

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:	*	
CARROLL FRANK AND PLOTKIN, LLC,	*	Case No. 2006-0217
THOMAS CARROLL	*	
and	*	
FREDERICK FRANK	*	
Respondents.	*	

* * * * * * * * * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to authority granted by Section 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (1999 Repl. Vol. & Supp. 2005) (the “Securities Act”), investigated the investment adviser representative registration status of Thomas Carroll and Frederick Frank with Carroll, Frank and Plotkin, LLC (collectively “Respondents”); and

WHEREAS, without holding a hearing, without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Respondents have reached an agreement to resolve this matter; and

WHEREAS, Respondents expressly consent to the Commissioner’s jurisdiction in this proceeding pursuant to Section 11-701.1 of the Act, and to the terms of this Order; and

WHEREAS, Section 11-101 of the Securities Act defines an “investment adviser representative” to include an individual who has a place of business located in this State and is

employed by or associated with an investment adviser, and who makes any recommendations or otherwise renders investment advice to clients; and

WHEREAS, Section 11-401 of the Securities Act makes it unlawful for any person to transact business in this State as an investment adviser representative unless that person is registered as such; and

WHEREAS, Section 11-402 of the Securities Act makes it unlawful for an investment adviser to employ an investment adviser representative unless the representative is registered as such; and

WHEREAS, Respondents consent to the terms of this Order as set forth below; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order.

NOW, THEREFORE, THE COMMISSIONER FINDS:

I.
JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 11-701.1 of the Securities Act.

II.
RESPONDENTS

2. Carroll, Frank and Plotkin, LLC (“CFP”) is a Maryland corporation conducting business from Baltimore, Maryland. CFP has been a registered investment adviser in the State of Maryland since January 1, 1991.

3. Thomas Carroll (“Carroll”) is a resident of Hunt Valley, Maryland. He was registered in Maryland as an investment adviser representative with CFP from January 1, 1991

through December 31, 2002. Carroll is a partner, owner and Chief Compliance Officer for CFP. Carroll has been registered as a broker-dealer agent with Royal Alliance Associates, Inc. (“Royal”) since November 19, 1989.

4. Frederick Frank (“Frank”) is a resident of Finksburg, Maryland. He was registered in Maryland as an investment adviser representative with CFP from January 1, 1991 through December 31, 2002. Frank is a partner and owner of CFP. Frank has been registered as a broker-dealer agent with Royal Alliance Associates, Inc. since November 19, 1989.

III. **FINDINGS OF FACT**

5. In April 2002, Carroll and Frank failed to transition onto the Investment Adviser Records Depository (“IARD”) their existing investment adviser representative registrations. For the years 2003-2006, they also failed to renew or to pay the registration fees for their investment adviser representative registrations with CFP.

6. Between January 1, 2003 and March 31, 2006, Respondents provided investment advice to 71 clients and collected \$258,045 in investment advisory fees.

7. Between January 1, 2003 and March 31, 2006, Carroll and Frank were neither registered as investment advisers or investment adviser representatives nor were they exempt from registration in the State of Maryland.

8. In response to deficiencies found in a April 27, 2006 Division audit, in May 2006, Carroll and Frank registered in the State of Maryland as investment adviser representatives of CFP.

CONCLUSIONS OF LAW

THE COMMISSIONER, THEREFORE, CONCLUDES AS A MATTER OF LAW:

9. Respondent, CFP, violated Section 11-402 of the Securities Act by employing unregistered investment adviser representatives.

10. Respondents, Carroll and Frank, violated Section 11-401 of the Securities Act by acting as unregistered investment adviser representatives.

SANCTIONS

NOW, THEREFORE, IT IS HEREBY ORDERED, and Respondents expressly consent and agree:

A. Respondent, CFP, shall permanently cease and desist employing unregistered investment adviser representatives in violation of Section 11-402 of the Securities Act.

B. Respondents, Carroll and Frank, shall permanently cease and desist acting as unregistered investment adviser representatives in violation of Section 11-401 of the Securities Act.

C. Contemporaneous with the signing of this Consent Order, Respondent CFP shall pay back fees for Respondents', Carroll and Frank's, investment adviser representative registrations for 2003 through 2005 in the amount of \$300, plus pay a civil monetary penalty in the amount of \$1,000.

D. Respondents shall comply with CFP's compliance procedures adopted to ensure that all investment adviser representatives are properly registered pursuant to Securities Act. The compliance procedures attached and included by reference.

E. Respondents shall in all future activities in Maryland comply fully with the Securities Act and regulations promulgated thereunder.

If any respondent fails to comply with any term of this Consent Order, the Division may

institute administrative or judicial proceedings against that respondent to enforce this Consent Order or to sanction respondent for violating an Order of the Commissioner, and may take any other action authorized under the Securities Act or any other applicable law, including the issuance of fines or penalties as provided by the Securities Act. For purposes of determining those sanctions, the Findings of Fact and violations of the Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against that respondent.

The terms of this Consent Order may only be modified by a subsequent order issued by the Commissioner.

DATE OF THIS ORDER:

SO ORDERED:

Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

Title

Name: Thomas Carroll

On Behalf of Carroll, Frank, and Plotkin, LLC

Name: Thomas Carroll

On this ____ day of _____, 2006, personally appeared Thomas Carroll, signer of the foregoing Consent Order, who did duly acknowledge his/her signature to be his/her free act and deed.

Notary Public

My Commission Expires: _____

Seal:

Name: Frederick Frank

On this ____ day of _____, 2006, personally appeared Frederick Frank, signer of the foregoing Consent Order, who did duly acknowledge his/her signature to be his/her free act and deed.

Notary Public

My Commission Expires: _____

Seal:

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