



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

Arizona Corporation Commission
DOCKETED

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IN THE MATTER OF:

JOHN ANTHONY WASZOLEK (CRD NO. 800403)
and KATHLEEN WASZOLEK, husband and wife,

Respondents.

DOCKET NO. S-20977A-16-0242

**THIRD
PROCEDURAL ORDER
(Grants Stay and Vacates Hearing)**

BY THE COMMISSION:

On July 8, 2016, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing Regarding Proposed Order for Restitution, for Administrative Penalties, of Revocation, and for Other Affirmative Action (“Notice”) against John Anthony Waszolek and Kathleen Waszolek, husband and wife (the “Waszoleks” or “Respondents”), in which the Division alleged violations of the Arizona Securities Act (“Act”).

The spouse of John Anthony Waszolek, Kathleen Waszolek (“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.

Respondents were duly served with a copy of the Notice.

On July 22, 2016, the Waszoleks filed a Request for Hearing pursuant to Arizona Administrative Code (“A.A.C.”) R14-4-306.

On July 25, 2016, by Procedural Order, a pre-hearing conference was scheduled to commence on August 10, 2016.

On August 10, 2016, the pre-hearing conference was held as scheduled. The Division and the Respondents appeared through counsel. The scheduling of a hearing date was discussed. Counsel for the Respondents also requested scheduling a settlement conference, which was opposed by the Division, and denied by the Administrative Law Judge as premature at this time.

1 On August 10, 2016, by Procedural Order, a hearing was scheduled to commence on January
2 17, 2017.

3 On August 11, 2016, the Waszoleks filed their Answer to the Notice.

4 On November 4, 2016, the parties filed a Stipulation to Stay Administrative Hearing
5 (“Stipulation”). Based upon a criminal investigation of Mr. Waszolek into the conduct alleged in the
6 Notice, the parties stipulate to a stay of the administrative proceedings.

7 IT IS THEREFORE ORDERED that a **stay is granted in the administrative proceeding,**
8 pursuant to the terms agreed to by the parties as set forth in the Stipulation.

9 IT IS FURTHER ORDERED that **the hearing scheduled to commence on January 17, 2017,**
10 **is hereby vacated.** The scheduled exchange of witness lists and exhibits is also vacated.

11 IT IS FURTHER ORDERED that a **joint written report shall be filed by the parties on**
12 **March 1, 2017,** regarding the status of this matter. A similar **joint status report shall be filed every**
13 **ninety days thereafter,** pending a change in the status of the stay.

14 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
15 **Order Regarding Consent to Email Service** issued in this matter on **August 10, 2016,** for additional
16 information regarding the process to consent to service by email. Information regarding Consent to
17 Email Service is also available on the Commission’s website (www.azcc.gov) by clicking on “Email
18 Service Consent.”

19 IT IS FURTHER ORDERED that the Commission’s **Securities Division is deemed to have**
20 **consented to email service for this docket using the following email address: MN@azcc.gov.**

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

24 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
25 31, 38, 39, and 42, and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

26 IT IS FURTHER ORDERED that withdrawal of 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 at

1 all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
2 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 8TH day of November, 2016.

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11 MARK PRENY
12 ADMINISTRATIVE LAW JUDGE
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1 On this 8th day of November, 2016, the foregoing document was filed with Docket Control as a
2 Procedural Order –Vacates Hearing, and copies of the foregoing were mailed on behalf of the
3 Hearing Division to the following who have not consented to email service. On this date or as soon
4 as possible thereafter, the Commission’s eDocket program will automatically email a link to the
5 foregoing to the following who have consented to email service.

4 Alan S. Baskin
5 2901 North Central Avenue, Suite 1150
6 Phoenix, Arizona 85012
7 Attorney for Respondents John Anthony Waszolek and Kathleen Waszolek

7 Matthew Neubert, Director
8 Securities Division
9 ARIZONA CORPORATION COMMISSION
10 1200 West Washington Street
11 Phoenix, AZ 85007
12 MN@azcc.gov

10 **Consented to Service by Email**

11 COASH & COASH, INC.
12 Court Reporting, Video and Videoconferencing
13 1802 North 7th Street
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15 Rebecca Tallman
16 Assistant to Mark Preny
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