conference be scheduled in approximately 60 days. Subsequently, by Procedural Order, a status conference was scheduled on July 28, 2016.

1 On July 28, 2016, at the status conference, the Division appeared with counsel and Respondent  
2 Clavien appeared through counsel. Counsel for the Division indicated that FAH had recently been  
3 served, and no response has yet been filed. Counsel for the Division and Respondent Clavien requested  
4 that a hearing be scheduled in late October in the event they cannot reach a settlement of the issues  
5 raised in this proceeding.

6 Accordingly, a hearing should be scheduled.

7 IT IS FURTHER ORDERED that a **hearing shall be held on October 24, 2016, at 10:00 a.m.,**  
8 at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1, Phoenix, Arizona,  
9 as previously ordered.

10 IT IS FURTHER ORDERED that the parties shall also set aside **October 25, 26, and 27,**  
11 **2016, for additional days of hearing,** if necessary.

12 IT IS FURTHER ORDERED that **the Division and Respondents shall exchange copies of**  
13 **their Witness Lists and copies of Exhibits by August 24, 2016,** with courtesy copies provided to the  
14 presiding Administrative Law Judge.

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

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

20 IT IS FURTHER ORDERED that all parties must comply with Rules 31, 38, 39 and 42 of the  
21 Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and  
22 admission *pro hac vice*.

23 IT IS FURTHER ORDERED that, as permitted under A.A.C. R14-3-107(B), each party to this  
24 matter may opt to receive service of all filings in this docket, including all filings by parties and all  
25 Procedural Orders and Recommended Opinions and Orders/Recommended Orders issued by the  
26 Commission's Hearing Division, via email sent to an email address provided by the party rather than  
27 via U.S. Mail. **To exercise the email service option, a party shall:**  
28

- 1 1. Ensure that the party has a valid and active email address to which the party has regular  
2 and reliable access (“designated email address”);
- 3 2. Complete a Consent to Email Service using the form available on the Commission’s  
4 website ([www.azcc.gov](http://www.azcc.gov)) or a substantially similar format;
- 5 3. File the original and 13 copies of the Consent to Email Service with the Commission’s  
6 Docket Control, also providing service to each party to the service list;
- 7 4. Send an email, containing the party’s name and the docket number for this matter, to  
8 [HearingDivisionServicebyEmail@azcc.gov](mailto:HearingDivisionServicebyEmail@azcc.gov) from the designated email address, to allow  
9 the Hearing Division to verify the validity of the designated email address;
- 10 5. Understand and agree that service of a filing on the party shall be complete upon the  
11 first of the following to occur: (1) the sending, to the designated email address, of an  
12 email containing an electronic copy of the filing or a link to access the filing online; or  
13 (2) for a filing made by a Commissioner, the Commission’s Executive Director, or a  
14 Commission Division, the making of the filing with a service certification including  
15 coding indicating that an automatic service email for the filing shall be sent to each party  
16 whose consent to email service has been approved;
- 17 6. Understand and agree that the party may provide additional email addresses on the  
18 Consent to Email Service for individuals to whom the party desires to have service  
19 emails sent as a courtesy, but that these courtesy email addresses are not the designated  
20 email address and will not be verified; and
- 21 7. Understand and agree that the party will no longer receive service of filings in this  
22 matter through First Class U.S. Mail or any other form of hard-copy delivery, unless  
23 and until the party withdraws this consent through a filing made in this docket.

24 **IT IS FURTHER ORDERED that a party’s consent to email service shall not become**  
25 **effective until a Procedural Order is issued approving the use of email service for the party. The**  
26 **Procedural Order shall be issued only after the party has completed steps 1 through 4 above, and**  
27 **the Hearing Division has verified receipt of an email from the party’s designated email address.**

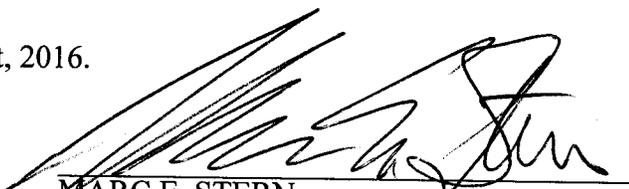
28 **IT IS FURTHER ORDERED that a party’s election to receive service of all filings in this**

1 **matter via email does not change the requirement that all filings with the Commission's Docket**  
2 **Control must be made in hard copy and must include an original and 13 copies.**

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

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

12 DATED this 1<sup>st</sup> day of August, 2016.

13  
14   
15 **MARC E. STERN**  
**ADMINISTRATIVE LAW JUDGE**

16 On this 1<sup>st</sup> day of August, 2016, the foregoing document was filed with Docket Control as a  
17 Procedural Order – Sets a Hearing, and copies of the foregoing were mailed on behalf of the Hearing  
18 Division to the following who have not consented to email service. On this date or as soon as possible  
thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the  
following who have consented to email service.

19 John C. Kelly  
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23 Attorney for Respondent Anthony Clavien  
24 JKelly@cblawyers.com  
25 **Consented to Service by Email**

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27 By: RTallman  
28 Rebecca Tallman  
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