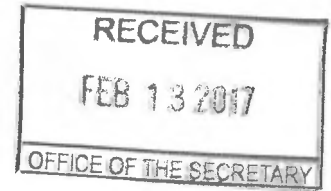


**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**



In the Matter of:

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

Respondents.

**Administrative Proceeding
File No. 3-16554**

**RESPONDENTS' RESPONSE AND OPPOSITION TO DIVISION'S
MOTION FOR ORDER DEFINING EXTENT OF ATTORNEY-CLIENT WAIVER
AND ADDRESSING POTENTIAL DISQUALIFICATION OF COUNSEL**

Terry R. Weiss
Stefanie Wayco
Greenberg Traurig, LLP
3333 Piedmont Road, NE
Terminus 200, Suite 2500
Atlanta, Georgia 30305
Telephone: (678) 553-2603
Facsimile: (678) 553-2604
E-mail: weisstr@gtlaw.com
Email: waycos@gtlaw.com

-and-

George D. Sullivan
Greenberg Traurig, LLP
MetLife Building
200 Park Avenue
New York, NY 10166
Telephone: (212) 801-6541
Facsimile: (212) 801-6400
E-mail: sullivan@gtlaw.com

Attorneys for Respondents

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INTRODUCTION

The Division's instant motion addresses privilege waiver, conflict and disqualification issues that, in its own words, are only "potential," not actual, and are admittedly "unclear" and "difficult to assess." Div. Motion at 7. Thus, while the Division confidently states that "Respondents waived the attorney client privilege with respect to any communications with Greenberg, at least during the period of the conduct, which relate to interpretation of the Georgia Act provisions at issue" (Div. Motion at 5), it is unable to say what the implications are of such a narrow waiver, and for good reason, because, again in its own words, it cannot even state "if such communications, on the topic at issue, occurred." Div. Motion at 6.

Respondents and their counsel of choice, Greenberg Traurig, LLP ("Greenberg") – who has represented Respondents in this proceeding for years and since inception – recognize it is not in anyone's interest to debate whether the narrow waiver of the attorney-client privilege argued by the Division has been triggered by Respondents' reliance on counsel defense as to Seward & Kissel. That debate is of no import because, in fact, there were no communications between Respondents and Greenberg "during the period of the conduct, which relate to interpretation of the Georgia Act provisions at issue" (Div. Motion at 5), as the Division has defined any such waiver. Declarations attached to this Response and Opposition, both from the current and former Greenberg attorneys and paralegals who handled the legal work to complete the GrayCo Alternative Partners II, LP ("GrayCo II") offering (collectively, the "Greenberg Declarations"¹) (see Resp. Exs. 1365, 1368, 1370-1383) and from the Respondents, unequivocally state that Greenberg simply picked up where Seward & Kissel, LLP ("Seward & Kissel") left off and that there were no such communications.

¹ One Greenberg attorney who billed less than a half hour is now deceased.

This should not be surprising since the GrayCo II fund offering documents were largely completed by the time they came to Greenberg, and Greenberg's work on GrayCo II encompassed only certain discrete issues. It is also entirely consistent with the declarations Messrs. Gray and Hubbard signed over two years ago, covering a time period that ran to January 2013, and not August 2013. As the Division well knows, but did not disclose to the Court, those earlier declarations of Messrs. Gray and Hubbard were drafted by the Division counsel's colleagues, including Assistant Regional Director Peter Diskin, who led the SEC staff's investigation. The SEC staff submitted those declarations for consideration to Respondents' counsel on January 29, 2015, in exchange for postponing and avoiding a third round of OTR testimony. The choice presented by the staff back then was simple: either sign the declarations as written by the staff – including the time frame they chose – or submit to further OTR testimony, an easy choice.² *See* Jan. 29, 2015 Letter from Peter Diskin to Terry Weiss, enclosing draft declarations (Resp. Ex. 1363).

With the new declarations submitted today, from both Respondents and Greenberg attorneys and paralegals, covering an expanded period from inception of the GrayCo II matter with Greenberg to August 16, 2013, and the other evidence submitted, these issues can definitively be put to rest again. There is no conflict between Respondents and Greenberg, either

² Not only did the Division fail to apprise Your Honor that its own staff drafted the 2015 declarations, but during the January 26 pre-hearing conference, Division counsel also misstated to the Court that the 2015 declarations don't necessarily say "that Greenberg did not provide advice on [the Georgia Act provisions at issue] topic." *See* Pre-Hearing Conf. Tr., Jan. 26, 2017, 44:4-6,14-16 (Resp. Ex. 1364). Since it was Division staff who drafted the language in the 2015 declarations and the declarations are on the Division's exhibit list, they surely knew or should have known that the opposite is true – the Declarations do state that Greenberg did not provide advice on this topic. ("I did not seek, receive, or rely on any legal advice...." 2015 Gray Decl. (Resp. Ex. 43), 2015 Hubbard Decl. (Resp. Ex. 44) (emphasis added).) Respondents are concerned that Your Honor may have even been misled by the Division's misstatements, because immediately after the Division attorney's misstatements, Your Honor inquired whether the Division had ever considered moving to disqualify Greenberg. *See* Jan. 26 Tr., 44:23-24.

a serious potential conflict or an actual one, on any issue, and in the absence of such a conflict, disqualification is not a proper subject for consideration.³

FACTS

I. Respondents Reasonably Relied on Legal Advice from Seward & Kissel for an Interpretation of the Georgia Act Provisions at Issue in This Proceeding.

In attempting to undermine Respondents' reliance on counsel defense, the Division presents what can most generously be described as an incomplete and a misleading picture of Respondents' reliance on Seward & Kissel, including interactions with Alexandra Segal, the primary Seward & Kissel attorney who represented Respondents on GrayCo II. While Respondents will present the totality of their reliance on Seward & Kissel defense at hearing, Respondents present to the Court in this Response recent sworn testimony given by Ms. Segal in the malpractice case, the enhanced Declarations of Larry Gray and Bob Hubbard, and the Greenberg Declarations. Ms. Segal's more recent testimony understandably is more balanced than her OTR testimony, which did not afford both sides an opportunity to ask questions and was replete with one-sided, compound and leading questions. Her more recent testimony responds to many questions that were never before asked, contradicts the Division's assertions about her role, and provides facts conspicuously omitted from the Division's Motion and Pre-Hearing Brief. Ms. Segal's testimony makes clear that she understood (i) that the GrayCo II offering documents were intended to take into account the requirements of O.C.G.A. §47-20-87(c) (the "Georgia Act provisions at issue"), (ii) that when she sent Seward & Kissel's GrayCo II offering documents to Mr. Hubbard on July 9, 2012, he planned on presenting them to investors, (iii) that he expected that the Seward & Kissel offering documents complied with the Georgia Act

³ Although it is unnecessary in light of the conclusive evidence presented today, the Court can take further comfort in knowing that that all three Respondents have signed an informed written waiver of the potential conflicts that might exist as a result of Greenberg's role in completing the GrayCo II offering documents. *See* Declarations of Larry Gray and Bob Hubbard (Resp. Exs. 1366, 1367.)

provisions at issue, and (iv) that she also believed the Seward & Kissel offering documents complied with the Georgia Acts provisions at issue. Her testimony also directly undermines the Division's allegation that Seward & Kissel's advice on the Georgia Act's \$100 million requirement "appears to have prompted Respondents to change lawyers." Div. Pre-Hearing Brief at 6. In fact, as the Declarations of Respondents and one of their lawyers, Greenberg Co-President Ernest Greer, explain, the switch in law firms was driven by relationships and practicality, not some odd conspiracy as the Division attempts to advance. Moreover, as Ms. Segal testified, Respondents followed Seward & Kissel's advice on GrayCo II to the letter. Ms. Segal's testimony demonstrates that Respondents relied in good faith on legal advice and counsel from Seward & Kissel and that they meet the elements of that defense.

Seward & Kissel holds itself out to the public and to potential clients like Respondents as being "recognized nationally and internationally for its work with private investment funds including U.S. and offshore hedge funds." *See* Alexandra Segal 1/30/2017 Deposition Transcript (Resp. Ex. 1362) at 21:10-15. During the operative period from July 15, 2011, when Seward & Kissel presented Respondents with its broadly worded engagement letter, through September 2012, when Greenberg took over, Seward & Kissel served as Respondents' primary legal counsel and as exclusive legal counsel on at least five matters: GrayCo Alternative Partners I, LP; GrayCo Alternative Partners II, LP; General; GrayCo Global Capital Partners Fund I, L.P.; and, Group Trust. Seward & Kissel legal bills to Gray (Resp. Exhibits 617, 581, 1056, 625); Segal Dep. at 80:1-3, 84:6-21, 87:12-23, 89:15-18, 93:1-6, 97:19-25. Seward & Kissel billed Gray & Company ("Gray") close to \$130,000 for its work. *See* Resp. Exhibits, 617, 581, 1056, 625.

The Seward & Kissel partner overseeing the handling of the legal matters for Respondents was Robert Van Grover, although Ms. Segal was the primary associate, and she

spent more time than any other Seward & Kissel attorney on Respondents' legal matters. Segal Dep. at 10:4-7. As they did with the successful GrayCo Alternative Partners I, LP ("GrayCo I") offering (the predecessor to GrayCo II), Seward & Kissel handled the legal work for GrayCo II, including preparing the offering documents per the request of Mr. Hubbard. Segal Dep. at 157:13-17. At that time, Mr. Van Grover was the head of Seward & Kissel's funds practice; both he and Ms. Segal held themselves out to be, and were, in fact, experienced lawyers in the funds area. Segal Dep. at 13:20-24. Seward & Kissel also provides compliance related services to its clients, and this is the area in which Mr. Van Grover and Ms. Segal practice. Segal Dep. at 22:25-23:1-6.

During Seward & Kissel's time as Respondents' primary legal counsel, Respondents were loyal to and forthright with Seward & Kissel. Whenever Seward & Kissel had questions or needed information, Respondents, including Mr. Gray and Mr. Hubbard, were responsive to those requests. Segal Dep. at 221:17-25. As an example, and as Ms. Segal described it, whenever Mr. Gray or Mr. Hubbard "were providing [her] with information that [she] requested, [she had no] occasion to think that they were not telling her the truth or that the information was false." Segal Dep. at 222:4-9. Moreover, Respondents – including Mr. Gray and Mr. Hubbard – did not then engage other attorneys on GrayCo II related matters. This fact was well known to Seward & Kissel, since it listed itself on the GrayCo II offering documents drafted by Ms. Segal, and neither the offering documents nor the engagement letter specified that any other law firm or lawyer would be serving as counsel. Confidential Private Offering Memorandum (Resp. Ex. 84) at 17, 25-26, 29; Engagement Letter (Resp. Exs. 173, 613). Nor did Mr. Gray or Mr. Hubbard indicate to Ms. Segal that they had GrayCo II counsel apart from Seward & Kissel. Segal Dep. at 10:8-14.

On November 17, 2011, and in total reliance on Ms. Segal, Mr. Hubbard asked Ms. Segal about creating a separate GrayCo II fund based on the GrayCo I offering: “[p]lease let me know what would be involved in getting Fund II going.” Hubbard 11/17/2011 email (Resp. Ex. 319). Mr. Hubbard later followed up and brought to Ms. Segal’s attention the operative text of the new Georgia Act permitting public pensions to make alternative investments. Segal Dep. at 70:12-15, 159:13-15; Hubbard 6/8/2012 email (Resp. Ex. 546). At the time, Ms. Segal was already aware that “different states had different rules...” specifically permitting public pensions to invest in alternative investments. Segal Dep. at 18:5-11. Mr. Hubbard sent her a copy of the new law for her to review, which she read in its entirety. Segal Dep. at 159:16-22, 160:7-11, 34:5-14, 35:19.

Ms. Segal testified that she understood the GrayCo II offering documents Mr. Hubbard asked her to prepare were intended to take into account the requirements of the Georgia law, as well as the federal laws, and that is what Mr. Hubbard wanted.⁴ Segal Dep. at 70:16-20, 70:22-71:1, 37:6-12, 133:14-19, 101:23-102:4. Ms. Segal testified that she undertook to draft the GrayCo II offering documents beginning June 15, 2012, and did so based on the GrayCo I offering documents she previously drafted for Respondents. Segal Dep. at 171:10-13, 157:13-17, 174:19-25.

This was not the first time, at Respondents’ request, that Seward & Kissel had analyzed a Georgia statute regarding permissible options for public retirement systems. Indeed, just months before discussing GrayCo II with her, Mr. Hubbard came to Ms. Segal and Seward & Kissel for advice about the Georgia Investment Code, Section 47-20-80, *et al.* Ms. Segal admitted that she was “aware that with respect to this project, Mr. Hubbard was looking to Seward & Kissel to advise on compliance with the State of Georgia investment code.” Segal Dep. at 75:2-6, 118:17-

⁴ Per the Court’s January 27, 2017 Order, attached are the OTR transcript pages for Mr. Hubbard and Mr. Gray referenced on pages 24 and 25 of Respondents’ Pre-Hearing Brief. *See* Hubbard OTR Transcript at 211:7-9, 209:15-17, 257-258 (Resp. Ex. 1247) and Gray OTR Transcript at 371-372 (Resp. Ex. 1240).

25, 105:17-25. Ms. Segal noted that Mr. Hubbard was explicit in his note to her indicating that “I want to be sure all of our regulatory issues are covered” and that he wanted Seward & Kissel to ensure that Respondents’ filings, the documents Respondents signed and the documents Respondents provided to third parties were all compliant with the law. Segal Dep. at 131:4-18, 132:18-133:1. Similarly, Ms. Segal recounted that Mr. Hubbard sought guidance from Seward & Kissel in completing a FINRA 5131 questionnaire so that both Mr. Hubbard and Mr. Gray complied with applicable rules and regulations. Segal Dep. at 137:11-24.

With respect to the GrayCo II offering documents she was preparing, Ms. Segal testified that, after reading the Georgia Act provisions at issue, she made one change and one change only to the offering documents, which was to “bracket[] the cover amount, as Mr. Hubbard referred to it, to address the \$100 million requirement and the fact it was an open point.” Segal Dep. at 160:12-16. From her review at the time, Ms. Segal generally “didn’t find that the [Georgia Act provisions at issue] w[ere] confusing.” Segal Dep. at 162:1-10. That said, after reading the statute again during her deposition, she was no longer as sure, and could not say one way or the other whether the interpretation of the Georgia Act provisions at issue was settled or clear as of the time of the alleged violations herein. Segal Dep. at 165:3-22. But she also recognized that her employer, Seward & Kissel, is now of the view that “the correct interpretation of the Georgia public pension investment law was not settled, clear or widely recognized at the time of [Respondents’] alleged violations of the Georgia public pension investment law.” Segal Dep. at 165:3-22. Regardless of whether the Georgia Act provisions at issue are clear or not, Ms. Segal further testified that, in her professional view, the GrayCo II documents were compliant. Segal Dep. at 36:24-37:5.

On July 9, 2012, Ms. Segal sent Mr. Hubbard clean copies of the offering documents, and provided the same to her Seward & Kissel supervisor, Mr. Van Grover. She admitted that in

doing so, she knew that Mr. Hubbard was presenting them to investors and “was hoping to already have these in presentable form” and in compliance with the Georgia Act provisions at issue. Segal Dep. at 196:8-11, 198:6-14, 37:24-38:4, 123:7-12; Segal 7/9/2012 email (Resp. Ex. 84); Hubbard 7/9/2012 email (Resp. Ex. 564). She further acknowledged that Mr. Hubbard was offering GrayCo II to Georgia public pension plans, as she testified that he “was interested in whether Georgia pension funds would be allowed under Georgia law to invest in this particular product...” Segal Dep. at 75:7-10.

Ms. Segal testified that it was not necessary to ask Mr. Hubbard anything about the specific investors to whom he was making the presentations. Segal Dep. at 214:24-215:7. Rather, in light of her thoughtful preparation of the offering documents for GrayCo II, and her analysis of the Georgia Act provisions at issue, Ms. Segal did not believe it was necessary to advise Mr. Hubbard on what to say to potential investors; she felt that providing the offering documents precisely as she drafted them was sufficient. Segal Dep. at 205:6-17, 207:6-9. She also did not think it was necessary to ask Respondents, including Mr. Hubbard, if they needed anything further. Segal Dep. at 218:4-7.

When Ms. Segal sent the GrayCo II offering documents to Mr. Hubbard, she marked them as “clean drafts.” She saw no reason to indicate to Mr. Hubbard that compliance with the Georgia Act provisions at issue might require further changes to the documents or even internal review by more senior or other lawyers at Seward & Kissel. If the documents were in need of further internal review, she would have indicated as much to Mr. Hubbard, as she and her colleague had done before. Segal Dep. at 151:10-17, 146:19-22, 148:2-8,10-14.

After Ms. Segal reviewed the text of the Georgia Act provisions at issue sent by Mr. Hubbard on June 8, 2012, she “looked into the Georgia statutes regarding restrictions on alternative investments by eligible large retirement systems...” Segal Dep. at 168:8-15; Seward

& Kissel 7/31/2012 legal bill (Resp. Ex. 581 at S&K012982-12985). On the same day, she also discussed it with her supervisor, Mr. Van Grover, and took the steps she felt were necessary to make the GrayCo II offering documents compliant with the Georgia Act provisions at issue. Segal Dep. at 32:7-11, 32:18-24, 33:2-7, 36:2-4,7-9, 189:20-23. In her professional view, it was unnecessary to send to Respondents a memorandum discussing additional regulatory requirements that may apply to GrayCo II, as she had done with GrayCo I. Segal Dep. at 127:13-18.

Ms. Segal understood that Respondents were relying on her to prepare the GrayCo II documents properly because, as she testified, “in the event the [offering] materials made in connection with an offering or in the event presentations made in connection with the offering are not compliant with state or federal securities laws, that could potentially lead to regulatory action against not only the offering entity, but individuals affiliated with the offering entity....” Segal Dep. at 12:4-12. That could include a regulatory action against any of the three Respondents. Segal Dep. at 12:13-13:6. Indeed, in her professional view, it was better to address legal, regulatory and compliance requirements on an as needed basis: “Well, as particular regulatory issues arose, yes, [Mr. Hubbard] would reach out to us to make sure that we can advise them on how best to address those particular issues.” Segal Dep. at 132:3-11.

As Ms. Segal noted, Respondents followed Seward & Kissel’s advice on the GrayCo II offering to the letter, and there was never “a situation where [she] was aware that they were doing something for fund II that was contrary to our advice....” Segal Dep. at 115:25-116:3. While Mr. Hubbard indicated in a June 18, 2012 e-mail that he was going to have someone look at things locally, Mr. Hubbard “never communicated” to Seward & Kissel that “we have other counsel who is going to follow up from here on whatever needs to be done to fund II.” Segal Dep. at 73:8-12, 180:11-15. Given these facts, it was entirely reasonable for Respondents to

have relied on Seward & Kissel's legal advice and counsel with respect to GrayCo II and to have believed that GrayCo II was an appropriate investment under the Georgia Act provisions at issue for its public pension clients.

It is also clear from Ms. Segal's testimony that the narrative the Division is attempting to spin, namely that "having a clear message from Seward in July 2012 that '\$100 million' really meant '\$100 million' [Gray] went looking for another law firm," is not remotely accurate. Div. Pre-Hearing Brief at 6. The facts make two points abundantly clear: (1) While the \$100 million issue may still have been an open matter in July 2012, it was not sufficiently important in Ms. Segal's professional judgment to deter her from advising her clients that they could present the offering documents to two proposed investors (Segal Dep. at 160:12-17); and (2) Respondents continued working with Seward & Kissel on GrayCo II through August 2012. In fact, on August 13, 2012, when work on GrayCo II was still on Seward & Kissel's watch, Mr. Hubbard changed the cover amount of \$75 million that Seward & Kissel originally input into the offering documents to \$100 million. *See* Redlined GrayCo II Private Offering Mem. ("Redlined GrayCo II POM") at 1, attached to Sept. 14, 2012 Mark Hardy email (Resp. Ex. 1369).

II. Gray Retained Greenberg to Finish Seward & Kissel's GrayCo II Offering Documents.

Around September 4, 2012, Gray formally began to move its legal work to Greenberg. This decision was driven by Gray's CCO/CFO Marc Hardy, who had just joined Gray in March 2012 and who had a longstanding personal and professional relationship with Greenberg's Co-President, Ernest Greer, and by Respondents' desire to consolidate their legal work with one law firm with an Atlanta office. Greenberg offered an added convenience because its Atlanta office is in the same building as Gray's headquarters, just a few floors apart. Greer Declaration (Resp. Ex. 1365) at ¶3; Blum Declaration (Resp. Ex. 1370) at ¶2; Hubbard Declaration (Resp. Ex. 1366) at ¶3; Gray Declaration (Resp. Ex. 1367) at ¶3. Significantly, however, Mr. Hubbard did not

want to make the change to Greenberg. He was happy with Seward & Kissel's work and felt that Respondents had invested valuable time in the relationship with Seward & Kissel, as that firm was already handling multiple matters for them. Notwithstanding Mr. Hubbard's stated objection, Mr. Gray made the decision to move the legal work to Greenberg. Hubbard Decl. at ¶4; Gray Decl. at ¶4. The first matter opened for Gray at Greenberg was distinct and separate from GrayCo II. Other matters separate from GrayCo II soon followed and were also opened as requested by the clients. Greer Decl. at ¶4; Hubbard Decl. at ¶4; Gray Decl. at ¶3.

As part of this effort, on September 14, 2012, Mr. Hubbard e-mailed Mr. Hardy describing "important items for [Greenberg] to consider within the structure of [GrayCo II]..." and asked that he send it to Greenberg "at his earliest convenience." Resp. Ex. 1369 (*see also* Div. Ex. 85). Mr. Hardy did as he was asked, and sent the email to then Greenberg attorney Genna Garver the same day, attaching the then-existing Seward & Kissel GrayCo II fund offering documents. *Id.* Notably, none of those items in any way asked about or even concerned the Georgia Act provisions at issue. Moreover, the offering documents Mr. Hubbard and then Mr. Hardy included with the email to Greenberg referenced the \$100 million cover language that Mr. Hubbard had added to the offering documents when he was working with Seward & Kissel. *See* Redlined GrayCo II POM (Resp. Ex. 1369).

Thus, even assuming that the \$100 million cover of GrayCo II has some legal significance, as the Division seems to try to argue, it is apparent the \$100 million cover had already been addressed by Respondents and their prior counsel at Seward & Kissel. Mr. Hubbard did not revisit that issue with Greenberg and had no expectation Greenberg would address that part of Seward & Kissel's work because he had expressly asked Seward & Kissel to handle it and they had agreed. Every one of the Declarations submitted herewith corroborates those facts and conclusions. *See, e.g.*, Hubbard Decl. at ¶¶11-12; Gray Decl. at ¶¶9-10; Greer

Decl. at ¶¶5-6; Blum Decl. at ¶¶4-5; Garver Declaration (Resp. Ex. 1368) at ¶¶4-5; Cohen-Deano Declaration (Resp. Ex. 1371) at ¶¶3, 5. The \$100 million cover remained unchanged through the finalization of GrayCo II offering documents. *See, e.g.*, Div. Mot. Exhibit 1. Indeed, the scope of Respondents' engagement of Greenberg did not include the Georgia Act provisions at issue. *See, e.g.*, Hubbard Decl. at ¶12. In accordance with this limited engagement, Greenberg attorneys began substantive work on the GrayCo II matter around September 20, 2012. Greer Decl. at ¶5. At no time was any Greenberg attorney asked or expected to redo Seward & Kissel's work on the Georgia Act provisions at issue.

Although the facts show that the \$100 million cover issue was not presented to Greenberg for discussion, it is really immaterial to the ultimate issue of whether the public pensions complied with the Georgia Act when they invested in GrayCo II. We now know from her time records that Ms. Segal spent only an hour "[l]ooking into Georgia statutes regarding restrictions on alternative investments by eligible large retirement systems" and that she apparently felt that the time spent was adequate to render the advice to Respondents and to do the necessary work on the GrayCo II offering documents. Segal Dep. at 65:22-66:5. By contrast, Professor Jellum has spent 125 hours analyzing the same statute and its components and word choices, among other things. In her report, she concludes that the public pension investments into GrayCo II complied with the law in at least two different ways, and that the cover amount is unimportant in that analysis. *See* Linda Jellum Expert Report at 35. She also disagrees with Ms. Segal's initial conclusion that the Georgia Act provisions at issues were not "confusing." Segal Dep. at 162:1-10. Rather, as Professor Jellum opines, based on her extensive experience and in-depth analysis, the Georgia Act provisions at issue are "highly complex and technical and difficult to understand because they contain lexical and structural ambiguity, redundancy, vagueness, silence, grammatical imprecision, and passive voice. Further, these statutes contain words and phrases

that are not defined in the statutes or any other directly applicable Georgia law. Moreover, the words and phrases have no ordinary meaning. When the statutes include a word or phrase that has both a technical and ordinary meaning, the statutes do not identify which meaning was intended. Combined, these problems with the statute make it susceptible to multiple interpretations.” Jellum Report at 10-11. Given these extreme ambiguities, it was simply impossible for Respondents to have formed the requisite scienter as alleged by the Division.

III. There is No Basis to Conclude That Greenberg Was Ever Asked to Provide or Did Provide Advice Regarding the Georgia Act Provisions at Issue.

There is simply no evidence that Respondents relied on Greenberg regarding the Georgia Act provisions at issue. The Division points to selectively spliced and misattributed portions of Mr. Hubbard’s OTR testimony to insinuate otherwise. That portion of the transcript reflects lawyers and the witness speaking in disconnected, incomplete sentences, evidencing nothing other than multiple people speaking over each other as everyone was trying to tip-toe around the attorney-client privilege protections.

When Mr. Hubbard’s words are viewed in in their full context, the garbled transcript of his OTR testimony can only be said to be unclear at best and hardly supports the proposition the Division suggests. Hubbard OTR (Div. Ex. 14) at 156:2-158:6.

Here is a breakdown of the “testimony:”

- Mr. Hubbard is initially asked a general question about discussions he had regarding the \$100 million provision of the “Georgia law.” His responses reflect communications with both Mr. Gray as well as with unspecified “counsel,” which appears to be Seward & Kissel. (Hubbard OTR 156:2-22.)
- Mr. Hubbard is then asked whether he was provided with a legal opinion, and responds that he doesn’t remember a formal legal opinion. (Hubbard OTR 156:23-24.)
- Staff counsel next asks whether “the [unspecified] attorney” provided Mr. Hubbard with advice “on that,” never specifying what is “that.” (*Id.* at 156:25-157:1.)

- Mr. Hubbard attempts to answer the question posed, stating that he while he cannot remember whether he communicated with “our attorney” (again unspecified, but presumably Seward & Kissel) by email or telephone, “they interpreted it as....” (*Id.* at 157:2-5.)
- Before Mr. Hubbard can complete his response, he is interrupted by his counsel, Joe Whitley, who makes a lengthy speaking objection on privilege grounds. (*Id.* at 157:6-8,10-17.)
- Further colloquy ensues between counsel, and staff counsel appears to agree to defer discussing legal advice to a later time. (*Id.* at 157:18-22)
- When questioning finally resumes, the witness is asked to identify counsel, and he responds by saying that it was originally Seward & Kissel, but later shifted to Greenberg. (*Id.* at 157:23-158:1.)
- Then, at the very end of this long series of questions, answers, objections and colloquy, Mr. Hubbard finishes by saying “at which time we, you know, posed the question again,” and there is absolutely no clarification or follow up to this testimony. (*Id.* at 158:4-5.)

It is unclear from the transcript precisely what “question” Mr. Hubbard is referring to in his final voluntary response *with no question pending*. The Division defies reason to construe Mr. Hubbard’s testimony as showing reliance on Greenberg regarding the disputed provisions of the Georgia Act. Indeed, Mr. Hubbard cannot be referring to the \$100 million cover of the offering because the facts show that this decision was made under Seward & Kissel’s watch, not Greenberg’s, when Mr. Hubbard changed it from \$75 million to \$100 million.

