

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

Administrative Proceedings Rulings
Release No. 6517 / March 26, 2019

Administrative Proceeding
File No. 3-18288

In the Matter of
Lawrence E. Penn, III

**Order Denying Motion to
Correct Manifest Error of Fact**

Respondent Lawrence E. Penn, III moves to correct manifest errors of fact in the initial decision issued on February 22, 2019, and to stay the proceeding.

Once I issue the initial decision in a proceeding, I have limited authority over the proceeding, and may only correct manifest errors of fact in the initial decision.¹ A “motion to correct is properly filed . . . only if the basis for the motion is a patent misstatement of *fact* in the initial decision.”² Motions to correct a manifest error of fact may not “contest the substantive merits of [an] initial decision.”³ Additionally, a motion to correct “must be filed within ten days of the initial decision.”⁴

¹ See *Alchemy Ventures, Inc.*, Securities Exchange Act of 1934 Release No. 70708, 2013 WL 6173809, at *3 & n.25 (Oct. 17, 2013).

² 17 C.F.R. § 201.111(h) (emphasis added).

³ Adoption of Amendments to the Rules of Practice and Related Provisions and Delegations of Authority of the Commission, 70 Fed. Reg. 72,566, 72,567 (Dec. 5, 2005).

⁴ 17 C.F.R. § 201.111(h).

To the extent Penn’s motion is directed to me and not the Securities and Exchange Commission, I deny it.⁵

First, the motion is untimely. Even assuming that Rule 111’s requirement that motions to correct be filed within ten days of the initial decision allows three extra days when the initial decision is served by mail, Penn’s motion, dated March 20, 2019, was filed well outside the prescribed time frame.⁶ Second, the motion does not contest any factual findings in the initial decision. It concerns only alleged legal errors.⁷

Penn also requests that this proceeding be stayed “pending the final resolution of the [district court] appeals process,”⁸ but I have no authority to stay the proceeding after I issue the initial decision.⁹

The motion is DENIED.

James E. Grimes
Administrative Law Judge

⁵ Penn styles his motion as one to correct manifest error, which would be within my jurisdiction, but “[m]otions the Commission” to make the corrections. Mot. at 1.

⁶ 17 C.F.R. § 201.160(b).

⁷ If anything, Penn appears to concede certain factual findings in the initial decision but disputes their legal implications. *See* Mot. at 7–8 (arguing that because Penn was the general partner of Camelot Acquisitions Secondary Opportunities, LP, he “was a joint and common beneficial owner with rights to distributions from the limited partnership he created and pursuant to *Zinke* is exempt from larceny prosecution and conviction”).

⁸ Mot. at 10.

⁹ *Alchemy Ventures*, 2013 WL 6173809, at *3 (“[O]nce the initial decision is issued, [the Commission’s] rules largely divest the law judge of authority over the proceedings . . .”).