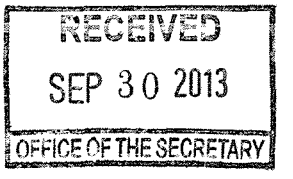
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15430

In the matter of	)
BRIAN WILLIAMSON,	)
Respondent.	)



ANSWER OF RESPONDENT BRIAN WILLIAMSON

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Respondent Brian Williamson, by and through his undersigned counsel, responds to the specific allegations of the Division of Enforcement's ("Division") Order Instituting Administrative and Cease-and-Desist Proceedings ("Order") as follows:[1]

1. To the extent the allegations contained in paragraph 1 state legal conclusions, no response is required. Denies all remaining allegations contained in paragraph 1.

2. Admits that Mr. Williamson directed members of his team to distribute marketing materials to prospective OGR investors, and denies all remaining allegations contained in paragraph 2.

3. Admits that Mr. Williamson and his team revised the valuation for Fondul in late October 2009, and states that OGR had invested equally in four separate funds (Bluetip Energy Partners Fund I, L.P.; Cartesian Investors A, L.P.; Starwood Energy Infrastructure Fund I, L.P.; and Tripod Capital China Fund II, L.P) as of late October 2009. Denies all remaining allegations contained in paragraph 3.

4. Denies the allegations contained in paragraph 4.

5. Admits that Mr. Williamson and his team marketed OGR to potential investors and OGR raised approximately $60 million between October 2009 and June 2010. Denies all remaining allegations contained in paragraph 5.

6. Admits the allegations contained in the first sentence of paragraph 6. Further admits that Mr. Williamson was an employee of OPCO and OAM from December 2005 to December 2011, and that when Mr. Williamson first began at OPCO and OAM he was a Senior

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[1] The headings in the Order are not allegations. To the extent they may be construed as such, they are legal conclusions that do not require a response. To the extent a response is deemed required, denies the allegations contained therein. As to any allegation not specifically admitted, Mr. Williamson denies the allegation.

VP and was later promoted to Managing Director. In addition, admits that both Mr. Williamson and Mr. Kane co-managed OGR and other private equity funds sponsored by OAM. States that ROC no longer serves as a sub-adviser to OGR. Further states that Mr. Williamson worked as a consultant following law school, has never practiced law, and has not been licensed to practice in Pennsylvania or New Jersey for 17 years. Also states that Mr. Williamson was at one time a certified public accountant in Pennsylvania. Denies all remaining allegations contained in paragraph 6.

7. Admits the allegations contained in the first sentence of paragraph 7. Further admits that OAM employees provided investment advisory services to OGR. Denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 7, and therefore denies them.

8. Admits that OAIM is located in New York City, and denies that OAIM is wholly owned by OAM. Denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 8, and therefore denies them.

9. Admits that OPCO is located in New York City and is an affiliate of OAM and OAIM. Denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 9, and therefore denies them.

10. Admits the second sentence contained in paragraph 10. Further states that OGR is a fund-of-funds that invests in limited partnership interests, co-investments and a limited number of direct investments, and holds an interest in S.C. Fondul Proprietatea S.A. ("Fondul") through Cartesian Investors-A ("CIA"). States that Mr. Williamson no longer manages OGR, and that ROC, as a sub-advisor to OGR, did not have discretion with respect to the funds. Further states

that Mr. Williamson currently acts as a consultant to OAIM. Denies all remaining allegations contained in paragraph 10.

11. Admits that Fondul is a joint stock company that was established by the Romanian Government in 2005 to compensate eligible claimants who lost property under former communist governments. Further admits that Fondul holds interests in public and private companies focused on energy and natural resources including power, gas and oil companies. In addition, admits that in January 2011, Fondul was listed on the Bucharest Stock Exchange. Denies knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 11, and therefore denies them.

12. Admits that CIA is a limited liability company set up as a co-investment vehicle to hold Fondul shares for its members, including Cartesian Capital, Pangaea One, RDV Co-Investment Fund, L.P. and OGR. Respectfully refers the Court to CIA's Limited Liability Agreement for a complete and accurate description of the contents thereof. Denies all remaining allegations contained in paragraph 12.

13. States that ROC is no longer a registered investment adviser. Further states that Mr. Williamson was the sole owner of ROC, and that Sarfraz Lalani and Stephanie Costantino were also managing directors of ROC. Denies all remaining allegations contained in paragraph 13.

14. Admits that Mr. Williamson oversaw the formation of OGR in 2007, and was the co-manager of OGR. States that although Mr. Williamson was responsible for co-managing OGR, Pat Kane, the other OGR co-manager, also oversaw the fund. Both Pat Kane and Tom Robinson could overrule any decisions made by Mr. Williamson concerning the fund. Denies all remaining allegations contained in paragraph 14.

15. Admits the allegations contained in the first and third sentences of paragraph 15. States that OGR requested approval to extend the closing date on two separate occasions because potential investors requested more time to complete their due diligence processes. Further states that as of the original closing date of October 2009, OGR had raised approximately $75 million in commitments from investors. Denies all remaining allegations contained in paragraph 15.

