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BEFORE THE ARIZONA CORPORATION COMMISSION

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2 COMMISSIONERS

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

6
7 In the matter of:

8 COVERLUGG LLC, an Arizona limited liability
company,

9 FONEFACE, LLC, an Arizona limited liability
10 company,

11 BIRDIE MEDIA LLC, an Arizona limited liability
company,

12 GREGORY J. SANCHEZ and JILL K. SANCHEZ,
13 husband and wife,

14 Respondents.

DOCKET NO. S-20984A-16-0315

Arizona Corporation Commission

DOCKETED

NOV 21 2016

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THIRD
PROCEDURAL ORDER
(Schedules Hearing)

15 **BY THE COMMISSION:**

16 On September 9, 2016, the Securities Division (“Division”) of the Arizona Corporation
17 Commission (“Commission”) filed a Notice of Opportunity for Hearing Regarding Proposed Order to
18 Cease and Desist, for Restitution, for Administrative Penalties, and for Other Affirmative Action
19 (“Notice”) against CoverLugg, LLC, FoneFace, LLC, Birdie Media, LLC, and Gregory J. Sanchez and
20 Jill K. Sanchez (collectively “Respondents”), in which the Division alleged violations of the Arizona
21 Securities Act (“Act”) in connection with the offer and sale of securities in the form of investment
22 contracts and/or membership interests.

23 The spouse of Gregory J. Sanchez, Jill K. Sanchez (“Respondent Spouse”), is joined in the
24 action pursuant to A.R.S. § 44-2031(C) solely for the purpose of determining the liability of the marital
25 community.

26 Respondents were duly served with copies of the Notice.

27 On October 17, 2016, Gregory J. Sanchez filed a Request for Hearing pursuant to Arizona
28 Administrative Code (“A.A.C.”) R14-4-306.

1 On October 18, 2016, a Procedural Order was issued regarding consent to email service.

2 Also on October 18, 2016, by Procedural Order, a pre-hearing conference was scheduled to
3 commence on November 21, 2016.

4 On November 21, 2016, the pre-hearing conference was held as scheduled. The Division
5 appeared through counsel. Respondent Gregory J. Sanchez appeared on his own behalf. The
6 scheduling of a hearing date was discussed.

7 Accordingly, a hearing should be scheduled.

8 IT IS THEREFORE ORDERED that **a hearing shall be held commencing on April 17, 2017,**
9 **at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1,**
10 **Phoenix, Arizona.**

11 IT IS FURTHER ORDERED that **the parties shall also reserve April 18-21, and 24-26, 2017,**
12 **for additional days of hearing, if necessary.**

13 IT IS FURTHER ORDERED that **the Division and Respondents shall exchange copies of**
14 **their Witness Lists and copies of the Exhibits by March 17, 2017,** with courtesy copies provided to
15 the presiding Administrative Law Judge.

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

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

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

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

1 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
2 **Order Regarding Consent to Email Service** issued in this matter on **October 18, 2016**, for additional
3 information regarding the process to consent to service by email. Information regarding Consent to
4 Email Service is also available on the Commission's website (www.azcc.gov) by clicking on "Email
5 Service Consent."

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 31st day of November, 2016.

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12 MARK PRENEY
13 ADMINISTRATIVE LAW JUDGE
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1 On this 21st day of November, 2016, the foregoing document was filed with Docket Control as a
2 Procedural Order – Sets a Hearing, and copies of the foregoing were mailed on behalf of the Hearing
3 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.

4 Gregory J. Sanchez
5 2223 West Pecos Road, # 8
6 Chandler, AZ 85224

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

Consented to Service by Email

10 COASH & COASH, INC.
11 Court Reporting, Video and Videoconferencing
12 1802 North 7th Street
13 Phoenix, AZ 85006

13 By: RTallman
14 Rebecca Tallman
15 Assistant to Mark Preny
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