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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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

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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

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

Respondents.

SEVENTH
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. By Procedural Order, a pre-hearing conference
13 was scheduled for September 13, 2005.

14 On September 13, 2005, prior to the pre-hearing conference, the Division telephonically
15 requested that the pre-hearing conference be vacated in anticipation of a Consent Order being agreed
16 upon and presented to the Commission for its approval at Open Meeting. The Division also
17 requested that a hearing be scheduled in the event that a Consent Order is not agreed upon or
18 approved. By Procedural Order, a hearing was scheduled on January 11, 2006.

19 On January 6, 2006, the Division and counsel for the Respondents filed a Stipulation to
20 Vacate Hearing because the parties are to submit a Consent Order for Commission approval.

21 Accordingly, the hearing should be vacated.

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

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

25 Dated this 9th day of January, 2006



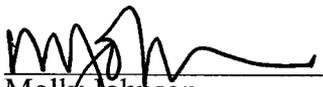
MARC E. STERN
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing were mailed/delivered
2 this 9 day of January, 2006 to:

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By: 
Molly Johnson
Secretary to Marc E. Stern