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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

2012 NOV 19 P 3:35

CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

NOV 19 2012

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JM

In the matter of:

DOCKET NO. S-20837A-12-0061

OUT OF THE BLUE PROCESSORS, LLC,
an Arizona limited liability company, d/b/a
Out of the Blue Processors II, LLC; and

MARK STEINER (CRD #1834102) and
SHELLY STEINER, husband and wife,

Respondents.

**SEVENTH
PROCEDURAL ORDER
(Continues Status Conference)**

BY THE COMMISSION:

On February 22, 2012, 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 Out of the Blue Processors, LLC ("OBP"), an Arizona limited liability company dba Out of the Blue Processors II, LLC, and Mark Steiner and Shelly Steiner, husband and wife, (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 certificates of interest or investment contracts.

Respondent spouse, Shelly Steiner, was joined in the action for the purpose of determining the liability of the marital community pursuant to A.R.S. §44-2031(C).

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

On March 14, 2012, Respondents filed a request for hearing in this matter.

On March 15, 2012, by Procedural Order, a pre-hearing conference was scheduled on April 12, 2012.

On April 10, 2012, Respondents' counsel filed a Motion to Continue the pre-hearing conference because his client was out of the country on business and was not expected to return until the end of the month. It was indicated that Division did not oppose the motion.

1 On April 11, 2012, by Procedural Order, the pre-hearing conference was continued to May
2 16, 2012.

3 On May 16, 2012, the Division and Respondents appeared with counsel. Counsel for the
4 Division indicated that the parties were discussing the issues raised by the T.O. and Notice, and
5 requested that a status conference be scheduled in approximately 60 days. Respondents agreed with
6 the Division's request to schedule a status conference. Subsequently, by Procedural Order, a status
7 conference was scheduled on July 19, 2012.

8 On July 19, 2012, the Division and Respondents appeared through counsel at the status
9 conference. Counsel for the Division indicated that the parties are continuing to discuss the issues
10 raised by the T.O. and Notice, and are attempting to reach a settlement in the proceeding. In the
11 interim, the Division requested that another status conference be scheduled in approximately 60 days.
12 Respondents agreed with the Division's request to schedule a status conference.

13 On July 20, 2012, by Procedural Order, a status conference was scheduled on October 4,
14 2012.

15 On October 1, 2012, Respondents filed a Motion to Vacate the status conference scheduled on
16 October 4, 2012, until after October 24, 2012, because Respondent, Mark Steiner, has been out of the
17 country and unable to meet with counsel. Additionally, a meeting has been scheduled between the
18 parties. The Division has no objections to this request.

19 On October 4, 2012, by Procedural Order, the status conference was continued to November
20 6, 2012.

21 On November 1, 2012, Respondents filed a Motion to Vacate the status conference scheduled
22 on November 6, 2012, until after November 25, 2012, due to a number of conflicts on Respondents'
23 counsel's schedule, which were beyond his control. Among the conflicts was the time required to
24 respond to a subpoena from the Division for copies of his clients' records. The Division had no
25 objections to Respondents' Motion to Vacate.

26 On November 6, 2012, by Procedural Order, the status conference was continued to
27 November 20, 2012.

28 On November 16, 2012, Respondents filed another Motion to Vacate the status conference

1 scheduled on November 20, 2012, citing additional conflicts and requiring more time to comply with
2 the Division's subpoena. The Division has no objections to this request.

3 Accordingly, the status conference should be continued.

4 IT IS THEREFORE ORDERED that **the status conference shall be continued from**
5 **November 20, 2012, to January 10, 2013, at 11:00 a.m.**, at the Commission's offices, 1200 West
6 Washington Street, Hearing Room No. 1, Phoenix, Arizona.

7 IT IS FURTHER ORDERED that the **Respondent shall comply with the Division's**
8 **subpoena no later than January 4, 2013.**

9 IT IS FURTHER ORDERED that **the Division shall file a Motion to Vacate the status**
10 **conference if a settlement is reached prior to the status conference.**

11 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
12 Communications) is in effect and shall remain in effect until the Commission's Decision in this
13 matter is final and non-appealable.

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

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

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1 IT IS FURTHER ORDERED that the Presiding Administrative Law Judge may rescind, alter,
2 amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by
3 ruling at hearing.

4 DATED this 19TH day of November, 2012.

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7
8 
9 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed/delivered
11 this 19th day of November, 2012 to:

12 Arthur P. Allsworth
13 7501 North 16th Street, Suite 200
Phoenix, AZ 85020-4677
Attorney for Respondents

14 Matt Neubert, Director
15 Securities Division
ARIZONA CORPORATION COMMISSION
16 1300 West Washington Street
Phoenix, AZ 85007

17 ARIZONA REPORTING SERVICE, INC.
18 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

19 By: 
20 Debra Broyles
21 Secretary to Marc E. Stern