16. Admits that from April 2008 through June 2010, Mr. Williamson and his team oversaw the OGR portfolio and assisted the OAM marketing team ("Marketing" or "Marketing Team"), OPCO representatives and independent "consultants" with marketing OGR to potential investors. Denies the remaining allegations contained in paragraph 16.

17. Admits that once a prospective investor completed a suitability report, the Marketing Team would send the prospective investor a number of documents including OGR's private placement memorandum ("PPM"), OGR's limited partnership agreement and a PowerPoint presentation summarizing various features of the fund. Further admits that Mr. Williamson's team compiled the information included in the material sent to prospective investors, and once this information was compiled, it was sent to the Marketing Team to determine whether approval was needed by OAM's compliance department ("Compliance"), and if so, the material would then be sent to Compliance for approval. States that any material sent to investors had to be approved by Compliance, as well as Pat Kane or Tom Robinson, or fall within an exception that did not require approval, and that Tom Robinson and Pat Kane had authority to change the marketing materials in any manner that they saw fit. Denies all remaining allegations contained in paragraph 17.

18. Admits that Mr. Williamson signed the OGR quarterly letters, and that Mr. Williamson's team was responsible for the contents thereof. Further admits that the Marketing

Team sent marketing material, including OGR investor quarterly letters, to OPCO's client services who then worked with the fulfillment center for distribution. Denies all remaining allegations contained in paragraph 18.

19. Admits that an OGR PowerPoint presentation was created that included an OGR Performance Update for the first quarter of 2009, and that the PowerPoint presentation did not include any IRR numbers, only dashes. Further admits that the PowerPoint presentation was submitted by the Marketing Team to Compliance for approval. Denies all remaining allegations contained in paragraph 19.

20. Admits that in September 2009, the OGR PowerPoint presentation was updated with second quarter of 2009 performance figures, which included an IRR of 12.4%. States that the IRR figure did not include the underlying managers' fees and expenses because the management fees would continue to change for all of the funds as they continued to raise money. Further states that by October 2009, the underlying managers' fees and expenses were easier to identify. Denies all remaining allegations contained in paragraph 20.

21. Admits that an October 7, 2009 OGR quarterly report was sent to then-existing OGR investors. Further admits that not all fees and expenses were included in the September 2009 PowerPoint presentation and that, if such fees were included, IRR would be lower. Denies all remaining allegations contained in paragraph 21.

22. Admits that in September and October 2009, an OGR PowerPoint presentation was sent to several prospective investors or consultants. Denies the remaining allegations contained in paragraph 22.

23. Denies the allegations contained in paragraph 23, and respectfully refers the Court to the October 19, 2009 email for a complete and accurate description of the contents thereof.

24. Denies the allegations contained in paragraph 24, and respectfully refers the Court to the OGR PowerPoint presentation and October 7, 2009 quarterly report for a complete and accurate description of the contents thereof.

25. Admits the allegations contained in the third sentence of paragraph 25, denies the remaining allegations, and states that as of October 2009, OGR had committed $7 million in capital to four separate funds including CIA.

26. Admits that OGR valued its Fondul investment at cost until October 2009. States that once more information became available to OAM, such as the selection of a manager for Fondul, Cartesian Capital's intent to revise Fondul's valuation, RDV's revision of Fondul's valuation, and analyst reports stating that Fondul's value was greater than cost, OAM was able to revalue Fondul. Denies all remaining allegations contained in paragraph 26.

27. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in the first sentence of paragraph 27, and therefore denies them. States that the Marketing Team was responsible for submitting all marketing materials to Compliance for approval, and respectfully refers the Court to the OGR PowerPoint presentation marked-up by Compliance for a complete and accurate description of the contents thereof. Denies all remaining allegations contained in paragraph 27.

28. Admits that in the middle of October 2009, Mr. Williamson was reviewing the OGR quarterly report and OGR PowerPoint presentation, and realized that certain fees and expenses were not included in the OGR Track Record chart that was included in the OGR PowerPoint presentation. Further states that Mr. Williamson accordingly requested that the Track Record be updated to include such fees and expenses. In addition, states that around this time, OAM felt that it had access to enough information to update the CIA valuation, rather than

leaving it at cost, which resulted in an increase in value from approximately $6.1 million to $9.2 million. Finally, states that the valuation was based on information collected by OAM including, among other things, conversations with Peter Yu at Cartesian Capital. Denies all remaining allegations contained in paragraph 28.

29. Denies the allegations contained in paragraph 29, and states that the change in OGR's IRR resulted from updates to both Fondul's and Tripod's valuations.

30. Admits that on or about October 22nd or 23rd, 2009, Mr. Williamson asked Natalie Zar to send him the OGR PowerPoint presentation that included OGR's performance based on the updated valuation of Fondul. States that after Mr. Williamson confirmed that the updated valuation was correct, he instructed that the PowerPoint presentation be sent to the Marketing Team who was responsible for submitting it to Compliance. Denies all remaining allegations contained in paragraph 30.

