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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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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-03585A-05-0000

LISTO, INC., a Nevada corporation  
668 N. 44<sup>th</sup> Street, Ste. 233  
Phoenix, AZ 85008

ROBERT SMART and JANE DOE SMART,  
husband and wife  
819 Donato Guerra Rep. Belice Col. Machi-Lopez  
Hermosillo, Sonora, Mexico 83127

KEVIN KRAUSE, an unmarried man  
23444 N. 21<sup>st</sup> Wat  
Phoenix, AZ 85024

FIFTH  
PROCEDURAL ORDER

Respondents.

**BY THE COMMISSION:**

On March 10, 2005, 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 Listo, Inc. ("Listo"), Robert and Jane Doe Smart and Kevin 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 stock.

Respondent, Krause was duly served with a copy of the T.O. and the Notice.

On March 30, 2005, Respondent Krause filed a request for a hearing.

On April 4, 2005, by Procedural Order, a pre-hearing conference was scheduled for May 10, 2005.

On April 18, 2005, counsel for the Division and Mr. Krause, who were present on another matter, orally requested that this proceeding be continued to June 21, 2005. By Procedural Order, a pre-hearing was scheduled as requested.

1 On June 21, 2005, the Division and Respondent Krause appeared through counsel and jointly  
2 requested that another pre-hearing be scheduled while the parties attempt to settle the issues raised in  
3 this proceeding. By Procedural Order, a pre-hearing conference was scheduled for September 13,  
4 2005.

5 On September 13, 2005, prior to the pre-hearing conference, the Division telephonically  
6 requested that the pre-hearing conference be vacated in anticipation of a Consent Order being agreed  
7 upon and presented to the Commission for its approval at Open Meeting. The Division also  
8 requested that a hearing be scheduled in the event that a Consent Order is not agreed upon or  
9 approved.

10 On October 6, 2005, by Procedural Order, a hearing was scheduled for January 12, 2006.

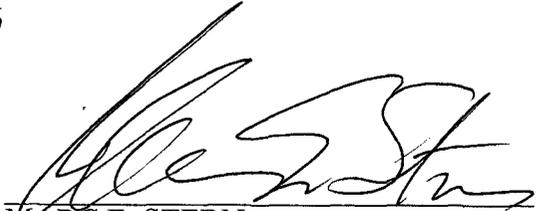
11 On January 6, 2006, the Division and counsel for Respondent Kevin Krause filed a  
12 Stipulation to Vacate Hearing because the parties are to submit a Consent Order for Commission  
13 approval.

14 Accordingly, the hearing should be vacated.

15 IT IS THEREFORE ORDERED that the hearing is hereby vacated.

16 IT IS FURTHER ORDERED that if a hearing is required, the Division shall request a hearing  
17 be scheduled.

18 Dated this 9<sup>TH</sup> day of January, 2006

  
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

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21  
22  
23 Copies of the foregoing were mailed/delivered  
this 9 day of January, 2006 to:

24 Alan S. Baskin  
25 BADE & BASKIN  
26 80 East Rio Salado Parkway, Ste. 515  
Tempe, AZ 85281  
Attorneys for Respondent Kevin Krause

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

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