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BEFORE THE ARIZONA CORPORATION COMMISSION

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2016 NOV 28 A 11:07

COMMISSIONERS

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

IN THE MATTER OF:

DOCKET NO. S-20988A-16-0354

WMF MANAGEMENT, LLC, a Delaware limited liability company,

WOODBRIIDGE GROUP OF COMPANIES, LLC, a Delaware limited liability company,

WOODBRIIDGE MORTGAGE INVESTMENT FUND 1, LLC, a Delaware limited liability company,

WOODBRIIDGE MORTGAGE INVESTMENT FUND 2, LLC, a Delaware limited liability company,

WOODBRIIDGE MORTGAGE INVESTMENT FUND 3, LLC, a Delaware limited liability company,

WOODBRIIDGE MORTGAGE INVESTMENT FUND 3A, LLC, a Delaware limited liability company,

ROBERT H. SHAPIRO, an unmarried man,

ROBERT W. CARFAGNO, Sr., (CRD no. 2387162), and DEBRA L. CARFAGNO, husband and wife,

AIO FINANCIAL LLC, an Arizona limited liability company,

WILLIAM M. HOLLIDAY (CRD No. 4930333), and GUADALUPE A. HOLLIDAY, husband and wife,

Respondents.

Arizona Corporation Commission

DOCKETED

NOV 28 2016

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**SIXTH
PROCEDURAL ORDER
(Schedules Status Conference)**

BY THE COMMISSION:

On October 4, 2016, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Temporary Order to Cease and Desist and Notice of Opportunity for Hearing (“T.O. and Notice”) against WMF Management, LLC, Woodbridge Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage Investment Fund 2,

1 LLC, Woodbridge Mortgage Investment Fund 3, LLC, Woodbridge Mortgage Investment Fund 3A,
2 LLC, Robert H. Shapiro, Robert W. Carfagno, Sr. and Debra L. Carfagno (the "Carfagnoes"), AIO
3 Financial LLC, William M. Holliday and Guadalupe A. Holliday (the "Hollidays") (collectively
4 "Respondents") in which the Division alleged violations of the Arizona Securities Act ("Act") and the
5 Investment Management Act ("IM Act") in connection with the offer and sale of securities in the form
6 of notes, investment contracts, and real property investment contracts, and the provision of investment
7 advisory services.

8 The spouses of Robert W. Carfagno, Sr. and William M. Holliday, Debra L. Carfagno and
9 Guadalupe A. Holliday, respectively, ("Respondent Spouses"), are joined in the action pursuant to
10 A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital community.

11 On October 27, 2016, Counsel for the Carfagnoes and Counsel for the Division filed a
12 Stipulation requesting that the deadlines to request a hearing and file an answer be extended for a period
13 of 60 days for the Carfagnoes as they are currently negotiating a resolution of this matter.

14 Also on October 27, 2016, Counsel for Respondents WMF Management, LLC, Woodbridge
15 Group of Companies, LLC, Woodbridge Mortgage Investment Fund 1, LLC, Woodbridge Mortgage
16 Investment Fund 2, LLC, Woodbridge Mortgage Fund 3, LLC, Woodridge Mortgage Investment Fund
17 3A, LLC (collectively "Woodbridge Companies") and Robert H. Shapiro (collectively "Woodbridge
18 Respondents") filed a Request for Hearing pursuant to A.R.S. §§ 44-1972 and 44-3212, and Arizona
19 Administrative Code ("A.A.C.") R14-4-307.

20 Also on October 27, 2016, Counsel for Respondents AIO Financial, LLC, and the Hollidays
21 (collectively "AIO Respondents"), filed a Request for Hearing pursuant to A.R.S. §§ 44-1972 and 44-
22 3212, and Arizona Administrative Code ("A.A.C.") R14-4-307.

23 On November 1, 2016, by Procedural Order, a pre-hearing conference was scheduled to
24 commence on November 28, 2016. The Procedural Order also granted a 60 day extension to the
25 Carfagnoes to request a hearing and file an answer.

26 On November 4, 2016, the Woodbridge Respondents and the Division filed a Stipulation for
27 Extension of Deadline to File Answer ("Woodbridge Stipulation"). The Woodbridge Stipulation
28 sought an extension for the Woodbridge Respondents to file an Answer as they had recently obtained

1 counsel who was in discussions with the Division regarding the exchange of information and the
2 potential for resolution of the matter.

3 On November 8, 2016, by Procedural Order, the Woodbridge Respondents were granted an
4 extension to file an answer to the T.O. and Notice by January 6, 2017.

5 On November 10, 2016, the AIO Respondents and the Division filed a Stipulation for Extension
6 of Deadline to File Answer (“AIO Stipulation”). The AIO Stipulation seeks an extension for the AIO
7 Respondents to file an Answer as they have recently obtained counsel who is in discussions with the
8 Division regarding the exchange of information and the potential for resolution of the matter.

9 On November 15, 2016, by Procedural Order, the Woodbridge Respondents’ consent to e-mail
10 service was granted.

11 Also on November 15, 2016, by Procedural Order, the AIO Respondents were granted an
12 extension to file an answer to the T.O. and Notice by January 7, 2017.

13 On November 28, 2016, the pre-hearing conference was held as scheduled. The Respondents
14 and Division appeared through counsel. The scheduling of a status conference was discussed.

15 IT IS THEREFORE ORDERED that a **status conference shall be held on January 17, 2017,**
16 **at 10:00 a.m.**, at the Commission’s offices, 1200 West Washington Street, Hearing Room 1, Phoenix,
17 AZ.

18 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
19 **Order Regarding Consent to Email Service** issued in this matter on **November 1, 2016**, for
20 additional information regarding the process to consent to service by email. Information regarding
21 Consent to Email Service is also available on the Commission’s website (www.azcc.gov) by clicking
22 on “Email Service Consent.”

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

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

28 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance

1 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
2 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances at
3 all hearings and procedural conferences, as well as all Open Meetings for which the matter is scheduled
4 for discussion, unless counsel has previously been granted permission to withdraw by the
5 Administrative Law Judge or the Commission.

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

9 DATED this 28th day of November, 2016.

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13 MARK PRENY
14 ADMINISTRATIVE LAW JUDGE
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1 On this 28th day of November, 2016, the foregoing document was filed with Docket Control as a
2 Procedural Order – Sets Procedural Schedule/Conference, and copies of the foregoing were mailed on
3 behalf of the Hearing Division to the following who have not consented to email service. On this date
4 or as soon as possible thereafter, the Commission’s eDocket program will automatically email a link
5 to the foregoing to the following who have consented to email service.

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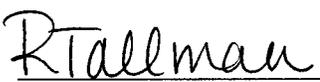
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