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BEFORE THE ARIZONA CORPORATION COMMISSION

25 HV

COMMISSIONERS

2005 FEB 15 P 2:13

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03572A-04-0000

WSK ENERGY LLC
23444 North 21st Way
Phoenix, AZ 85024

Arizona Corporation Commission

DOCKETED

FEB 15 2005

KEVIN H. and JANE DOE KRAUSE,
Husband and Wife
23444 North 21st Way
Phoenix, AZ 85024

DOCKETED BY [Signature]

Respondents.

**THIRD
PROCEDURAL ORDER**

BY THE COMMISSION:

On November 3, 2004, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of Opportunity for Hearing ("Notice") against WSK Energy, LLC ("WSK") and Kevin H. and Jane Doe Krause ("Krause") (collectively the "Respondents") in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of investment contracts.

Respondents WSK and Krause were duly served with copies of the T.O. and Notice.

On November 24, 2004, Respondents WSK and Krause filed a request for hearing.

On November 30, 2004, by Procedural Order, a pre-hearing conference was set for December 22, 2004.

On December 3, 2004, Respondents filed their Answer, and requested a jury trial.

On December 22, 2004, the Division and Respondents appeared through counsel. The parties requested that a hearing be set while they attempt to resolve the issues raised by the T.O. and Notice.

On December 23, 2004, by Procedural Order, a hearing was scheduled for March 8, 2005.

On February 9, 2005, the Division filed what was captioned "Joint Request to Continue

1 Hearing and Pre-hearing Proceedings" ("Joint Motion"), which is a request by the parties to continue
2 the hearing and permit the parties to enter into substantive settlement negotiations. The parties also
3 requested that the date for exchanging witness lists and copies of exhibits be vacated.

4 Accordingly, the Joint Motion should be granted and the date of hearing and the date for
5 exchanging witness lists and copies of exhibits should be vacated. Additionally, another pre-hearing
6 conference should be scheduled.

7 IT IS THEREFORE ORDERED that the Joint Motion is hereby granted.

8 IT IS FURTHER ORDERED that the hearing scheduled on March 8, 2005, shall be vacated.

9 IT IS FURTHER ORDERED that the parties shall not exchange copies of their witness lists
10 and copies of their exhibits until further Order.

11 IT IS FURTHER ORDERED that a pre-hearing conference be held on April 18, 2005, at
12 11:00 a.m., at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

13 Dated this 15TH day of February, 2005

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16 
17 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

18 Copies of the foregoing were mailed/delivered
19 this 15 day of February, 2005 to:

20 Alan S. Baskin
21 BADE & BASKIN
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23 Tempe, AZ 85281
24 Attorneys for Respondents

25 Matt Neubert, Director
26 Securities Division
27 ARIZONA CORPORATION COMMISSION
28 1300 West Washington Street
Phoenix, AZ 85007

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27 By: 
28 Molly Johnson
Secretary to Marc E. Stern