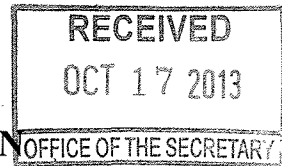


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-15519

In the Matter of

Timbervest, LLC,

Joel Barth Shapiro,
Walter William Anthony Boden, III,
Donald David Zell, Jr.,
and Gordon Jones II,

Respondents.

ANSWER OF RESPONDENTS

Pursuant to Rule 220 of the SEC's Rules of Practice, Respondents hereby respond to the allegations of the Division of Enforcement in this matter as follows:

RESPONDENTS

Paragraph 1. Timbervest, LLC ("Timbervest") is a Georgia limited liability company with its principal place of business in Atlanta, Georgia. Timbervest was established in 1995 and currently manages approximately \$1.2 billion in timber-related investments. Timbervest has been registered as an investment adviser with the Commission since October 5, 1995.

Response to Paragraph 1:

Respondents admit this Paragraph, but note that the approximately \$1.2 billion in investments that it manages includes timber, timber-related, and environmental and ecological investments.

Paragraph 2. Joel Barth Shapiro (“Shapiro”), age 50, is a resident of Atlanta, Georgia. Shapiro is the Chief Executive Officer of Timbervest and a Managing Partner.

Response to Paragraph 2:

Respondents admit this Paragraph.

Paragraph 3. Walter William Anthony Boden, III (“Boden”), age 52, is a resident of Atlanta, Georgia. Boden is the Chief Investment Officer of Timbervest and a Managing Partner.

Response to Paragraph 3:

Respondents admit this Paragraph.

Paragraph 4. Donald David Zell, Jr. (“Zell”), age 53, is a resident of Atlanta, Georgia. Zell is the Chief Operating Officer of Timbervest and a Managing Partner.

Response to Paragraph 4:

Respondents admit this Paragraph.

Paragraph 5. Gordon Jones II (“Jones”), age 43, is a resident of Atlanta, Georgia. Jones is the President of Timbervest and a Managing Partner. He also served as Chief Compliance Officer from approximately January 2005 until August 2012. Jones is an attorney and a member of the bar in the state of Georgia.

Response to Paragraph 5:

Respondents admit this Paragraph.

TIMBERVEST ENGAGES IN THE UNAUTHORIZED SALE OF ASSETS TO AN AFFILIATED FUND

Paragraph 6. From approximately 1995 until 2012, Timbervest served as an investment adviser to its largest client (the “Client”). Timbervest also served, separately, as an investment adviser to a single-client investment fund (“Fund #1”) holding the private pension plan assets of the Client.

Response to Paragraph 6:

Respondents deny this Paragraph.

Paragraph 7. *The assets held by Fund #1 were governed by the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Among other things, ERISA prohibited Timbervest from selling properties to other funds that it managed.*

Response to Paragraph 7:

Respondents deny this Paragraph.

Paragraph 8. *The operating agreement establishing Fund #1 – and signed by Timbervest – also prohibited Timbervest from engaging in any affiliated transactions without the prior written approval of the Client.*

Response to Paragraph 8:

Respondents admit the operating agreement required certain approval for affiliated transactions, but deny the remainder of this Paragraph.

Paragraph 9. *In or around 2005, the Client ordered Timbervest to reduce the size of Fund #1’s portfolio by selling substantial amounts of timberland property. In order to circumvent the ERISA restrictions and satisfy the Client’s disposition requirements, Timbervest and its Principals orchestrated the sale of a property from Fund #1 to another timberland fund managed by Timbervest (“Fund #2) by “parking” the property with a third party.*

Response to Paragraph 9:

Respondents deny this Paragraph, and answer further by stating that Timbervest received direction in the first half of 2006 that, among other things, included the following objective:

The net asset value of [Fund # 1’s] investment portfolio is targeted to be \$250 million. [Fund # 1’s] investment manager has been provided direction to achieve this objective through opportunistic sales of existing investments to maximize portfolio returns. Property acquisitions are to be ongoing to best position the investment portfolio over time such that the \$250 million net asset value is achieved before the end of 2009.

Paragraph 10. *On or around September 15, 2006, Timbervest agreed to sell a timberland property located in Alabama (the “Alabama property”) for \$13.45 million to a third-party real estate company (the “Real Estate Company”). The deal*

closed on October 17, 2006. Boden, Timbervest's Chief Investment Officer and a Managing Partner, negotiated the deal directly with the principal of the Real Estate Company, and the sale was specifically reviewed and approved by each of the Principals.

Response to Paragraph 10:

Respondents admit that on September 15, 2006, Fund # 1 entered into a formal sales contract to sell a timberland property located in Alabama for \$13.45 million to the Real Estate Company. The deal closed on October 17, 2006. Boden, Timbervest's Chief Investment Officer and a Managing Partner, negotiated the deal directly with the principal of the Real Estate Company, and the sale was reviewed and approved by each of the Principals as members of the investment committee.

