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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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

AZ CORP COMMISSION
DOCKET CONTROL

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.

TENTH
PROCEDURAL ORDER
(Vacates Hearing and Schedules 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.

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

4 On April 11, 2012, by Procedural Order, the pre-hearing conference was continued to May
5 16, 2012.

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

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

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

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

21 On October 4, 2012, by Procedural Order, the status conference was continued to November
22 6, 2012.

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

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

3 On November 16, 2012, Respondents filed another Motion to Vacate the status conference
4 scheduled on November 20, 2012, citing additional conflicts and requiring more time to comply with
5 the Division's subpoena. The Division has no objections to this request.

6 On November 19, 2012, by Procedural Order, the status conference was continued to January
7 10, 2013.

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

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

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

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

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

21 On February 4, 2013, by Procedural Order, the hearing was continued to September 16, 2013.

22 On August 9, 2013, the Division filed a Motion for Leave to Amend Notice, and
23 contemporaneously therewith the parties also filed a Joint Motion for Continuance for the deadline to
24 exchange copies of Witness Lists and Exhibits, of the hearing and a proposal that a status conference
25 be held on September 16, 2013, in place of the hearing. Respondents did not file any objections to
26 the Division's Motion for Leave to Amend Notice.

27 Accordingly, the Motion for Leave to Amend Notice should be granted as should the Joint
28 Motion for Continuance.

1 IT IS THEREFORE ORDERED that the Division's Motion to Amend Notice is hereby
2 granted.

3 IT IS FURTHER ORDERED that Respondents shall timely file an Amended Answer to the
4 Amended Notice.

5 IT IS FURTHER ORDERED that the hearing shall be vacated and a status conference shall
6 be held in its place on **September 16, 2013, at 10:00 a.m.**, at the Commission's offices, 1200 West
7 Washington Street, Hearing Room No. 1, Phoenix, Arizona.

8 IT IS FURTHER ORDERED that the exchange of copies of Witness Lists and Exhibits is
9 hereby continued.

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

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

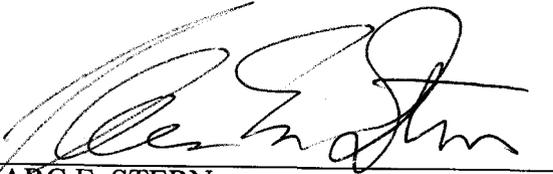
15 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
16 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
17 *pro hac vice*.

18 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
19 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
20 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
21 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
22 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
23 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 21st day of August, 2013.



MARC E. STERN
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered
10 this 21st day of August, 2013 to:

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

15 Matt Neubert, Director
16 Securities Division
17 ARIZONA CORPORATION COMMISSION
18 1300 West Washington Street
19 Phoenix, AZ 85007

20 ARIZONA REPORTING SERVICE, INC.
21 2200 North Central Avenue, Suite 502
22 Phoenix, AZ 85004-1481

23 By: 
24 Tammy Velarde
25 Assistant to Marc E. Stern
26
27
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