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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE – Chairman
BOB BURNS
DOUG LITTLE
ANDY TOBIN
BOYD W. DUNN

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Arizona Corporation Commission
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In the matter of:

DOCKET NO. S-20984A-16-0315

COVERLUGG LLC, an Arizona limited liability company,

FONEFACE, LLC, an Arizona limited liability company,

BIRDIE MEDIA LLC, an Arizona limited liability company,

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

Respondents.

FOURTH
PROCEDURAL ORDER
(Reschedules Hearing)

BY THE COMMISSION:

On September 9, 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, and for Other Affirmative Action (“Notice”) against CoverLugg, LLC, FoneFace, LLC, Birdie Media, LLC, and Gregory J. Sanchez and Jill K. Sanchez (collectively “Respondents”), in which the Division alleged violations of the Arizona Securities Act (“Act”) in connection with the offer and sale of securities in the form of investment contracts and/or membership interests.

The spouse of Gregory J. Sanchez, Jill K. Sanchez (“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 copies of the Notice.

On October 17, 2016, Gregory J. Sanchez filed a Request for Hearing pursuant to Arizona 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 Also on November 21, 2016, by Procedural Order, a hearing was set in this matter for April 17,
8 2017. The Division and Respondents were ordered to exchange copies of their Witness Lists and copies
9 of Exhibits by March 17, 2017.

10 On March 16, 2017, Mr. Sanchez filed a Request for Continuance of Hearing due to family
11 emergencies. Mr. Sanchez requested that the hearing be continued to a date after September 1, 2017.

12 On March 23, 2017, the Division filed a Response to the Respondent's Motion to Continue the
13 Administrative Hearing. The Division stated that it had no objection to the continuance.

14 Accordingly, the hearing should be rescheduled.

15 **IT IS THEREFORE ORDERED that the motion to continue hearing filed by Mr. Sanchez**
16 **is granted and the hearing scheduled to commence April 17, 2017, is hereby continued to October**
17 **23, 2017, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room**
18 **No. 2, Phoenix, Arizona.**

19 **IT IS FURTHER ORDERED that the parties shall also reserve October 24-27, and October**
20 **30-November 1, 2017, for additional days of hearing, if necessary.**

21 **IT IS FURTHER ORDERED that the Division and Respondents shall exchange copies of**
22 **their Witness Lists and copies of the Exhibits by September 22, 2017, with courtesy copies provided**
23 **to the presiding Administrative Law Judge.**

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

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

1 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
2 31, 38 and 39, and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

17 DATED this 24th day of March, 2017.

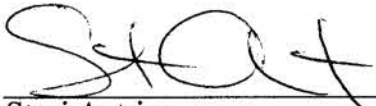
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19 
20 MARK PRENEY
21 ADMINISTRATIVE LAW JUDGE
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1 On this 24th day of March, 2017, the foregoing document was filed with Docket Control as a
2 Procedural Order – Reschedules a hearing, and copies 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 as
4 possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing
5 to the following who have consented to email service.

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7 2223 West Pecos Road, # 8
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9 Matthew Neubert, Director
10 Securities Division
11 ARIZONA CORPORATION COMMISSION
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15 **Consented to Service by Email**

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By: 
Staci Antrim
Assistant to Mark Preny