ARGUMENT

I. Respondents Submit Herewith Sworn Declarations Conclusively Establishing That Greenberg’s Work on GrayCo II Did Not Involve Advice to the Respondents About the Georgia Act Provisions at Issue.

Respondents’ reliance on counsel defense as to Seward & Kissel does not automatically waive Respondents’ attorney-client privilege with respect to their Greenberg communications. *See, e.g., Doe v. Young*, No. 08-197, 2012 WL 1945980, *4 (E.D. Mo. May 30, 2012) (reliance on counsel defense results in “narrowly construed” privilege waiver); *Cruden v. Bank of N.Y.*, 957 F.2d 961, 972 (2d Cir. 1992) (because “[a]ssertion of [reliance on counsel] defense waived

the privilege regarding only the advice of Simpson Thacher, upon which the Trustees claimed reliance”, trial court properly denied discovery into advice by in-house and retained counsel).

Nevertheless, even if there is a waiver, in the Division’s own words, such a waiver is limited to advice to the clients regarding an “interpretation of the Georgia Act provisions at issue” and extends only to the date “when the last [investment] occurred,” which is August 16, 2013. *See* Div. Mot. at 3, 5. The Greenberg Declarations put any issues of conflict definitively to rest, establishing that Greenberg was not asked for and did not offer or provide to the clients any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue, at any time through August 16, 2013. Greer Decl. at ¶7; Blum Decl at ¶6; Garver Decl. at ¶5; Cohen-Deano Decl. at ¶5; Hubbard Decl. at ¶¶10, 12; Gray Decl. at ¶¶8, 10.

There is no basis, particularly in light of this new evidence, for the Court to entertain what is effectively a reconsideration of the Division’s attempt to subpoena Greenberg counsel as witnesses, which Your Honor rejected, finding that because “Respondents ... have disclaimed reliance on the advice of” Greenberg and its attorneys, “there is no testimony [Greenberg attorneys] could currently offer at the hearing that would be responsive to the issues in this proceeding.” *See* 1/18/2017 Order on Division’s Witness Subpoenas. The Division’s suggestion for a deposition should also be rejected because the SEC Rules applicable to this proceeding do not permit depositions. *See* Rule 233; Final Rule, *Amendments to the Commission’s Rules of Practice*, 81 Fed. Reg. 50,212, 50,229 (July 29, 2016).

II. Because There is No Serious Potential Conflict of Interest Between Respondents and Greenberg, There Are No Grounds to Consider Disqualification.

The Division has conceded in its brief that a party presumptively has the right to counsel of its choice. *See* Div. Mot. at 6; *Sec. & Exch. Comm’n v. Csapo*, 533 F.2d 7, 10-11 (D.C. Cir. 1976). “[T]his presumption can be overcome only by an actual or a serious potential for conflict.” *United States v. Turner*, 594 F.3d 946, 951 (7th Cir. 2010) (*citing* *Wheat v. United*

States, 486 U.S. 153, 164 (1988)). Put another way, “before disqualifying counsel, there must be ‘concrete evidence’ that counsel’s appearance would undermine the integrity of the proceeding.” *In re Sands Brothers Asset Management, LLC*, SEC Release No. 2503, 2015 SEC LEXIS 1250, at *9 (ALJ Apr. 7, 2015) (Elliot, J.) (quoting *Csapo*, 533 F.2d at 11). Further, because a disqualification order is a harsh sanction resulting in substantial hardship for the client, “it should be resorted to sparingly.” *Herrmann v. GutterGuard, Inc.*, 199 F. App’x 745, 752 (11th Cir. 2006) (citations omitted).

Disqualification is also improper absent proof “by clear and convincing evidence that (1) the witness will provide testimony prejudicial to the client; and (2) the integrity of the judicial system will suffer as a result.” *Murray v. Metropolitan Life Ins. Co.*, 583 F.3d 173, 178-179 (2d Cir. 2009). The court must evaluate: (1) the likelihood the conflict will actually occur; (2) the severity of the threat to counsel’s effectiveness; and (3) whether there are alternative measures other than disqualification. *United States v. Turner*, 594 F.3d 946, 952 (7th Cir. 2010). In other words, courts focus on whether a substantial conflict between the lawyer’s and client’s testimony is likely to emerge and require a showing that counsel’s testimony on behalf of an opponent will be substantially or likely prejudicial to counsel’s client. *Murray*, 583 F.3d at 178; *Inverness Medical Switzerland, GMBH*, No. 03-11323, 2005 WL 1491233, at *8 (D. Mass. Jun. 23, 2005) (citations omitted).

The Division bears the burden of proving that there is an actual or serious potential conflict of interest. *Herrmann*, 199 F. App’x at 752. Yet, the Division has only claimed that “a potential conflict may exist” that it cannot assess without further information. Div. Mot. at 7-8. First, the SEC staff (and presumably the Division) has known for years about the potential conflict with Greenberg, since they took the garbled, non-sensical testimony of Mr. Hubbard which they now cite and also drafted the original Hubbard/Gray Declarations. If the Division

had wanted “more information,” they had years to obtain it and should not be allowed to interrupt trial preparation now to satisfy their own curiosity.⁵

More importantly, and as discussed extensively herein, the Declarations show that Respondents did not request from Greenberg, and Greenberg did not provide to Respondents, any advice or interpretation of the Georgia Act provisions at issue during the period at issue, thereby negating any potential, much less actual, conflict. The testimony of all witnesses – those of Greenberg and those of Gray – is the same. And, on top of this, the Respondents have also now signed conflict waivers expressly disclaiming any potential conflicts that might arise from Greenberg’s role in completing the GrayCo II offering documents.

The facts bring into focus the sharp distinction between the relationships between Respondents and Seward & Kissel, on one hand, and Respondents and Greenberg, on the other. In the case of the former, there was a clear expectation by Respondents that Seward & Kissel would address all matters related to the Georgia Act provisions at issue because Mr. Hubbard specifically asked them to do so. Ms. Segal testified, entirely consistently, not only that she knew Respondents had that expectation, but that she also met it. But with Greenberg, no such expectation ever existed because there was no discussion of it. The respective relationships with Respondents thus could not be more different.

In re Clarke T. Blizzard and Rudolph Abel, SEC Release No. 2032, 2002 SEC LEXIS 3406 (Apr. 24, 2002), cited by the Division, is inapposite. In *Blizzard*, multiple witnesses expected to testify against the respondent when all were represented by the same counsel. Unlike here, *Blizzard* involved demonstrable and serious potential conflicts arising from *simultaneous* representations of clients who were expected to testify against one another. *See id.*

⁵ Although the Division proposes taking the deposition of Ms. Garver only, if any testimony is to be allowed, perhaps it should be of every single person who gave a Greenberg Declaration just to be sure there are no problems. There is no reason to single out Ms. Garver.

at *8-10. In this case, the Greenberg Declarations and those of Mr. Hubbard and Mr. Gray address and effectively negate every conceivable area where there could potentially be a conflict in testimony. In other words, there will be no “few bits of unforeseen testimony . . . [that] may shift the relationship between multiple clients,” because these declarations unequivocally demonstrate that there were no communications between Respondents and Greenberg regarding an interpretation the Georgia Act provisions at issue through August 16, 2013. *See id.* at *11.

III. Testimony by Greenberg Attorneys Who Worked on the Grayco II Offering Does Not Disqualify Trial Counsel.

Rule 3.7 of the Georgia Rules of Professional Conduct (“Rule 3.7”) addresses lawyers testifying as witnesses and permits attorneys from Greenberg who worked on the GrayCo II offering documents to testify herein without disqualifying the firm. Rule 3.7(b) specifically provides as follows:

A lawyer may act as advocate in a trial in which another lawyer in the lawyer’s firm is likely to be called as a witness unless precluded from doing so by Rule 1.7 or Rule 1.9.

The text of Rule 3.7 is clear that the prohibition against counsel testifying only applies where the same lawyer acts as both an advocate and a witness at trial. In this case, there are no Greenberg attorneys who worked on GrayCo II who are also working on the trial team.⁶

IV. Disqualification of Trial Counsel Would Result in Severe Hardship to Respondents.

Disqualifying Greenberg on the eve of trial would result in substantial hardship to Respondents and would not uphold the integrity of the Commission’s proceeding.

⁶ Georgia Rule of Professional Conduct 3.7(a), which prohibits a lawyer from acting as advocate at a trial in which the lawyer is likely to be a necessary witness, subject to certain exceptions, is not applicable here. And even if it were, the prohibition under Rule 3.7(a) is directed at jury trials in order to eliminate juror confusion about the lawyer’s role: when a lawyer is both an advocate and a witness, jurors are likely to be confused about “whether a statement by an advocate witness should be taken as proof or an analysis of the proof.” A.B.A. MODEL RULES OF PROF’L CONDUCT §3.7, cmt. [2]. In this case, because there is no jury, requiring testimony from any Greenberg attorneys does not raise such a risk of confusion.

Disqualification would prejudice Respondents because they will be denied the benefit of counsel with whom they have worked closely since 2014 and would impose a substantial financial cost as they attempt to hire and educate a new team of lawyers on a matter that has been developing factually for years. The notion that a new law firm could come in at this late date and become educated on the complex issues in the case at this late stage is preposterous. *See* Hubbard Decl. at ¶13; Gray Decl. at ¶11. Such hardship is itself grounds for avoiding disqualification. *See, e.g., Brown v. Daniel*, 180 F.R.D. 298, 302 (D.S.C. 1998) (disqualification would work a substantial hardship on plaintiff if she had to start again with new attorneys given the complexity of the case and the firm's unique knowledge); *Murray*, 583 F.3d at 178 (integrity of the judicial process harmed by disqualification).

CONCLUSION

The Division has failed to show evidence of a serious potential conflict of interest between Respondents and their trial counsel Greenberg Traurig. In the absence of such a conflict, the Court must decline to consider disqualification.

Respectfully submitted,



Terry R. Weiss
Stefanie Wayco
Greenberg Traurig, LLP
3333 Piedmont Road, NE
Terminus 200, Suite 2500
Atlanta, Georgia 30305
Telephone: (678) 553-2603
Facsimile: (678) 553-2604
E-mail: weisstr@gtlaw.com
Email: waycos@gtlaw.com

-and-


George D. Sullivan
Greenberg Traurig, LLP
MetLife Building
200 Park Avenue
New York, NY 10166
Telephone: (212) 801-6541
Facsimile: (212) 801-6400
E-mail: sullivang@gtlaw.com

Attorneys for Respondents

RULE 154(c) CERTIFICATION

Pursuant to Rule 154(c) of the U.S. Securities and Exchange Commission Rules of Practice, the undersigned hereby certifies that the foregoing document contains 6,487 words, exclusive of pages containing the table of contents and table of authorities. The undersigned further certifies that the word processing program Microsoft Word was applied specifically to include all text, including headings, footnotes and quotations in the word count above.

This 10th day of February, 2017.



Terry R. Weiss

CERTIFICATE OF SERVICE

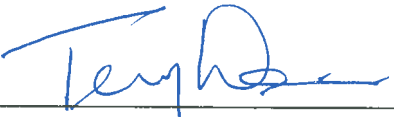
The undersigned counsel for Respondents Gray Financial Group, Inc., Laurence O. Gray, and Robert C. Hubbard, IV hereby certifies that he has served a copy of the foregoing **RESPONSE AND OPPOSITION TO MOTION FOR ORDER DEFINING EXTENT OF ATTORNEY-CLIENT WAIVER AND ADDRESSING POTENTIAL DISQUALIFICATION OF COUNSEL** by electronic mail and by United Parcel Service, addressed as follows:

Secretary Brent J. Fields
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549-1090

Honorable Cameron Elliot
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549-1090

Pat Huddleston II
William P. Hicks
Attorneys for the Division of Enforcement
Securities and Exchange Commission
950 East Paces Ferry Road, Suite 900
Atlanta, Georgia 30326

This 10th day of February, 2017.



Terry R. Weiss

Resp. Ex. 43

UNITED STATES OF AMERICA
Before the
SECURITIES & EXCHANGE COMMISSION

In the Matter of: _____)

Gray Financial Group, Inc. _____)

File No. A-03486

DECLARATION OF LAURENCE O. GRAY

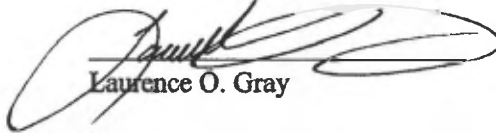
I, Laurence O. Gray, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, do hereby declare under the penalty of perjury (28 U.S.C. § 1746) that the following is true and correct:

1. I am 53 years old and reside in Atlanta, Georgia.
2. I am the Founder, majority owner, and current President of Gray Financial Group, Inc., a U.S. Securities and Exchange Commission registered investment adviser doing business under the names of Gray & Co., Gray & Company, and GrayCo Global Advisors ("Gray Financial").
3. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from the law firm Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, regarding the Employees' Retirement System of Georgia Enhanced Investment Authority Act ("GA Alt. Investment Act"), which is codified at O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
4. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from any law firm or lawyer, other than Seward & Kissel LLP, regarding the GA Alt. Investment Act, O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
5. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by the law firm Greenberg Traurig, LLP or any attorney at that firm in connection with the offer and sale of interests in GrayCo Alternative Partners II L.P. ("GrayCo Alt. II") to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, about the compliance or non-compliance with Georgia state law of GrayCo Alt. II, or the fact that Greenberg

Traurig may have performed other duties in connection with investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

6. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by any law firm or attorney, other than Seward & Kissel LLP, in connection with the offer and sale of interests in GrayCo Alt. II to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by any law firm or attorneys, other than Seward & Kissel LLP, about compliance or non-compliance with Georgia state law by GrayCo Alt. II, or the fact that such law firms and attorneys performed any other duties in connection with any investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

I declare under the penalty of perjury that the foregoing is true and correct. Declared and executed this 2ND day of February 2015.


Laurence O. Gray



STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 2nd day of February, 2015, before me, the undersigned notary public, personally appeared Laurence O. Gray, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.



Laura Holman Graber

Notary Public, State of Texas

Resp. Ex. 44

UNITED STATES OF AMERICA
Before the
SECURITIES & EXCHANGE COMMISSION

 In the Matter of:)

Gray Financial Group, Inc.)

File No. A-03486

DECLARATION OF ROBERT C. HUBBARD, IV

I, Robert C. Hubbard, IV, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, do hereby declare under the penalty of perjury (28 U.S.C. § 1746) that the following is true and correct:

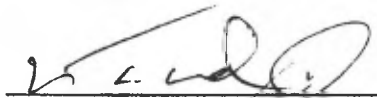
1. I am 39 years old and reside in Mableton, Georgia.
2. I am a shareholder and current Co-Chief Executive Officer of Gray Financial Group, Inc., a U.S. Securities and Exchange Commission registered investment adviser doing business under the names of Gray & Co., Gray & Company, and GrayCo Global Advisors ("Gray Financial").
3. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from the law firm Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, regarding the Employees' Retirement System of Georgia Enhanced Investment Authority Act ("GA Alt. Investment Act"), which is codified at O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
4. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from any law firm or lawyer, other than Seward & Kissel LLP, regarding the GA Alt. Investment Act, O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
5. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by the law firm Greenberg Traurig, LLP or any attorney at that firm in connection with the offer and sale of interests in GrayCo Alternative Partners II L.P. ("GrayCo Alt. II") to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, about the compliance or non-compliance with Georgia state law of GrayCo Alt. II, or the fact that Greenberg

Traurig may have performed other duties in connection with investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

6. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by any law firm or attorney, other than Seward & Kissel LLP, in connection with the offer and sale of interests in GrayCo Alt. II to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by any law firm or attorneys, other than Seward & Kissel LLP, about compliance or non-compliance with Georgia state law by GrayCo Alt. II, or the fact that such law firms and attorneys performed any other duties in connection with any investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

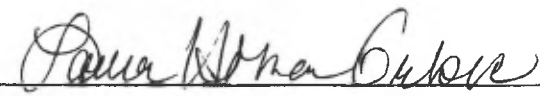
I declare under the penalty of perjury that the foregoing is true and correct. Declared and executed this 2nd day of February 2015.



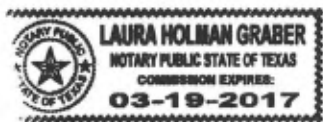

Robert C. Hubbard, IV

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 2nd day of February, 2015, before me, the undersigned notary public, personally appeared Robert C. Hubbard, IV, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.



Notary Public, State of Texas



Resp. Ex. 84

From: Segal, Alexandra [segal@sewkis.com]
Sent: Monday, July 09, 2012 11:43 AM
To: Bob Hubbard
Cc: VanGrover, Robert
Subject: Offering Documents - GrayCo Alternative Partners II LP
Attachments: SKNYC1-1299145-v1-CPOM - GrayCo Alternative Partners II, LP.DOC; SKNYC1-1299295-v1-LPA - GrayCo Alternative Partners II, LP.DOC; SKNYC1-1299749-v1-Sub Agreement - GrayCo Alternative Partners II, LP.DOC; SKNYC1-1299145-v1-CPOM - GrayCo Alternative Partners II, LP.DOC; SKNYC1-1299295-v1-LPA - GrayCo Alternative Partners II, LP.DOC; SKNYC1-1299749-v1-Sub Agreement - GrayCo Alternative Partners II, LP.DOC

Bob,

Attached please find initial drafts (marked and clean) of the offering documents for GrayCo Alternative Partners II LP. Please let us know if you have any questions or comments.

Regards,
Alex

Marked

Clean

Alexandra Segal

SEWARD & KISSEL LLP

Tel: (212) 574-1525
Email: segal@sewkis.com

One Battery Park Plaza
New York, NY 10004
Fax: (212) 480-8421
Web: www.sewkis.com

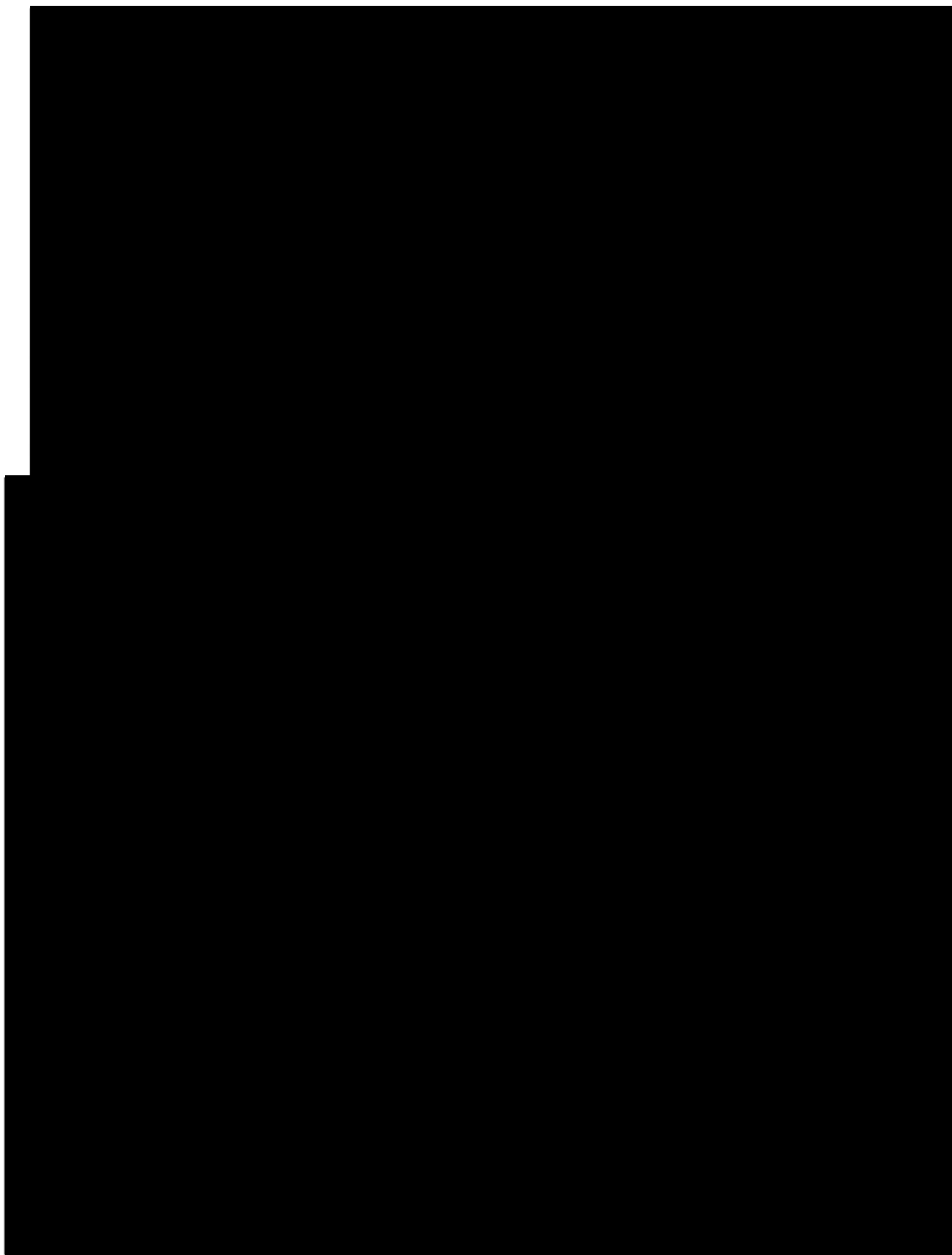
Confidentiality Notice: This e-mail is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this e-mail in error, please notify Seward & Kissel LLP by return e-mail and destroy the original message and all copies thereof.

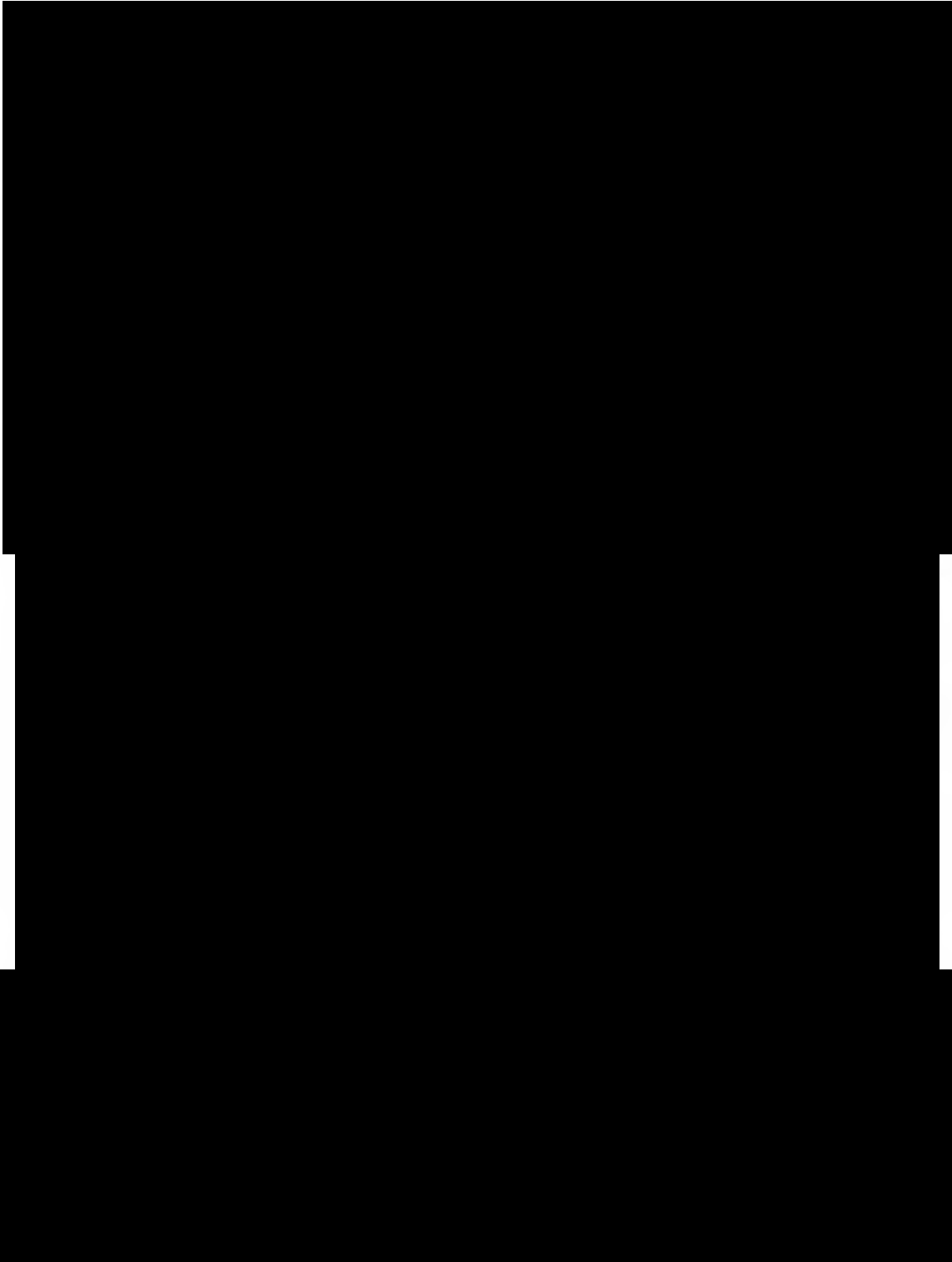
Circular 230 Notice: To ensure compliance with Treasury regulations regarding practice before the IRS, we inform you that, unless expressly stated otherwise, any federal tax advice contained in this communication was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of (i) avoiding penalties that may be imposed on the taxpayer under United States federal tax law, or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

