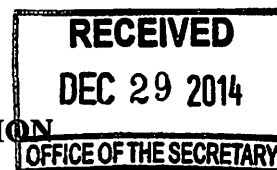


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UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING

File No. 3-16033

In the Matter of

**AIRTOUCH COMMUNICATIONS,
INC., HIDEYUKI KANAKUBO,
AND JEROME KAISER, CPA,**

Respondents.

**JOINT MOTION TO STAY
DEADLINES AND CONTINUE
HEARING PURSUANT TO RULE
161(c)(2)**

On December 22, 2014, counsel for the Division of Enforcement (“Division”) and Respondent Hideyuki Kanakubo reached an agreement in principle to a settlement in this matter. For the reasons explained below, Respondents AirTouch Communications, Inc., Hideyuki Kanakubo and Jerome Kaiser respectfully move for a brief stay of the proceedings and a continuation of the January 20, 2015 hearing date as to all Respondents, pursuant to Rule 161(c)(2) of the Commission’s Rules of Practice, pending completion of the Commission’s consideration of Mr. Kanakubo’s settlement offer. Respondents request that the hearing officer continue the hearing by three weeks to February 9, 2015 (or a later date convenient to the hearing officer) and to extend all pre-hearing dates by the same interval. The Division does not oppose this brief stay. Solely as to the proceedings against Mr. Kanakubo, the Division joins Respondents’ request for a stay pursuant to Rule of Practice 161(c)(2), which provides that upon filing of a joint motion notifying the hearing officer that the Division and one or more respondents have reached an agreement in principle on all major terms, the hearing officer shall

grant a stay of the proceeding as to the settling respondent, pending completion of Commission consideration of the settlement offer.

Rule 161(c)(2) provides that “in the discretion of the hearing officer,” the proceeding may be stayed as to *all* respondents pending completion of the Commission’s consideration of the settlement offer. Because Mr. Kanakubo’s settlement falls so close to the current hearing date, without a stay of the proceedings while Mr. Kanakubo’s settlement is reviewed by the Commission, having the trial for Mr. Kaiser and Airtouch go forward raises the specter of trying the case for Mr. Kaiser and Airtouch and then, in the event the Commission rejects Mr. Kanakubo’s settlement, having to subsequently try the case for Mr. Kanakubo. In addition to the obvious expense and waste of resources for the hearing officer, the witnesses, and the parties, of trying the case twice, because all Respondents’ defense costs are funded from the same wasting insurance policy, there is the very real possibility that there would be insufficient insurance assets remaining for a second trial on behalf of Mr. Kanakubo. A brief continuance of three weeks to the week of February 9, 2015 (or later at the convenience of the hearing officer’s schedule) would allow the Commission time to determine with finality whether Mr. Kanakubo’s settlement will be approved.

Furthermore, the Division has indicated that it would call Mr. Kanakubo to testify in the trial of the remaining Respondents. Without a continuance, Mr. Kanakubo would be compelled to testify while his settlement effectively remained in limbo. Depending on his trial testimony, the Division could choose to withdraw its recommendation of settlement or the Commission could decide to reject his settlement. This brief continuance would fairly provide Mr. Kanakubo the certainty as to the status of his settlement before he testifies at the hearing.

Respondents are mindful of the fact that the hearing officer is operating under the 300-day deadline imposed by Rule 360. In that regard the request is to continue the matter to only one week later than one of the hearing date choices the hearing officer had originally contemplated: February 2, 2015.

Respondents also request that the hearing officer continue the following prehearing dates to maintain as closely as possible the intervals provided under the current schedule. Specifically, Respondents request the prehearing dates be continued as follows:

<u>Prehearing Event</u>	<u>Weeks Before Hearing</u>
Parties file prehearing briefs.	-2
Parties file any written stipulations and, if necessary, participate in final telephonic prehearing conference.	-1
Parties disclose any demonstrative exhibits; any objections to be filed at the time of hearing.	-3 days

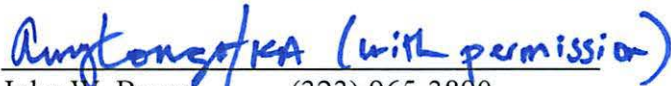
As noted above, the Division does not oppose a stay of this proceeding as to the other two Respondents, and the Division is amenable to a hearing date of February 9, 2015. If that date is unavailable, the Division believes that a stay, if any, should be limited. Specifically, if the stay of this proceeding as to all Respondents exceeds four to five weeks, the Division would rather proceed to trial on the scheduled hearing date of January 20, 2015. A limited stay of no more than four to five weeks is sufficient for a number of reasons. First, the Division intends to seek Commission approval of Respondent Kanakubo's offer of settlement before hearing begins on January 20, 2015, so that Respondent Kanakubo will know, in advance of trial, whether the Commission has approved his settlement. Second, the Division is ready to commence trial against the non-settling respondents on that date, and it is in the public interest and consistent

with the Division's mandate to proceed expeditiously in these administrative proceedings. Four to five weeks is ample time to address any concerns Respondents may have for requesting a longer stay. Third, a stay of more than four to five weeks may burden the hearing officer by limiting the hearing officer's ability to file an initial decision in this matter within the 300-day deadline imposed by Rule 360.

Dated: December 23, 2014

Respectfully submitted,

DIVISION OF ENFORCEMENT
SECURITIES AND EXCHANGE COMMISSION

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