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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

COMMISSIONERS

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BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

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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.

NINTH  
PROCEDURAL ORDER  
(Schedules Hearing)

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, 2012.

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

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

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

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

27 On November 16, 2012, Respondents filed another Motion to Vacate the status conference  
28 scheduled on November 20, 2012, citing additional conflicts and requiring more time to comply with

1 the Division's subpoena. The Division has no objections to this request.

2 On November 19, 2012, by Procedural Order, the status conference was continued to January  
3 10, 2013.

4 On January 3, 2013, Respondents filed another Motion to Vacate the status conference  
5 scheduled on January 10, 2013, citing more conflicts and scheduling problems.

6 On January 8, 2013, the Division filed a response arguing that the Respondents' request  
7 should be denied.

8 On January 9, 2013, by Procedural Order, the status conference was continued to January 29, 2013.

9 On January 29, 2013, at the status conference, the Division and Respondents appeared with  
10 counsel and agreed that a hearing be scheduled to commence on July 8, 2013. Subsequently, counsel  
11 for the Division requested that a teleconference be scheduled to reschedule the proceeding due to a  
12 conflict with his trial schedule.

13 On January 31, 2013, at the teleconference, the Division and Respondents appeared through  
14 counsel to resolve the scheduling conflict with respect to the hearing. After a brief discussion, the  
15 parties agreed that the proceeding be scheduled to commence on September 16, 2013, if they are  
16 unable to resolve the issues raised by the T.O. and Notice.

17 Accordingly, the hearing should be scheduled as agreed.

18 IT IS THEREFORE ORDERED that a **hearing** shall be held on **September 16, 2013, at**  
19 **10:00 a.m.**, at the Commission's offices, 1200 West Washington Street, Hearing Room No. 1,  
20 Phoenix, Arizona.

21 IT IS FURTHER ORDERED that the parties shall reserve **September 17, 18, 19 and 20,**  
22 **2013**, for additional days of hearing, if necessary.

23 IT IS FURTHER ORDERED that the parties shall exchange copies of their Witness Lists and  
24 copies of their Exhibits, with courtesy copies provided to the presiding Administrative Law Judge by  
25 August 1, 2013.

26 IT IS FURTHER ORDERED that the **Respondent shall comply with the Division's**  
27 **subpoena as previously ordered or be subject to a finding of contempt by the Commission.**

28 IT IS FURTHER ORDERED that **the Division shall file a Motion to Vacate the hearing, if**

1 a settlement is reached prior to the hearing.

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

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

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

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

17 DATED this 4<sup>th</sup> day of February, 2013.



MARCE. STERN  
ADMINISTRATIVE LAW JUDGE

22 Copies of the foregoing mailed/delivered  
23 this 4<sup>th</sup> day of February, 2013 to:

24 Arthur P. Allsworth  
25 7501 North 16<sup>th</sup> Street, Suite 200  
Phoenix, AZ 85020-4677  
Attorney for Respondents

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26 Matt Neubert, Director  
27 Securities Division  
ARIZONA CORPORATION COMMISSION  
1300 West Washington Street  
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By:   
Debra Broyles  
Secretary to Marc E. Stern