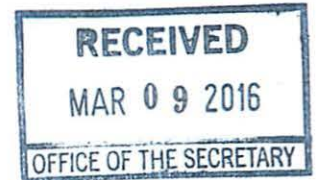




UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

100 F Street, N.E.
Washington, D.C. 20549-5041
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DIVISION OF ENFORCEMENT

Alfred A. Day
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March 9, 2016

Hon. James E. Grimes
Administrative Law Judge
U.S. Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549

Re: *In the matter of Frazer Frost, LLP, et al., AP File No. 3-17112*

Dear Judge Grimes:

The parties have conferred regarding the matters set forth in your Order of February 18, 2016 and submit this joint letter memorializing the result of their discussions in advance of the March 11, 2016 prehearing conference.

I. Date of Service of the OIP

The parties stipulate that the OIP was served on all Respondents on February 12, 2016.

II. Hearing Date and Location

Per our communications with your chambers, the parties jointly propose holding the hearing in this matter in Los Angeles, California, commencing on June 1, 2016. Respondents do not exercise their right to begin the hearing within thirty to sixty days of service of the OIP.

III. Proposed Prehearing Schedule

Except as noted below, the parties jointly propose the following prehearing schedule:

- a. To the extent leave to file summary disposition and other pre-hearing motions is granted, the parties propose that any such motions (other than motions *in limine*) shall be due on March 31, with oppositions due April 14 and replies due April 21.
- b. The parties have been unable to reach an agreement regarding exchanging witness and exhibit lists.

Respondents' Position: Respondents propose a staggered schedule under which the Division would produce its witness and exhibit lists on May 2 and Respondents would produce their witness and exhibit lists on May 6. Respondents request this because the Division has the burden of proof and therefore it should provide its exhibit and witness lists first. Respondents disagree that the key exhibits and witnesses are well known to Respondents and note that the Division has produced thousands of documents as part of its production. Moreover, the opportunity to amend witness and exhibit lists does not change the fact that the Division bears the burden of proof and therefore should provide its witness and exhibit lists first. Lastly, although Respondents do not agree that their proposed schedule significantly reduces the amount of time that the Division has to respond to Respondents' witness and exhibit lists, Respondents are amenable to altering the schedule for amendments and motions *in limine*, and objections, as set forth below in item III.d and III.e to May 13 and May 20, respectively.

The Division's Position: The Division proposes that the parties simultaneously exchange witness and exhibit lists on May 4, with an option to amend by May 11 (see item III.d. below). The Division opposes the proposed staggered schedule for a number of reasons. First, the key witnesses and exhibits are well known to the parties. In fact, many of the materials and exhibits produced were provided by Respondents or used during their testimony. Second, the parties have agreed to allow reasonable amendments to their respective witness and exhibit lists, obviating the need for a staggered schedule. Finally, the proposed staggered schedule significantly reduces the amount of time the Division has to respond/object to Respondents' witness and exhibit lists in light of the already compressed schedule.

- c. Exchange expert reports May 4.
- d. Motions *in limine* and any amendments to witness lists or exhibit lists due May 11.
- e. Oppositions to motions *in limine*, objections to witness lists and exhibit lists, and rebuttal expert reports due May 18.
- f. Prehearing briefs due May 27.
- g. Hearing to commence June 1.

IV. Rule 221(c) Topics

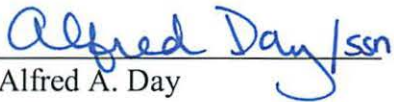
The parties further conferred regarding the matters set forth in Rule 221(c) of the SEC Rules of Practice:

1. *Simplification and Clarification of the Issues:* See item III.a above.
2. *Exchange of Witness and Exhibit Lists:* See item III.b above.
3. *Stipulations:* The parties shall confer further as this matter progresses.
4. *Official Notice:* The parties shall confer further as this matter progresses.
5. *Motions:* See item III.a above.
6. *Service Method:* The parties have agreed to service of papers other than Commission orders via email.
7. *Summary Disposition:* The Division does not believe that this case is amenable to summary disposition, in whole or in part. Respondents have indicated that they intend to seek leave to file a motion for summary disposition. The Division takes no position on Respondents' request at this time, but reserves the right to oppose any such request. See also item III.a above.
8. *Settlement:* Respondents request the parties engage in a settlement conference before a settlement ALJ pursuant to *Airtouch Commc'ns, Inc.*, Admin. Proc. Rulings Release No. 2253, 2015 SEC LEXIS 271 (ALJ Jan. 23, 2015), as soon as practicable after the March 11 prehearing conference. The Division does not oppose Respondents' request.
9. *Hearing Date:* See Part I and item III.f above.
10. *Amendments to OIP:* None required at this time.
11. *Rule 230 Production:* By letter dated February 23, 2016, the Division notified Respondents that documents falling within the categories set forth in Rule 230 were available for inspection and copying. Respondents' counsel inspected certain documents at the Division's offices on February 24, 2016. The Division subsequently produced electronic copies of certain responsive documents to Respondents on February 25 and 26.
12. *Rule 202:* Not applicable.

13. *Other Matters:* The Division proposes that expert reports be governed by Rule 26 of the Federal Rules of Civil Procedure. Respondents do not oppose the Division's request.

We look forward to appearing at the prehearing conference and thank you in advance for your attention to these matters.

Sincerely,


Alfred A. Day


CERTIFICATE OF SERVICE

On March 9, 2016, the foregoing document was sent to the following parties and other persons entitled to notice as follows:

Brent Fields, Secretary
Office of the Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549
(Original and three copies by hand delivery)

Honorable James E. Grimes
Administrative Law Judge
100 F Street, N.E., Mail Stop 2582
Washington, D.C. 20549
(Courtesy copy by e-mail)

Jay K. Musoff, Esq.
Loeb & Loeb, LLP
345 Park Avenue
New York, NY 10154
Counsel for Respondents
(By email)



Alfred A. Day