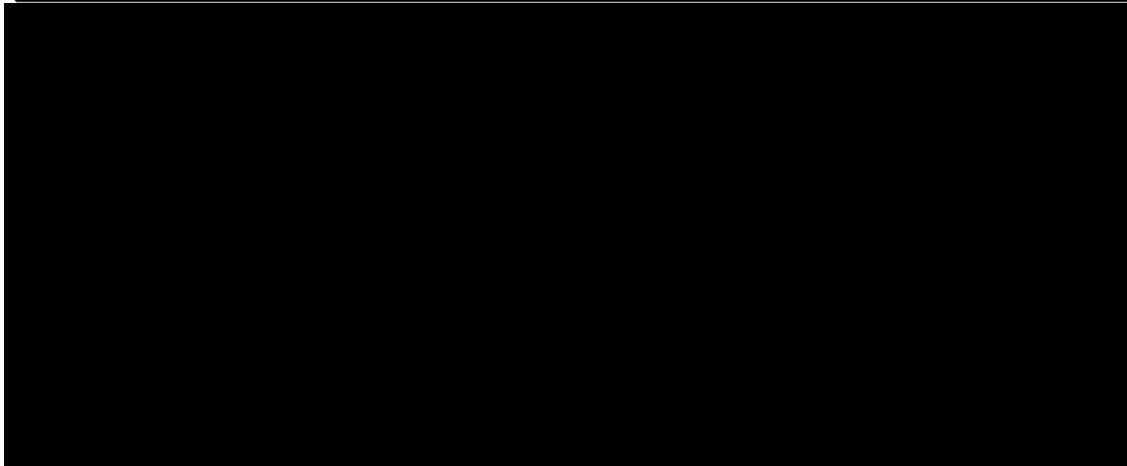
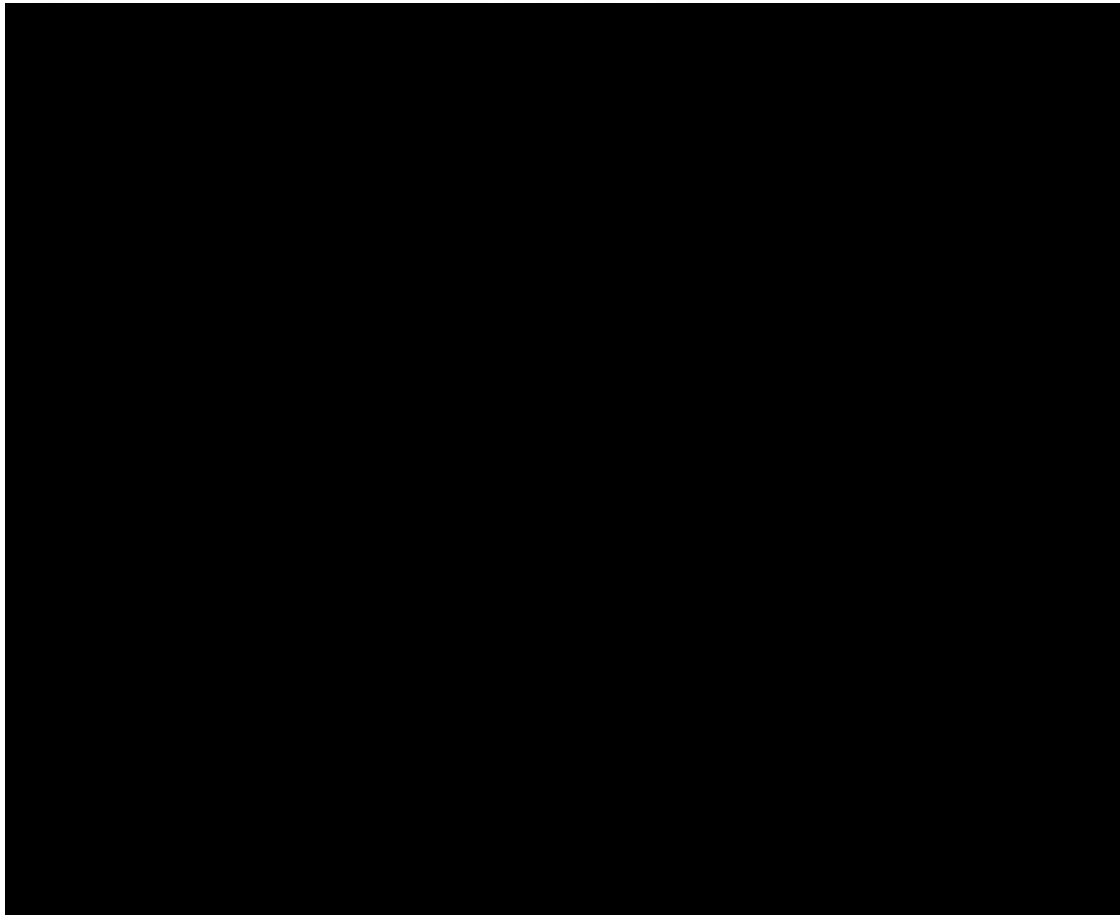
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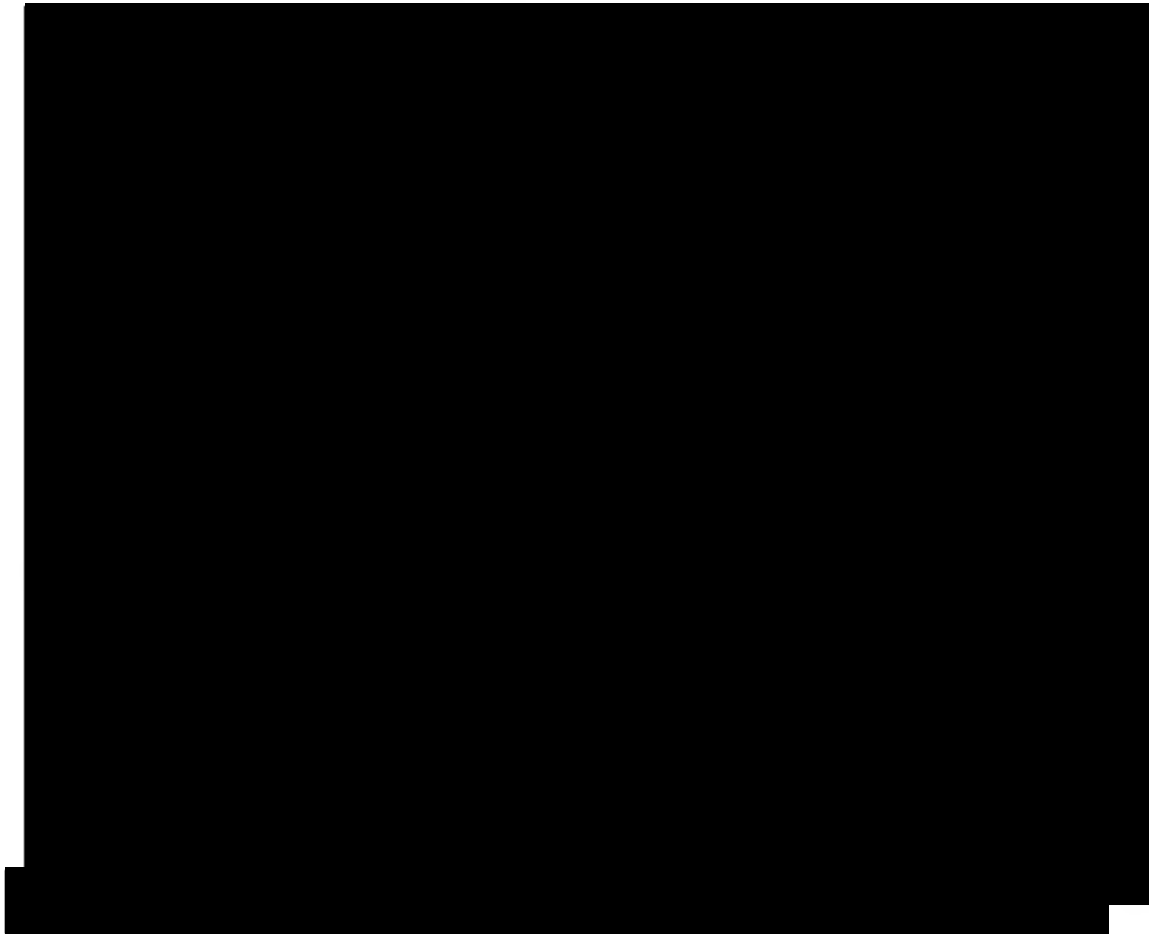
CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

GRAYCO ALTERNATIVE PARTNERS II, LP





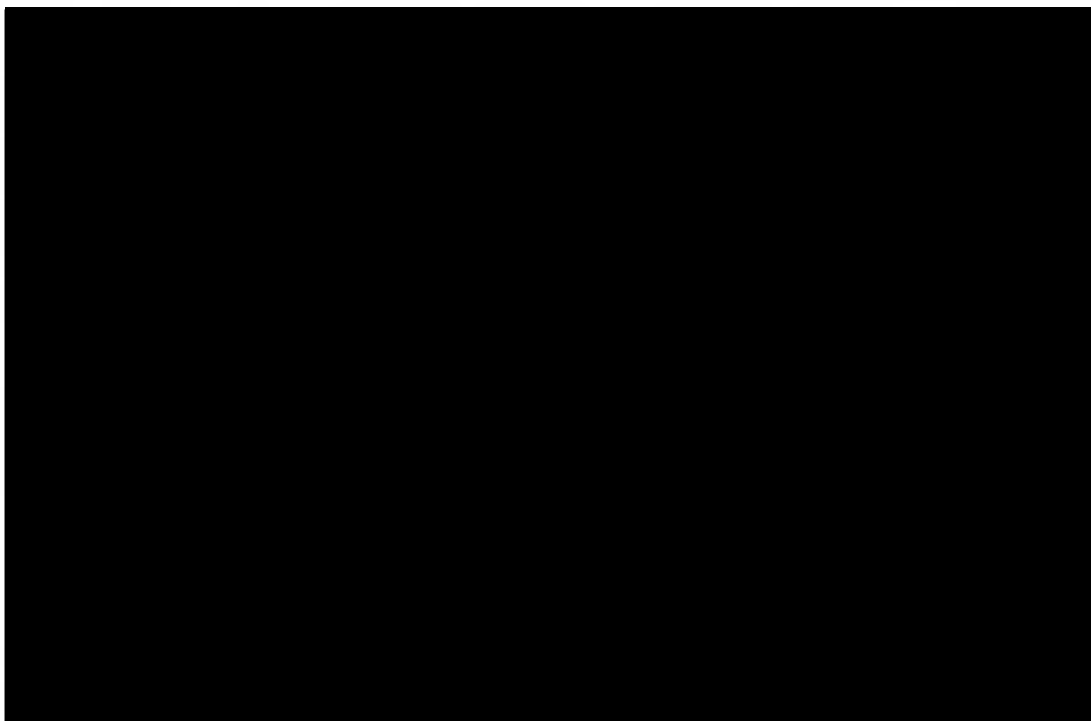




FOIA CONFIDENTIAL TREATMENT REQUESTED BY GRAY & CO.



Respondents' Exhibit 0084

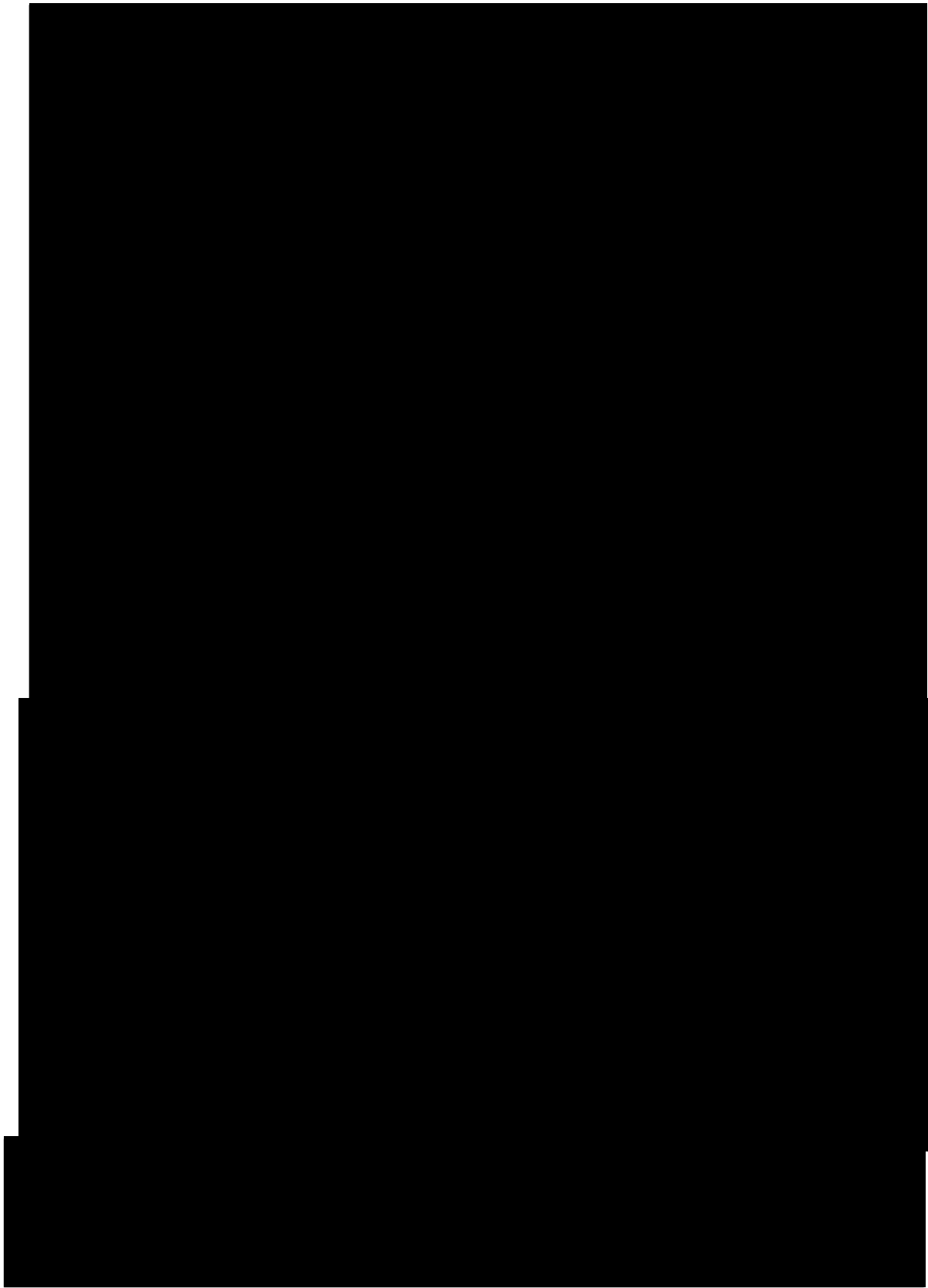


FOIA CONFIDENTIAL TREATMENT REQUESTED BY GRAY & CO.



Respondents' Exhibit 0084



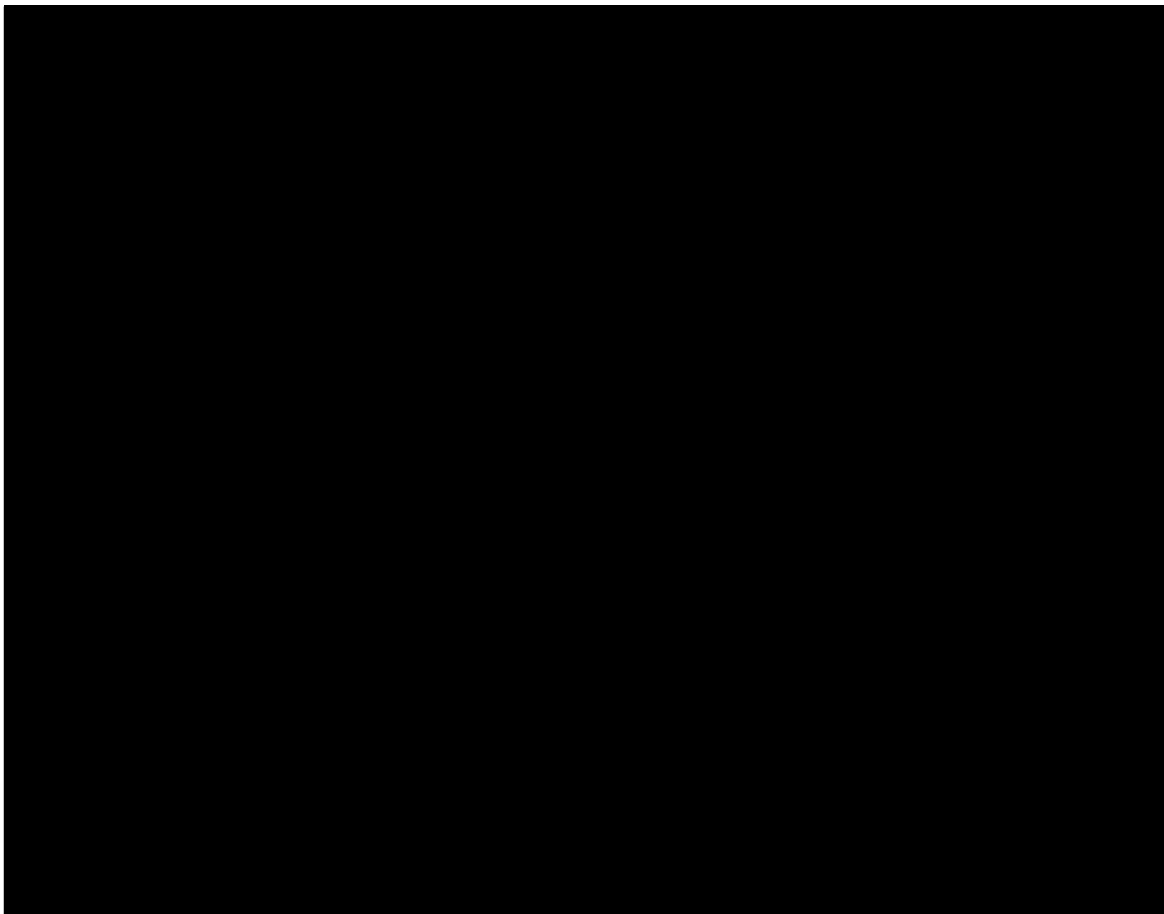


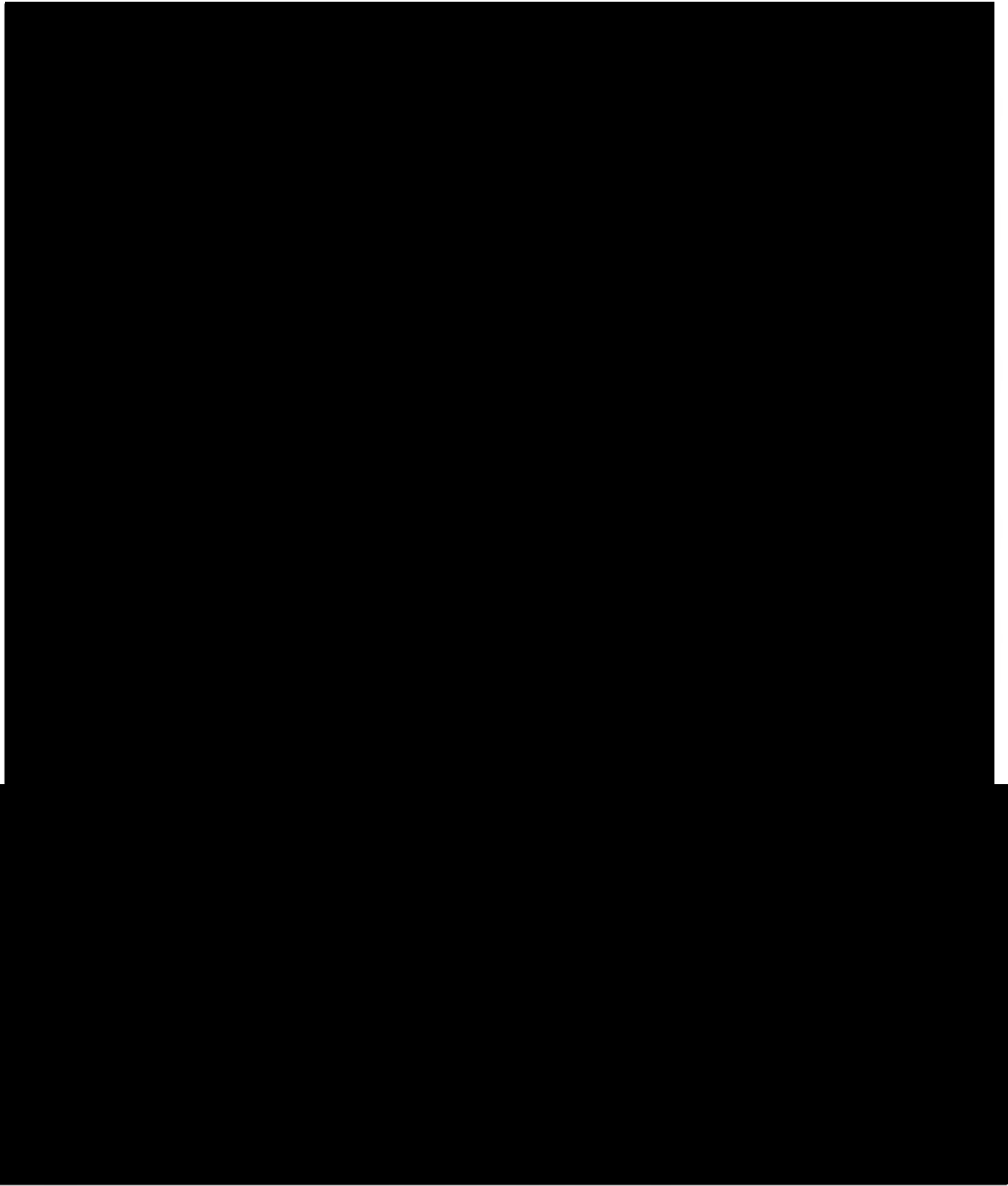
FOIA CONFIDENTIAL TREATMENT REQUESTED BY GRAY & CO.



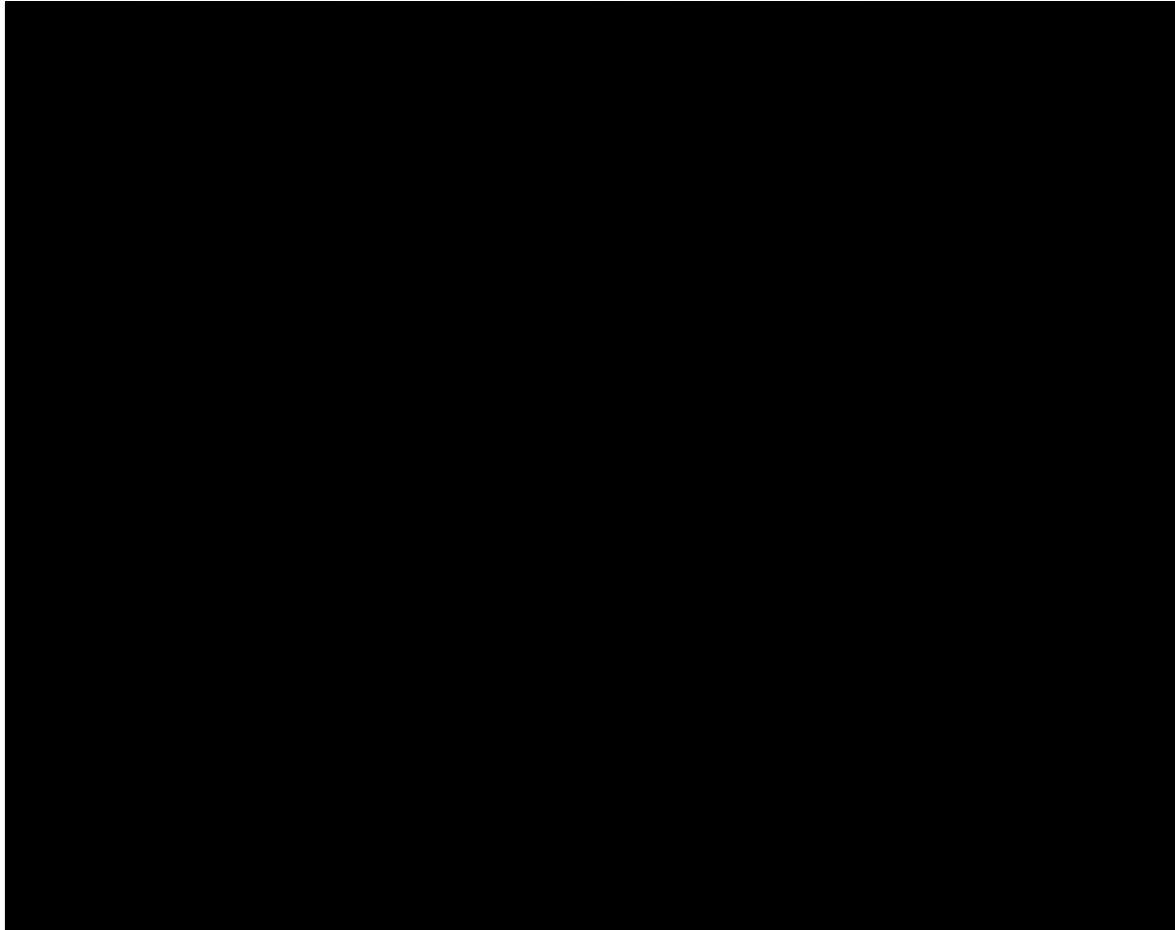
Respondents' Exhibit 0084

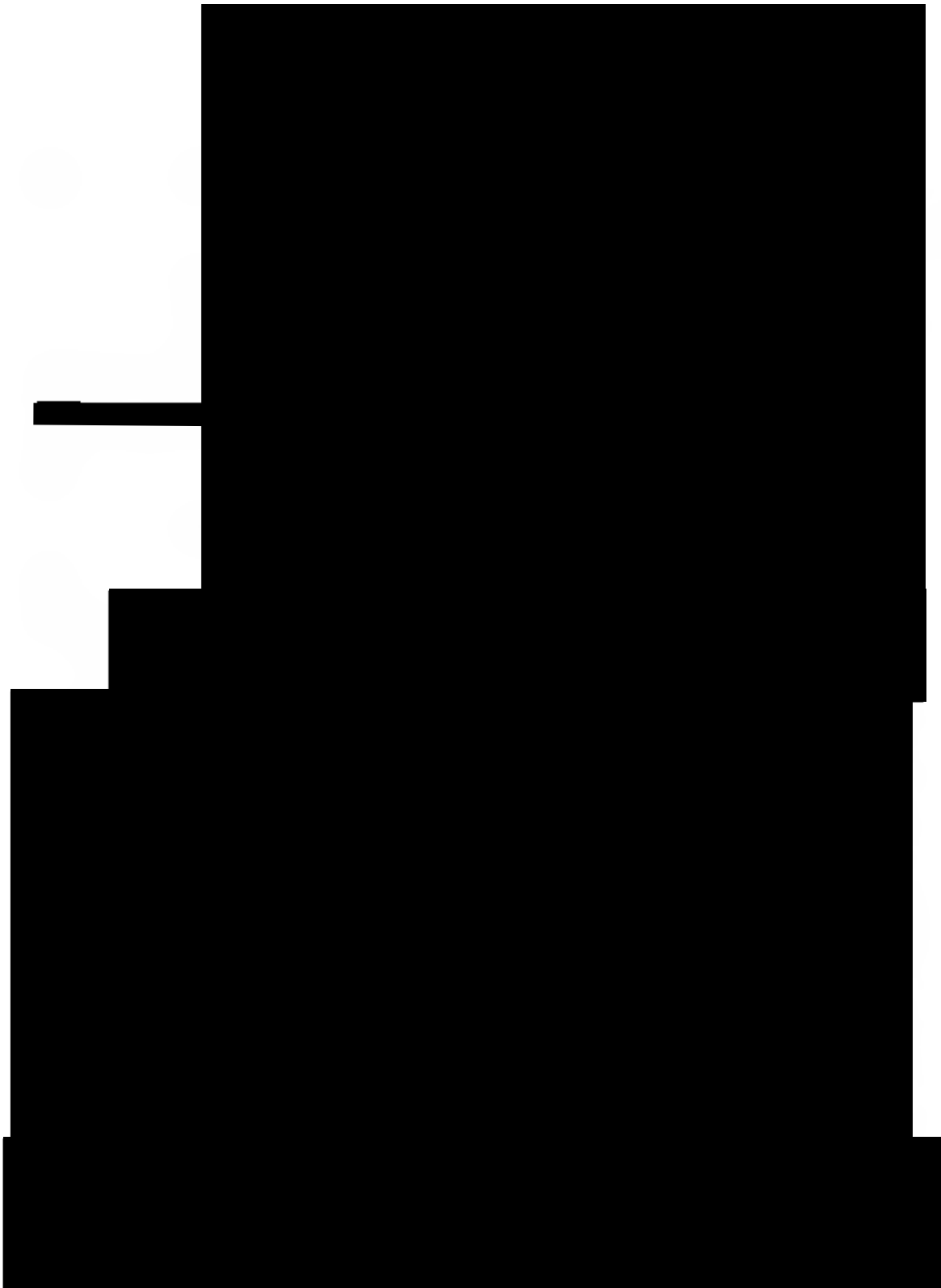




















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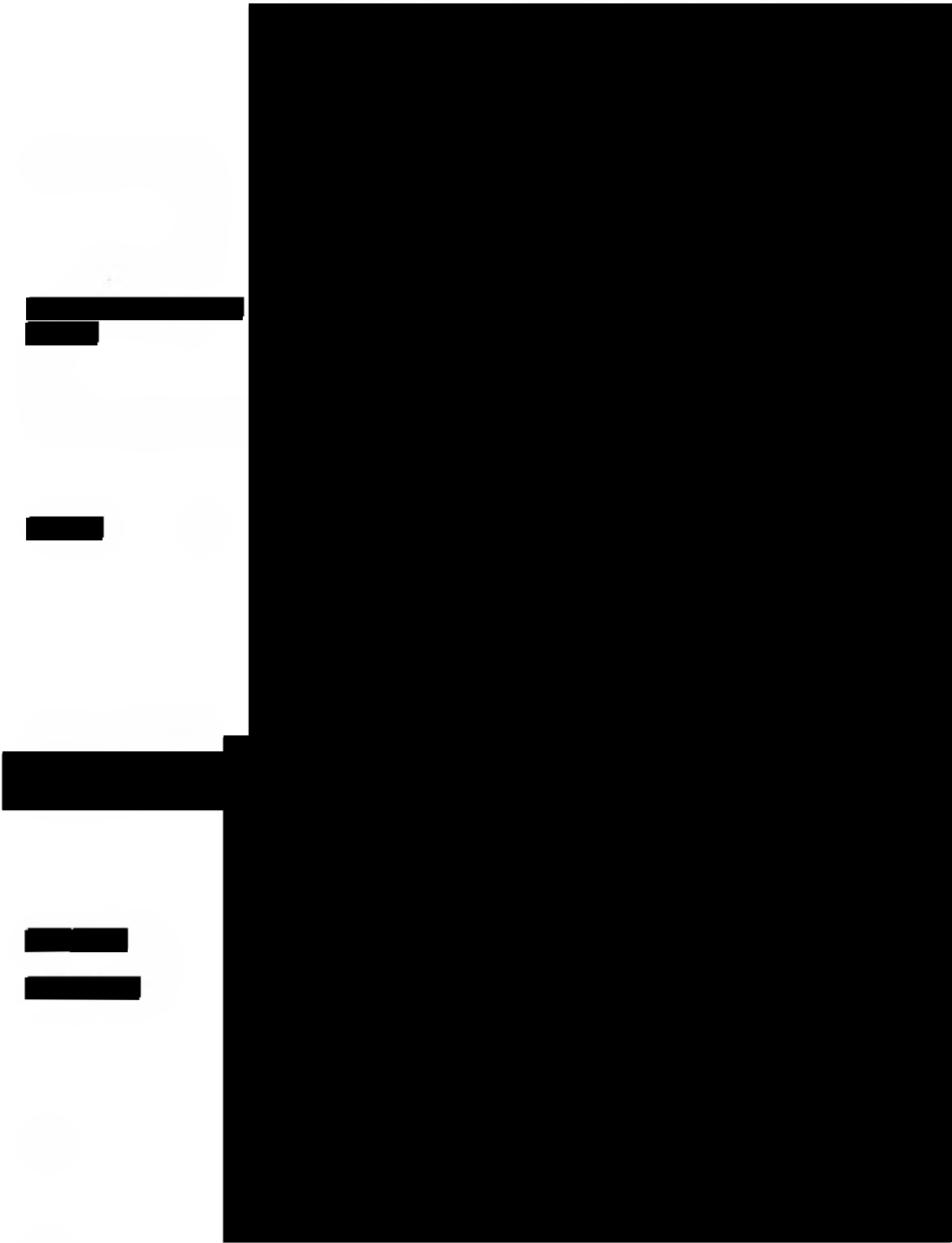
[REDACTED]

