

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> Floor  
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Salt Lake City, UT 84114-6760  
Telephone: (801) 530-6600  
FAX: (801) 530-6980

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**BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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**IN THE MATTER OF:**

**ROBERT JOHN GRABOWSKI,  
CRD#1639890; and  
THE THORNWATER COMPANY, L.P.,  
CRD #36195**

**Respondents.**

**STIPULATION AND CONSENT  
ORDER**

Docket No. SD-06-0095

Docket No. SD-06-0096

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The Utah Division of Securities (Division), by and through its Director of Licensing, George Robison, and Robert John Grabowski (Grabowski), CRD#1639890, and The Thornwater Company, L. P. (Thornwater), CRD #36195, hereby stipulate and agree as follows:

1. The Division commenced agency action against Grabowski and two other agents of The Thornwater Company, L. P. (Thornwater), namely, James Hopkins (Hopkins) and Adam Harrington Rucksdeschel (Rucksdeschel), by petitioning for an order revoking and barring their licenses, and imposing a fine, on September 23, 2002. The Division also issued an Order to Show Cause against Thornwater and another Thornwater agent, Thomas Russo (Russo), at that time. The

actions against Rucksdeschel, Hopkins and Russo were later resolved by Consent Orders.

2. The action against Grabowski was resolved by a Stipulation and Consent Order which was entered August 15, 2006. As part of his agreement, Grabowski agreed to pay the fine of \$15,000 to the Division upon entry of the Order. Grabowski paid that fine in full in a timely fashion.
3. The action against Thornwater was also resolved by a Stipulation and Consent Order which was entered August 15, 2006. As part of its agreement, Thornwater agreed to pay a \$100,000 fine to the Division within 90 days of entry of the Order. Thornwater represented it had the ability to pay the fine. As part of the consent order against Thornwater, Grabowski agreed to be barred from associating with any broker-dealer or investment adviser licensed by the Division if the Thornwater fine was not paid as required.
4. The Thornwater fine was not paid within 90 days. On December 18, 2006, the Division issued an Order to Show Cause against Grabowski and Thornwater, requiring that the Respondents show cause as to why Thornwater should not be found to have materially violated an Order of the Division by its failure to pay the fine, and why Grabowski should not be barred from associating with a broker-dealer or investment adviser licensed by the Division.
5. On December 19, 2006, before knowing that the Division had issued an Order to Show Cause the previous day, Grabowski, through Respondents' counsel, sent the Division a check for \$25,000 as partial payment of the fine. On January 17, 2007, Grabowski, again through counsel, sent the Division another check for

\$25,000 as further partial payment of the fine. On January 29, 2007, when this matter was scheduled to be heard, Grabowski had tendered payment of \$50,000 toward the \$100,000 owed by Thornwater.

6. Grabowski, Thornwater and the Division have agreed to resolve the pending actions against the Respondents through this Stipulation and Consent Order (Order).
7. Grabowski and Thornwater admit the jurisdiction of the Division over them and over the subject matter of this action.
8. Grabowski and Thornwater waive any right to a hearing to challenge the Division's evidence and present evidence on their behalf relating to the subject of this Order, and also waive any right to appeal this Order.
9. Grabowski and Thornwater have read this Order, understand its contents, and enter into this Order voluntarily. No promises or threats have been made by the Division, nor by any representative of the Division, to induce them to enter into this Order other than as described herein.
10. Grabowski and Thornwater are represented by attorneys Steven Altman and Eric Rosenberg of the law firm of Altman & Company P. C. and are satisfied with the legal representation received.

#### **AGREEMENT**

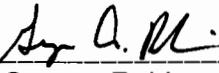
11. As of the date of this Order, Thornwater has delivered to the Division two payments in the amount of \$25,000 each. Grabowski and Thornwater agree and represent that the remaining fine amount of \$50,000 shall be paid no later than March 21, 2007. If such payment is not timely made, Grabowski consents to be

immediately barred from associating with a broker-dealer or investment adviser licensed in Utah. Such bar will be ordered on March 22, 2007 if the remaining \$50,000 has not been paid in good funds. A final order barring Grabowski will be entered without any advance notice to Respondents and they hereby consent to the entry of such an order.

12. The \$50,000 held by the Division from the two payments previously made will be deposited into the Securities Investor Education and Training Fund as partial credit toward the fine amount due, and will not be construed as compliance in part or in full with the August 2006 Order.
13. Upon payment of the remaining \$50,000, the Division will promptly cause a U-6 amendment to be filed with the NASD stating that this Stipulation and Consent has been complied with in all respects.
14. Grabowski and Thornwater acknowledge that this Consent Order, upon approval by the Division Director (Director) shall be the final compromise and settlement of this matter. Respondents further acknowledge that if the Director does not accept the terms of the Order, it shall be deemed null and void and without any force or effect whatsoever.

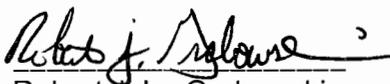
Utah Division of Securities

Date: 02/20/07

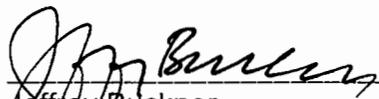
By:   
George Robison  
Director of Licensing

The Thornwater Company, L. P.

Date: 2/12/07

By:   
Robert John Grabowski  
President and CEO

Approved:

  
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Jeffrey Buckner  
Assistant Attorney General

Approved:

  
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Steve Altman  
Eric Rosenberg  
Altman & Company, P. C.  
Attorneys for The Thornwater Company  
L.P. *re-enclosed 2/14/07*

**ORDER**

It is hereby ordered that:

1. The remaining fine amount of \$50,000 shall be paid no later than March 21, 2007. If such payment is not timely made, Grabowski shall be barred from associating with a broker-dealer or investment adviser licensed in Utah.

DATED this 20<sup>th</sup> day of February, 2007.



WAYNE KLEIN  
Director, Utah Division of Securities



**CERTIFICATE OF MAILING**

I hereby certify that on the 20th day of February 2007, I mailed, regular mail postage prepaid, a copy of the foregoing **Stipulation and Consent Order** to:

Steven Altman  
Altman & Company  
260 Madison Avenue 22<sup>nd</sup> Floor  
New York NY 10016

  
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Executive Secretary