

ORIGINAL



0000192645

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

2018 OCT -3 A 11:42

OCT -3 2018

DOCKETED BY
MJ

COMMISSIONERS

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

DOCKET NO. S-21042A-18-0059

IN THE MATTER OF:

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

SIXTH
PROCEDURAL ORDER
(Sets Hearing)

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 commence on October
7 1, 2018.

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

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

20 On September 27, 2018, by Procedural Order, the Division's Motion to Continue
21 Administrative Hearing and to Schedule a Procedural Conference was granted. A procedural
22 conference was scheduled for October 3, 2018.

23 On October 3, 2018, the procedural conference was held as scheduled. The Division and the
24 Respondents appeared through counsel. The scheduling of a hearing was discussed and agreed to
25 commence on December 18, 2018.

26 IT IS THEREFORE ORDERED that **the hearing in this matter shall be scheduled to**
27 **commence on December 18, 2018, at 10:00 a.m.**, at the Commission's offices, 1200 West
28 Washington Street, Phoenix, Arizona. **An additional hearing day shall be held on December 19,**

1 **2018, if necessary.**

2 IT IS FURTHER ORDERED that **the Division and Respondents shall exchange copies of**
3 **their Witness Lists and Exhibits by November 16, 2018**, with courtesy copies provided to the
4 presiding Administrative Law Judge.

5 IT IS FURTHER ORDERED that each party or prospective party shall **refer to the Procedural**
6 **Order Regarding Consent to Email Service** issued in this matter on **April 6, 2018**, for additional
7 information regarding the process to consent to service by email. Information regarding Consent to
8 Email Service is also available on the Commission's website (www.azcc.gov) by clicking on "I Want
9 To" and then "Learn about Consenting to Email Service."

10 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
11 31, 38, 39, and 42 and A.R.S. § 40-243 with respect to the practice of law and admission *pro hac vice*.

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

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

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

24 DATED this 3rd day of October, 2018.

25
26 
27 _____
28 MARK PRENT
ADMINISTRATIVE LAW JUDGE

On this ^{3rd} day of October, 2018, the foregoing document was filed with Docket Control as a Procedural Order – Sets a Hearing, and copies of the foregoing were mailed on behalf of the 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.

Mark D. Chester
CHESTER & SHEIN, P.C.
6720 N. Scottsdale Road, Suite 261
Scottsdale, AZ 85253
Attorneys for Respondents Thomas P. Madden and Leslie Madden
sroberts@cslawyers.com
mchester@cslawyers.com

Consented to Service by Email

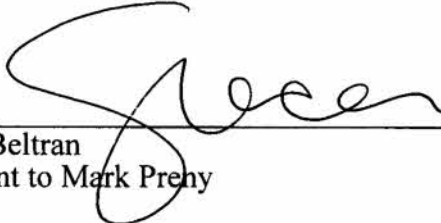
Mark Dinell, Acting Director
Securities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007
SecDivServicebyEmail@azcc.gov

Consented to Service by Email

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

Mailed as a courtesy

By:



Grace Beltran
Assistant to Mark Prehy