**Exculpation and
Indemnification**

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

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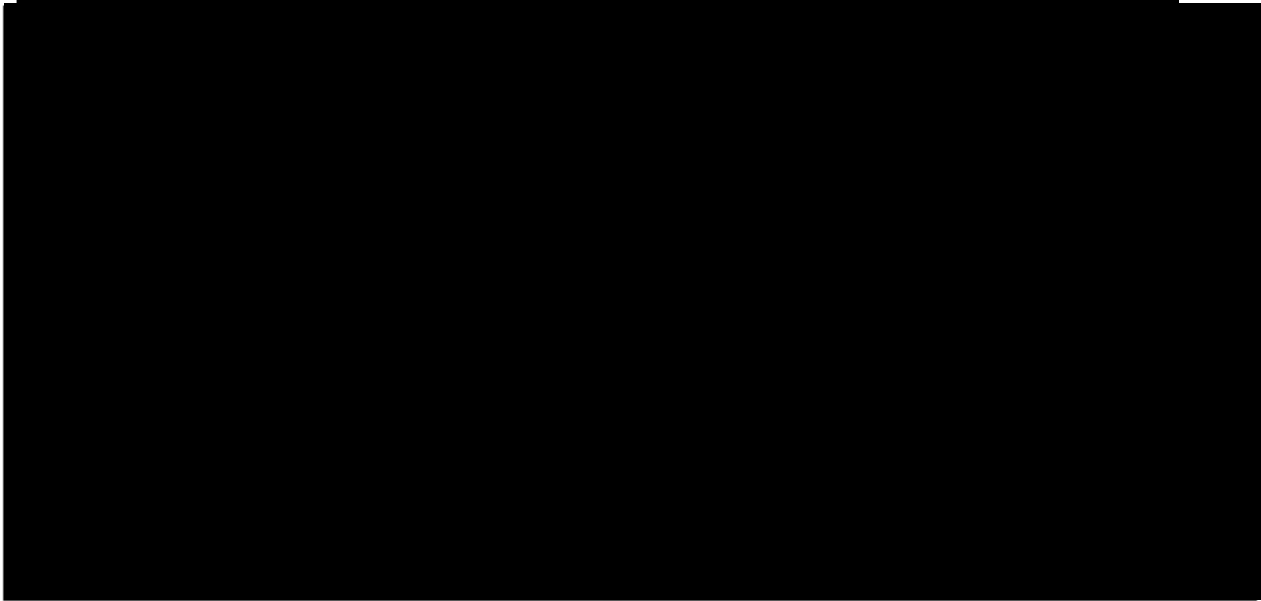
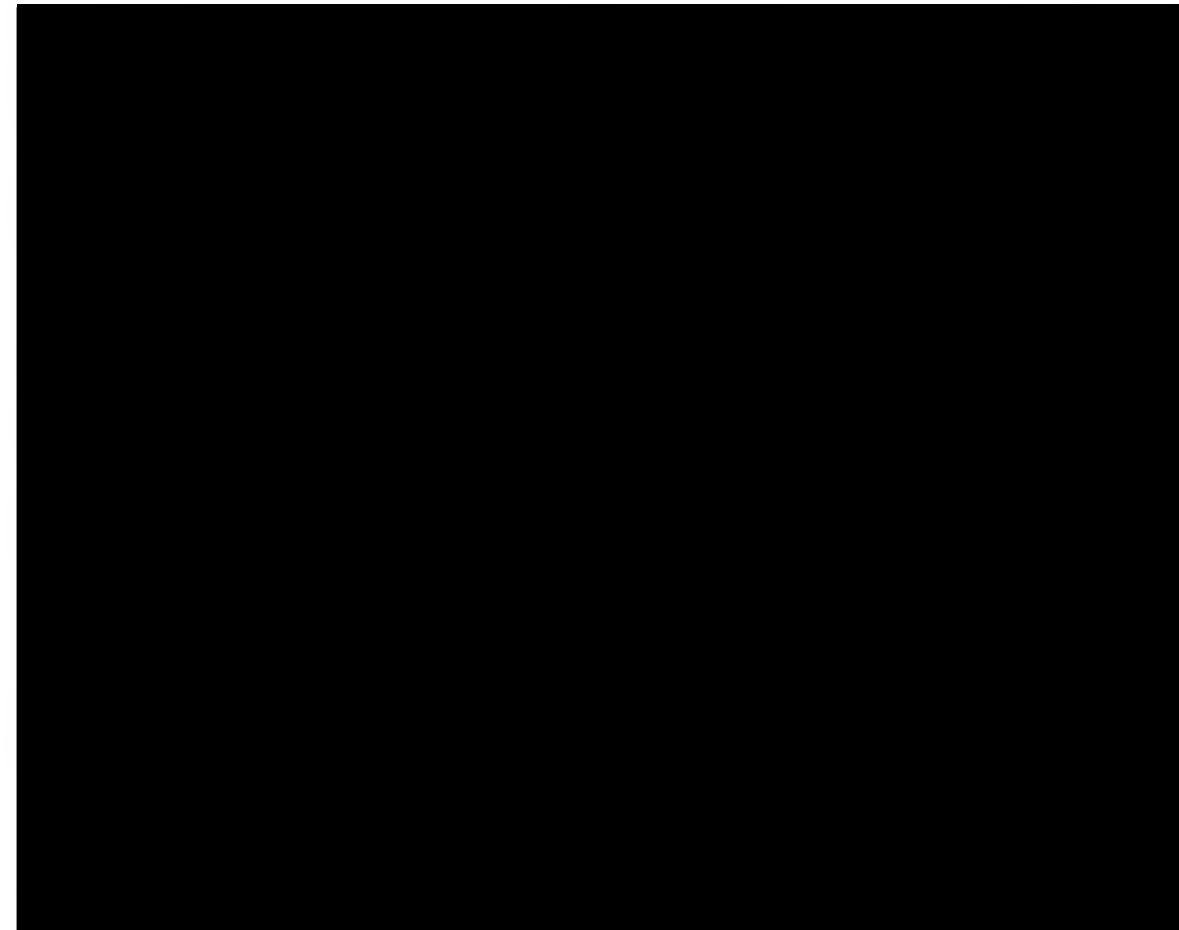
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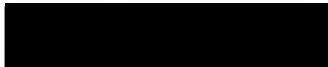
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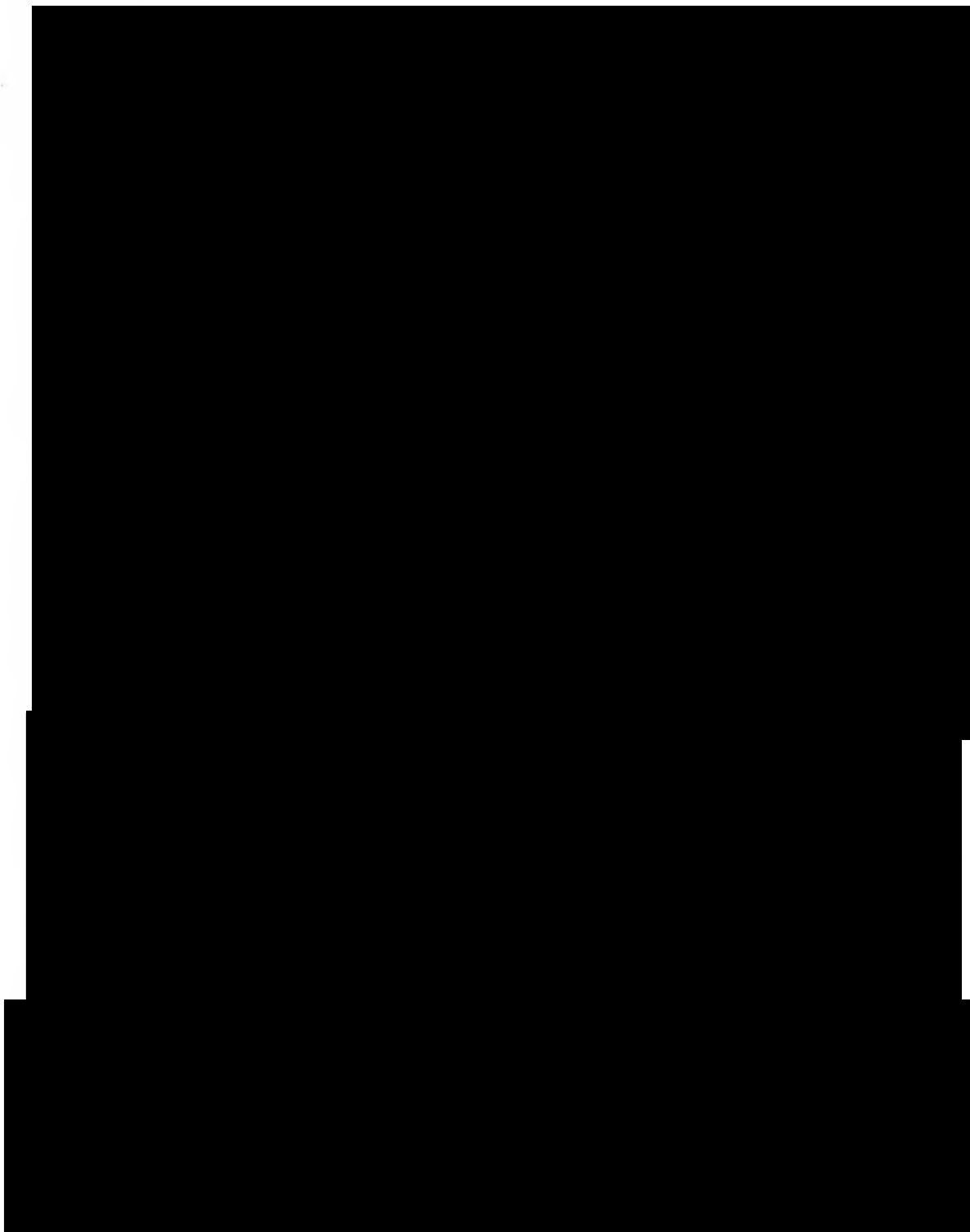
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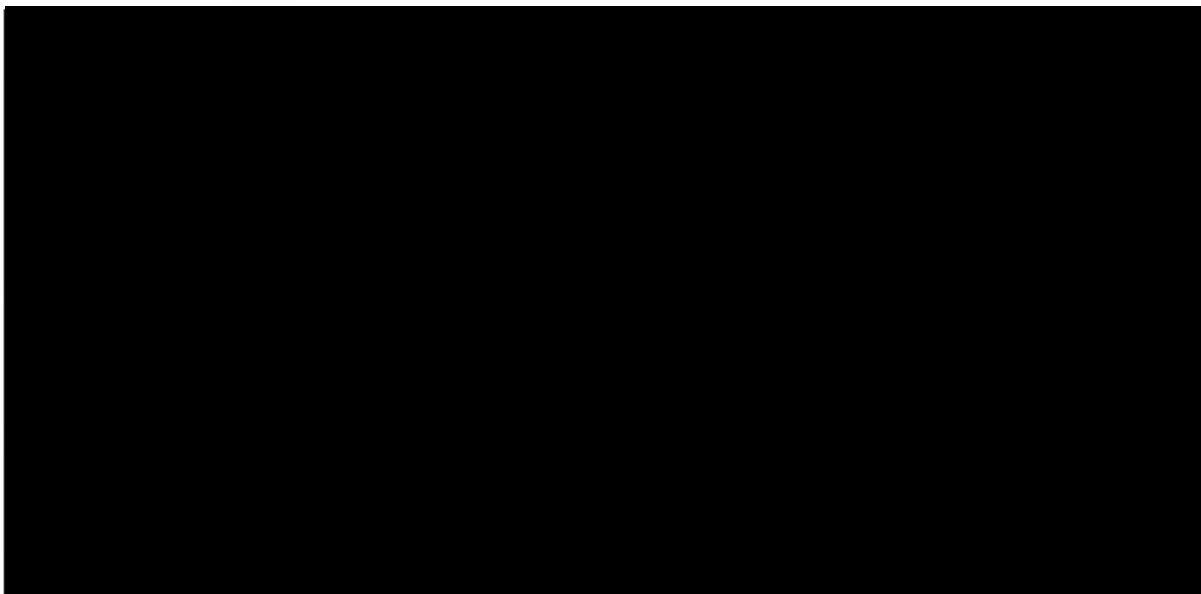
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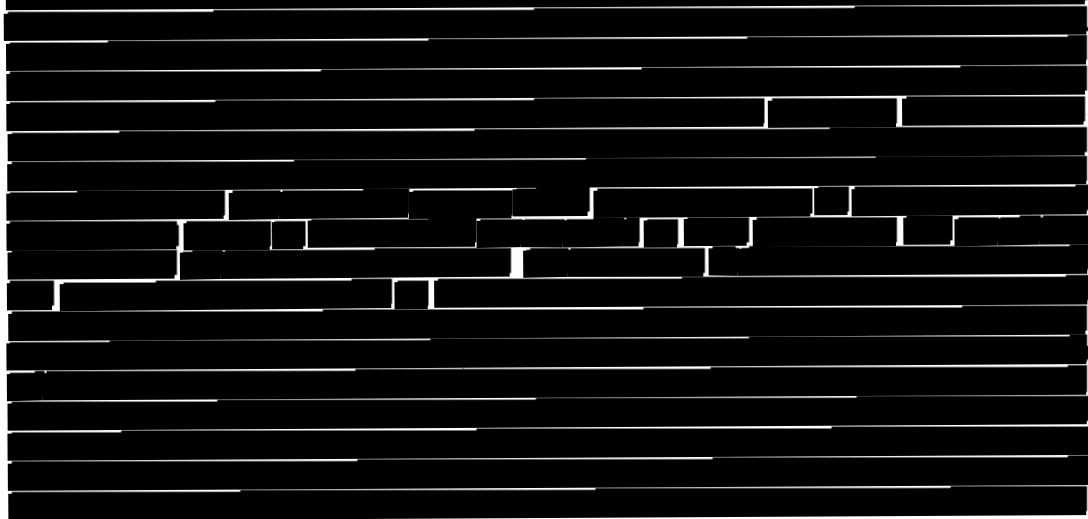
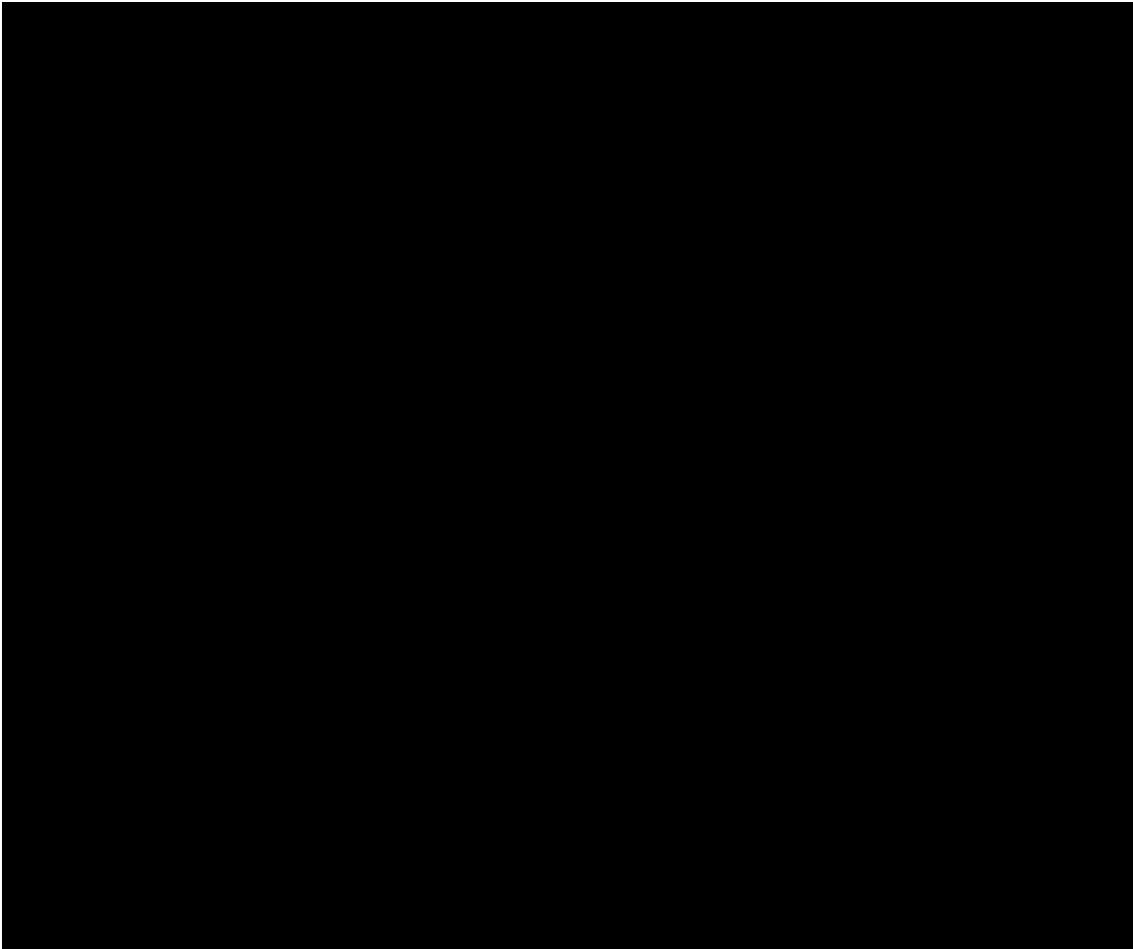
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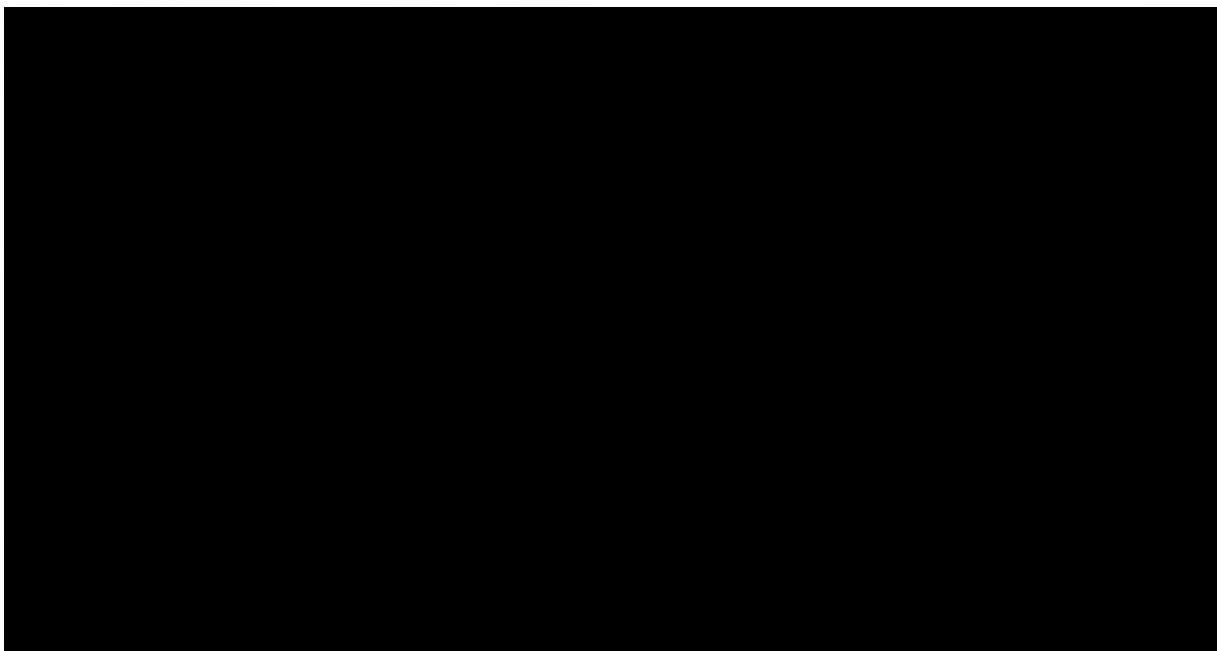
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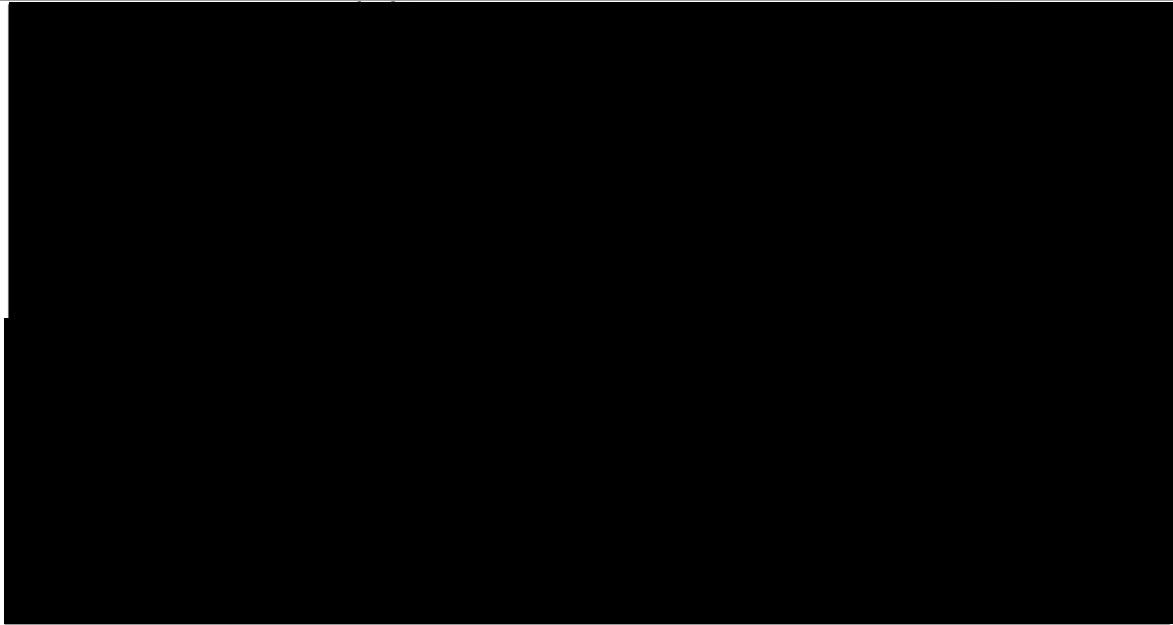
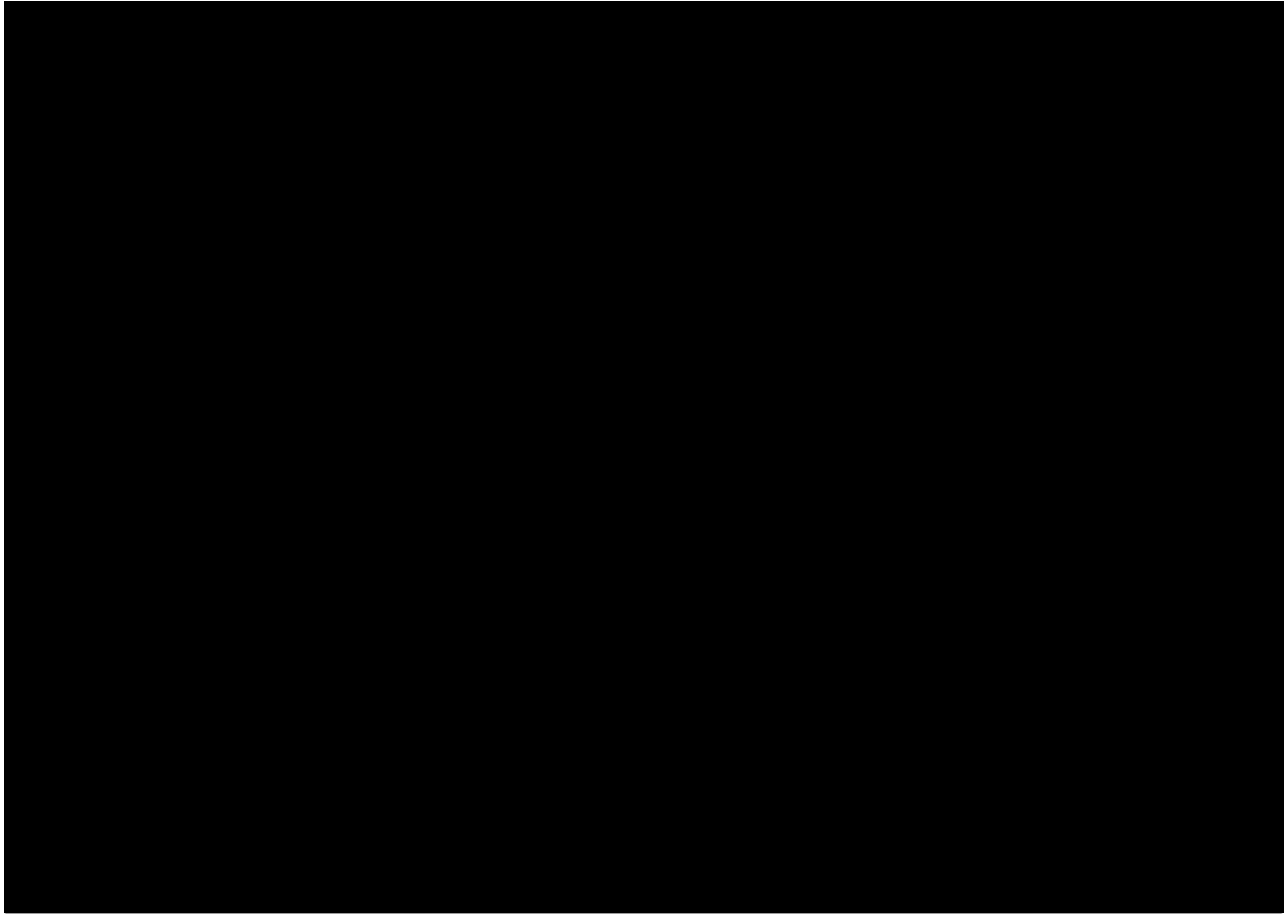
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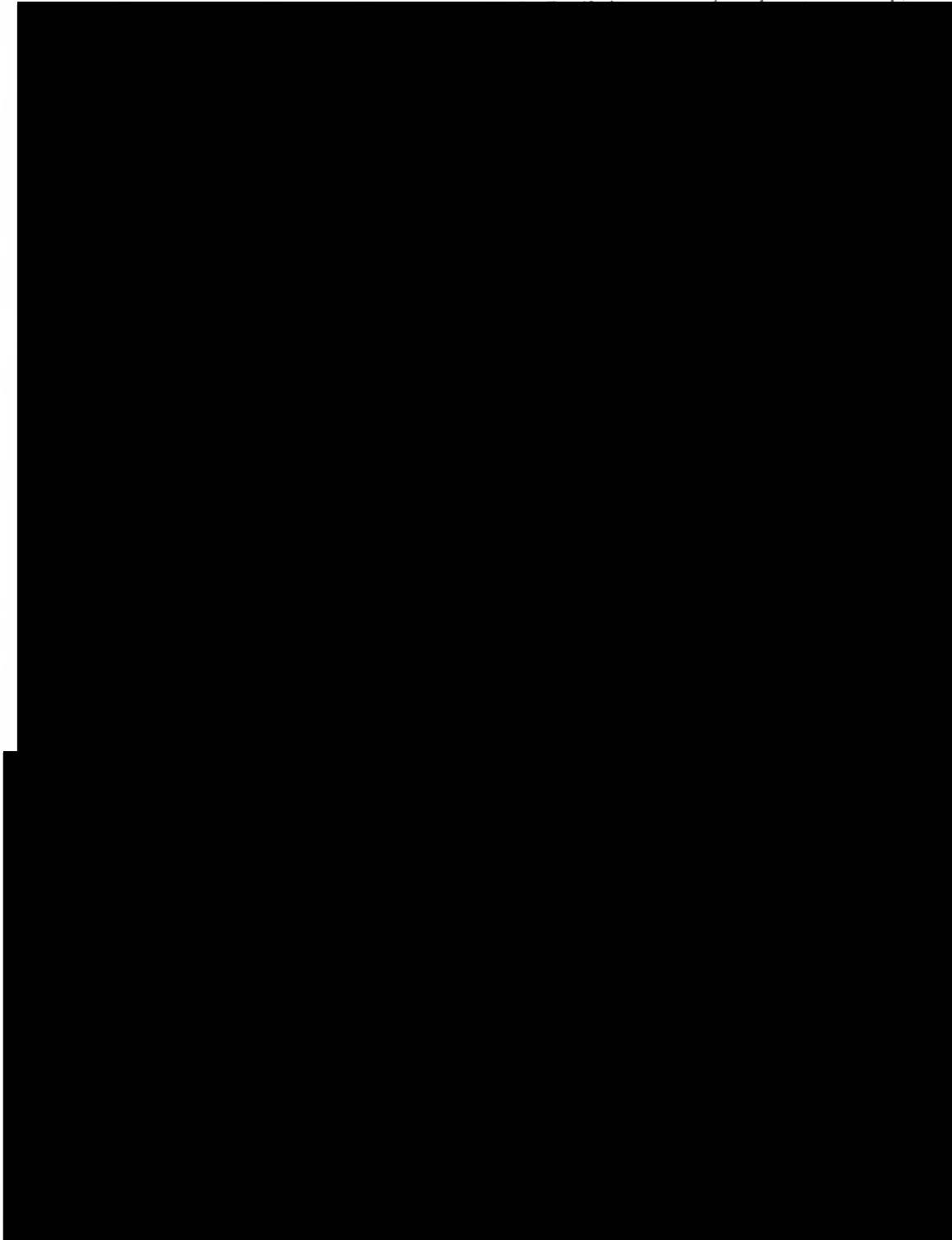