31. Denies the allegations contained in paragraph 31, and states that Mr. Williamson only reviewed those sections of the OGR PowerPoint presentation that were being updated and were therefore brought to his attention by his team. Further states that the footnote was not brought to Mr. Williamson's attention. In addition, states that Mr. Williamson did not write the footnote associated with the track record, and did not review the footnote when the IRR numbers were updated. Finally, states that it was the Marketing Team's responsibility, not the responsibility of Mr. Williamson or his team, to submit marketing materials to Compliance, and states the updated PowerPoint presentation was sent to the Marketing Team.

32. Admits that Mr. Williamson updated the OGR PowerPoint presentation with the new valuation numbers for Fondul and Tripod, which would be used going forward for prospective investors, and did not revise the June 30th quarterly report because it had been sent

to investors over three weeks earlier. Denies all remaining allegations contained in paragraph 32.

33. Admits that from October 26, 2009 through June 2010, Mr. Williamson's team and the Marketing Team sent updated PowerPoint presentations to consultants and prospective investors. Further admits that some of the investors who received the updated PowerPoint presentations invested in OGR. Denies all remaining allegations contained in paragraph 33.

34. Admits that subsequent quarterly reports sent to existing investors also included updated Fondul and Tripod valuations. Further admits that at least one existing OGR investor increased its OGR investment after OAM updated the valuations. Denies all remaining allegations contained in paragraph 34.

35. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 35, and therefore denies them. States that OGR's operating agreement authorized OAM to conduct its own valuation. Further states that Cartesian Capital did not provide valuation numbers to OAM for CIA, but only in relation to OPE's investment in Pangaea. In addition, states that the IRR calculations for Pangaea differed from OGR's because Pangaea held the investment for a longer period of time and purchased it at a different price than OGR. Finally, states that Cartesian Capital did not value Fondul based on the "cost" but rather a sum of the parts, and that it increased the value of Fondul for Q4 2009.

36. Admits that in May 2010, a footnote in the OGR PowerPoint presentation was updated, and respectfully refers the Court to the May 2010 PowerPoint presentation for a complete and accurate description of the contents thereof. Denies all remaining allegations contained in paragraph 36.

37. Denies the allegations contained in paragraph 37, except admits that a prospective investor who received the May 2010 OGR PowerPoint presentation invested in OGR. To the extent that the allegations contained in paragraph 37 state legal conclusions, no response is required.

38. Denies the allegations contained in paragraph 38. To the extent that the allegations contained in paragraph 38 state legal conclusions, no response is required.

39. Admits that on October 25, 2009, Mr. Williamson emailed the updated OGR PowerPoint presentation to Broker A. Denies the remaining allegations contained in paragraph 39, and respectfully refers the Court to the October 25, 2009 email for a complete and accurate description of the contents thereof.

40. Admits that OGR no longer valued Fondul at a discount to par. Denies all remaining allegations contained in paragraph 40, and states that Mr. Williamson's decision to update the valuation of Fondul was based on new information that had become available to OAM. To the extent that the allegations contained in paragraph 40 state legal conclusions, no response is required.

41. Admits that Williamson approved a RFI on or about October 26, 2009 and that as of October 26, 2009, the updated valuation had not yet been audited by OGR's auditors. Denies the remaining allegations contained in paragraph 41, and respectfully refers the Court to the referenced RFI for a complete and accurate description of the contents thereof. To the extent that the allegations contained in paragraph 41 state legal conclusions, no response is required.

42. Denies the allegations contained in paragraph 42, and respectfully refers the Court to the October 26, 2009 email for a complete and accurate description of the contents thereof.

43. Denies the allegations contained in paragraph 43, and to the extent that the allegations state legal conclusions, no response is required.

44. Admits that a consultant emailed Broker A on October 28, 2009, and that Broker A then forwarded the email to Mr. Williamson. Further admits that on October 29th, Broker A received a response from Mr. Williamson's email account. Denies all remaining allegations contained in paragraph 44, and respectfully refers the Court to the October 28th and October 29th emails for a complete and accurate description of the contents thereof.

45. Paragraph 45 contains legal conclusions that do not require a response. To the extent a response is deemed required, denies the allegations.

46. Admits that on October 29, 2009, Broker A responded to an October 28, 2009 email from a "consultant," and that at least one of the consultant's clients invested in OGR after October 29, 2009. Further denies all remaining allegations contained in paragraph 46.

47. Admits that on November 5, 2009, Broker A emailed an OGR PowerPoint presentation to a "consulting firm." Denies all remaining allegations contained in paragraph 47, and respectfully refers the Court to the November 5, 2009 email for a complete and accurate description of the contents thereof.

48. Admits that it was Mr. Williamson's practice to review changes to RFIs that were brought to his attention by his team or the Marketing Team before the RFIs were distributed to investors or consultants. Denies the remaining allegations and respectfully refers the Court to the November 5, 2009 RFI for a complete and accurate description of the contents thereof.

49. Denies the allegations contained in paragraph 49, and to the extent that the allegations state legal conclusions, no response is required.