Paragraph 11. At the time of the initial sale of the Alabama property, Boden told the principal of the Real Estate Company that Timbervest would repurchase the Alabama property for another Timbervest-managed fund at a profit to the Real Estate Company. Before the deal closed on October 17, 2006, Boden had agreed to a repurchase price of \$14.5 million.

Response to Paragraph 11:

Respondents deny this Paragraph.

Paragraph 12. Just six weeks after the closing of the sale, on November 30, 2006, Boden sent the Real Estate Company principal a draft sales contract offering to repurchase the same property on behalf of Fund #2, another Timbervest-managed fund, for \$14.5 million.

Response to Paragraph 12:

Respondents admit that on November 30, 2006, Mr. Boden sent the Real Estate Company principal a draft purchase agreement offering to purchase the property on behalf of a different Timbervest-managed fund for \$14.5 million, but deny that any "repurchase occurred," and any remaining allegations in this Paragraph.

Paragraph 13. On December 15, 2006, the two parties entered an agreement to sell the Alabama property to Fund #2 for \$14.5 million, and the deal closed on February 1, 2007. Once again, each of the Timbervest Principals reviewed and approved the deal.

Response to Paragraph 13:

Respondents state that an agreement was executed on December 27, 2006 between the Real Estate Company and a different Timbervest-managed fund to sell the Alabama property for \$14.5 million, admit that this transaction closed on February 1, 2007, and admit that the Timbervest Principals reviewed and approved the deal as members of the investment committee, but deny the remaining allegations in this Paragraph.

Paragraph 14. Neither Timbervest nor its Principals sought approval for, or otherwise disclosed the affiliated nature of the Alabama property sale and the “parking” arrangement with the Real Estate Company, to either Fund #1 or to Fund #2.

Response to Paragraph 14:

Respondents deny there was any “affiliated nature of the Alabama property sale” and any “‘parking’ arrangement,” and respond further that Timbervest and its Principals had full approval for the transactions executed on behalf of its clients. Respondents deny any remaining allegations in this Paragraph.

Paragraph 15. By structuring the sale of the Alabama property to another Timbervest-managed fund through the use of a middleman, Timbervest concealed the unauthorized nature of the transaction, while imposing an undisclosed \$1.05 million parking fee on a deal between Fund #1 and Fund #2. The unauthorized sale of the Alabama property therefore constituted a prohibited use of the assets of both funds.

Response to Paragraph 15:

Respondents deny this Paragraph.

BODEN COLLECTS UNAUTHORIZED, UNDISCLOSED REAL ESTATE COMMISSIONS AND SPLITS THE COMMISSIONS WITH SHAPIRO, ZELL, AND JONES

Paragraph 16. In connection with the sale of the Alabama property in October 2006, and the later sale of a timberland property in Kentucky (the “Kentucky property”) in April 2007, Boden collected a total of \$1,156,236 in real estate commissions paid to him out of Fund #1’s pension plan assets.

Response to Paragraph 16:

Respondents deny Mr. Boden was paid commissions out of pension plan assets, but admit the remaining allegations in this Paragraph.

Paragraph 17. The payments were remitted to two companies – Fairfax Realty Advisors, LLC (“Fairfax”) and Westfield Realty Partners, LLC (“Westfield”), respectively. Both companies were beneficially owned by Boden and incorporated by his personal attorney.

Response to Paragraph 17:

Respondents admit this Paragraph, but note that LLCs are not “incorporated.”

Paragraph 18. Fairfax and Westfield were shell companies, having no offices, no assets, and no employees. The companies performed no services and were established for the sole purpose of receiving these commission payments.

Response to Paragraph 18:

Respondents state that Mr. Boden’s attorney formed Fairfax and Westfield in order to insulate Mr. Boden as the recipient of the fees from claims by unknown third parties, and deny the remainder of this Paragraph to the extent it is inconsistent.

Paragraph 19. Upon receipt of the commission payments, Boden allowed his attorney to keep approximately \$115,000. Boden then split the remaining proceeds equally with Shapiro, Jones, and Zell, who received approximately \$260,000 each.

Response to Paragraph 19:

Mr. Boden paid his attorney legal fees per a 10% contingency agreement agreed to prior to consummation of the transactions and payment of the fees, and admit that Mr. Boden later split the remaining proceeds equally with Shapiro, Jones, and Zell, but deny the remainder of this Paragraph to the extent it is inconsistent.

Paragraph 20. Each of the Principals knew, prior to the closing of each transaction, that Boden was to be paid a commission in connection with the sale of Fund # 1’s assets. Each of the Principals also knew, at the time they received their

share of the proceeds, that the funds were derived from the commission payments that Boden had received on these transactions.

Response to Paragraph 20:

Respondents admit this Paragraph.

Paragraph 21. The Principals did not disclose the commission payments to the Client. Moreover, because Timbervest and its Principals were fiduciaries of Fund #1, collection of these payments was prohibited by ERISA and proscribed by the operating agreement. The undisclosed commissions therefore constituted a further prohibited use of Fund #1's assets.

