

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 1701/August 14, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15627

In the Matter of

TRI-STAR ADVISORS, INC.,
WILLIAM T. PAYNE, AND
JON C. VAUGHAN

STAY ORDER

The Securities and Exchange Commission (Commission) issued an Order Instituting Administrative and Cease-and-Desist Proceedings (OIP) on November 26, 2013, alleging that Tri-State Advisors, Inc., willfully violated Sections 206(3) and (4) of the Investment Advisers Act of 1940 (Advisers Act) and Advisers Act Rule 206(4)-7, and that William T. Payne and Jon C. Vaughan caused the violations. A hearing is scheduled to begin on August 18, 2014. On August 13, 2014, the parties filed a Joint Motion to Stay Proceedings because they have reached an agreement in principle to settle the allegations in the OIP.

Ruling

I congratulate the parties and STAY the proceeding pursuant to Commission Rule of Practice 161(c)(2)(i) (Rule). The parties shall inform my Office if they miss a deadline set out in the Rule or if the Commission rejects the Offers of Settlement. See Rule 161(c)(2)(ii), 17 C.F.R. § 201.161(c)(2)(ii).

Brenda P. Murray
Chief Administrative Law Judge