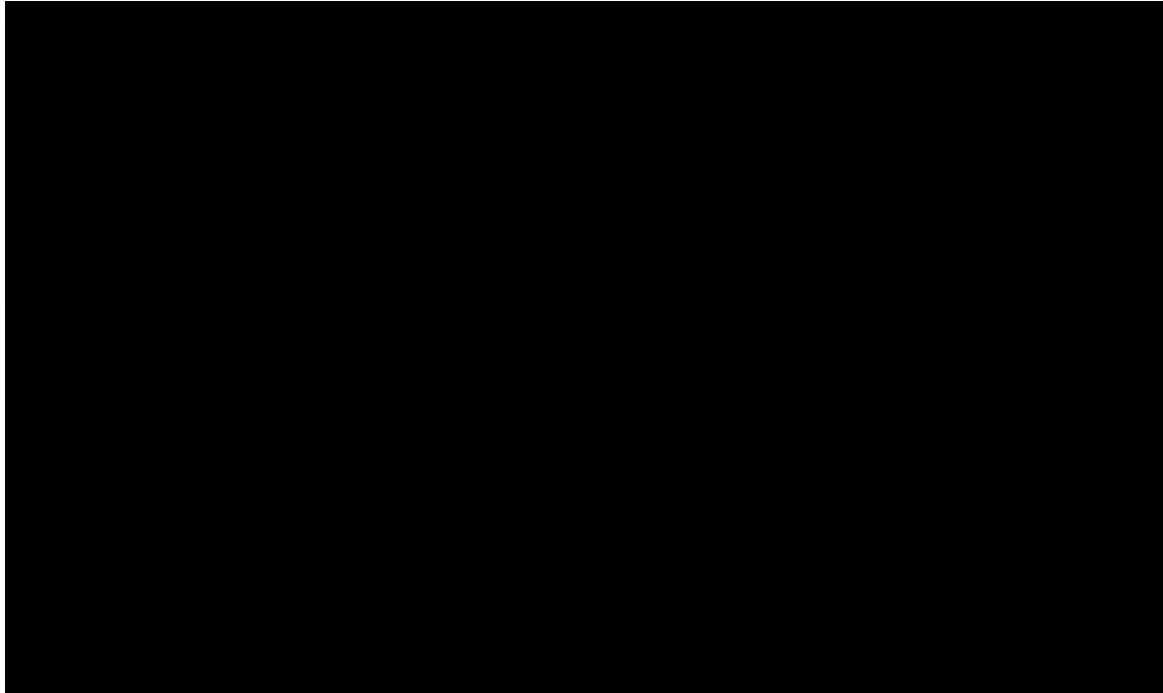


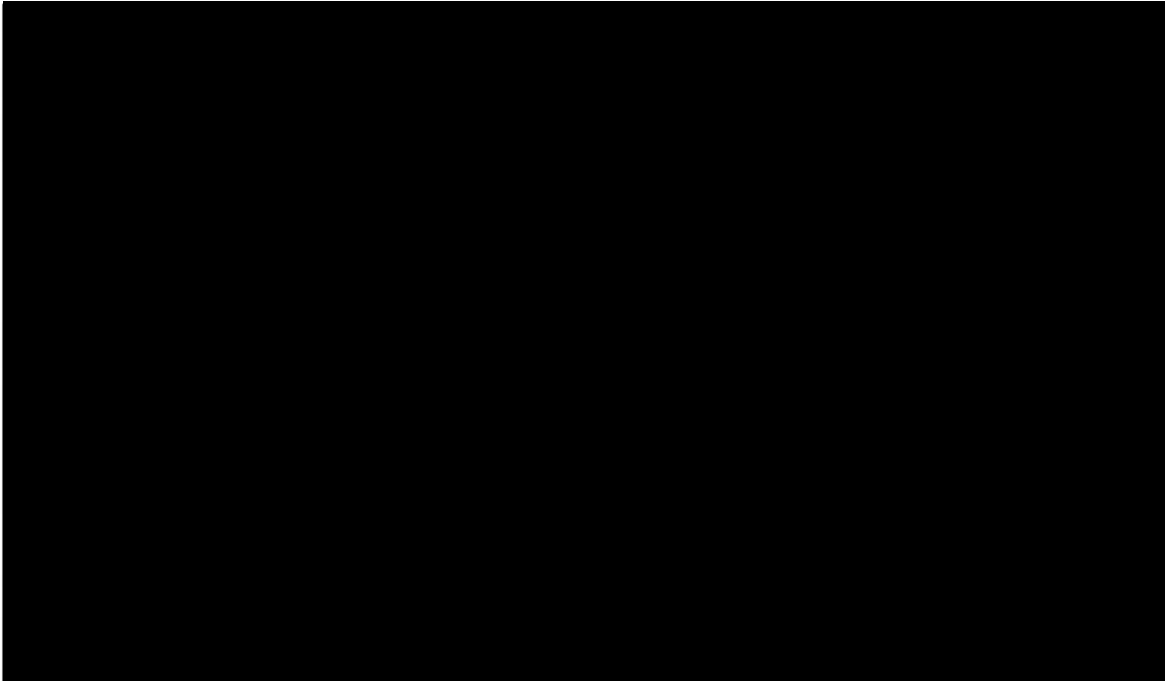
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





Resp. Exs. 173, 613

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004ROBERT B. VAN GROVER
Partner
212-574-1205
vangrover@sewkis.comTELEPHONE: (212) 574-1200
FACSIMILE: (212) 480-8421
WWW.SEWKIS.COM1200 G STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE: (202) 737-8833
FACSIMILE: (202) 737-5184

July 15, 2011

VIA EMAILjohn.robinson@egrayco.comJohn C. Robinson, CTP
Senior Managing Director
Gray & Company
7000 Peachtree-Dunwoody Road
Building 5
Atlanta, Georgia 30328**Re: Engagement Letter**

Dear John:

We are pleased that you have agreed to retain our firm as your counsel. This letter is intended to notify you of the basic terms of our engagement as required by Part 1215 of Title 22 of the Official Compilations of Codes, Rules and Regulations of the State of New York.

1. Description of Engagement. We will represent you in connection with the organization of one or more private investment funds (each a "Fund"). We will prepare a Fund's private offering memorandum, subscription agreement and other organizational documents. We will coordinate initial state blue sky filings for a Fund. We will also provide legal advice in connection with the offering of interests and structuring and business advice in connection with the offering. On an ongoing basis, we will advise you on regulatory and other matters for which you request our assistance.

2. Fee and Disbursement Policies and Billing Practices. Our standard fee and disbursement policies and billing practices are described in the Schedule hereto.

We request that you pay an advance retainer of \$15,000 prior to our commencement of our work. We will generally bill you for legal fees and disbursements on a monthly basis.

3. Availability of Arbitration. You may have the right to have certain disputes regarding our fees arbitrated pursuant to Part 137 of the Rules of the Chief Administrator of the Appellate Divisions of the Supreme Court where that Part is applicable. Nothing in this letter is intended to alter our respective rights or obligations under Part 137.

July 15, 2011
Page 2

4. Conflicts and Waiver. You understand that our firm represents Voyager Management, LLC. You understand that our firm will not provide legal services to you in connection with the negotiation of any agreement that it enters into with Voyager and Gray waives any conflict of interest of the firm in connection with the firm's representation of Voyager in such matter and related matters.


If you have any questions concerning the foregoing, please contact the undersigned.

Very truly yours,

Robert B. Van Grover

ACCEPTED AND AGREED TO BY:

Gray & Company

by:  _____

Address: 7000 PEACHTREE DUNWOODY RD., Bldg. 5
ATLANTA, GA 30328

Date: 08.16.2011, 2011

RVG:il

SCHEDULE

STANDARD FEE AND DISBURSEMENT POLICIES AND BILLING PRACTICES
EFFECTIVE 1/1/2011

1. Standard Hourly Rates. The Firm accounts for and generally bills the time recorded by its lawyers, paralegals and other time keepers at the standard hourly rates applicable to those time keepers. Effective January 1, 2011, hourly rates for partners generally range from \$585 to \$895; hourly rates for counsel generally range from \$450 to \$795; hourly rates for associates and senior attorneys generally range from \$245 to \$575 per hour and hourly rates for paralegals generally range from \$105 to \$305. The Firm seeks to staff our engagements with the appropriate personnel with a view to providing cost-effective services that meet the requirements of the particular engagement. A client may request information concerning the hourly rate of any time keeper assigned to the engagement from the attorney in charge or the Firm's Executive Director. The Firm typically adjusts its billing rates on an annual basis each January 1. However, the Firm reserves the right to change these rates prospectively at any time and to take other factors into account in determining the appropriate amount to bill for a particular engagement.

2. Disbursements. In addition to fees recorded by time keepers, the Firm also bills for certain other items in connection with the engagement, including: (a) all direct third party charges incurred including filing fees, court fees, corporate service firm fees, postage, courier charges, witness fees and the charges of outside service providers, including printing, duplicating or binding services, investigators, accountants, appraisers, correspondent counsel and other experts or professionals; (b) all travel and away from office food and lodging; (c) long distance phone use; (d) use of computerized research services; (e) domestic outgoing facsimile transmission at \$1 for the first page and \$.25 for each additional page; (f) international outgoing facsimile transmission at \$1 for each page; (g) in office duplicating at \$.20 per page and appropriate charges for in office document assembly, binding and delivery; and (h) an allowance or other reimbursement for food and home-bound taxi for personnel working outside of normal business hours in accordance with rules established by the Firm from time to time. The Firm reserves the right to change these disbursement policies prospectively at any time.

3. Billing Practices. The Firm encourages its lawyers to bill all recorded time and disbursements in connection with each engagement either monthly or quarterly, unless alternative arrangements are reflected in the engagement letter. Unless alternative arrangements are reflected in the engagement letter, all recorded time is expected to be billed at our standard hourly rates and all disbursements are to be billed in accordance with our standard disbursement policies unless the Firm determines that other factors warrant a different billing basis. Amounts shown due on our statements are due on receipt of those statements and should be paid promptly after receipt. The Firm expects its clients to raise any questions about its statements promptly on receipt of those statements. Any issues so raised that are not adequately and promptly addressed by the attorney in charge should be directed promptly in writing to the Firm, Attention: Executive Director.

July 15, 2011
Page 4

4. [Optional] Wiring Instructions.

Citibank, N.A.
120 Broadway, New York, NY 10271
ABA # 021000089
Seward & Kissel Regular Account # [REDACTED]

SK 99999 0010 1211578

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004ROBERT B. VAN GROVER
Partner
212-574-1205
vangrover@sewkis.comTELEPHONE: (212) 574-1200
FACSIMILE: (212) 480-8421
WWW.SEWKIS.COM1200 G STREET, N.W.
WASHINGTON, D.C. 20005
TELEPHONE: (202) 737-8833
FACSIMILE: (202) 737-8184

July 15, 2011

VIA EMAIL**john.robinson@egrayco.com**John C. Robinson, CTP
Senior Managing Director
Gray & Company
7000 Peachtree-Dunwoody Road
Building 5
Atlanta, Georgia 30328**Re: Engagement Letter**

Dear John:

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July 15, 2011
Page 2

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If you have any questions concerning the foregoing, please contact the undersigned.

Very truly yours,

Robert Van Grover

Robert B. Van Grover

ACCEPTED AND AGREED TO BY:

Gray & Company

by: _____

Address: _____

Date: _____, 2011

RVG:il

July 15, 2011

Page 3

SCHEDULE

STANDARD FEE AND DISBURSEMENT POLICIES AND BILLING PRACTICES
EFFECTIVE 1/1/2011

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July 15, 2011
Page 4

4. [Optional] Wiring Instructions.

Citibank, N.A.
120 Broadway, New York, NY 10271
ABA # 021000089
Seward & Kissel Regular Account # [REDACTED]

SK 99999 0010 1211578

Resp. Ex. 319

Message

From: Bob Hubbard [bob.hubbard@egrayco.com]
Sent: 11/17/2011 5:21:06 PM
To: Segal, Alexandra [/O=Seward & Kissel/OU=NEWYORK/cn=Recipients/cn=segal]; Van Grover, Robert [/o=Seward & Kissel/ou=NEWYORK/cn=Recipients/cn=Vangrover]
CC: Larry Gray [larry.gray@egrayco.com]
Subject: "Other projects" follow-up
Attachments: SKNYC1-1230491-v1-Gray Subscription Agreement.doc

Hi Alex and Rob,

Since we seem to be reaching a calm patch on the GrayCo Alternative Partners I, LP project (Alex's current discussion regarding the Qualified Purchaser status of the GP's LLC as the main issue), I thought it would be a good idea to reconnect on the other projects we have in the hopper.

First, regarding the Hedge Fund of Funds project (GrayCo Global Capital Partners I, LP), the attached document is the only document for this project that I am aware of. It is a first draft of the Subscription Agreement. Can you tell me whether or not this is still the current version? If not, please send me the current version. Have you worked on any other components for this fund? This would include partnership incorporation, offering memorandum, etc. If so, can you update me on what has been completed? Finally, if you were to summarize your next steps on what needs to be addressed, I would appreciate it. I know you need our approval for the subscription agreement, but I also want to know what the next steps are for the remaining docs in this fund. Since we are trying to execute this fund in the proper order, I would like to know that the "proper order" of items should be. I need to keep this moving forward as well, as we are preparing to market this fund with our subadvisor – Voyager.

Second, I would like to schedule a phone meeting to begin moving forward on the index fund docs. We left it with the idea of utilizing a collective trust instead of a publicly traded fund. I'd like to discuss this and move forward with determining/finalizing the framework so that we can begin working with our subadvisor on this as well (Northern Trust).

Third, you mentioned that it should be pretty straightforward to convert the GrayCo Alternative Partners I, LP docs into a Fund I offering. Please let me know what would be involved in getting Fund II going. We are keeping this as a viable option in the event that the New Haven side letter becomes a barrier for admitting additional LP's to Fund I.

Finally, I could really use a "best estimate" of fees for Fund I as soon as possible. We are trying to get a sense of what the formation costs and ongoing admin costs will be in order to assess their impact on the estimated fund returns. Could you forward me those asap?

Thanks again for all of your help---Bob

Bob Hubbard
Senior Consultant & COO

Gray & Company
[REDACTED]
[REDACTED]
Atlanta, GA [REDACTED]

Phone 678-805-0527
Cell: [REDACTED]
Fax 678-805-0540

From: Segal, Alexandra [mailto:segal@sewkis.com]
Sent: Monday, October 17, 2011 5:54 PM
To: John Robinson; Bob Hubbard
Cc: VanGrover, Robert
Subject: Revised Subscription Agreement - GrayCo Global Capital Partners Fund I, LP

Dear John and Bob,

As per your conversation with Rob, attached please find a revised draft of the subscription agreement for GrayCo Global Capital Partners Fund I, LP which incorporates John's comments. Please note that the attached draft contains some bracketed information (relating to the administrator's contact information on the first page and the fund's contact information on the last page) for you to confirm.

Please feel free to contact us with any questions.

Best regards,

Alex

Resp. Ex. 546

Message

From: Segal, Alexandra [/O=SEWARD & KISSEL/OU=NEWYORK/CN=RECIPIENTS/CN=SEGAL]
Sent: 6/8/2012 12:49:16 PM
To: Van Grover, Robert [/o=Seward & Kissel/ou=NEWYORK/cn=Recipients/cn=Vangrover]
Subject: Fw: GCAP II
Attachments: SB402Alts.pdf
Importance: High

Fyi

----- Original Message -----

From: Bob Hubbard <bob.hubbard@egrayco.com>
To: Segal, Alexandra
Sent: Fri Jun 08 08:30:37 2012
Subject: GCAP II

Good morning Alex,

We spoke several weeks ago about our proceeding with GrayCo Alternative Partners II, LP. I would like to have a draft of the new PPM, LPA, and sub docs for the fund by next Friday, if possible. Again, this will be a continuation of strategy from Fund I, and should really just require the New Haven-specific provisions to be removed from the docs. Additionally, we have received interest in being able to offer this fund without hedge funds in the FoF structure. I would like to add a small bit of language that would allow (at the discretion of the General Partner) the creation of a parallel portfolio/separate share class (whichever is more appropriate) that would mimic the main portfolio/share class, but without the inclusion of hedge funds. While we won't do this unless there is sufficient interest, I would like the option already built into the docs.

One remaining item is the cover amount for this fund. We originally targeted \$75M for this fund. However, recent changes in the state law in Georgia now allows certain public plans to invest up to 5% into alternative investments. There is one section that we cannot seem to interpret, and would like you to take a very brief look into. Attached is the alts bill. Page 4, lines 109-112 seem to reference to the investment needing to be \$100M in order to be an eligible investment. I also can read this to say that the \$100M needs to be committed prior to a GA plan making its commitment. We've reached out to one of the main proponents of crafting the bill to see what the intent of that section is. However, I would like your interpretation as well. We want Fund II to be eligible for GA Public Plans, so we'll place a \$100M cover on it if needed. However, the preference is for a \$75M cover.

Please let me know about the issue on the cover amount ASAP (this morning, if possible). Thanks, and have a great weekend---Bob

Confidentiality Notice: This e-mail is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this e-mail in error, please notify Gray & Company by return e-mail and destroy the original message and all electronic, paper, or other copies thereof immediately. Any further use, copying, disclosure, dissemination, or distribution of this communication or its attachments by an unintended recipient is strictly prohibited.

<<SB402Alts.pdf>>

12

SB402/AP

Senate Bill 402

By: Senators Golden of the 8th, Millar of the 40th, Stoner of the 6th, Rogers of the 21st,
Tolleson of the 20th and others

AS PASSED

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the
2 "Public Retirement Systems Investment Authority Law," so as to provide a short title; to
3 define certain terms and limitations relating to certain types of investments; to provide that
4 the provisions of this Act shall be applicable only to certain retirement systems and certain
5 other large retirement systems; to provide that the Teachers Retirement System of Georgia
6 (T.R.S.) shall be exempt from the provisions of this Act; to provide that certain public
7 retirement systems other than the Teachers Retirement System of Georgia may invest
8 retirement system assets in certain types of alternative investments, private placements, and
9 other private investments; to provide that such investments may be made up to a certain
10 amount; to shield information related to such investment from public scrutiny; to provide that
11 the director of certain retirement systems shall provide an annual report to the Governor and
12 the chairpersons of the Senate and House of Representatives standing committees on
13 retirement; to provide for the contents of such report; to provide for a code of ethics; to
14 amend Code Section 50-18-72 of the Official Code of Georgia Annotated, relating to when
15 public disclosure of records is not required and disclosure exempting legal authority, so as
16 to exempt certain public records from public inspection; to repeal conflicting laws; and for
17 other purposes.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **SECTION 1.**

20 This Act shall be known and may be cited as the "Employees' Retirement System of Georgia
21 Enhanced Investment Authority Act."

22 **SECTION 2.**

23 Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public
24 Retirement Systems Investment Authority Law," is amended by revising subsection (c) of

S. B. 402

- 1 -

25 Code Section 47-20-82, relating to investing funds, eligibility, and investment limitations,
26 as follows:

27 "(c) Any investment limitation based upon the amount of the fund's assets shall relate to
28 such assets on the basis of the assets' aggregate historical cost. For purposes of any
29 investment made in alternative investments pursuant to Code Section 47-7-127 or
30 47-20-87, aggregate historical cost shall include all contractually committed, unpaid
31 amounts."

32 **SECTION 3.**

33 Said article is further amended by adding a new Code section to read as follows:

34 "47-20-87.

35 (a) As used in this Code section, the term:

36 (1) 'Alternative investments' means the following investments:

37 (A) Privately placed investment pools, including, without limitation, private investment
38 funds, such as:

39 (i) Leveraged buyout funds;

40 (ii) Mezzanine funds;

41 (iii) Workout funds;

42 (iv) Debt funds;

43 (v) Venture capital funds;

44 (vi) Merchant banking funds; and

45 (vii) Funds of funds and secondary funds

46 that include investments in privately placed investment pools described in this
47 subparagraph, in each case whether structured as a partnership, limited liability
48 company, trust, corporation, joint venture, or other entity or investment vehicle of any
49 type; organized or operating in one of the states or territories of the United States or
50 outside the United States; such pool will invest in the United States or outside the
51 United States or any combination thereof; or such pool makes investments of the type
52 described in subparagraph (B) of this paragraph or other investments of any type or any
53 combination thereof;

54 (B) Private placements and other private investments, including without limitation:

55 (i) Leveraged buyouts;

56 (ii) Venture capital investment;

57 (iii) Equity investments, including, without limitation, preferred and common stock;

58 (iv) Warrants;

59 (v) Options;

60 (vi) Private investments in public securities;

S. B. 402

- 2 -

- 61 (vii) Recapitalizations;
62 (viii) Privatizations;
63 (ix) Mezzanine debt investments;
64 (x) Distressed debt and equity investments, including, without limitation, cases in
65 which the investor may take control of the issuer;
66 (xi) Other debt investments, whether secured or unsecured, senior or subordinated,
67 recourse or nonrecourse, convertible, or otherwise;
68 (xii) Convertible securities;
69 (xiii) Receivables;
70 (xiv) Interests, as such term is referred to in 11 U.S.C. Sections 501 and 502;
71 (xv) Claims, as such term is defined in 11 U.S.C. Section 101(5);
72 (xvi) Debt and equity derivative instruments of all types; and
73 (xvii) All other debt and equity private placements of all types, in each case whether
74 issued by a partnership, limited liability company, trust, corporation, joint venture, or
75 other entity or vehicle of any type or whether the issuer is organized or does business
76 in one of the states or territories of the United States or outside the United States; and
77 (C) Any distribution in kind received by an eligible large retirement system in
78 connection with any investment described in subparagraphs (A) and (B) of this
79 paragraph.
- 80 (2) 'Eligible large retirement system' means a large retirement system as defined in
81 subsection (a) of Code Section 47-20-84; provided, however, that such term shall not
82 include the Teachers Retirement System of Georgia.
- 83 (b) In addition to the eligible investments authorized by Code Section 47-20-82, and
84 without applicability of any restrictions set forth in Code Sections 47-20-83 and 47-20-84,
85 an eligible large retirement system is authorized to invest in alternative investments in
86 accordance with the provisions of this Code section. Further, when provisions of Code
87 Section 47-20-83 or 47-20-84 or any provisions of this article other than this Code section
88 limit a particular form of investment to a certain percentage of retirement system assets,
89 the denominator will include alternative investments with all other investments, but the
90 numerator for any such calculation shall not include any alternative investments, even if
91 any such alternative investment is of a like kind as the investments that are included in the
92 numerator.
- 93 (c) An alternative investment shall not exceed in any case 20 percent of the aggregate
94 amount of:
- 95 (1) The capital to be invested in the applicable private pool, including all parallel pools
96 and other related investment vehicles established as part of the investment program of the
97 applicable private pool; and

98 (2) The securities being issued in the applicable private placement, in each case
99 determined at the time such alternative investment is initially either made or committed
100 to be made, as applicable, but taking into consideration any investments that have
101 previously been or are concurrently being made or committed to be made.
102 Each alternative investment by an eligible large retirement system shall have previously
103 been or shall be concurrently made or committed to be made by at least four other investors
104 not affiliated with the issuer. At the time of initial investment, such investors shall not
105 include any trustee of the eligible large retirement system making the investment or any
106 public official as defined in paragraph (9) of Code Section 45-10-20. Such four other
107 investors shall be investing on substantially the same terms and conditions as those
108 applicable to the investment by the eligible large retirement system to the extent such other
109 investors are similarly situated with the eligible large retirement system. Alternative
110 investments shall only be made in private pools and issuers that have at least \$100 million
111 in assets, including committed capital, at the time the investment is initially made or
112 committed to be made by an eligible large retirement system.

