

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4442/December 13, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of

GRAY FINANCIAL GROUP, INC.,
LAURENCE O. GRAY, and
ROBERT C. HUBBARD, IV

ORDER DENYING WITHOUT PREJUDICE
RESPONDENTS' MOTION TO
RECONSIDER

On November 16, 2016, Respondents requested the issuance of a subpoena to nonparties Seward & Kissel, LLP, and two of its attorneys, Robert Van Grover, and Alexandra Segal (collectively, Seward & Kissel), which I signed. On November 28, 2016, Seward & Kissel submitted a motion to quash or modify the subpoena, which I granted in part. *See Gray Financial Group, Inc.*, Admin. Proc. Rulings Release No. 4428, 2016 SEC LEXIS 4566 (ALJ Dec. 9, 2016). On December 12, 2016, Respondents moved for partial reconsideration and/or clarification of that order, arguing that I improperly left it to Seward & Kissel to define the scope of the client file, and that Seward & Kissel may in fact conclude that Respondents were not clients, and therefore fail to produce any documents.

In my order, I specifically referenced the New York Court of Appeal's decision in *Sage Realty* as a guideline for Seward & Kissel to follow in determining the scope of its disclosures. *Gray Financial Group, Inc.*, 2016 SEC LEXIS at *5. Seward & Kissel is not free to define the client file more narrowly than the case law allows. And I expect all counsel appearing in this proceeding, including Seward & Kissel, to conduct themselves as professionals. This means all counsel, again including Seward & Kissel, should avoid gamesmanship. Until Seward & Kissel actually responds to the subpoena, however, there is no way of knowing what its response will be. If Seward & Kissel engages in gamesmanship in responding to the subpoena, I may reconsider my order, but until then reconsideration would be premature.

The motion for reconsideration is therefore DENIED WITHOUT PREJUDICE.

Cameron Elliot
Administrative Law Judge