50. Admits that on November 17, 2009, a "consultant" emailed Broker A. Further admits that Broker A then emailed an "analyst" requesting certain information, and the "analyst" then forwarded the email to Mr. Williamson. In addition, admits that Mr. Williamson responded to the "analyst's" email. Denies the remaining allegations contained in paragraph 50, and respectfully refers the Court to the referenced emails for a complete and accurate description of the contents thereof.

51. Denies the allegations contained in paragraph 51, and to the extent that the allegations state legal conclusions, no response is required.

52. Admits that on November 24, 2009 an "analyst" sent an email to a "consultant" attaching OGR Cash Flows ITD and copied Broker A on the email. Denies all remaining allegations contained in paragraph 52, and respectfully refers the Court to the November 24th email and its attachments for a complete and accurate description of the contents thereof.

53. Denies the allegations contained in paragraph 53, and states that potential investors focus on the manager's experience and past record, not the interim valuation of an illiquid fund. Further states that OGR raised more money between April 2008 and October 2009 than it did after the valuation mark-up, from October 2009 to June 2010.

54. Admits that members of Mr. Williamson's team sent emails concerning OGR, and denies knowledge or information sufficient to form a belief as the contents of the emails, and therefore denies all allegations concerning the emails. Further denies the remaining allegations contained in paragraph 54, and respectfully refers the Court to the referenced emails for a complete and accurate description of the contents thereof.

55. Admits that on December 14, 2009, Mr. Williamson sent a "prospective investor" an email, and denies all remaining allegations contained in paragraph 55. Respectfully refers the

Court to the December 14th email for a complete and accurate description of the contents thereof.

56. Admits that on December 9, 2009, Mr. Williamson approved language contained in an email from an OAM VP to be sent to "prospects," and denies all remaining allegations contained in paragraph 56. Respectfully refers the Court to the December 9th email for a complete and accurate description of the contents thereof.

57. Admits that on March 8, 2010, Mr. Williamson emailed a "prospective investor," and denies all remaining allegations contained in paragraph 57. Respectfully refers the Court to the March 8th email for a complete and accurate description of the contents thereof.

58. Admits that on April 19, 2010, Mr. Williamson emailed a "prospective investor," and denies all remaining allegations contained in paragraph 58. Respectfully refers the Court to the April 19th email for a complete and accurate description of the contents thereof.

59. Denies the allegations contained in paragraph 59, and states that prospective investors focused on the management team's experience and past performance.

60. Paragraph 60 contains legal conclusions that do not require a response. To the extent a response is deemed required, denies the allegations contained in paragraph 60.

61. Paragraph 61 contains legal conclusions that do not require a response. To the extent a response is deemed required, denies the allegations contained in paragraph 61.

62. Paragraph 62 contains legal conclusions that do not require a response. To the extent a response is deemed required, denies the allegations contained in paragraph 62.

63. Paragraph 63 contains legal conclusions that do not require a response. To the extent a response is deemed required, denies the allegations contained in paragraph 63.

PRAYER FOR RELIEF

Mr. Williamson denies the allegations in the Order that are not specifically admitted herein and denies that the Division is entitled to any of the requested relief.

AFFIRMATIVE AND OTHER DEFENSES

Mr. Williamson asserts the following defenses without assuming any burden of proof that rests on the Division as to any issue. Mr. Williamson also expressly reserves the right to plead additional defenses, including affirmative defenses, as appropriate as the case proceeds.

FIRST AFFIRMATIVE DEFENSE
(Failure to State a Claim Under Section 17(a) of the Securities Act)

64. The Division fails to state a claim for a violation of Section 17(a) of the Securities Act, and based on the following facts the Division's purported claim should be dismissed. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 63 above.

Requirements of Section 17(a)

65. Section 17(a) of the Securities Act makes it "unlawful for any person in the offer or sale of any securities . . . by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly to employ any device, scheme, or artifice to defraud."

66. To establish that Mr. Williamson violated Section 17(a) of the Securities Act, the Division must prove that in connection with the purchase or sale of a security, Mr. Williamson, acting with scienter, made a material misrepresentation or used a fraudulent devise. Mere negligence is insufficient to establish a violation.

67. At a minimum, the Division must establish a heightened showing of recklessness that amounts to an extreme departure from the standards of ordinary care to the extent that the danger was either known to Mr. Williamson or so obvious that he must have been aware of it.

68. In addition, the untrue statements must be material, meaning that a reasonable investor would consider the statements important.

The 1 RON Valuation Was Reasonable

69. OAM's decision to value Fondul at 1 RON/share was entirely reasonable and consistent with GAAP. FASB 157 categorizes Fondul as a Level 3 asset because during the relevant period it was traded exclusively on an over-the-counter market and there was no quoted price in the active market. As a level 3 asset, Fondul's value is derived from unobservable inputs, including OAM's internal assumptions, valuation models, and third party reports.

