

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

ADMINISTRATIVE PROCEEDINGS RULINGS

Release No. 2641/May 6, 2015

ADMINISTRATIVE PROCEEDING

File Nos. 3-16311, 3-16312

In the Matters of

RELIANCE FINANCIAL ADVISORS, LLC, STAY ORDER
TIMOTHY S. DEMBSKI, AND
WALTER F. GREENDA, JR.

SCOTT M. STEPHAN

The Securities and Exchange Commission instituted these proceedings on December 10, 2014. A hearing is scheduled to begin on May 11, 2015, at the Thurgood Marshall United States Courthouse, 40 Foley Square, New York, New York, in Courtroom 1505.

On May 5, 2015, the Division of Enforcement and Respondents Reliance Financial Advisors, LLC, and Walter F. Grenda, Jr., jointly moved for a stay of the proceeding pursuant to Securities and Exchange Commission Rule 161(c)(2), 17 C.F.R. § 201.161(c)(2). The joint motion represents that the Division and Reliance and Grenda have reached an agreement in principle to a settlement of this proceeding on all major terms.

That same day, Paul Batista, counsel for Respondent Timothy S. Dembski, sent this Office an email, requesting that the stay order should apply to Dembski as well, in part based on the contention that the stay would subject Dembski to prejudice. In particular, Batista represented that

it has always been [his] intention to use Mr. Grenda . . . as a witness . . .
in Mr. Dembski's defense. I had every reason . . . to expect that Mr.
Grenda would be at the trial and open to examination by me on behalf of
Mr. Dembski. A stay would vitiate that part of my defense strategy

For good cause shown, it is ORDERED that the joint motion to stay the proceeding as to Reliance and Grenda is GRANTED, and the proceeding is STAYED as to them, subject to compliance with Commission Rule 161(c)(2), requiring that this Office be notified promptly if any of the requirements of the Rule are not met.

Dembski's request for a stay is DENIED without prejudice to a joint motion to stay being filed by Dembski and the Division pursuant to Rule 161(c)(2) if an agreement in principle to a settlement on

all major terms is reached.¹ With regard to Dembski's claims of prejudice, this Stay Order as to Grenda and Reliance does not excuse Grenda from testifying in the proceeding against Dembski. Dembski and Grenda are ORDERED to confer to ensure that Grenda is made available to testify with regard to the charges against Dembski in this proceeding. In the event that the parties agree that a subpoena is the best way to proceed with respect to Dembski's testimony, they shall make a joint request for such a subpoena by May 7, 2015, at 5:00 p.m. EDT.

I have not considered the characterizations made by Dembski and the Division with respect to settlement negotiations. Short of notice contemplated by Rule 161(c)(2), Dembski and Division should refrain from further filings discussing their assessments of such negotiations.

Jason S. Patil
Administrative Law Judge

¹ As to Respondent Scott M. Stephan, regardless of whether his testimony is requested by any other Respondent, I expect to hear him testify in detail concerning his alleged inability to pay and any other mitigating factors relevant to the issue of what disgorgement and civil penalties are appropriate, if any. I expect Stephan to testify as the first witness on May 11, 2015.