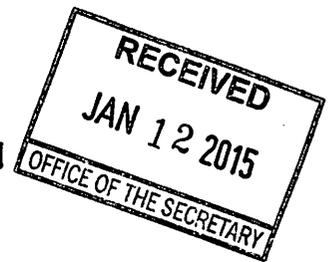




UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

New York Regional Office
Brookfield Place, 200 Vesey St., Suite 400
New York, NY 10281



DIVISION OF
ENFORCEMENT

Michael D. Birnbaum
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January 9, 2015

BY EMAIL/UPS

The Honorable Jason S. Patil
Administrative Law Judge
U.S. Securities and Exchange Commission
100 F Street, NE
Mail Stop 1090
Washington, DC 20549

Re: Matter of Scott M. Stephan, File No. 3-16312, and Matter of Reliance Financial Advisors, LLC, et al., File No. 3-16311

Dear Judge Patil:

On behalf of the Division of Enforcement, I write to report on the initial prehearing conference the parties held on January 6, 2015 pursuant to the Court's December 29, 2014 Order and to address the various matters identified in the December 29 Order.

The January 6 teleconference was attended by Respondent Walter Grenda, Jr. ("Grenda"), on his own behalf and on behalf of Reliance Financial Advisors, LLC ("Reliance"), and by counsel for the Division and for Respondents Timothy Dembski ("Dembski") and Scott Stephan ("Stephan"). Respondents Dembski and Stephan have reviewed and approved this submission. Grenda has not responded to numerous communications seeking any comments he might have.

As a threshold matter, the parties jointly request that the above-titled matters be consolidated into one matter for all pre-hearing purposes. The Division, joined by Stephan, further requests that the matters be consolidated entirely such that the Court will conduct one hearing. Dembski at this stage reserves the right to move for severance for purposes of the hearing. Grenda has taken no position regarding consolidation of the hearings.

The Division and Stephan believe consolidating the matters for purposes including the hearings will spare witnesses the time and expense of appearing at two hearings to answer many of the same questions about many of the same events and documents. The Division and Stephan understand Dembski to be concerned about the prospect of Stephan testifying at a hearing to determine Dembski's liability, but the Division and Stephan believe that conducting two hearings will not ameliorate the problem Dembski perceives, as the

Division anticipates calling Stephan to testify in the Reliance matter regardless of whether the hearings are consolidated.¹

The parties all agree on the following proposed schedule for either a consolidated hearing or a hearing in the Reliance matter:

- March 18, 2015:** Joint filing regarding expert testimony due; motions for summary disposition due, with responses due one week after any motions are filed and replies due one week after the filing of any response;
- April 1, 2015:** Stipulations of facts and to the authenticity and admissibility of documents due;
- April 15, 2015:** Parties shall file witness lists and exhibit lists, and shall exchange, but should not file, pre-marked exhibits;
- April 29, 2015:** Parties shall file prehearing briefs, motions in limine and any objections to witnesses or exhibits; all request for issuance of subpoenas due;
- May 4, 2015:** Parties shall participate in a final telephonic prehearing conference with the Court;
- May 11, 2015:** Hearing to begin in New York City at a venue to be determined.

Should this schedule not be acceptable the Court, Dembski requests a hearing date after May 11 to accommodate his counsel's trial schedule, including a trial expected to begin on April 23, 2015 and end on or around May 1, 2015.

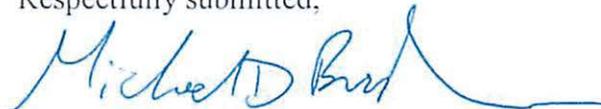
Service of the Orders Instituting Proceedings

All Respondents have been served with their respective Orders Instituting Proceedings.

- **Stephan** was served on December 11, 2014 and filed his answer on December 29, 2014.
- **Dembski** was served on December 17, 2014 and filed his answer on January 6, 2015.
- **Grenda** was served on December 23, 2014 and has not yet filed an answer.
- **Reliance** was served, through Grenda,² on December 23, 2014 and has not yet filed an answer.

The Division has made available for inspection its investigative file consistent with Rule of Practice 230. Finally, the parties have all agreed to accept service of all documents other than Court orders by email.

Respectfully submitted,



Michael D. Birnbaum

cc: All Respondents (by email)

¹ Should the Court deny the Division's and Stephan's joint request to consolidate the hearings, those parties suggest that Stephan's hearing be scheduled to immediately follow the Reliance hearing.

² Grenda is an owner, managing member and officer of Reliance and has represented to the Division that he accepted service of the OIP on Reliance's behalf.