70. Because valuing Level 3 assets is extremely difficult, FASB 157 provides asset managers with broad discretion to create and rely on internal assumptions and models concerning metrics that are used to determine fair value such as future cash flow. Moreover, under FASB guidance, Topic 820, net asset value ("NAV") serves as a practical expedient for estimating the fair value of the investment where, as here, (1) the NAV is an estimate as of the reporting date of the entity, (2) the investor is not likely to sell the instrument at an amount different from the NAV, (3) the fair value of the investment in the fund or similar entity is not readily determinable, and (4) the investment fund meets Topic 946's definition of an investment company or it follows the practices of its industry using guidance that is consistent with Topic 946. Fondul satisfies all four criteria.

71. In valuing the Fondul investment at 1 RON, Mr. Williamson considered, among other things, the price at which the Romanian government issued Fondul shares (1 RON), the

fact that one co-investor was valuing Fondul at 1 RON and that the other was in the process of raising its valuation above costs, numerous third party reports reflecting a NAV of 1 RON or higher, the underlying assets in Fondul, and the pending appointment of Franklin Templeton Investments as a professional manager of Fondul. Mr. Williamson's reliance on these various inputs and data points was reasonable and conformed in all respects with FASB 157.

72. OGR's independent auditors, Rothstein Kass & Co., P.C., also independently confirmed in 2010 and again in 2011 that valuing Fondul at 1 RON per share was reasonable and complied with FASB 157. Accordingly, any statements based on the 1 RON valuation are not actionable because the valuation was reasonable and complied with FASB 157.

The Language Contained In the OGR PowerPoint Was Accurate

73. The language indicating that valuations were "based on" or "derived from" an underlying manager are not actionable because they are not inaccurate. By its common dictionary definition, "based" means the fact, observation, or premise from which a reasoning process is begun, and "derived" means drawn, obtained, descended or deduced from a source.

74. Part of Mr. Williamson's decision to value CIA's assets at 1 RON per share was based on and derived from the fact that Cartesian Capital – the underlying manager for Pangaea's Fondul holding – was increasing its valuation and provided information to Mr. Williamson about the decision of RDV, a co-investor, to markup its position in CIA to 1 RON. The Division cannot establish a fraud action based on literally true statements.

The PPM is the Operative Document

75. The PPM explicitly told OGR's sophisticated investors that they could only rely on the PPM itself and not any other statements. The PPM further warned investors that the assets were hard to value, represented great risk and would be valued in the discretion of the

manager. In these circumstances, the OGR PowerPoint presentation footnotes and marketing materials are not actionable.

The Division Has Failed to Make a Showing of Materiality

76. The Division's contemplated action against Mr. Williamson inaccurately presumes that sophisticated investors chose to invest in a fund that they knew would be locked up for ten years because of the statement that Fondul's valuation as of a specific date was based on the valuation of an underlying manager as opposed to Mr. Williamson. That presumption, however, is not supported by the record, by common practice in the private equity industry or by logic.

77. Investors considering long-term, illiquid private equity investments generally focus on the experience and prior fund history of the prospective manager and his team and the diversity of the portfolio. In fact, private equity investors frequently commit capital to a fund even before the manager has selected the investment vehicles, which makes clear that (1) the investor is relying on the manager's experience and judgment, not the early performance of a given asset at the outset of a long-term investment; and (2) that it is immaterial to such investors whether such interim valuation is determined by the primary fund manager, *e.g.*, in a co-investment or a third-party manager, *e.g.*, in a traditional fund-of-funds model.

78. Prospective OGR investors were contemplating an illiquid investment in a diverse natural resources portfolio in which investors would not realize any gains, or losses, until the expiration of a ten-year investment period. At the time of the markup, OGR had committed $7 million to Fondul, which amounted to just 3.5% of the total $200 million fund target. Moreover, the difference between OGR's 1 RON valuation and the previous at cost valuation represents a difference of $3,222,226, or a mere 2.4% of the approximately $139 million ultimately raised by

the fund. Adjudged by these or any other metric the Fondul valuation change falls far below the traditional 5% threshold for materiality.

79. Under these circumstances, it would be folly to suggest that a reasonable investor would or did consider material either Fondul's interim valuation estimate or a belief that the source of that valuation was a third-party as opposed to Mr. Williamson. Indeed, the majority of investors either actually invested or indicated that they would invest before the markup even occurred.

The Division Has Failed to Allege Facts Demonstrating that Mr. Williamson Acted with Scienter

80. At the time Mr. Williamson was contemplating whether the Fondul valuation should be updated, he discovered that the IRRs included in the OGR PowerPoint presentations did not include certain fees and expenses. He then instructed his team to include the OGR fees and expenses – a change which significantly decreased underlying fund IRRs and OGR's overall IRR from what otherwise would have been presented to investors. For example, Blue Tip's IRR was reduced from 3.4% to -13.1% and Starwood Energy's IRR was reduced from 1.8% to -18.3%. In other words, Mr. Williamson changed positive results to negative ones even though OGR's Compliance had previously approved a less conservative presentation format.

