

DIVISION OF SECURITIES
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DEPARTMENT OF COMMERCE
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Telephone: (801) 530-6628

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF:

**CONESTOGA SETTLEMENT TRUST;
CONESTOGA SETTLEMENT SERVICES,
LLC;
MICHAEL C. MCDERMOTT;
CREATIVE WEALTH DESIGNS, LLC;
DAYSPRING FINANCIAL, LLC; and
MICHAEL JOHN WOODS,**

RESPONDENTS

**ORDER ON PREHEARING
CONFERENCE**

CASE NO. SD-12-0061

CASE NO. SD-12-0062

CASE NO. SD-12-0063

CASE NO. SD-12-0065

CASE NO. SD-12-0066

CASE NO. SD-12-0067

BY THE PRESIDING OFFICER:

The notice of agency action and order to show cause in this matter were sent by the Division of Securities (Division) to the above-named Respondents (Respondents) on November 5, 2012. On December 5, 2012, an additional named respondent, Provident Trust Group (Provident), timely filed a motion to dismiss. On December 6, 2012, Respondents timely filed an answer to the order to show cause. As the first affirmative defense listed in their answer, Respondents state that the order to show cause filed in this case fails to state a claim upon which

relief may be granted. In addition, Respondents state that they adopt and incorporate by reference Provident's motion to dismiss and accompanying memorandum.

A prehearing conference was held on December 19, 2012. During the conference, counsel for the Division objected to Respondents' first affirmative defense as falling short of a proper method for joinder under standard motion practice. The presiding officer indicated to Respondents' counsel that it was unclear on the face of the filings made to date how Provident's arguments for dismissal would apply to Respondents. In addition, there is a question of whether Respondents' joining Provident's motion to dismiss, if deemed valid, is timely under the applicable administrative rules.

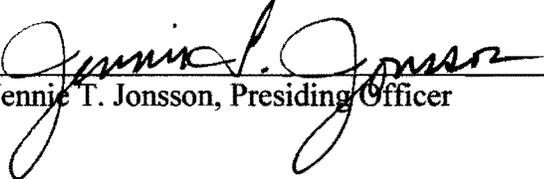
Given the foregoing, the presiding officer now places the parties to this matter on notice that, as of the date of this order, it is anticipated that any pre-hearing order issued on Provident's motion to dismiss will be issued as to Provident only. If Respondents wish to submit their first affirmative defense for decision prior to hearing, it will be necessary for the parties to brief the following issues:

1. Whether joinder may be properly accomplished through an affirmative defense raised in a responsive pleading.
2. If Respondents may be deemed to have properly filed a motion to dismiss through joinder, whether the motion is timely under Utah Administrative Code § R151-4-302, which requires that any motion brought under Rule 12b of the Utah Rules of Civil Procedure be filed prior to the filing of a responsive pleading.
3. If Respondents' motion to dismiss may be deemed properly and timely filed, whether the statement of facts and legal arguments outlined by Provident in support of its motion to dismiss are applicable to Respondents.

During the prehearing conference, the parties indicated that they have been involved in settlement negotiations and that, if settlement is reached, there will be no need to pursue any motion to dismiss. As such, the parties are strongly encouraged to negotiate in a prompt manner so that, if settlement is possible, Respondents may be spared the expense associated with briefing the above issues. If the parties determine that settlement is not possible, the presiding officer will issue a supplemental scheduling order setting a briefing schedule.

DATED this 20th day of December, 2012.

UTAH DEPARTMENT OF COMMERCE


Jennie T. Jonsson, Presiding Officer

I hereby certify that on the 20th day of December, 2012, the undersigned served a true and correct copy of the foregoing document by first class mail, postage prepaid, to:

Michael John Woods
Dayspring Financial LLC
4504 Tour 18 Dr.
Flower Mound, TX 75022-6400

Conestoga Settlement Trust
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and caused a copy to be hand delivered to:

D. Scott Davis, Assistant Attorney General
Division of Securities
Heber M. Wells Building, 5th Floor

Division of Securities
Heber M. Wells Building, 2nd Floor

