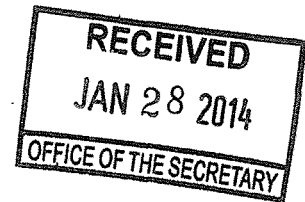


ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-15671



In the Matter of

PATRICK G. ROONEY,

Respondent.

**RESPONDENT'S ANSWER TO
ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS**

For his Answer to the Order Instituting Administrative Proceedings, pursuant to Rule 220 of the Commission's Rules of Practice, Respondent, Patrick G. Rooney, states as follows:

A. RESPONDENT

1. Respondent, 51 years old, is the founder, sole owner, and managing partner of Solaris Management LLC ("Solaris Management"), a Delaware limited liability company and unregistered investment adviser. Since 2003, Solaris Management has been the general partner and investment adviser to the Solaris Opportunity Fund, LP ("Solaris Fund"), a Delaware limited partnership and a pooled investment vehicle. The Solaris Fund is not registered as an investment company in reliance on Section 3(c)(1) of the Investment Company Act of 1940. Along with its offshore feeder fund, the Solaris Offshore Fund ("Offshore Fund"), Respondent handled the day-to-day management of the Solaris Fund and the Offshore Fund and made all investment decisions for the funds on behalf of Solaris Management.

ANSWER: Admit.

B. ENTRY OF THE INJUNCTION

2. On December 19, 2013, a judgment was entered by consent against Respondent enjoining him from future violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rules 206(4)-8(a)(1) and (a)(2) thereunder; Section 17(a) of the Securities Act of 1933; and Sections 10(b) and 13(d)(1) of the Securities Exchange Act of 1934 and Rules 10b-5 and 13d-1 thereunder, in the civil action entitled Securities and Exchange Commission v. Patrick G. Rooney, et al., Civil Action Number 11-CV-8264, in the United States District Court for the Northern District of Illinois (the "District Court Action").

ANSWER: Respondent admits agreeing to a settlement in the matter entitled *Securities and Exchange Commission v. Patrick G. Rooney, et al.*, Case No. 11-CV-8264 (N.D.Ill.) (the “District Court Action”), pursuant to which he consented to entry of a judgment, without admitting or denying liability and without findings of fact or conclusions of law having been entered. (See 11-CV-8264, Dkt. #59, 62.)

3. The Commission's complaint in the District Court Action alleged, among other things, that Respondent and Solaris Management radically changed the Solaris Fund's investment strategy, contrary to its offering documents and marketing materials, by becoming wholly invested in Positron Corp. ("Positron"), a financially troubled microcap company. Respondent, who has been Chairman of Positron since 2004 and received salary and stock options from Positron since September 2005, misused the Solaris Fund's money by investing more than \$3.6 million in Positron through both private transactions and market purchases. Many of the private transactions were undocumented while other investments were interest-free loans to Positron. Respondent and Solaris Management hid the Positron investments and Respondent's relationship with the company from the Solaris Fund's investors for over four years and never disclosed Respondent's conflict of interest to investors. Although Respondent finally told Solaris Fund's investors about the Positron investments in a March 2009 newsletter, the complaint alleged that Respondent lied in telling them he became Chairman to safeguard the Solaris Fund's investments. The Solaris Fund's investments only benefited Positron and Respondent while providing the Solaris Fund with a concentrated, undiversified, and illiquid position in a cash-poor company with a lengthy track record of losses. The Commission's complaint in the District Court Action further alleged that Respondent and Solaris Management acted knowingly or with reckless disregard for the truth.

ANSWER: Respondent denies that the Commission’s complaint in the District Court Action alleged that Respondent “never disclosed Respondent’s conflict of interest to investors.” The complaint actually makes clear that Respondent eventually did disclose the alleged conflict of interest. (Dkt. #1. ¶¶ 53-56.) Respondent further denies that the complaint alleges that “the Solaris Fund’s investments only benefited Positron and Respondent.” Respondent admits the Commission’s complaint contained the remainder of the allegations described in paragraph 3, above. Respondent states further that he consented to entry of a judgment, without admitting or denying liability and without findings of fact or conclusions of law having been entered. (See 11-CV-8264, Dkt. #59, 62.)

Respectfully submitted,

PATRICK G. ROONEY

By: _____

One of his Attorneys

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