Response to Paragraph 21:

Respondents deny this Paragraph.

Paragraph 22. The payments to Boden were structured in a manner that concealed the identities of the recipients. For example, although Boden was the beneficial owner of both companies, his name does not appear on any of the public filings or organizational documents of the two companies. Also, Fairfax and Westfield did not list their addresses as that of Timbervest, or of any of Boden's other personally-owned companies. Instead, the companies listed addresses in their organizational documents that turned out to be post office boxes at private mail stores in separate parts of Atlanta, and the "suite numbers" noted in the business addresses actually corresponded to the assigned post office boxes. At the deal closings, the commission payments were released by the escrow agents directly to Fairfax and Westfield, care of Boden's personal attorney, who then deposited the proceeds into his own Interest on Lawyer Trust Account ("IOLTA"), not into an account owned by or affiliated with Boden or with Timbervest. Boden's attorney then transferred the funds to Boden not by writing him a check, but rather by writing a check payable to one of Boden's personal holding companies. Boden then drew cashier's checks for his partners, which were subsequently deposited into their own personal accounts.

Response to Paragraph 22:

Respondents deny that the "payments to Mr. Boden were structured in a manner that concealed the identities of the recipients," and state that the entities that received the payments were listed on the closing statement for each transaction. Respondents admit the remaining factual statements in this Paragraph.

VIOLATIONS

Paragraph 23. *As a result of the conduct described above Timbervest willfully violated Sections 206(1) and 206(2) of the Advisers Act, which make it unlawful for an investment adviser to employ any device, scheme or artifice to defraud clients or to engage in any transaction, practice or course of business that defrauds clients or prospective clients.*

Response to Paragraph 23:

Respondents deny this Paragraph.

Paragraph 24. *As a result of the conduct described above, Shapiro, Boden, Zell, and Jones willfully aided, abetted, or caused Timbervest's violations of Section 206(1) and 206(2) of the Advisers Act, which make it unlawful for an investment adviser to employ any device, scheme or artifice to defraud clients or to engage in any transaction, practice or course of business that defrauds clients or prospective clients.*

Response to Paragraph 24:

Respondents deny this Paragraph.

Respondents deny all allegations in the Division's Allegations unless expressly admitted herein.

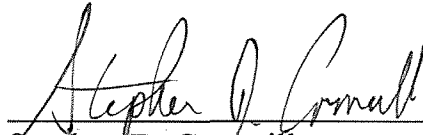
AFFIRMATIVE DEFENSES

1. The Division's Allegations fail to state a claim on which relief can be granted.
2. The Relief requested by the Division is barred by the statute of limitations.
3. Respondents reserve the right to plead additional affirmative defenses as this case proceeds into discovery.
4. The Disgorgement requested by the Division is unavailable because the Respondents repaid the fees over a year ago.

PRAYER FOR RELIEF

1. Respondents request an Initial Decision dismissing all claims and denying all relief requested by the Division.
2. Respondents request leave to file a motion for Summary Disposition.
3. Respondents request reimbursement of their attorneys' fees and costs pursuant to the Equal Access to Justice Act.

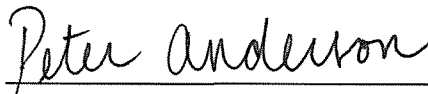
This 11th day of October, 2013.



Stephen D. Council
Julia Blackburn Stone

ROGERS & HARDIN LLP
2700 International Tower, Peachtree Center
229 Peachtree Street, N.E.
Atlanta, GA 30303
Telephone: 404-522-4700
Facsimile: 404-525-2224
scouncil@rh-law.com

Counsel for Respondent Timbervest, LLC



Peter J. Anderson
Jaliya S. Faulkner

*my JBS w/
permission*

SUTHERLAND ASBILL & BRENNAN
LLP
999 Peachtree Street, N.E.
Atlanta, GA 30309-3996
peter.anderson@sutherland.com
jaliya.faulkner@sutherland.com

*Counsel for Respondents Walter William
Boden III, Gordon Jones II, Joel Barth
Shapiro and Donald David Zell, Jr.*

Walter Jospin

Walter E. Jospin
S. Tameka Phillips

*by JBS w/
permission*

PAUL HASTINGS LLP
1170 Peachtree Street, N.E., Suite 100
Atlanta, GA 30309
Telephone: 404-815-2400
Facsimile: 404-815-2424
walterjospin@paulhastings.com
tamekaphillips@paulhastings.com

Counsel for Respondent Gordon Jones II

George Kostolampros

George Kostolampros
Nancy R. Grunberg

*by JBS w/
permission*

MCKENNA LONG & ALDRIDGE LLP
1900 K Street, N.W.
Washington, D.C. 20006
Telephone: 202-496-7524
Facsimile: 202-496-7756
ngrunberg@mckennalong.com
gkostolampros@mckennalong.com

Counsel for Respondent Joel Barth Shapiro