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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

DOCKETED

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

2018 SEP 27 P 12: 03

SEP 27 2018

DOCKETED BY
WJ

IN THE MATTER OF:

DOCKET NO. S-21042A-18-0059

THOMAS P. MADDEN and LESLIE MADDEN,
husband and wife,

FIFTH
PROCEDURAL ORDER
(Vacates Hearing, Schedules
Procedural Conference)

Respondents.

BY THE COMMISSION:

On March 12, 2018, the Securities Division (“Division”) of the Arizona Corporation Commission (“Commission”) filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Order for Other Affirmative Action (“Notice”) against Thomas P. Madden and Leslie Madden, husband and wife (the “Maddens” or “Respondents”). The Division alleges that the Respondent Thomas P. Madden engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* (“Securities Act”).

The spouse of Thomas P. Madden, Leslie Madden (“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 April 4, 2018, Respondents filed a Request for Hearing pursuant to Arizona Administrative Code (“A.A.C.”) Rule R14-4-306(B).

On April 6, 2018, by Procedural Order, a pre-hearing conference was set for April 23, 2018.

On April 13, 2018, counsel for the Respondents filed a Consent to Email Service.

On April 18, 2018, by Procedural Order, the Respondents’ Consent to Email Service was approved.

1 On April 19, 2018, the Respondents filed their Answer to the Notice.

2 On April 23, 2018, a Pre-Hearing Conference was held as scheduled. The Division and the
3 Respondents appeared through counsel. The scheduling of a hearing was discussed and agreed to
4 commence on October 22, 2018. Due to unavailability of the Commission's hearing rooms, a new
5 hearing date was necessary.

6 On April 24, 2018, by Procedural Order, the hearing date was changed to October 1, 2018.

7 On September 26, 2018, the Division filed a Motion to Continue Administrative Hearing and
8 to Schedule a Procedural Conference ("Motion"). The Division contends that the parties have agreed
9 to fact stipulations and conclusions of law that resolve nearly all issues in this matter except that: some
10 transactions may have involved private loans rather than securities, or may not have occurred within
11 or from Arizona; and some payments may require restitution offsets. The Division requests a
12 continuance of the administrative hearing and the scheduling of an evidentiary hearing to determine
13 the amount of restitution owed by the Respondents. The Division requests a procedural conference be
14 held to discuss scheduling of the evidentiary hearing. The Division asserts that the Respondents have
15 reviewed and agree with the Motion.

16 Also on September 26, 2018, the parties filed Joint Stipulations of Fact and Conclusions of Law
17 ("Joint Stipulations"). The Respondents make these Joint Stipulations for use at an evidentiary hearing
18 or other Commission proceedings in this matter.

19 Good cause has been shown to continue the administrative hearing.

20 IT IS THEREFORE ORDERED that the **Securities Division's Motion to Continue**
21 **Administrative Hearing and to Schedule a Procedural Conference is hereby granted.**

22 IT IS FURTHER ORDERED that **the hearing, currently scheduled to commence on**
23 **October 1, 2018, with additional hearing dates of October 2-4, 2018, is vacated.**

24 IT IS FURTHER ORDERED that a **procedural conference shall be held on October 3, 2018,**
25 **at 10:00 a.m.,** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona. The
26 parties shall be prepared to discuss a new hearing schedule.

27 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
28 **Order Regarding Consent to Email Service** issued in this matter on **April 6, 2018,** for additional

1 information regarding the process to consent to service by email. Information regarding Consent to
2 Email Service is also available on the Commission's website (www.azcc.gov) by clicking on "I Want
3 To" and then "Learn about Consenting to Email Service."

4 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
5 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

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

18 DATED this 27TH day of September, 2018.

19
20 
21 _____
22 MARK PRENY
23 ADMINISTRATIVE LAW JUDGE
24
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27
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1 On this ^{27th} day of September, 2018, the foregoing document was filed with Docket Control as a
2 Procedural Order – Vacates 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.

4 Mark D. Chester
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11 **Consented to Service by Email**


9 Matthew Neubert, Director
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11 ARIZONA CORPORATION COMMISSION
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15 **Consented to Service by Email**

13 COASH & COASH, INC.
14 Court Reporting, Video and
15 Videoconferencing
16 1802 North 7th Street
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18 **Mailed as a courtesy**

19 By:

20 
21 _____
22 Grace Beltran
23 Assistant to Mark Preny
24
25
26
27
28