

ORIGINAL



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- GARY PIERCE - Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

2011 JAN -4 A 11: 04

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF:

ARTHUR BRENT PAYNE and CAROLYN L. PAYNE, husband and wife,

MICHAEL RICHARD OLSON and JANE DOE OLSON, husband and wife,

STEEPLE ROCK FUNDING, L.L.C., an Arizona limited liability company,

GRANITE LOAN FUND, L.L.C., an Arizona limited liability company,

RESPONDENTS.

DOCKET NO. S-20772A-10-0489

Arizona Corporation Commission  
DOCKETED

JAN 4 2011

DOCKETED BY [Signature]

**PROCEDURAL ORDER**  
**(Schedules a Pre-hearing Conference)**

BY THE COMMISSION:

On December 10, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and Notice of Opportunity ("Notice") against Arthur Brent Payne and Carolyn L. Payne, husband and wife, Michael Richard Olson and Jane Doe Olson, husband and wife, Steeple Rock Funding, L.L.C. ("SRF"), an Arizona limited liability company, Granite Loan Fund, L.L.C. ("GLF"), an Arizona limited liability company (collectively "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.

The Respondents were duly served with copies of the Notice.

On December 20, 2010, a request for hearing was filed by Respondents, Mr. and Mrs. Arthur Payne, Mr. Michael Olson, SRF and GLF.

Accordingly, a pre-hearing conference should be scheduled.

IT IS THEREFORE ORDERED that a **pre-hearing conference** shall be held on **January 20,**

1 2011, at 10:00 a.m., at the Commission's offices, 1200 West Washington Street, Hearing Room 1,  
2 Phoenix, Arizona.

3 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
4 Communications) applies to this proceeding as the matter is now set for public hearing.

5 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance  
6 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
7 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
8 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
9 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the  
10 Administrative Law Judge or the Commission.

11 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
12 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*  
13 *hac vice*.

14 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
15 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

16 DATED this 4<sup>TH</sup> day of January, 2011.



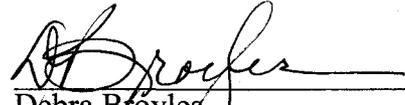
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

21 Copies of the foregoing mailed/delivered  
22 this 4<sup>th</sup> day of January, 2011 to:

23 Jerry L. Cochran  
24 COCHRAN LAW FIRM, P.C.  
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27 Attorney for Respondents

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Phoenix, AZ 85004

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

By:   
Debra Broyles  
Secretary to Marc E. Stern