113 (d) Alternative investments by an eligible large retirement system shall not in the
114 aggregate exceed 5 percent of the eligible large retirement system assets at any time. The
115 board of trustees of an eligible large retirement system shall have the discretion to
116 designate whether any investment that is permitted to be made as an alternative investment
117 pursuant to this Code section and that is also permitted to be made as an investment
118 pursuant to Code Section 47-20-83 shall be treated for purposes of the 5 percent limitation
119 and otherwise as an alternative investment made pursuant to this Code section or as an
120 investment made pursuant to Code Section 47-20-83. If the eligible large retirement
121 system is not in compliance with the limitations imposed by this subsection, it shall make
122 a good faith effort to come into compliance within two years and in any event as soon as
123 practicable thereafter; provided, however, that during any period of noncompliance, the
124 eligible large retirement system shall not increase the percentage of its assets committed
125 to be invested in alternative investments but shall be permitted during such period to
126 continue to make investments as required by the then existing commitments of the eligible
127 large retirement system to alternative investments made before the period of
128 noncompliance.

129 (e) The provisions of this subsection shall apply only to the Employees' Retirement System
130 of Georgia. New commitments to alternative investments shall not in the aggregate exceed
131 1 percent of the retirement system assets in any calendar year until the first occurrence that
132 4 1/2 percent of the retirement system assets are invested in alternative investments, at
133 which time there shall be no limit on the percentage of commitments that may be made in
134 any calendar year, subject to compliance with the other provisions of this Code section.

- 135 (f)(1) For purposes of this subsection, the term 'information' shall include, without
136 limitation, preinvestment and postinvestment diligence information, including reviews
137 and analyses prepared or provided by the issuer of a potential or actual alternative
138 investment or prepared by or for an eligible large retirement system or otherwise relating
139 to a potential or actual alternative investment.
- 140 (2) In addition to those records that are exempted from being open to inspection by the
141 general public under Code Section 47-1-14 and except as otherwise provided in this
142 subsection, an eligible large retirement system may in its discretion treat as confidential
143 and withhold from public inspection and disclosure all information prepared or provided
144 by the issuer of a potential or actual alternative investment or prepared by or for an
145 eligible large retirement system or otherwise relating to a potential or actual alternative
146 investment and held by an eligible large retirement system and may agree in making an
147 alternative investment to treat such information as confidential and withhold it from
148 public inspection and disclosure.
- 149 (3) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, any
150 public retirement system created by this title, other than by Chapter 5 of this title, shall
151 make publicly available the following information, but only to the extent the following
152 information is otherwise available or maintained by said retirement system in the normal
153 course and only after a period of one year from the date such records were created:
- 154 (A) The name of any alternative investment in which the retirement system has
155 invested; excluding, in the case of an alternative investment in a privately placed
156 investment pool, any information concerning the investments made by such privately
157 placed investment pool;
- 158 (B) The date the retirement system first invested in an alternative investment;
- 159 (C) The aggregate amount of money, expressed in dollars, the retirement system has
160 invested in alternative investments as of the end of any fiscal quarter;
- 161 (D) The aggregate amount of money and the value of any in kind or other distribution,
162 in each case, expressed in dollars, the retirement system received from alternative
163 investments;
- 164 (E) The internal rate of return or the result under any other such standard used by the
165 retirement system in connection with alternative investments for the asset class and for
166 the period for which the return or standard was calculated; and
- 167 (F) The remaining cost of alternative investments in which the retirement system has
168 invested as of the end of any fiscal quarter.
- 169 (4) The provisions of this Code section shall not restrict access to information and
170 records under process of law or by officers otherwise entitled to them for official
171 purposes, but such information and records shall have the same confidential status under

12

SB402/AP

172 process or with such officers as it does in the hands of an eligible large retirement system,
 173 and such officers shall respect such confidentiality to the extent consistent with their
 174 separate powers and duties.

175 (5) On the second Monday in March of each year, the director of any public retirement
 176 system created by this title, other than by Chapter 5 of this title, shall provide a report to
 177 the Governor and the chairpersons of the House and Senate standing committees on
 178 retirement detailing the performance of any investments made pursuant to this Code
 179 section, including, without limitation, a clear statement of the aggregate loss or profit on
 180 such investments for the preceding year. Such report shall also be posted on the
 181 retirement system's official website. This paragraph shall not be construed so as to
 182 require the disclosure of any information otherwise protected by this subsection.

183 (g) Unless the information has been publicly released, preinvestment and postinvestment
 184 diligence information, including reviews and analyses, prepared or maintained by the
 185 eligible large retirement system or by an alternative investment firm shall be confidential
 186 and exempted from being open to inspection by the general public pursuant to Article 4 of
 187 Chapter 18 of Title 50, except to the extent it is subject to disclosure from the requirements
 188 of subsection (f) of this Code section.

189 (h) The respective boards of trustees of eligible large retirement systems making
 190 investments authorized by this Code section shall adopt a code of ethics for the
 191 consideration of and investment in and disposition of alternative investments.

192 (i) Funds invested pursuant to this Code section and any return on such investment shall
 193 remain funds of the retirement system.'

194 **SECTION 4.**

195 Code Section 50-18-72 of the Official Code of Georgia Annotated, relating to when public
 196 disclosure of records is not required and disclosure of exempting legal authority, is amended
 197 in subsection (a) by striking "or" at the end of paragraph (22), by replacing the period with
 198 "; or" at the end of paragraph (23), and by adding a new paragraph to read as follows:

199 "(24) Records that are expressly exempt from public inspection pursuant to Code Section
 200 47-20-87."

201 **SECTION 5.**

202 All laws and parts of laws in conflict with this Act are repealed.

Resp. Ex. 564

Message

From: Segal, Alexandra [/O=SEWARD & KISSEL/OU=NEWYORK/CN=RECIPIENTS/CN=SEGAL]
Sent: 7/9/2012 3:29:57 PM
To: 'Bob Hubbard' [bob.hubbard@egrayco.com]
Subject: RE: GCAP II

Hi Bob - I will send these to you now.

-----Original Message-----

From: Bob Hubbard [mailto:bob.hubbard@egrayco.com]
Sent: Monday, July 09, 2012 9:24 AM
To: Segal, Alexandra
Subject: RE: GCAP II
Importance: High

Hi Alex,

I haven't received anything on this yet. We are meeting with two prospective investors tomorrow and I was hoping to already have these in presentable form. Can you send the drafts this morning? Thanks---Bob

Confidentiality Notice: This e-mail is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this e-mail in error, please notify Gray & Company by return e-mail and destroy the original message and all electronic, paper, or other copies thereof immediately. Any further use, copying, disclosure, dissemination, or distribution of this communication or its attachments by an unintended recipient is strictly prohibited.

-----Original Message-----

From: Segal, Alexandra [mailto:segal@sewkis.com]
Sent: Thursday, June 28, 2012 2:29 PM
To: Bob Hubbard
Subject: RE: GCAP II

Hi Bob,

I drafted the offering documents, but Peter Pront is reviewing them for the tax disclosures and the alternative investment vehicle language. Peter was out on vacation but expects to get back to me later today with his comments, so I hope to send you drafts of the documents tomorrow.

Regards,
 Alex

 Alexandra Segal

Tel: (212) 574-1525
 Email: <mailto:segal@sewkis.com>
 SEWARD & KISSEL LLP
 One Battery Park Plaza
 New York, NY 10004
 Fax: (212) 480-8421
 Web: <http://www.sewkis.com/>

 Confidentiality Notice: This e-mail is intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. If you have received this e-mail in error, please notify Seward & Kissel LLP by return e-mail and destroy the original message and all copies thereof.

Circular 230 Notice: To ensure compliance with Treasury regulations regarding practice before the IRS, we inform you that, unless expressly stated otherwise, any federal tax advice contained in this communication was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of (i) avoiding penalties that may be imposed on the taxpayer under United States federal tax law, or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

-----Original Message-----

From: Bob Hubbard [mailto:bob.hubbard@egrayco.com]
Sent: Thursday, June 28, 2012 12:34 PM
To: Segal, Alexandra

Subject: GCAP II

Hi Alex,

How are the docs (CPOM, LPA, and Sub Agmt) coming for GCAP II? Can I have the first draft by tomorrow? Again, wasn't anticipating this being a big change from GCAP I's docs. Let me know when you have a chance. Thanks---Bob

Resp. Ex. 581, 617, 625, 1056

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
 NEW YORK, NEW YORK 10004
 (212) 574-1200

March 19, 2012

27491 Gray & Company

 Gray & Company
 3333 Piedmont Road, Suite 1250
 Atlanta, Georgia 30305

For Professional Services Rendered Through January 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0004	Group Trust	\$5,028.75	\$0.57	\$ 5,029.32
	Less on Account			\$ <u>(\$5,029.32)</u>
	Total Billed			\$ <u>0.00</u>

Invoice Date: 19-Mar-12
 Invoice Number: 195036
 Through 31-Jan-12

27491 Gray & Company
 0004 Group Trust

	Services	Atty	Hours
29-Nov-11	Reviewed Georgia investment statute; conference with J. Ryan re: Group Trust issues; conference with A. Segal re: same.	RVG	0.50
30-Nov-11	Reviewed e-mail correspondence with B. Hubbard regarding formation of a group trust; reviewed the Investment Management Agreement and Adoption Agreement with Rhumblin Advisors LP; telephone call with A. Segal; searched for sample Group Trust Agreement and Adoption Agreement.	IK	1.75
1-Dec-11	Telephone calls with A. Segal regarding formation of 81-100 Group Trust for public retirement plans; analyzed Georgia statute regarding permissible investment options for public retirement systems; discussions with A. Segal.	IK	1.00
1-Dec-11	Discussion with RVG, J. Ryan and I. Kerzhner regarding Group Trust project.	AS	0.75
1-Dec-11	Discussions with R. Van Grover and I. Kerzhner regarding formation of 81-100 Group Trust for public retirement plans.	SJR	0.25
1-Dec-11	Conference with J. Ryan, A. Segal and I. Kerzhner re: preparation of Group Trust documents.	RVG	0.50
19-Dec-11	Telephone calls with A. Segal regarding formation of a group trust for public retirement plans; reviewed e-mail correspondence from B. Hubbard.	IK	0.25
19-Dec-11	Discussed group trust with RVG and F. Mitchell; reviewed Rhumblin documents for reference.	AS	2.50
19-Dec-11	Drafted Group Trust Agreement and Adoption Agreement.	FM	3.00
19-Dec-11	Conferences with A. Segal re: terms and form of Group Trust; conference with J. Ryan re: same. Telephone call with Frank Mitchell re: same; reviewed and revised form of Group Trust.	RVG	0.50
	Total Hours		11.00
	Total Services.....	\$	5,028.75

Disbursements Recorded Through January 31, 2012

Telephone 0.57

Invoice Date: 19-Mar-12
Invoice Number: 195036
Through 31-Jan-12

27491 Gray & Company
0004 Group Trust

Total Disbursements.....\$	0.57
Less on Account.....\$	(5,029.32)
Total.....\$	<u>0.00</u>

Invoice Date: 19-Mar-12
Invoice Number: 195036
Through 31-Jan-12

27491 Gray & Company
0004 Group Trust

Atty No. / Init.	Class	Name	Hours	Rate	Value
0638 SJR	Partner	S. John Ryan	0.25	745.00	186.25
0852 RVG	Partner	Robert Van Grover	1.50	795.00	1,192.50
1553 IK	Associate	Irina Kerzhner	3.00	470.00	1,410.00
1628 AS	Associate	Alexandra Segal	3.25	380.00	1,235.00
1765 FM	Associate	Franklin Mitchell	3.00	335.00	1,005.00
			11.00		5,028.75

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 19-Mar-12
Invoice Number 195036
Through 31-Jan-12

27491 Gray & Company
0004 Group Trust

Total Billed.....\$ 0.00

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
 NEW YORK, NEW YORK 10004
 (212) 574-1200

March 16, 2012

27491 Gray & Company

 Gray & Company
 3333 Piedmont Road, Suite 1250
 Atlanta, Georgia 30305

For Professional Services Rendered Through January 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0002	Gray Global Capital Partners Fund I, L.P.	\$2,928.75	\$4.37	\$ 2,933.12
	Less on Account			\$ <u>(\$2,933.12)</u>
	Total Billed			\$ <u>0.00</u>

Invoice Date: 16-Mar-12
 Invoice Number: 194991
 Through 31-Jan-12

27491 Gray & Company
 0002 Gray Global Capital Partners Fund I, L.P.

	Services	Atty	Hours
21-Aug-11	Reviewed and revised Fund presentation materials; e-mails to J. Robinson re: same; telephone call with J. Robinson re: same.	RVG	1.75
28-Sep-11	Drafted subscription agreement	AS	1.75
28-Sep-11	Conference with Alex Segal re: revisions to Fund Sub Doc.	RVG	0.25
3-Oct-11	Conference with A. Segal re: comments to marketing materials; reviewed e-mail re: same.	RVG	0.25
15-Nov-11	Email correspondence with client regarding formation of GP and fund entities and next steps.	AS	1.25
	Total Hours		5.25
	Total Services.....	\$	2,928.75

Disbursements Recorded Through January 31, 2012

Telephone	4.37	
Total Disbursements.....	\$	4.37
Less on Account.....	\$	(2,933.12)
Total.....	\$	0.00

Invoice Date: 16-Mar-12
 Invoice Number: 194991
 Through: 31-Jan-12

27491 Gray & Company
 0002 Gray Global Capital Partners Fund I, L.P.

Atty No. / Init.	Class	Name	Hours	Rate	Value
0852 RVG	Partner	Robert Van Grover	2.25	795.00	1,788.75
1628 AS	Associate	Alexandra Segal	3.00	380.00	1,140.00
			5.25		2,928.75

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 16-Mar-12
Invoice Number 194991
Through 31-Jan-12

27491 Gray & Company
0002 Gray Global Capital Partners Fund I, L.P.

Total Billed.....\$ 0.00

REMITTANCE COPY

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

March 16, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through January 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0003	GrayCo Alternative Partners I, LP	\$76,518.75	\$465.80	\$76,984.55

Invoice Date: 16-Mar-12
 Invoice Number: 194992
 Through 31-Jan-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
18-Oct-11	Telephone call with Bob Hubbard, Larry Gray and P. Pront re: private fund of funds (broad alternative focus); conference with P. Pront re: same; conference with A. Segal re: same.	RVG	1.75
20-Oct-11	Correspondence with R. Van Grover regarding fund launch and related offering documents. Attention to and work on subscription agreement.	LM	0.75
20-Oct-11	Reviewed and revised summary of terms for the Fund; e-mailed same to Bob Hubbard.	RVG	0.50
21-Oct-11	Correspondence with M. McGaugh regarding formation of entities. Revised subscription agreement. Call with R. Van Grover about the same.	LM	4.75
21-Oct-11	Reviewed and revised Sub Doc for Fund; reviewed and responded to e-mails re: same and other Fund documents; telephone call with L. Mothersele re: same.	RVG	2.25
21-Oct-11	Correspondence with Laura Mothersele regarding new private equity fund; calls regarding investment manager formation; prepare Delaware Certificate of Formation and Georgia Application for Registration for GrayCo Investment Management, LLC; calls with Laura regarding conformed signature and filing deadline; filed evidence and emails with CSC; received evidence of filing; saved to system and sent to Bob Hubbard.	MM	1.00
21-Oct-11	Correspondence with Laura Mothersele regarding new private equity fund; prepare Delaware Certificate of Formation and Georgia Application for Registration for GrayCo Alternative Partners I, LP; calls with Laura regarding conformed signature and filing deadline; filed evidence and emails with CSC; received evidence of filing; saved to system and sent to Bob Hubbard.	MM	0.75
24-Oct-11	Drafted CPOM.	AS	5.50
25-Oct-11	Telephone and correspondences with P. Pront regarding VCOC matters; discussion with S. J. Ryan regarding same.	MEO	0.50
25-Oct-11	Drafted PPM for PE fund; call with P. Pront to discuss various terms.	AS	3.75
25-Oct-11	Call with Ms. Segal regarding draft PPM for fund.	PEP	0.50
25-Oct-11	Telephone call with P. Pront regarding VCOC question.	SJR	0.25
25-Oct-11	Discussion with M. O'Brien regarding VCOC matters.	SJR	0.50
25-Oct-11	Received executed Delaware and Georgia formation documents, sent to CSC to be filed and original copies to records.	MM	0.25
26-Oct-11	Drafted CPOM for PE fund.	AS	6.75
26-Oct-11	Review emails from "seed" investor in fund.	PEP	0.50

Invoice Date: 16-Mar-12
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27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
26-Oct-11	Telephone calls with P. Pront re: status and open issues; conferences with A. Segal re: comments to Fund private placement memorandum; reviewed and responded to e-mails re: same.	RVG	0.75
27-Oct-11	Drafted PPM for PE fund.	AS	4.00
27-Oct-11	Reviewed POM.	DCM	2.25
27-Oct-11	Email to and conference with Mr. Van Grover and Ms. Segal regarding comments to LPA and Summary of Terms for fund provided by said investor.	PEP	1.00
27-Oct-11	Reviewed and responded to e-mail re: Police and Fire counsel's comments to Fund documents and Gray's responses; telephone call with P. Pront re: same; conference with A. Segal re: same; telephone call with P. Pront and A. Segal re: same; reviewed Fund LPA.	RVG	1.75
28-Oct-11	Discussions and correspondence with A. Segal regarding ERISA's prudent man standard of care and considerations regarding same in connection with investments by governmental plan investors; reviewed documentation regarding same.	MEO	1.00
28-Oct-11	Call with RVG and B. Hubbard; revised offering documents to incorporate investor's comments.	AS	5.75
28-Oct-11	Reviewed comments from investor and responses from Bob Hubbard; telephone call with A. Segal and B. Hubbard and L. Gray re: same; conferences with A. Segal re: same (revisions to documents); reviewed revised documents.	RVG	3.25
31-Oct-11	Email correspondence with client regarding investor's comments to offering documents; revised offering documents to incorporate comments.	AS	1.00
31-Oct-11	Emails to Mr. Hubbard regarding UBTI considerations in fund.	PEP	0.50
31-Oct-11	Reviewed and revised Sub Doc; conferences with A. Segal re: (1) same and (2) New Haven's counsel's comments; reviewed e-mails re: same.	RVG	1.25
3-Nov-11	Reviewed Form SS-4s for fund and general partner entities.	AS	2.00
3-Nov-11	Reviewed comments from New Haven P&F counsel; conference with A. Segal re: same.	RVG	0.50
3-Nov-11	T/c with Alex Segal regarding SS-4s, prepare SS-4 for GrayCo Alternative Partners I, LP.	MM	0.25
4-Nov-11	Call with client and RVG to discuss offering documents and investor's comments thereto; revised offering documents and sent to client.	AS	1.25
4-Nov-11	Called IRS and obtained EIN for GrayCo Alternative Partners I, LP. Scanned to DOCs.	ECV	0.50

Invoice Date: 16-Mar-12
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27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
4-Nov-11	Telephone call with Bob Hubbard, Larry Gray and A. Segal re: responses to New Haven P&F counsel' comments; conference with A. Segal re: same; reviewed Fund private placement memorandum.	RVG	1.25
7-Nov-11	Reviewed and revised Fund private placement memorandum.	RVG	1.50
8-Nov-11	Call with RVG and counsel for P&F; revised offering documents; email correspondence with client.	AS	2.75
8-Nov-11	Review draft PPM for Gray Co. Alternative Fund.	PEP	1.25
8-Nov-11	Reviewed and revised Fund private placement memorandum; telephone call with P. Pront re: comments to same; conference with A. Segal re: same; telephone call with Sharon Freleich (P&F counsel) and (for part) A. Segal re: comments to terms of LPA; reviewed and responded to e-mails (from Bob Hubbard and Sharon Freleich) re: same.	RVG	2.75
9-Nov-11	Revised offering documents; drafted side letter; call with B. Hubbard to discuss open items; sent revised drafts of offering documents to client.	AS	3.75
9-Nov-11	Conferences with Ms. Segal and review revised documents for Gray Co Alternative Fund.	PEP	1.00
9-Nov-11	Reviewed and revised Fund private placement memorandum; reviewed and responded to e-mails from Sharon Freilich (New Haven P&F counsel) re: (1) additional comments and side letter provisions; reviewed and responded to e-mails from Bob Hubbard re: (1); conferences with A. Segal re: comments to Fund documents; reviewed, revised Fund documents.	RVG	3.25
10-Nov-11	Email correspondence with P. Pront and client regarding transfer of Edgewater interest.	AS	3.25
10-Nov-11	Conference with Ms. Segal and review revised documents for Gray & Co. Alternative Fund.	PEP	0.25
10-Nov-11	Telephone call with Bob Hubbard re: New Haven P&F comments and responses and status; reviewed e-mails re: same; conferences with A. Segal re: same; telephone call with B. Hubbard and A. Segal re: same; reviewed revised documents.	RVG	2.25
10-Nov-11	Received filed GA qualifications for GrayCo, sent to Bob Hubbard.	MM	0.25
14-Nov-11	Reviewed and commented on Transfer Agreement re: Edgewater interest and discussed with RVG; sent agreement to client.	AS	2.00
14-Nov-11	Reviewed and revised Transfer Agreement involving Edgewater interest; conferences with A. Segal re: same.	RVG	0.75
15-Nov-11	Advise A. Segal re: tax issue	JCC	0.25

Invoice Date: 16-Mar-12
 Invoice Number: 194992
 Through 31-Jan-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
15-Nov-11	Completed Investor Qualification Statement re: Edgewater Transfer Agreement.	AS	2.50
15-Nov-11	Conference with A. Segal re: fohf structure.	RVG	0.25
15-Nov-11	Reviewed e-mail re: completion of Edgewater transfer agreement; reviewed transfer agreement and attachment (transferee questionnaires); telephone call and conferences with A. Segal re: same.	RVG	1.25
17-Nov-11	Discussion with B. Hubbard regarding the transfer agreement and related investor qualification statement; discussions with RVG and researched whether client is accredited investor based on uncalled capital commitments.	AS	3.00
17-Nov-11	Research re: whether Fund qualifies as accredited investor and qualified purchaser; conferences with A. Segal re: same; telephone call and e-mail to Bob Hubbard re: same.	RVG	1.25
18-Nov-11	Discussed accredited investor issue with J. Morrissey and RVG.	AS	0.75
21-Nov-11	Discussion with RVG regarding client's accredited investor status.	AS	0.25
22-Nov-11	Call with B. Hubbard to discuss fund's accredited investor status.	AS	0.50
23-Nov-11	Reviewed administration agreement; email correspondence with client regarding State Street due diligence	AS	2.25
23-Nov-11	Conferences with A. Segal re: comments to Edgewater Growth Capital Partners II, L.P. transfer qualification statement; reviewed same.	RVG	0.50
28-Nov-11	Review/revise State Street remote access services addendum.	BHA	2.75
28-Nov-11	Email correspondence with client regarding whether fund should invest in U.S. or non-U.S. underlying funds.	AS	0.25
28-Nov-11	Email to Mr. VanGrover regarding fund structural considerations for US taxable and US tax-exempt investors.	PEP	0.25
28-Nov-11	Reviewed and responded to e-mails re: investment by Fund in offshore funds and related tax issues.	RVG	0.25
29-Nov-11	Complete review of State Street remote access services addendum.	BHA	1.00
29-Nov-11	Call with RVG, P. Pront and client to discuss UBTI and other tax concerns.	AS	2.50
29-Nov-11	Call with Messrs. VanGrover and Hubbard regarding fund structural considerations for New Haven Pension Fund.	PEP	0.25
30-Nov-11	Filed CFTC exemption for fund; completed subscription agreement for Millenium International, Ltd.; reviewed and commented on administration agreement.	AS	6.75
30-Nov-11	Reviewed and commented on State Street custody agreement.	REW	3.00

Invoice Date: 16-Mar-12
 Invoice Number: 194992
 Through 31-Jan-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
30-Nov-11	Reviewed Millennium Sub Docs; conference with A. Segal re: same; telephone call with B. Hubbard re: same and tax impact of investing in offshore funds; conference with A. Segal re: comments to State Street Admin Agreement.	RVG	1.25
1-Dec-11	Discussion with I. Kerzhner and email correspondence with client regarding benefit plan investor reps in Millenium subscription agreement.	AS	0.50
2-Dec-11	Conference with Mr. VanGrover regarding PFIC issues relating to investment by PE fund in offshore investment companies.	PEP	0.25
2-Dec-11	Reviewed e-mail from D. Murphy re: tax impact on GP of investment by Fund in offshore funds; telephone call with P. Pront re: same; telephone calls with B. Hubbard re: same.	RVG	0.75
5-Dec-11	Call with P. Pront to discuss PFIC issues.	AS	0.25
6-Dec-11	Revised CPOM.	AS	6.25
6-Dec-11	Reviewed and revised Fund private placement memorandum; conference with A. Segal re: same.	RVG	1.25
6-Dec-11	Preparation of Delaware Certificate of Amendment for GrayCo Alternative Partners I, LP; calls with CSC regarding GA Certificates of Amendment and policy for updating prinicipal place of business for Grayco Alternative Partners and GrayCo Investment Management, email to Bob Hubbard regarding same.	MM	0.50
7-Dec-11	Discussion with RVG regarding Third Point investment; discussion with B. Lyons re: private placement procedures.	AS	0.25
8-Dec-11	Discussion with RVG; email correspondence with client regarding Third Point invetment and GrayCo CPOM.	AS	0.75
8-Dec-11	Conference with A. Segal re: revisions to Fund private placement memorandum; reviewed e-mail re: same.	RVG	0.25
9-Dec-11	Revised offering memorandum to reflect updated biographies, email correspondence with client regarding State Street due diligence forms; call to State Street to discuss forms.	AS	1.00
9-Dec-11	Reviewed e-mails re: revisions to Fund private placement memorandum; conference with A. Segal re: same.	RVG	0.25
12-Dec-11	Conversation with contact person at State Street regarding materials required for due diligence purposes; discussion with RVG regarding LLC agreement.	AS	0.25
14-Dec-11	Call with RVG and B. Hubbard regard fund, LLC agreement for GP entity; discussed blue sky filing requirements with D. Kubiak and M. McGaugh.	AS	0.75
14-Dec-11	Research CT law regarding pension plan.	DK	0.25

