

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4543/January 24, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of

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

ORDER DENYING RESPONDENTS'
MOTION FOR RECONSIDERATION

On January 9, 2017, the Division of Enforcement submitted to this office a request for a testimonial subpoena directed to Perry Clark, to which Respondents objected. *See Gray Fin. Grp., Inc.*, Admin. Proc. Rulings Release No. 4509, 2017 SEC LEXIS 60 (ALJ Jan. 9, 2017). I construed Respondents' objection as a motion to quash, denied the motion, and issued the subpoena. *See Gray Fin. Grp., Inc.*, Admin. Proc. Rulings Release No. 4530, 2017 SEC LEXIS 160 (ALJ Jan. 18, 2017). On January 20, 2017, Respondents submitted a motion for reconsideration. The Division submitted a response to the motion for reconsideration (Response) on January 21, 2017, and Respondents submitted a "Supplemental Brief" on January 23, 2017.

Respondents' motion for reconsideration is DENIED. "Reconsideration is an extraordinary remedy designed to correct manifest errors of law or fact or permit the presentation of newly discovered evidence." *See ZPR Inv. Mgmt, Inc.*, Advisers Act Release No. 4417, 2016 SEC LEXIS 2074, at *11 (June 9, 2016) (internal quotation marks omitted). Although the Division now concedes that Clark was not technically a "substantial judgment creditor" of Respondent Laurence O. Gray, Respondents do not dispute that Gray owed Clark \$1 million in early 2012, a debt he apparently did not pay off until 2014 and which therefore could have provided a motive to engage in the fraud alleged in the OIP. *Compare* Response at 1, *with* Motion at 2 (acknowledging that "the payments required by the settlement agreements were timely made by Mr. Gray"). The Division's characterization of Clark's relationship to Gray may have been imprecise, but it was not so manifestly erroneous that reconsideration is warranted. I decline Respondents' invitation to admonish Division counsel for such a peccadillo.

SO ORDERED.

Cameron Elliot
Administrative Law Judge