81. After learning of the changes Mr. Williamson made to include the fees and expenses in the IRR, the Division tried to spin the facts into a story of Mr. Williamson purposely hiding the fees and expenses from investors. However, fees and expenses are often not included, and there is absolutely no evidence the Mr. Williamson was purposefully trying to hide them from prospective investors. To the contrary, Mr. Williamson's decision to include the fees is utterly inconsistent with intent to defraud by claiming inflated returns. Had that been his intent,

Mr. Williamson would have continued to exclude the fees and expenses from the IRR. In short, Mr. Williamson was acting in good faith when he marked-up the Fondul valuation.

82. Moreover, the footnotes discussing the source of the valuation statements were not part of some nefarious design attributable to Mr. Williamson. Rather, any alleged misstatement resulted from failings in Oppenheimer's compliance systems and a lack of communication between departments.

83. First, it is undisputed that Mr. Williamson did not draft the source of valuation language at issue and that such language was previously approved (if not actually drafted) by Compliance. Accordingly, Mr. Williamson cannot be liable as a matter of law for these statements because he did not "make" them.

84. Second, Mr. Williamson was not responsible for – and at no time oversaw – Marketing or Compliance and consequently cannot fairly be penalized for any lapse in their policies and procedures. Oppenheimer structured its compliance program so that its Marketing and Compliance departments reviewed marketing materials independent of Mr. Williamson's team and even prohibited Mr. Williamson's team from directly submitting documents to Compliance. Mr. Williamson's team was required to submit documents to Marketing, which would then determine whether they should be submitted to Compliance. And Marketing would interface with Compliance when materials were submitted to Compliance. After a document was submitted to Marketing, and subsequently to Compliance, Mr. Williamson's team would have little to no involvement with the review or editing process. Compliance would review documents and recommend its changes directly to Marketing, which would, in turn, implement those changes, and Mr. Williamson's team would only become involved if specific questions

were called to their attention. The final materials were signed off on by either Pat Kane or Tom Robinson.

85. Moreover, Oppenheimer did not require performance changes – such as the Fondul markup – to be reviewed by Compliance. Oppenheimer's compliance manual explicitly states that "revisions to any material previously approved of a routine nature such as performance numbers and indices will not need to be re-submitted to Compliance."

86. Third, the record reflects that Mr. Williamson acted in good faith and comported with Oppenheimer's compliance protocols. Indeed, there is no evidence that Mr. Williamson focused on the footnotes at issue, and at no time did Mr. Williamson instruct Marketing not to submit performance updates to Compliance for review. Instead, Mr. Williamson reasonably believed, given Oppenheimer's practice and policy, that – absent an issue being brought to his attention – the marketing materials were duly submitted to Compliance and approved.

87. What emerges from the record is not fraudulent conduct by Mr. Williamson but, at worst, Compliance's failure to understand the nature of CIA as a co-investment, resulting in a failure to clarify that the unrealized value for that co-investment was not set by a third-party manager. Moreover, Oppenheimer did not have a valuation committee, and there was no protocol or finance department oversight over mid-year valuation changes. Mr. Williamson was not responsible for these compliance shortfalls, and fraudulent intent cannot be inferred from a process over which Mr. Williamson had no control.

88. Furthermore, Mr. Williamson was not under any pressure to increase assets under management. First, Mr. Williamson set the $200 million fundraising target, not management. The $200 million target was entirely aspirational and there were no consequences for falling short of that amount. Mr. Williamson was not pushed to raise additional assets, and was never

told that he would receive higher compensation if he raised more assets. In addition, OGR fundraising coincided with a period of historic market softness, an important fact not lost on Mr. Williamson's superiors.

89. The Order suggests that Mr. Williamson extended OGR closing dates so that he would have additional time to pitch OGR based on the revised Fondul valuation. Yet, the record establishes that OGR closing extensions were not initiated by Mr. Williamson, but rather resulted from previously interested investors and consultants requesting more time so that they could complete their own extensive due diligence process.

90. Moreover, Mr. Williamson did not even begin contemplating the Fondul markup until well after OGR's closing extension process was underway. In fact, certain substantial investors had already committed to the Fund before any extension was considered or the markup occurred. The first request for approval to extend the closing date was on September 15, 2009, but by all accounts, Mr. Williamson began contemplating a markup of Fondul's valuation the following month around the time of his meeting with Peter Yu on October 14, 2009.

91. Mr. Williamson also did not tout OGR's performance to potential investors. One advisor who worked closely with Mr. Williamson said that Mr. Williamson affirmatively de-emphasized the first year performance of OGR, by routinely cautioning potential investors that this was just the first 60 yards of a marathon. Similarly, Mr. Williamson never discussed any of the presentation footnotes indicating the source of valuations.

92. Had Mr. Williamson intentionally inflated the Fondul valuation in hopes of attracting investors, one would expect him to have touted OGR's returns at investor meetings, which he did not.

SECOND AFFIRMATIVE DEFENSE
(Failure to State a Claim Under Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder)

93. The Division fails to state a claim for a violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and based on the following facts the Division's purported claim should be dismissed. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 92 above.