Invoice Date: 16-Mar-12
 Invoice Number: 194992
 Through 31-Jan-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
14-Dec-11	Telephone call with B. Hubbard and A. Segal re: issues related to initial closing of fund and next steps (blue sky filings and update to Sub Doc); conference with A. Segal re: same; conference with D. Kubiak re: same.	RVG	0.50
14-Dec-11	Corr. regarding GrayCo launch; prepare HFMS, edgar Power of Attorney and HFMS memo; sent to Bob Hubbard with sales template for GrayCo; uploaded sales information.	MM	0.75
15-Dec-11	Revised subscription agreement for use by investors other than New Haven; coordinated with M. McGaugh regarding Form D filing, other filings; email correspondence with client.	AS	0.75
15-Dec-11	T/C with A. Segal, discussed with McGaugh.	DK	0.25
15-Dec-11	Upload sales information for GrayCo Alternative Partners I, LP, email to Bob Hubbard regarding EDGAR Power of Attorney; calls with Alex Segal and Debbie Kubiak regarding same.	MM	0.50
16-Dec-11	Revised subscription agreement for distribution to new investors.	AS	1.00
16-Dec-11	Conference with Ms. Segal regarding structure of fund.	PEP	0.25
19-Dec-11	Correspondence and discussion with A. Segal regarding inquiry on tax status of partnership.	MEO	0.25
19-Dec-11	Discussion with RVG regarding third point subscription agreement; email correspondence with client regarding state street due diligence process and eligible introducer letter in particular; revised subscription agreement and sent to client.	AS	0.75
19-Dec-11	Review and revised Fund Sub Doc; conference with A. Segal re: same.	RVG	0.25
19-Dec-11	Received executed power of attorney and prepare packet to send to SEC; receive CIK and generated access codes; prepare Form D for GrayCo Alternative Partners; corr. with Bob Hubbard regarding Form and revisions to same; receive filing approval and file; forward confirmation to Bob Hubbard and update HFMS.	MM	2.00
23-Dec-11	Call with Bill Walt at State Street to discuss comments to administration agreement.	AS	0.50
23-Dec-11	Reviewed/completed subscription agreement for Third Point; discussion with RVG and with contact at SEC office regarding inclusion of uncalled capital commitments for accredited investor net assets test.	AS	1.00
23-Dec-11	Gray Co Alternative Partners I LP : reviewed and commented on State Street custody agreement; conference with State Street re same.	REW	3.00
23-Dec-11	Conference with A. Segal re: comments to Third Point Sub Doc; reviewed same.	RVG	0.50

Invoice Date: 16-Mar-12
 Invoice Number: 194992
 Through 31-Jan-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
27-Dec-11	Reviewed and completed subscription agreement for Third Point; sent to client; discussion with RVG.	AS	1.75
27-Dec-11	Conference with A. Segal re: comments to Third Point Sub Docs; reviewed same.	RVG	0.50
3-Jan-12	Prepare for and conference with B. Walt at State Street regarding remote access agreement.	BHA	0.50
3-Jan-12	Revised administration agreement to incorporate comments from State Street.	AS	0.50
12-Jan-12	Reviewed side letter with Michigan plan.	AS	1.00
13-Jan-12	Researched AI/QP requirements for state pension plans.	AS	0.25
13-Jan-12	Reviewed and commented on side letter.	AS	1.00
17-Jan-12	Research regarding accredited investor/qualified purchaser tests; email correspondence to client regarding potential investment by pension plan investor; discussion with client and discussion with D. Kubiak regarding blue sky filing requirements as they relate to commitment by ERISA investor.	AS	1.50
17-Jan-12	Discussed Form D requirements with A. Segal regarding date of first sale and when investor is contractually committed.	DK	0.50
18-Jan-12	Email correspondence with client, discussion with D. Kubiak regarding blue sky filings.	AS	0.25
18-Jan-12	Discussed City of Pontiac side letter with RVG and revised letter and sent to client.	AS	0.50
18-Jan-12	T/C with A. Segal regarding date of first sale.	DK	0.25
18-Jan-12	Conference with A. Segal re: proposed side letter comments.	RVG	0.50
20-Jan-12	Review State Street comments to remote services addendum; call to A. Segal regarding same.	BHA	0.75
23-Jan-12	Gray Co Alternative Partners I LP : reviewed and commented on State Street custody agreement; conference with State Street re same. 27491-0003	REW	0.50
27-Jan-12	Email correspondence with Bill Walt and Bob Hubbard regarding State Street agreements.	AS	0.25
31-Jan-12	Conference with B. Hubbard regarding State Street comments to remote access services addendum; revise agreement; call to A. Segal regarding same.	BHA	1.00
31-Jan-12	Reviewed investor comments to Pontiac side letter.	AS	1.00
	Total Hours		152.75
	Total Services.....	\$	76,518.75

Invoice Date: 16-Mar-12
Invoice Number: 194992
Through 31-Jan-12

27491 Gray & Company
0003 GrayCo Alternative Partners I, LP

Disbursements Recorded Through January 31, 2012

Telephone	52.82	
Local Transportation	64.48	
Word Processing Overtime	348.50	
Total Disbursements.....	\$	465.80
<hr/>		
Total.....	\$	<u>76,984.55</u>

Invoice Date: 16-Mar-12
 Invoice Number: 194992
 Through 31-Jan-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

Atty No. / Init.	Class	Name	Hours	Rate	Value
0638 SJR	Partner	S. John Ryan	0.75	745.00	558.75
0852 RVG	Partner	Robert Van Grover	0.50	850.00	425.00
0852 RVG	Partner	Robert Van Grover	32.75	795.00	26,036.25
0903 JCC	Partner	James C. Cofer	0.25	595.00	148.75
0513 DCM	Counsel	Daniel Murphy	2.25	630.00	1,417.50
0630 PEP	Counsel	Peter Pront	6.00	795.00	4,770.00
1352 BHA	Counsel	Beth Alter	2.25	620.00	1,395.00
1352 BHA	Counsel	Beth Alter	3.75	580.00	2,175.00
1562 MEO	Counsel	Michael O'Brien	1.75	575.00	1,006.25
1628 AS	Associate	Alexandra Segal	6.25	430.00	2,687.50
1628 AS	Associate	Alexandra Segal	76.25	380.00	28,975.00
1654 REW	Associate	Robert E. Wood	0.50	595.00	297.50
1654 REW	Associate	Robert E. Wood	6.00	570.00	3,420.00
1697 LM	Associate	Laura Mothersele	5.50	335.00	1,842.50
1750 DK	Associate	Deborah Kubiak	0.75	480.00	360.00
1750 DK	Associate	Deborah Kubiak	0.50	465.00	232.50
1764 MM	Paralegal	Marybeth McGaugh	6.25	115.00	718.75
1778 ECV	Paralegal	Emily C. Viviani	0.50	105.00	52.50
			152.75		76,518.75

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 16-Mar-12
Invoice Number 194992
Through 31-Jan-12

27491 Gray & Company
0003 GrayCo Alternative Partners I, LP

Total Billed..... 76,984.55

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

REMITTANCE COPY

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
 NEW YORK, NEW YORK 10004
 (212) 574-1200

April 26, 2012

27491 Gray & Company
 Gray & Company
 3333 Piedmont Road, Suite 1250
 Atlanta, Georgia 30305

For Professional Services Rendered Through January 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0001	General	\$4,701.25	\$147.30	\$ 4,848.55
	Less on Account			\$ <u>(\$4,740.06)</u>
	Total Billed			\$ <u>108.49</u>

Invoice Date: 26-Apr-12
 Invoice Number: 195037
 Through 31-Jan-12

27491 Gray & Company
 0001 General

	Services	Atty	Hours
17-Oct-11	Telephone call with Bob Hubbard and Bibb Strench re: (1) formation of private equity fund of funds; (2) whether to separate out business divisions into separate legal entities; (3) compliance issues; telephone call with B. Strench re: same; reviewed and responded to e-mails re: same.	RVG	1.50
3-Nov-11	T/c with Alex Segal regarding SS-4s, prepare SS-4 for GrayCo Investment Mangement LLC.	MM	0.25
4-Nov-11	Called IRS and obtained EIN for GrayCo Investment Management, LLC. Scanned to DOCS.	ECV	0.50
16-Dec-11	Revise LLC Agreement	JCC	0.50
16-Dec-11	Prepared LLC Agreement for GrayCo Investment Management, LLC.	AS	0.50
19-Dec-11	Revised operating agreement to incorporate RVG's comments; sent to client.	AS	0.50
19-Dec-11	Reviewed and revised GrayCo Investment Management, LLC Operating Agreement; conferences with A. Segal re: comments to same; reviewed e-mails re: same.	RVG	0.50
3-Jan-12	Reviewed LLC Agreement, email correspondence with client; reviewed side letter with prospective investor.	AS	0.75
5-Jan-12	Conference with A. Segal re: proposed revisions to GrayCo LLC Agreement.	RVG	0.50
17-Jan-12	Discussion with client regarding withdrawal and allocation provisions in LLC agreement.	AS	0.75
18-Jan-12	Discussed LLC agreement with RVG and possible loan by Gray & Company to members of GP entity.	AS	0.75
18-Jan-12	Conference with A. Segal re: comments to GrayCo LLC Agreement and open issues.	RVG	0.25
27-Jan-12	Revised LLC agreement.	AS	0.25
30-Jan-12	Call with RVG, B. Hubbard and L. Gray to discuss LLC agreement.	AS	0.50
30-Jan-12	Telephone call with Larry Gray and Bob Hubbard and Alex Segal re: terms of GrayCo Management LLC Agreement.	RVG	0.50
	Total Hours		8.50
	Total Services.....\$		4,701.25

Invoice Date: 26-Apr-12
 Invoice Number: 195037
 Through 31-Jan-12

27491 Gray & Company
 0001 General

Disbursements Recorded Through January 31, 2012

Telephone	2.28	
Local Transportation	76.12	
Secretarial Overtime	68.90	
Total Disbursements.....	\$	147.30
Less on Account.....	\$	(4,740.06)
Total.....	\$	<u>108.49</u>

Invoice Date: 26-Apr-12
Invoice Number: 195037
Through 31-Jan-12

27491 Gray & Company
0001 General

Atty No. / Init.	Class	Name	Hours	Rate	Value
0852 RVG	Partner	Robert Van Grover	1.25	850.00	1,062.50
0852 RVG	Partner	Robert Van Grover	2.00	795.00	1,590.00
0903 JCC	Partner	James C. Cofer	0.50	595.00	297.50
1628 AS	Associate	Alexandra Segal	3.00	430.00	1,290.00
1628 AS	Associate	Alexandra Segal	1.00	380.00	380.00
1764 MM	Paralegal	Marybeth McGaugh	0.25	115.00	28.75
1778 ECV	Paralegal	Emily C. Viviani	0.50	105.00	52.50
			8.50		4,701.25

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Invoice Date 26-Apr-12
Invoice Number 195037
Through 31-Jan-12

27491 Gray & Company
0001 General

Total Billed.....\$ 108.49

Payment of bill is due upon receipt

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

May 30, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through March 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0001	General	\$5,570.00	\$40.71	\$5,610.71

Invoice Date: 30-May-12
 Invoice Number: 197751
 Through 31-Mar-12

27491 Gray & Company
 0001 General

	Services	Atty	Hours
1-Feb-12	Reviewed and revised GrayCo Investment Management LLC Operating Agreement.	RVG	0.75
2-Feb-12	Revised LLC Agreement and sent to client.	AS	0.50
1-Mar-12	Reviewed Certium management agreement	AS	0.75
2-Mar-12	Call with B. Hubbard to discuss Certium sub-advisory agreement.	AS	0.25
5-Mar-12	Revised Certium IMA and discussed with RVG	AS	1.00
5-Mar-12	Conference with A. Segal re: miscellaneous issues.	RVG	0.25
12-Mar-12	Reviewed/commented on Gray/Certium IMA	AS	2.25
13-Mar-12	Reviewed Certium sub-advisory agreement; discussed with RVG and M. O'Brien	AS	3.50
13-Mar-12	Conference with A. Segal re: comments to sub-advisory with Certium; reviewed and revisions to certain provisions.	RVG	1.00
30-Mar-12	Reviewed revised Certium sub-advisory agreement; discussed with B. Hubbard	AS	0.75
	Total Hours		11.00
	Total Services.....\$		5,570.00

Disbursements Recorded Through March 31, 2012

Telephone	40.71	
Total Disbursements.....\$		40.71
Total.....\$		<u>5,610.71</u>

Invoice Date: 30-May-12
Invoice Number: 197751
Through 31-Mar-12

27491 Gray & Company
0001 General

Atty						
No. / Init.	Class	Name	Hours	Rate	Value	
0852	RVG	Partner	Robert Van Grover	2.00	850.00	1,700.00
1628	AS	Associate	Alexandra Segal	9.00	430.00	3,870.00
				11.00		5,570.00

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 30-May-12
Invoice Number 197751
Through 31-Mar-12

27491 Gray & Company
0001 General

Total Billed.....\$ 5,610.71

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

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TAX IDENTIFICATION NUMBER [REDACTED]

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May 30, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through March 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0002	Gray Global Capital Partners Fund I, L.P.	\$5,211.25	\$0.00	\$5,211.25

Invoice Date: 30-May-12
 Invoice Number: 197752
 Through: 31-Mar-12

27491 Gray & Company
 0002 Gray Global Capital Partners Fund I, L.P.

Services	Atty	Hours
17-Feb-12 Call with B. Hubbard to discuss fund terms.	AS	0.25
13-Mar-12 Call with J. Robinson to discuss fund terms; offering documents.	AS	0.25
20-Mar-12 Drafted PPM	AS	1.00
21-Mar-12 Drafted PPM.	AS	6.25
22-Mar-12 Review and revise OM and LPA	JCC	0.25
22-Mar-12 Drafted PPM and LPA.	AS	2.50
23-Mar-12 Updated subscription agreement.	AS	1.50
Total Hours		12.00
Total Services.....	\$	5,211.25

Disbursements Recorded Through March 31, 2012

Total Disbursements.....	\$	0.00
Total.....	\$	<u>5,211.25</u>

Invoice Date: 30-May-12
 Invoice Number: 197752
 Through: 31-Mar-12

27491 Gray & Company
 0002 Gray Global Capital Partners Fund I, L.P.

Atty No. / Init.	Class	Name	Hours	Rate	Value
0903 JCC	Partner	James C. Cofer	0.25	635.00	158.75
1628 AS	Associate	Alexandra Segal	11.75	430.00	5,052.50
			12.00		5,211.25

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NEW YORK, NEW YORK 10004
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Invoice Date 30-May-12
Invoice Number 197752
Through 31-Mar-12

27491 Gray & Company
0002 Gray Global Capital Partners Fund I, L.P.

Total Billed.....\$ 5,211.25

REMITTANCE COPY

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

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ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

May 30, 2012

27491 Gray & Company

 Gray & Company
 3333 Piedmont Road, Suite 1250
 Atlanta, Georgia 30305

For Professional Services Rendered Through March 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0004	Group Trust	\$860.00	\$0.00	\$860.00

Invoice Date: 30-May-12
 Invoice Number: 197754
 Through 31-Mar-12

27491 Gray & Company
 0004 Group Trust

	Services	Atty	Hours
13-Mar-12	Telephone calls with A. Segal regarding ERISA related provisions in an Investment Management Agreement, discussions with M. O'Brien.	IK	0.50
13-Mar-12	Various discussions and correspondences with R. Van Grover, A. Segal and I. Kerzhner regarding group trust arrangements.	MEO	1.00
	Total Hours		1.50
	Total Services.....	\$	860.00

Disbursements Recorded Through March 31, 2012

Total Disbursements.....	\$	0.00
Total.....	\$	<u>860.00</u>

Invoice Date: 30-May-12
 Invoice Number: 197754
 Through: 31-Mar-12

27491 Gray & Company
 0004 Group Trust

Atty No. / Init.	Class	Name	Hours	Rate	Value
1562 MEO	Counsel	Michael O'Brien	1.00	600.00	600.00
1553 IK	Associate	Irina Kerzhner	0.50	520.00	260.00
			1.50		860.00

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Invoice Date 30-May-12
Invoice Number 197754
Through 31-Mar-12

27491 Gray & Company
0004 Group Trust

Total Billed..... \$ 860.00

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

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NEW YORK, NEW YORK 10004
(212) 574-1200

July 31, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through June 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0001	General	\$8,020.00	\$0.00	\$8,020.00

Invoice Date: 31-Jul-12
 Invoice Number: 199666
 Through 30-Jun-12

27491 Gray & Company
 0001 General

	Services	Atty	Hours
2-Apr-12	Discussed with B. Hubbard Certium sub-advisory agreement; structure of GP entities and Gray & Co. generally; email correspondence with client regarding JOBS Act.	AS	1.00
3-Apr-12	Discussed company structure with RVG and B. Hubbard.	AS	0.25
3-Apr-12	Prepared IMA, sub-advisory agreement re: certium sub-advisory arrangement.	AS	1.75
4-Apr-12	Drafted GrayCo-Certium sub-advisory agreement.	AS	3.00
5-Apr-12	Revised sub-advisory agreement between GrayCo and Certium.	AS	0.25
5-Apr-12	Discussed Certium agreement and other open projects with E. Ehlke.	AS	0.25
5-Apr-12	Drafted managed account agreement and Certium sub-advisory agreement	AS	1.00
5-Apr-12	Conference with A. Segal re: open items	EE	0.25
10-Apr-12	Work in connection with Certium agreements	EE	0.25
13-Apr-12	Sent draft agreements to B. Hubbard.	JH	0.75
22-May-12	Revised Certium agreement; email correspondence with client regarding agreement.	AS	2.00
24-May-12	Reviewed Gray/Certium agreement.	AS	1.00
24-May-12	Reviewed revised Gray/Certium agreement.	AS	0.25
1-Jun-12	Revised Certium agreement; discussed with RVG; sent to client.	AS	1.50
1-Jun-12	Reviewed Gray-Certium Sub Advisory Agreement; conference with A. Segal re: same.	RVG	0.50
5-Jun-12	Calls with Ashely McCants regarding DE LLC and formation questions along with procedure for formation, prepare DE Certificate of Formation, GA qualification, and SS-4 for GrayCo Africa, receive executed documents, file with CSC, receive evidence, save to system and sent to client.	MM	2.00
11-Jun-12	T/c to IRS regarding EIN for GrayCo Africa LLC, obtained EIN and scanned original document into system, sent copy to Ashley with number.	MM	0.50
12-Jun-12	Received evidence from CSC of Georgia Certificate of Authority for GrayCo Africa LLC, save Certificate to DOCs and sent to client.	MM	0.25
14-Jun-12	Reviewed Certium's comments to revised sub-advisory agreement.	AS	1.00
18-Jun-12	Reviewed/revised Certium sub-advisory agreement.	AS	1.75
19-Jun-12	Discussed Certium sub-advisory agreement with RVG.	AS	0.25
19-Jun-12	Conference with A. Segal re: revisions to Certium Sub-Advisory Agreement; reviewed same.	RVG	0.25
	Total Hours		20.00

Invoice Date: 31-Jul-12
Invoice Number: 199666
Through 30-Jun-12

27491 Gray & Company
0001 General

Total Services.....\$ 8,020.00

Disbursements Recorded Through June 30, 2012

Total Disbursements.....\$ 0.00

Total.....\$ 8,020.00

Invoice Date: 31-Jul-12
Invoice Number: 199666
Through 30-Jun-12

27491 Gray & Company
0001 General

Atty						
No. / Init.	Class	Name	Hours	Rate	Value	
0852	RVG	Partner	Robert Van Grover	0.75	850.00	637.50
1628	AS	Associate	Alexandra Segal	15.25	430.00	6,557.50
1689	EE	Associate	Erin Ehlke	0.50	385.00	192.50
1694	JH	Associate	Julia Hanks	0.75	385.00	288.75
1764	MM	Paralegal	Marybeth McGaugh	2.75	125.00	343.75
			20.00			8,020.00

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ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Jul-12
Invoice Number 199666
Through 30-Jun-12

27491 Gray & Company
0001 General

Total Billed.....\$ 8,020.00

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

July 31, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through June 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0002	Gray Global Capital Partners Fund I, L.P.	\$908.75	\$0.00	\$908.75

Invoice Date: 31-Jul-12
 Invoice Number: 199667
 Through 30-Jun-12

27491 Gray & Company
 0002 Gray Global Capital Partners Fund I, L.P.

	Services	Atty	Hours
2-Apr-12	Discussed fund documents with B. Hubbard.	AS	0.25
3-Apr-12	Advise A. Segal re: management fee	JCC	0.25
3-Apr-12	Discussions with RVG, J. Cofer and B. Hubbard regarding payment of management fee from GP entity to IM entity.	AS	0.75
3-Apr-12	Conference with A. Segal re: payment of fees by Fund to GP entity and related issues.	RVG	0.25
1-May-12	Discussion with C. Knight regarding management structure.	AS	0.25
	Total Hours		1.75
	Total Services.....	\$	908.75

Disbursements Recorded Through June 30, 2012

Total Disbursements.....	\$	0.00
Total.....	\$	<u>908.75</u>

Invoice Date: 31-Jul-12
Invoice Number: 199667
Through 30-Jun-12

27491 Gray & Company
0002 Gray Global Capital Partners Fund I, L.P.

Atty No. / Init.	Class	Name	Hours	Rate	Value
0852 RVG	Partner	Robert Van Grover	0.25	850.00	212.50
0903 JCC	Partner	James C. Cofer	0.25	635.00	158.75
1628 AS	Associate	Alexandra Segal	1.25	430.00	537.50
			1.75		908.75

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Jul-12
Invoice Number 199667
Through 30-Jun-12

27491 Gray & Company
0002 Gray Global Capital Partners Fund I, L.P.

Total Billed..... \$ 908.75

REMITTANCE COPY

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

July 31, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through June 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0003	GrayCo Alternative Partners I, LP	\$62.50	\$89.33	\$151.83

Invoice Date: 31-Jul-12
 Invoice Number: 199668
 Through 30-Jun-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
11-Apr-12	Prepare Alabama letter response.	MM	0.25
6-May-12	Post-filing responsibilities for GrayCo Alternative Partners I, LP in Michigan, including scanning originals, saving to DOCs, sending original copies to records.	MM	0.25
	Total Hours		0.50
	Total Services.....	\$	62.50

Disbursements Recorded Through June 30, 2012

Duplicating	0.80	
Postage	0.45	
Courier Services	38.08	
Filing Fees	50.00	
Total Disbursements.....	\$	89.33
Total.....	\$	<u>151.83</u>

Invoice Date: 31-Jul-12
 Invoice Number: 199668
 Through 30-Jun-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

Atty No. / Init.	Class	Name	Hours	Rate	Value
1764 MM	Paralegal	Marybeth McGaugh	0.50	125.00	62.50
			0.50		62.50

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Jul-12
Invoice Number 199668
Through 30-Jun-12

27491 Gray & Company
0003 GrayCo Alternative Partners I, LP

Total Billed.....\$ 151.83

REMITTANCE COPY

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

July 31, 2012

27491 Gray & Company

Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through June 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0005	GrayCo Alternative Partners II, LP	\$3,905.00	\$0.00	\$3,905.00

Invoice Date: 31-Jul-12
 Invoice Number: 199669
 Through 30-Jun-12

27491 Gray & Company
 0005 GrayCo Alternative Partners II, LP

	Services	Atty	Hours
2-Apr-12	Discussed new private equity fund of funds with B. Hubbard.	AS	0.25
3-Apr-12	Discussed separate portfolio structure (i.e., opt out mechanism) re: new PE fund II.	AS	0.25
8-Jun-12	Looked into GA statutes regarding restrictions on alternative investments by eligible large retirement systems; email correspondence with client; discussed with RVG.	AS	1.00
8-Jun-12	Conference with A. Segal re: limitation on government plan investment in fund; reviewed research re: same.	RVG	0.25
15-Jun-12	Drafted offering documents.	AS	2.50
28-Jun-12	Review draft of GrayCo II LPA and CPOM.	PEP	1.50
29-Jun-12	Drafted offering documents.	AS	0.75
29-Jun-12	Conference with Ms. Segal regarding excluding certain LPs from hedge fund investments.	PEP	0.50
	Total Hours		7.00
	Total Services.....	\$	3,905.00

Disbursements Recorded Through June 30, 2012

Total Disbursements.....	\$	0.00
Total.....	\$	<u>3,905.00</u>

Invoice Date: 31-Jul-12
Invoice Number: 199669
Through 30-Jun-12

27491 Gray & Company
0005 GrayCo Alternative Partners II, LP

Atty No. / Init.	Class	Name	Hours	Rate	Value
0852 RVG	Partner	Robert Van Grover	0.25	850.00	212.50
0630 PEP	Counsel	Peter Pront	2.00	825.00	1,650.00
1628 AS	Associate	Alexandra Segal	4.75	430.00	2,042.50
			7.00		3,905.00

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Jul-12
Invoice Number 199669
Through 30-Jun-12

27491 Gray & Company
0005 GrayCo Alternative Partners II, LP

Total Billed.....\$ 3,905.00

REMITTANCE COPY

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

October 31, 2012

27491 Gray & Company

John C. Robinson, CTP
Senior Managing Director
Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through September 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0005	GrayCo Alternative Partners II, LP	\$1,700.00	\$0.00	\$1,700.00

SK 0259

Invoice Date: 31-Oct-12
 Invoice Number: 262194
 Through 30-Sep-12

27491 Gray & Company
 0005 GrayCo Alternative Partners II, LP

	Services	Atty	Hours
4-Jul-12	Review revised draft of LPA and send e-mail to Ms. Segal regarding same.	PEP	0.50
5-Jul-12	Drafted offering documents.	AS	1.00
6-Jul-12	Drafted LPA.	AS	0.75
9-Jul-12	Prepared offering documents and sent to client.	AS	0.50
6-Aug-12	Discussed with RVG investment by PE Fund II in affiliated hedge fund.	AS	0.25
6-Aug-12	Conference with A. Segal re: issues raised by Gray investing client funds in funds managed by advisers in which Gray owns an interest.	RVG	0.25
	Total Hours		3.25
	Total Services.....\$		1,700.00

Disbursements Recorded Through September 30, 2012

Total Disbursements.....\$	0.00
Total.....\$	<u>1,700.00</u>

Invoice Date: 31-Oct-12
 Invoice Number: 262194
 Through 30-Sep-12

27491 Gray & Company
 0005 GrayCo Alternative Partners II, LP

Atty No. / Init.	Class	Name	Hours	Rate	Value
0852 RYG	Partner	Robert Van Grover	0.25	850.00	212.50
0630 PEP	Counsel	Peter Pront	0.50	825.00	412.50
1628 AS	Associate	Alexandra Segal	2.50	430.00	1,075.00
			3.25		1,700.00

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Oct-12
Invoice Number 262194
Through 30-Sep-12

27491 Gray & Company
0005 GrayCo Alternative Partners II, LP

Total Billed..... 1,700.00

REMITTANCE COPY

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Kind of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SK 0262

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

27491 Gray & Company

October 31, 2012

John C. Robinson, CTP
Senior Managing Director
Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through September 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0003	GrayCo Alternative Partners I, LP	\$138.75	\$0.00	\$138.75

Invoice Date: 31-Oct-12
 Invoice Number: 262193
 Through 30-Sep-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
1-Aug-12	Email correspondence with client regarding AML requirements/State Street due diligence.	AS	0.25
26-Aug-12	Post filing responsibilities for original AL evidence, scan into system, save to DOCs and sent original to records.	MM	0.25
	Total Hours		0.50
	Total Services.....	\$	138.75

Disbursements Recorded Through September 30, 2012

Total Disbursements.....	\$	0.00
Total.....	\$	<u>138.75</u>

Invoice Date: 31-Oct-12
 Invoice Number: 262193
 Through 30-Sep-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

Atty No. / Init.	Class	Name	Hours	Rate	Value
1628 AS	Associate	Alexandra Segal	0.25	430.00	107.50
1764 MM	Paralegal	Marybeth McGaugh	0.25	125.00	31.25
			0.50		138.75

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Invoice Date 31-Oct-12
Invoice Number 262193
Through 30-Sep-12

27491 Gray & Company
0003 GrayCo Alternative Partners I, LP

Total Billed.....\$ 138.75

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

October 31, 2012

27491 Gray & Company

John C. Robinson, CTP
Senior Managing Director
Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through September 30, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0005	GrayCo Alternative Partners II, LP	\$1,700.00	\$0.00	\$1,700.00

