ADMINISTRATIVE PROCEEDING
FILE NO. 3-11346

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
March 18, 2004

In the Matter of

STEVEN E. MUTH, ORDER ON MOTIONS
RICHARD J. ROUSE,
and BRUCE J. BATES

The Securities and Exchange Commission ("Commission") initiated this proceeding pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934, on November 26, 2003. All the Respondents have answered the allegations in the Order Instituting Proceedings. The hearing is scheduled to begin in Denver, Colorado, on April 19, 2004. The Initial Decision must be issued no later than October 12, 2004.

On March 15, 2004, Steven M. Feder and the Feder Law Firm filed a Motion to Withdraw as Counsel for Respondent Steven E. Muth pursuant to 17 C.F.R. § 201.102(d)(4) of the Commission’s Rules of Practice due to the nonpayment of attorney’s fees.

The Division of Enforcement ("Division") received signed Offers of Settlement from Respondents Rouse and Bates as of March 1, 2004. On March 9, 2004, the Division and Respondents Rouse and Bates filed a joint motion requesting that I: (1) sever Respondents Rouse and Bates from the proceeding; (2) stay the proceeding as to those Respondents to allow for submission to the Commission of their Offers of Settlement pursuant to Rule 161(c) of the Commission’s Rules of Practice; and (3) hold a telephonic prehearing conference to set a schedule for a hearing as to Respondent Muth. The joint motion requests a stay to minimize the inconvenience to cooperating witnesses and to conserve resources in view of the Division’s other pretrial obligations.

Ruling

I GRANT the Motion to Withdraw as Counsel for Respondent Muth. I DENY the request to sever because the Commission’s Rules of Practice do not authorize an administrative law judge to sever parties from a proceeding. It appears that the Commission believes this is something that is not necessary and appropriate to discharge the duties of the position of administrative law judges as new Rule 201(b), which is not yet effective, will only allow
motions to sever that are addressed to the Commission. Given my lack of authority and the factual situation, I will stay the proceedings as to the settling Respondents and schedule a telephonic conference as to Respondent Muth.

Accordingly, I GRANT a stay as to Respondents Rouse and Bates. Pursuant to Rule 161(c)(2)(i)(B), the Division shall submit the signed Offers of Settlement to the Commission within twenty business days of receipt. The Division shall notify me promptly if it fails to meet this deadline or if the Commission rejects the settlements.

I ORDER a telephonic prehearing conference as to Respondent Muth on Tuesday, April 13, 2004, at noon eastern time.

Brenda P. Murray
Chief Administrative Law Judge