Requirements of Section 10(b) and Rule 10b-5 Thereunder

94. To establish that Mr. Williamson violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, the Division must prove that in connection with the purchase or sale of a security, Mr. Williamson, acting with scienter, made a material misrepresentation or used a fraudulent devise. Mere negligence is insufficient to establish a violation.

95. At a minimum, the Division must establish a heightened showing of recklessness that amounts to an extreme departure from the standards of ordinary care to the extent that the danger was either known to Mr. Williamson or so obvious that he must have been aware of it.

96. In addition, the untrue statements must be material, meaning that a reasonable investor would consider the statements important.

97. As set forth above, the valuation of Fondul was reasonable and confirmed by OGR's auditors. Moreover, potential investors did not consider the interim IRR or the basis for the interim IRR to be material. Mr. Williamson cared about his investors and wanted them to have the best available information; the Division has failed to establish any facts supporting a finding of scienter. Finally, the statements concerning the basis for the valuation were not in fact misleading.

THIRD AFFIRMATIVE DEFENSE
(Failure to State a Claim Under Section 206(4) of the Advisers Act and Rules 206(4)-(8) Thereunder)

98. The Division fails to state a claim for a violation of Section 206(4) of the Advisers Act and Rules 206(4)-(8) thereunder, and based on the following facts the Division's purported claim should be dismissed. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 97 above.

Requirements of Section 206(4) of the Advisers Act and Rules 206(4)-(8)

99. To establish that Mr. Williamson violated Section 206(4) of the Advisers Act and Rules 206(4)-(8), the Division must prove that Mr. Williamson made an untrue statement of a material fact or omitted to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading. The Division has failed to allege that Mr. Williamson made any untrue statements of material fact.

100. As set forth above, the valuation of Fondul was reasonable and confirmed by OGR's auditors. Moreover, potential investors did not consider the interim IRR or the basis for the interim IRR to be material. Finally, the statements concerning the basis for the valuation were not in fact misleading.

FOURTH AFFIRMATIVE DEFENSE
(Failure to Allege Misvaluation)

101. The Division has failed to allege facts showing that the valuation of Fondul was not a reasonable valuation. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 100 above.

102. As set forth above, Fondul is a level 3 asset. Mr. Williamson and his team considered a number of factors, including input from Cartesian, before marking the value up to 1 RON. The 1 RON valuation was confirmed twice by OGR's auditor.

FIFTH AFFIRMATIVE DEFENSE
(Failure to Establish Scienter)

103. The Division has failed to allege facts showing scienter. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 102 above.

104. Mr. Williamson reasonably relied on OPCO's internal approval procedures, as well as Marketing and Compliance to ensure that all of the marketing materials were properly approved.

105. Mr. Williamson acted with reasonable care, in good faith, with due diligence, and without negligence in carrying out his responsibilities.

106. Mr. Williamson did not draft the disputed language contained in the footnotes or RFIs. Nor did Mr. Williamson direct someone else to draft it.

SIXTH AFFIRMATIVE DEFENSE
(Valuation Statements May Not Be a Basis for Violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Section 206(4) of the Advisers Act)

107. The Division may not rely upon any valuation statements as the basis for violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act, and Section 206(4) of the Advisers Act. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 106 above.

108. As discussed above, as of October 2009, Fondul was a level 3 asset. This meant that any analysis of Fondul's valuation reflected an exercise of judgment.

109. The Division has not established that the valuation was false or that Williamson subjectively disbelieved any of the statements concerning valuation at the time they were expressed.

SEVENTH AFFIRMATIVE DEFENSE
(Conduct was not Reckless or Willful)

110. The Division has failed to allege facts showing recklessness or willfulness on the part of Mr. Williamson. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 109 above.

111. As discussed above, OAIM and Mr. Williamson complied with FASB 157 and all other applicable statutes.

112. Mr. Williamson reasonably relied on the Oppenheimer process to ensure that all marketing materials were approved and contained accurate information. This included review of the marketing materials by Marketing and then submission by Marketing to Compliance.

113. Some of the alleged inaccurate language contained in the identified emails arose from a mix up between funds; in other words, the information stated as true for Fondul, was in fact true for another OGR investment, Tripod. No one intentionally or even recklessly included false information concerning Fondul.

EIGHTH AFFIRMATIVE DEFENSE
(Alleged Misstatements were not Material)

114. The Division has failed to allege facts showing materiality. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 113 above.

115. As discussed above, prospective investors considering long-term, illiquid private equity investments generally focus on the experience and prior fund history of the prospective manager and his team and the diversity of the portfolio, not early interim IRRs. In fact, private equity investors frequently commit capital to a fund even before the manager has selected the investment vehicles, which makes clear that (1) the investor is relying on the manager's

experience and judgment, not the early performance of a given asset at the outset of a long-term investment; and (2) that it is immaterial to such investors whether such interim valuation is determined by the primary fund manager, e.g., in a co-investment or a third-party manager, e.g., in a traditional fund-of-funds model.

