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ORIGINAL

COMMISSIONERS
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WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON
KRISTIN K. MAYES



BRIAN C. McNEIL
EXECUTIVE SECRETARY

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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Marc Spitzer, Chairman
William A. Mundell
Jeff Hatch-Miller
Mike Gleason
Kristin K. Mayes

Arizona Corporation Commission

DOCKETED

SEP 27 2004

FROM: Matthew J. Neubert
Director of Securities

DOCKETED BY [Signature]

DATE: September 20, 2004

RE: In the matter of Robert C. Frost/Robin Frost (S-03493A-03-0000)

CC: Brian C. McNeil, Executive Secretary

AZ CORP COMMISSION
DOCUMENT CONTROL

2004 SEP 27 P 4:19

RECEIVED

At the August 19, 2004, open meeting the Division presented a proposed settlement involving Morgan Stanley DW, Inc. ("Morgan Stanley") registered representative Robert Frost ("Frost"). The proposed settlement resolved allegations that Frost made unsuitable recommendations.

During that meeting Frost's counsel represented that Frost's employer Morgan Stanley would pay the sum of \$95,000 in restitution to the Division for distribution to the investors named in the Division's Notice. In response the Commission stated it would enter an Order dismissing the matter upon its receipt of a Stipulation acknowledging that Morgan Stanley had made the \$95,000 payment.

On September 16, 2004, Morgan Stanley and the Division executed a Stipulation and Order of Dismissal agreeing to dismiss all charges and claims against Frost in this matter. At the same time Morgan Stanley tendered a check made payable to the State of Arizona in the amount of \$95,000 for distribution to the investors named in the Division's Notice. That check is being held by the Division pending the Commission's acceptance of the Stipulation and Order of Dismissal.

The Division recommends the Commission accept the Stipulation and Order of Dismissal.

Originator: Phillip Hofling

I.

STIPULATION AND AGREEMENT

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1. On September 16, 2004, Morgan Stanley tendered to the Division payment in the amount of \$95,000 by check made payable to the State of Arizona for distribution to the investors named in the Division's Notice through the Division's procedures for processing restitution payments.

2. The Division stipulates and agrees that all charges and claims against Respondents Robert C. Frost and Robin Frost should be dismissed.

3. Each party to this proceeding will be responsible for its own legal fees incurred in prosecuting and/or defending this matter and no claim for reimbursement or contribution for any legal expense and cost whatsoever shall be asserted against the other or any third party insurer of the other.

4. This represents the complete and final resolution with respect to all administrative and civil claims and/or causes of action among the parties and their agents, representatives, employers or supervisors of the parties arising out of or related to this proceeding.

By: Phillip A. Hofling

Dated: 9/16/04

Phillip A. Hofling
Assistant Director, Securities Division
Arizona Corporation Commission
Attorney for the Securities Division

By: Joseph E. Mais
Brian C. Lake

Dated: 9/13/04

Joseph E. Mais
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2901 North Central Avenue
Post Office Box 400
Phoenix, Arizona 85001-0400
Attorneys for Respondents Robert Frost and Robin Frost

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II.

ORDER

IT IS HEREBY ORDERED:

1. The Division and Respondents shall comply with the terms set forth in the Stipulation and Agreement in this matter which is incorporated herein by reference.

2. The matter captioned In the Matter of ROBERT C. FROST/ROBIN FROST, husband and wife, 6062 E. Ludlow, Scottsdale, Arizona 85254, Arizona Corporation Commission Docket No. S-03493A-03-0000, is hereby dismissed with prejudice in its entirety.

IT IS FURTHER ORDERED that this Order shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2004.

BRIAN C. McNEIL
Executive Secretary

DISSENT

DISSENT

1 This document is available in alternative formats by contacting Yvonne McFarland, Executive
2 Assistant to the Executive Secretary, voice phone number 602-542-3931, E-mail
3 ymcfarland@cc.state.az.us

4 (PAH)

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