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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2005 JUN 21 P 1:07

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
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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 21<sup>st</sup> Way  
Phoenix, AZ 85024

Arizona Corporation Commission

**DOCKETED**

JUN 21 2005

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

DOCKETED BY 

Respondents.

**FIFTH**  
**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 On February 15, 2005, by Procedural Order, the Joint Motion was granted and a pre-hearing  
5 conference was scheduled for April 18, 2005.

6 On April 18, 2005, the Division and Respondents appeared with counsel. The parties are  
7 attempting to resolve certain issues and requested that another pre-hearing conference be scheduled in  
8 approximately 60 days. By Procedural Order, a pre-hearing conference was scheduled for June 21,  
9 2005.

10 On June 21, 2005, the Division and Respondents appeared through counsel. The Respondents  
11 and the Division are progressing to resolve the issues raised by the T.O. and Notice and requested a  
12 pre-hearing be scheduled in approximately 90 days.

13 Accordingly, another pre-hearing conference should be scheduled.

14 IT IS THEREFORE ORDERED that a **pre-hearing** conference be held on **September 13,**  
15 **2005, at 9:30 a.m.,** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

16 Dated this 21<sup>st</sup> day of June, 2005

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MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

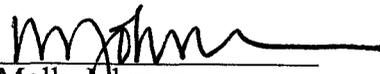
21 Copies of the foregoing were mailed/delivered  
this 21 day of June, 2005 to:

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Secretary to Marc E. Stern