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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE – Chairman
BOB BURNS
ANDY TOBIN
BOYD DUNN
JUSTIN OLSON

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AZ CORP COMMISSION
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2018 JAN -4 P 2:23

In the matter of:

DOCKET NO. S-20984A-16-0315

COVERLUGG LLC, an Arizona limited liability company,

Arizona Corporation Commission

DOCKETED

FONEFACE, LLC, an Arizona limited liability company,

JAN 4 2018

BIRDIE MEDIA LLC, an Arizona limited liability company,

DOCKETED BY
MW

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

SIXTH
PROCEDURAL ORDER
(Reschedules Hearing)

Respondents.

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 On March 24, 2017, by Procedural Order the hearing scheduled to commence on April 17,
15 2017, was continued to October 23, 2017.

16 On April 17, 2017, the Division filed an Advisement on Information of Respondents' Change
17 of Address.

18 On September 26, 2017, the Hearing Division filed a Memorandum to docket a letter sent by
19 Respondent, Mr. Sanchez. In his letter, Mr. Sanchez requested a continuance of the October 23, 2017
20 hearing due to ongoing family emergencies. Mr. Sanchez requested the hearing be scheduled for a date
21 after March 30, 2018.

22 On October 2, 2017, the Division filed a Response to Respondent's Motion to Continue the
23 Administrative Hearing, agreeing to a continuance until January, 2018. The Division stated that it had
24 no objection to a continuance but requested that the hearing be set to commence in January 2018.

25 On October 6, 2017, by Procedural Order, the hearing was rescheduled to commence January
26 22, 2018.

27 On December 28, 2017, the Hearing Division filed a Memorandum to docket a letter sent by
28 Respondent, Mr. Sanchez. In his letter, Mr. Sanchez requests a continuance of the January 22, 2018,

1 hearing due to ongoing family emergencies. Mr. Sanchez requests the hearing be scheduled for a date
2 after March 30, 2018.

3 On January 3, 2018, the Division filed a Response to Respondent's Motion to Continue the
4 Administrative Hearing, stating the Division did not have an objection to a continuance. The Division
5 further states that due to the number of continuances, any further request for a continuance would be
6 opposed.

7 Accordingly, the hearing should be rescheduled.

8 IT IS THEREFORE ORDERED that **the motion to continue hearing filed by Mr. Sanchez**
9 **is granted and the hearing scheduled to commence January 22, 2018, is hereby continued to May**
10 **14, 2018, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix,**
11 **Arizona.**

12 IT IS FURTHER ORDERED that **the parties shall also reserve May 15-18, 2018, May 30-**
13 **31, 2018, and June 1, 2018, for additional days of hearing,** if necessary.

14 IT IS FURTHER ORDERED that **the Division and Respondents shall exchange copies of**
15 **their Witness Lists and copies of the Exhibits by April 13, 2018,** with courtesy copies provided to
16 the presiding Administrative Law Judge.

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

19 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
20 **Order Regarding Consent to Email Service** issued in this matter on **October 18, 2016,** for additional
21 information regarding the process to consent to service by email. Information regarding Consent to
22 Email Service is also available on the Commission's website (www.azcc.gov) by clicking on "I Want
23 To" and then "Learn about Consenting to Email Service."

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

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

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

10 DATED this 4TH day of January, 2018.

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13 _____
14 MARK PRENY
15 ADMINISTRATIVE LAW JUDGE
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1 On this 4th day of January, 2018, 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
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
5 325 East Elliott Road, #18
6 Chandler, AZ 85225

7 Jill Sanchez
8 325 East Elliott Road, #18
9 Chandler, AZ 85225

10 Foneface, LLC
11 2227 West Pecos Road, #4
12 Chandler, AZ 85224

13 Coverlugg, LLC
14 325 East Elliott Road, #18
15 Chandler, AZ 85225

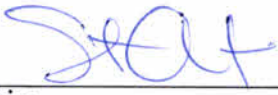
16 Birdie Media, LLC
17 325 East Elliott Road, #18
18 Chandler, AZ 85225

19 Matthew Neubert, Director
20 Securities Division
21 ARIZONA CORPORATION COMMISSION
22 1200 West Washington Street
23 Phoenix, AZ 85007
24 SecDivServicebyEmail@azcc.gov

Consented to Service by Email

25 COASH & COASH, INC.
26 Court Reporting, Video and Videoconferencing
27 1802 North 7th Street
28 Phoenix, AZ 85006

Not a party, mailed as a courtesy

By: 
24 Staci Antrim
25 Assistant to Mark Preny
26
27
28