NINTH AFFIRMATIVE DEFENSE
(Failure to Plead with Particularity)

116. The Division has failed to plead the facts and circumstances of the alleged fraud with particularity. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 115 above.

117. As discussed above, the Division has failed to identify any facts that would support a finding of fraud.

TENTH AFFIRMATIVE DEFENSE
(Against Public Policy)

118. Instituting a bar against Mr. Williamson would be against the best interests of investors. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 117 above.

119. Filing the OIP against Mr. Williamson has resulted in OPCO's removal of all of the enhanced compliance procedures that were instituted by ROC. A bar against Mr. Williamson would further remove a source of extensive asset knowledge to the further detriment of OGR and other fund investors.

ELEVENTH AFFIRMATIVE DEFENSE
(Barred by the Actions of Others)

120. The Division's claims are barred in whole or in part by the actions of others. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 119 above.

121. Mr. Williamson did not draft the footnote contained in the OGR PowerPoint presentation, he did not review it, and it was not his responsibility to update it. Accordingly, Mr. Williamson did not "make" the alleged misstatements contained in the OGR PowerPoint or RFI's, nor did he send or direct someone else to send many of the emails identified by the Division.

122. Moreover, it was the Marketing Team's responsibility, not Mr. Williamson's, to submit all materials to compliance for approval.

TWELFTH AFFIRMATIVE DEFENSE
(OGR Investors Have Not Experienced Any Losses)

123. The Division has failed to show that OGR's investment in Fondul has resulted in any losses to OGR investors. In support of this defense, Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 122 above

124. OGR investors have not experienced any losses from their investments. In fact, as of September 18, 2013, the NAV for Fondul was at 1.1782 RON. The share price was 0.7095 RON, which is a significant increase from the discounted purchase prices around 0.50 RON.

THIRTEENTH AFFIRMATIVE DEFENSE
(Relief Factors)

125. Mr. Williamson repeats and realleges the facts contained in paragraphs 1 through 124 above. The Commission has directed that, "in determine whether a cease-and-desist order is an appropriate sanction based on the entire record," relevant factors include (i) "whether the violation is recent"; (ii) the "isolated or recurrent nature of the violation"; (iii) the respondent's "state of mind"; (iv) the "seriousness of the violation"; (v) the "risk of future violations"; (vi) "the respondent's opportunity to commit future violations"; and (vii) "the remedial function to be served by the cease-and-desist order." *In re KPMG Peat Marwick LLP*, Exchange Act Release

No. 43862 (Jan. 19, 2001), 54 S.E.C. 1135, 1185, *petition denied*, 289 F.3d 109 (D.C. Cir. 2002); *SEC v. Patel*, 61 F.3d 137, 142 (2d Cir. 1995).

126. None of these factors support the draconian sanction of an industry bar. OAM's valuation of 1 RON was reasonable pursuant to FASB 157 and twice approved by OGR's independent auditors.

127. Mr. Williamson has a history of, and reputation for acting ethically and comporting with compliance requirements. Notably, this is the first time Mr. Williamson has ever been accused of any wrongdoing.

128. Mr. Williamson's conduct does not reflect scienter. On the contrary, his open discussion with his team about Fondul's valuation and his decision to include the fees and expenses which reduced IRR affirmatively demonstrate his good faith. The alleged misinformation resulted from poor procedures in place at Oppenheimer long before Mr. Williamson arrived, and Mr. Williamson had neither authority over nor oversight for Compliance at Oppenheimer at any time.

129. Extensive assurances against any future violations by Mr. Williamson are evidenced by the extraordinary measures he took after spinning off from Oppenheimer and forming ROC to ensure ROC's compliance function was state of the art.

130. Mr. Williamson has not only recognized and acknowledged his own oversights and those of Oppenheimer with regard to disclosure issues, he also took affirmative steps to build a rigorous and effective compliance function at ROC and used those resources to enhance significantly Oppenheimer's own compliance processes.

131. ROC's launch allowed Mr. Williamson to structure a compliance department in accordance with his values and priorities. Understanding the importance of compliance, Mr.

Williamson hired a highly respected attorney serving as outside counsel to Oppenheimer, Stephanie Costantino, Esq., as Chief Compliance Officer and General Counsel, and made her a partner in his firm. Mr. Williamson's decision constituted a significant investment for such a small, start-up firm. Working with Costantino, Mr. Williamson established extensive and specific compliance procedures that have significantly improved the rigorousness, efficiency, and transparency of not only ROC's compliance, but also of Oppenheimer's compliance program. These actions reflect Mr. Williamson's character and commitment to compliance, and weigh against instituting a cease-and-desist order in the instant action.

132. The events described in the Order Instituting Proceedings took place over three years ago.

FOURTEENTH AFFIRMATIVE DEFENSE
(Additional Defenses)

133. Mr. Williamson will rely on any and all further defenses that become available or appear during discovery proceedings in this action and specifically reserves his right to amend this Answer for purposes of asserting additional defenses.

PRAYER FOR RELIEF

WHEREFORE, the proceeding should be dismissed.

Dated: New York, New York
September 26, 2013

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