Invoice Date: 31-Oct-12
 Invoice Number: 262194
 Through 30-Sep-12

27491 Gray & Company
 0005 GrayCo Alternative Partners II, LP

	Services	Atty	Hours
4-Jul-12	Review revised draft of LPA and send e-mail to Ms. Segal regarding same.	PEP	0.50
5-Jul-12	Drafted offering documents.	AS	1.00
6-Jul-12	Drafted LPA.	AS	0.75
9-Jul-12	Prepared offering documents and sent to client.	AS	0.50
6-Aug-12	Discussed with RVG investment by PE Fund II in affiliated hedge fund.	AS	0.25
6-Aug-12	Conference with A. Segal re: issues raised by Gray investing client funds in funds managed by advisers in which Gray owns an interest.	RVG	0.25
	Total Hours		3.25
	Total Services.....\$		1,700.00

Disbursements Recorded Through September 30, 2012

Total Disbursements.....\$	0.00
Total.....\$	<u>1,700.00</u>

Invoice Date: 31-Oct-12
Invoice Number: 262194
Through 30-Sep-12

27491 Gray & Company
0005 GrayCo Alternative Partners II, LP

Atty						
No. / Init.	Class	Name	Hours	Rate	Value	
0852	RVG	Partner	Robert Van Grover	0.25	850.00	212.50
0630	PEP	Counsel	Peter Pront	0.50	825.00	412.50
1628	AS	Associate	Alexandra Segal	2.50	430.00	1,075.00
			3.25			1,700.00

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Oct-12
Invoice Number 262194
Through 30-Sep-12

27491 Gray & Company
0005 GrayCo Alternative Partners II, LP

Total Billed.....\$ 1,700.00

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

January 31, 2013

27491 Gray & Company

Bob Hubbard
Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through December 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0001	General	\$28.75	\$6.15	\$34.90

Invoice Date: 31-Jan-13
 Invoice Number: 265007
 Through 31-Dec-12

27491 Gray & Company
 0001 General

	Services	Atty	Hours
10-Dec-12	Post filing responsibility: sent Robert C. Hubbard the original Georgia Certificate of Authority of GrayCo Africa LLC.	JMP	0.25
	Total Hours		0.25
	Total Services.....\$		28.75

Disbursements Recorded Through December 31, 2012

	Courier Services	6.15	
	Total Disbursements.....\$		6.15
	Total.....\$		<u>34.90</u>

Invoice Date: 31-Jan-13
Invoice Number: 265007
Through 31-Dec-12

27491 Gray & Company
0001 General

Atty No. / Init.	Class	Name	Hours	Rate	Value
1591 JMP	Paralegal	Jessica Martinez	0.25	115.00	28.75
			0.25		28.75

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Jan-13
Invoice Number 265007
Through 31-Dec-12

27491 Gray & Company
0001 General

Total Billed.....\$ 34,90

Payment of bill is due upon receipt.
Please return this page when making payment to ensure proper credit.
Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

January 31, 2013

27491 Gray & Company

Bob Hubbard
Gray & Company
3333 Piedmont Road, Suite 1250
Atlanta, Georgia 30305

For Professional Services Rendered Through December 31, 2012:

Matter Number	Matter Name	Fee Amount	Disbursement Amount	Total Amount
27491-0003	GrayCo Alternative Partners I, LP	\$136.25	\$0.00	\$136.25

Invoice Date: 31-Jan-13
 Invoice Number: 265008
 Through 31-Dec-12

27491 Gray & Company
 0003 GrayCo Alternative Partners I, LP

	Services	Atty	Hours
30-Nov-12	Draft 2012 Form D renewal for GrayCo Alternative Partners I, LP.; sent same to Robert H. and Ashley M.	JMP	0.25
17-Dec-12	Place call to Mark Hardy following up on SEC FORM D/A filing due on 12/19; left voicemail.	SS	0.25
18-Dec-12	Called Mark Hardy again regarding SEC FORM D/A renewal due 12/19/2012; left voicemail.	SS	0.25
	Total Hours		0.75
	Total Services.....	\$	136.25

Disbursements Recorded Through December 31, 2012

Total Disbursements.....	\$	0.00
Total.....	\$	<u>136.25</u>

Invoice Date: 31-Jan-13
Invoice Number: 265008
Through 31-Dec-12

27491 Gray & Company
0003 GrayCo Alternative Partners I, LP

Atty No. / Init.	Class	Name	Hours	Rate	Value
1379 SS	Paralegal	Susan Schneider	0.50	215.00	107.50
1591 JMP	Paralegal	Jessica Martinez	0.25	115.00	28.75
			0.75		136.25

SEWARD & KISSEL LLP

ONE BATTERY PARK PLAZA
NEW YORK, NEW YORK 10004
(212) 574-1200

Invoice Date 31-Jan-13
Invoice Number 265008
Through 31-Dec-12

27491 Gray & Company
0003 GrayCo Alternative Partners I, LP

Total Billed.....\$ 136.25

Payment of bill is due upon receipt.

Please return this page when making payment to ensure proper credit.

Wire transfer instructions:

Name of Bank: Citibank, N.A.
Address of Bank: 120 Broadway
New York, NY 10271
ABA Number: 021000089
Name of Account: Seward & Kissel Regular Account
Account Number: [REDACTED]

TAX IDENTIFICATION NUMBER [REDACTED]

Resp. Ex. 1240

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
)
GRAY FINANCIAL) File No. A-03486-A
GROUP, INC.)

WITNESS: Laurence Gray
PAGES: 325 through 503
PLACE: Securities Exchange Commission
 950 East Paces Ferry Road, Suite 900
 Atlanta, GA 30326
DATE: Thursday, June 24, 2014

The above-entitled matter came on for hearing,
pursuant to notice, at 10:00 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

1 A Primarily through emails, yes.

2 Q And what is your understanding of what
3 opinion, information Seward & Kissel provided?

4 A It's my understanding that they had
5 thoroughly reviewed and understood and developed
6 us a draft again of this particular Code, and in
7 addition to this, other matters that might affect
8 the documents themselves or clients, such as
9 compliance with ERISA Law. I specifically
10 remember seeing those emails.

11 Q Was there any email where someone from
12 Seward & Kissel said, the Alternative Partners II
13 Fund complies with all aspects of Georgia Law?

14 A I think the answer is yes.

15 Q Do you know who that email went to?

16 A I believe it went to Bob Hubbard.

17 Q And how do you know about that email?

18 A It's my recollection. I read several
19 emails and I am fairly certain I saw that one.

20 Q Other than your recollection of emails,
21 did Seward & Kissel communicate the Alternative
22 Partners II Fund's compliance in any other manner?

23 A Yes.

24 Q And let me add to that. Other than
25 production of the documents which you stated

1 earlier, production of the offering documents and
2 the emails, anything else?

3 A So other than the series of emails that
4 went back and forth of which I was privy to
5 reading those, and some of the conference calls
6 which I sat in, some but not all, and the ultimate
7 production of the draft documents to provide to
8 our clients, that is the body. So the answer is,
9 nothing else.

10 Q Nothing else that you can think of?

11 A No.

12 Q And based on that, is it your
13 understanding that Seward & Kissel opined that the
14 Alternative Partners II Fund, as drafted, complied
15 with Georgia OCGA 472087?

16 A Absolutely. Without question of mine
17 anyway.

18 Q In all respects?

19 A In all respects.

20 Q Okay. Other than Seward & Kissel, did
21 Gray Financial or anyone on their behalf rely on
22 anyone else regarding interpretations of OCGA
23 472087, and I will limit that to 2012 time frame?

24 A Rely on, no.

25 Q Anyone else?

Resp. Ex. 1247

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. A-03486-A
GRAY FINANCIAL GROUP, INC.)

WITNESS: Robert C. Hubbard, IV

PAGES: 190 through 316

PLACE: Securities and Exchange Commission
950 East Paces Ferry Road, Suite 900
Atlanta, Georgia 30326

DATE: Thursday, June 26, 2014

The above-entitled matter came on for hearing,
pursuant to notice, at 10:15 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

1 it's probably the third paragraph of this
2 exhibit, you use the word "one remaining item."
3 Do you see that there, right at the beginning?

4 A Okay.

5 Q What was the one remaining item that
6 you keyed up for Ms. Segal?

7 A The review of Georgia Code.

8 Q What Georgia Code?

9 A Georgia Investment Code as it pertains
10 to public pension plans.

11 Q And why was that one remaining item
12 that you directed towards Ms. Segal?

13 A Because our intent for this fund was
14 to offer it to Georgia Public Pension Plan
15 investors, among many others. But we wanted to
16 ensure that it was going to be compliant with
17 Georgia Code.

18 Q So what was Ms. Segal's role in that
19 pursuant to this e-mail that's the exhibit in
20 front of you?

21 A She's with Seward & Kissel. Their
22 responsibility was to draft all the legal
23 documentation needed to launch the fund.

24 Q Was there a section of that you
25 couldn't interpret, that Georgia Code?

1 dollar investment.

2 Q Other than that section of the code,
3 were there other sections you wanted Seward &
4 Kissel to interpret?

5 A The full code.

6 Q The full code.

7 A My directives later in that e-mail is
8 we want Fund II to be eligible for Georgia
9 Public Pension Plans.

10 Q Why did you pick out this one section,
11 though, to highlight in your e-mail?

12 A As an example of one of the areas
13 within the code that, you know, we wanted them
14 to take a look at. But that's not to say that
15 that's exclusive of the expectation that they
16 were going to review the entire code.

17 Q Do you say anywhere in here that you
18 wanted to look at the entire code or words to
19 that effect?

20 A I say we want Fund II to be eligible
21 for Georgia public pension plans.

22 Q Your testimony is when you say that in
23 the e-mail, "There was one section that we
24 cannot seem to interpret," that's just for
25 purposes of example, you weren't limiting your

1 A About this section?

2 Q What we were talking about, how to
3 calculate the 20 percent.

4 MR. WEISS: Again, as to this section
5 specifically, as opposed to insisting a request
6 be in compliance with the overall statute?

7 MR. ADLER: Correct.

8 THE WITNESS: Outside of requesting
9 compliance with the overall statute, no. We did
10 not have specific discussions on this.

11 BY MR. ADLER: (Resuming)

12 Q So what was the basis for your belief
13 that the 20 percent could not be calculated
14 until the close?

15 A We would not have been able to
16 determine --

17 MR. WEISS: Listen to what he asked
18 you.

19 THE WITNESS: I'm sorry. Could you
20 ask it again?

21 BY MR. ADLER: (Resuming)

22 Q Sure. What was the basis for your
23 belief that the 20 percent could not be
24 calculated until the fund was closed?

25 A We had received documents from Seward

1 & Kissel that, you know, we expected were going
2 to be fully compliant with this. We had
3 received no other interpretation from them that
4 led us to believe otherwise.

5 Q Were there alternative interpretations
6 that could be made that -- for example that the
7 20 percent could be calculated prior to the
8 closing of the GrayCo Alternative Partners II
9 Fund?

10 MR. WEISS: Yeah. I mean that's
11 really asking for a legal and statutory
12 interpretation. I think that's way beyond the
13 scope of what a nonlawyer could do.

14 BY MR. ADLER: (Resuming)

15 Q Did you consider that with Mr. Gray?

16 MR. WEISS: Did he consider what?

17 MR. ADLER: Whether or not the 20
18 percent could be calculated prior to the close
19 of the fund.

20 BY MR. ADLER: (Resuming)

21 Q And when I say considered, did you
22 have discussions with Mr. Gray considering that
23 possibility?

24 A Yes.

25 Q And what was the reason -- or was

Resp. Ex. 1362

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

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

Plaintiffs,

-against-

SEWARD & KISSEL, LLP,

Defendants.

Civil Action
No. 1-16-CV-
1956-LMM

January 30, 2017

Videotaped Deposition of ALEXANDRA SEGAL

Reported by:
Joseph Danyo V



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Page 2

1
2 January 30, 2017
3 10:04 a.m.
4
5 Videotaped Deposition of ALEXANDRA SEGAL,
6 taken by Plaintiffs, held at the offices of
7 Seward & Kissel LLP, One Battery Park Plaza,
8 New York, New York, before Joseph Danyo V, a
9 Shorthand Reporter and Notary Public within
10 and for the State of New York.
11
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Page 3

1 A P P E A R A N C E S :
2
3 ROBBINS ROSS ALLOY BELINFANTE LITTLEFIELD LLC
4 Attorneys for Plaintiffs
5 999 Peachtree Street, N.E.
6 Suite 1120
7 Atlanta, Georgia 30309
8
9 By: RICHARD L. ROBBINS, ESQ.
10 VINCENT R. RUSSO, ESQ.
11
12 ROGERS & HARDIN LLP
13 Attorneys for Defendant
14 2700 International Tower
15 229 Peachtree Street N.E.
16 Atlanta, Georgia 30303
17 By: DAN F. LANEY, ESQ.
18 TIMOTHY J. FITZMAURICE, ESQ.
19
20 Also Present:
21
22 ROBERT C. HUBBARD
23
24 MARK J. HYLAND
25
26 MICHAEL W. BROZ
27
28 JIM SEPULVEDA, Videographer
29
30 -000-
31
32
33
34
35

Page 4

1 THE VIDEOGRAPHER: This is disk number 1
2 to the videotaped deposition of Alexandra
3 Segal taken in the matter of Gray Financial
4 Group, Inc. et al. versus Seward & Kissel
5 LLP.
6 This deposition is being held at One
7 Battery Park Plaza, New York City, on
8 January 30th, 2017, and the time is 10:04.
9 My name is Jim Sepulveda and I'm the
10 videographer. The court reporter is Joseph
11 Danyo.
12 Counsel, please introduce yourselves,
13 and then the court reporter will swear in the
14 witness and we can proceed.
15 MR. ROBBINS: My name is Richard
16 Robbins, counsel for the plaintiffs in the
17 action in the United States District Court
18 for the Northern District of Georgia.
19 MR. RUSSO: My name is Vincent Russo on
20 behalf of the plaintiffs.
21 MR. LANEY: I'm Dan Laney with Rogers &
22 Hardin. We represent the defendant Seward &
23 Kissel.
24 MR. HYLAND: Hi. I'm Mark Hyland, a
25 member of Seward & Kissel, and I'm here as a

Page 5

1 representative of Seward & Kissel.
2 MR. FITZMAURICE: My name is Tim
3 Fitzmaurice on behalf of the defendant.
4 THE VIDEOGRAPHER: Court reporter, swear
5 in the witness.
6 MR. LANEY: Before, just really quickly,
7 housekeeping, the witness reserves the right,
8 will review and sign the transcript, and do
9 we need any stipulations, Mr. Robbins?
10 MR. ROBBINS: I would think just the
11 normal stipulations under which we operate in
12 Georgia.
13 MR. LANEY: Well, I've had disagreements
14 with people about what those are, so let's
15 just state them.
16 All objections except as to the form of
17 the question or the responsiveness of the
18 answer are reserved for trial, and the
19 witness can sign the transcript in front of
20 any notary public.
21 MR. ROBBINS: That's fine, Dan.
22 MR. LANEY: Anything else?
23 MR. ROBBINS: No. The parties have
24 agreed, I think, to the terms of the
25 protective order. I don't believe it has



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Page 10

1 offices in Georgia to see the operations, meet the
2 people or for any other purpose?
3 A. Not that I'm aware of.
4 Q. It appears that you were the key, the
5 primary associate on working with Gray Financial, is
6 that correct?
7 A. Yes.
8 Q. Did Mr. Gray or Mr. Hubbard ever tell
9 you that they had individual counsel advising them
10 on any securities-related issues?
11 A. Advising them personally or advising
12 Gray?
13 Q. Yes. Advising personally.
14 A. They never mentioned that.
15 Q. Did you ever talk with any lawyer during
16 the course of your representation who purported to
17 be representing Mr. Gray or Mr. Hubbard, personally
18 as to any securities issues?
19 A. Not that I recall.
20 Q. Now, you understood that Mr. Gray, Mr.
21 Hubbard and Gray Financial Group are subject to an
22 administrative proceeding by the Securities and
23 Exchange Commission, correct?
24 A. That's correct.
25 Q. And you understood that that

Page 11

1 administrative proceeding involves an entity called
2 GrayCo Alternative Partners II, LP also known as
3 Fund II, correct?
4 A. Yes.
5 Q. And you advised on certain aspects of
6 Fund II for Gray Financial, correct?
7 A. That's correct.
8 Q. You prepared certain offering materials,
9 is that correct?
10 A. We prepared initial drafts.
11 Q. And you advised them on certain aspects
12 of Fund II, correct?
13 A. Yes.
14 Q. And did you have an understanding when
15 you were advising on Fund II that in the event the
16 materials were not compliant with state or federal
17 securities laws or if any presentations made by Mr.
18 Hubbard or Mr. Gray were not compliant with federal
19 or state securities laws, that that could
20 potentially lead to regulatory action against not
21 only the company but Mr. Hubbard and Mr. Gray
22 individually?
23 A. I'm sorry. Can you break that question
24 down for me a bit.
25 Q. Okay. You advise us on investment

Page 12

1 funds, private placements, securities-related
2 offerings, correct?
3 A. That's right.
4 Q. And you have a general understanding
5 that in the event the materials made in connection
6 with an offering or in the event presentations made
7 in connection with the offering are not compliant
8 with state or federal securities laws, that could
9 potentially lead to regulatory action against not
10 only the offering entity, but individuals affiliated
11 with the offering entity, fair to say?
12 A. I suppose that's true, yes.
13 Q. And when you provided representation in
14 connection with Fund II, which is using Roman
15 numerals, by the way, you had an understanding that
16 if the Fund II documents were not compliant with
17 state or federal securities laws or if the marketing
18 in connection with Fund II was not in compliance
19 with federal or state securities laws, that that
20 could potentially lead to regulatory action not only
21 against Gray Financial, but against Mr. Hubbard and
22 Mr. Gray as well, fair to say?
23 A. Well, that would depend on the
24 circumstances.
25 Q. I understand that, but in general terms,

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1 you understand if the documents were compliant, the
2 marketing wasn't compliant, that potentially could
3 lead to regulatory action not only against the
4 entity but against those individuals, fair to say?
5 A. Potentially, depending on the
6 circumstances.
7 Q. Now, you started working on Gray
8 Financial matters, I believe it was on or around
9 October of 2011. Does that fit your recollection?
10 A. I believe so.
11 Q. Now, as of that date you had been an
12 associate at Seward & Kissel for approximately three
13 years, correct?
14 A. That's right.
15 Q. As of that time had you ever provided
16 legal services to any investment advisors or other
17 entities which provided potential investments for
18 public pension plans?
19 A. Yes.
20 Q. Without getting into the client names,
21 how many other clients?
22 A. I couldn't say.
23 Q. One? Two? Five? Ten?
24 A. Several. Many.
25 Q. Several? Any in Georgia?



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1 representing Gray Financial and affiliates on a
2 variety of matters.
3 Isn't it true that throughout the time
4 period relevant to this action, in other words, when
5 Seward & Kissel was representing Gray Financial, Mr.
6 Gray and Mr. Hubbard have been advisory affiliates
7 of Gray Financial and Mr. Gray was an investment
8 advisor representative of Gray Financial registered
9 with the State of Georgia? You were aware of that,
10 correct?
11 A. Yes. The one thing I'll say is
12 investment advisor representative is a specific
13 term, so I can't say for sure that I knew at the
14 time that he was actually registered as a
15 representative, but if you mean it loosely, then
16 yes.
17 Q. And you were aware that due to their
18 positions, in the event of non-compliance by Gray
19 Financial or its affiliates with state and federal
20 securities laws, Mr. Gray and Mr. Hubbard could face
21 regulatory action personally, correct?
22 A. If Gray Financial wasn't compliant with
23 securities laws, then yes, I think it's possible
24 under the circumstances for them personally to face
25 certain consequences.

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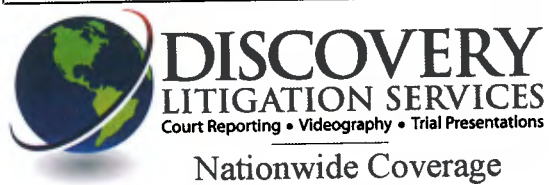
1 Q. Now, let me turn your attention to page
2 32 of defendant's answer, which is Exhibit 4, and
3 this is the bottom of the 16th defense, and I'm just
4 referring to the last part of that. It's just above
5 17th defense. Do you see where I am on page 32?
6 A. Yes, but it may be helpful for me to
7 read the whole paragraph.
8 Q. Why don't you read the whole paragraph
9 and then I'll ask you a question.
10 A. Okay.
11 Q. Now, at the end, would you agree that
12 based on your review of the Georgia public pension
13 investment law, that the correct interpretation of
14 the Georgia public pension investment law was not
15 settled, clear or widely recognized at the time of
16 the plaintiffs' alleged violations of the Georgia
17 public pension investment law?
18 MR. LANEY: Object to the form of the
19 question. We were pled in the alternative.
20 Q. I understand this was pled in the
21 alternative, and this is a statement made in
22 Seward & Kissel's answer in our lawsuit, and would
23 you agree that based on your review of the law in
24 2012, that the correct interpretation of the Georgia
25 public pension investment law was not settled, clear

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1 or widely recognized?
2 A. I can't opine on that. I don't know.
3 Q. Well, when you looked at the law, you
4 were confused or uncertain as to portions that you
5 reviewed, is that fair to say?
6 A. That's fair to say. I personally, yes.
7 Q. And did you ever talk with any other
8 attorneys at Seward & Kissel regarding the Georgia
9 public pension investment law?
10 A. I believe I spoke briefly with Mr.
11 Van Grover.
12 Q. And did Mr. Van Grover indicate to you
13 that he also found it unclear or confusing?
14 A. I don't recall our specific discussion,
15 but I believe that he agreed that there was a bit of
16 potential ambiguity, at least as far as the three
17 lines that we were discussing.
18 Q. Did you undertake any actions, and again
19 we'll get to the documents, but do you recall
20 undertaking any actions to revise the Fund II
21 materials that you prepared to be either compliant
22 with the Georgia public pension investment laws or
23 to provide any disclaimers as to the unclear or
24 confusing nature of those laws?
25 MR. LANEY: Object to the form of the

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1 question.
2 A. I recall placing the aggregate capital
3 commitment amount in brackets, as that was an open
4 item that was going to be researched further and
5 subject to change, based on that research and based
6 on the circumstances, ultimately, of who invested in
7 the fund.
8 Q. Other than that, do you recall making
9 any revisions to the Fund II documents that you
10 prepared or offering any disclaimers or
11 qualifications in those documents relating to the
12 Georgia public pension investment law?
13 MR. LANEY: Object to the form of the
14 question.
15 A. No other changes were required at that
16 point.
17 Q. Well, you say no other changes were
18 required. Did you look at the entire law and then
19 look at the materials and determine whether any
20 other changes were necessary?
21 A. Yes.
22 Q. You did?
23 A. Yes.
24 Q. How much time did you spend doing that?
25 A. I don't recall offhand, but since the



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1 whole thing was sort of a brief reaction, not too
2 long. Just enough to read through the statute.
3 Q. Less than an hour?
4 A. I can't say offhand.
5 Q. Did you review the entire Georgia public
6 pension investment law to see what changes, if
7 necessary, were appropriate for the Fund II
8 materials or what disclaimers might be appropriate?
9 MR. LANEY: Object to the form.
10 A. I don't recall what the entire
11 statute -- what you're referring to. I believe I
12 read the attachment that was included in Mr.
13 Hubbard's e-mail which contained the specific
14 requirements.
15 Q. Is it your testimony that you reviewed
16 what Mr. Hubbard had sent you as to the specific
17 requirements and attempted to see whether any
18 changes had to be made to the Fund II documents as a
19 result of that statute?
20 MR. LANEY: Object to the form.
21 A. Can you rephrase that question, please.
22 Q. If I understand your testimony
23 correctly, you reviewed that the statute that Mr.
24 Hubbard sent you, to see whether that statute
25 required any changes to the Fund II materials that

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1 you were preparing for Gray Financial, correct?
2 MR. LANEY: Object to the form of the
3 question.
4 A. Well, at that point we were only
5 preparing drafts, and so the only sort of issue at
6 that time was the cover amount, and that was also
7 the only issue under the statute that needed to be
8 (inaudible) at that time for purposes of drafting
9 the initial documents.
10 Q. Maybe I misunderstood your testimony.
11 Did you read the entire statute that Mr. Hubbard
12 sent to you, Georgia public --
13 A. The attachment.
14 Q. The attachment, Georgia public pension
15 investment statute, to see what, if any, revisions
16 needed to be made to the Fund II materials as a
17 result of that new statute?
18 MR. LANEY: Object to the form.
19 A. I believe I read the statute. Again, I
20 don't remember whether what Mr. Hubbard sent me
21 represented the entire statute, so I sort of qualify
22 my response in light of that, but I read the few
23 pages to determine, A, for context of what Mr.
24 Hubbard was asking, and B, what other requirements
25 might apply for purposes of putting together an

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1 initial set of draft documents.
2 Q. And as a result of that review, do you
3 recall making any revisions to the Fund II materials
4 in light of that statute and its terms?
5 MR. LANEY: Object to the form of the
6 question.
7 A. I recall placing the total aggregate
8 amount of capital commitments sought in brackets as
9 an open item to be addressed.
10 Q. Other than that, do you recall making
11 any revisions to the Fund II materials in light of
12 your review of the statute?
13 MR. LANEY: Object to the form of the
14 question.
15 A. No.
16 Q. Do you recall sending to Mr. Hubbard or
17 anyone else with Gray Financial any type of analysis
18 of the statute, areas of the statute which you or
19 Mr. Van Grover found confusing, anything he should
20 qualify to potential investors, in light of a new
21 statute? Anything along those lines?
22 A. Well, Mr. Hubbard only asked us to look
23 at four lines.
24 Q. Well, you understood that Mr. Hubbard
25 wanted to have Fund II drafts that, to your

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1 knowledge, would be compliant with any potentially
2 applicable state or federal laws, is that fair to
3 say?
4 A. I wouldn't focus on any potential, but I
5 would say for Georgia plans, yes, and they were.
6 Q. Okay. Whether he asked you or not, you
7 understood that Mr. Hubbard wanted you to send him
8 documents which were compliant, at least with
9 federal laws and with the Georgia law?
10 A. Yes.
11 Q. Fair to say?
12 A. Yes.
13 Q. And I take it that you felt that you had
14 undertaken a review of the Georgia laws and you knew
15 federal laws, to try to make the offering materials
16 compliant with both the federal laws as well as the
17 Georgia law, fair to say?
18 A. For purposes of where we were in the
19 process, yes. Now, I should mention that drafting
20 offering documents is an ongoing process, that isn't
21 done in one day. It's done on -- it's subject to
22 change and negotiations and further discussions and
23 comments from the client.
24 Q. Well, those particular materials that
25 you prepared that were drafts, you knew at the time



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1 that you sent those drafts that Mr. Hubbard intended
2 to share them with one or more prospective
3 investors, correct?
4 A. Yes.
5 Q. And you never told him, do not send
6 these to prospective investors, did you?
7 A. For purposes of the meetings that he was
8 showing them to, we were just aware of I believe one
9 meeting, but no, in connection with that meeting, we
10 did not tell him not to.
11 Q. And you never told Mr. Hubbard or anyone
12 else with Gray Financial that those materials were
13 subject to further in-house review at Seward &
14 Kissel, did you?
15 A. They were subject to further change and
16 discussion.
17 Q. Did you ever put in an e-mail to Mr.
18 Hubbard what you just said?
19 A. The attachments were complete with
20 drafts and notes for Gray Financial to confirm and
21 to discuss, so it was clear, based on that and based
22 on the fact that there was a draft stamp, that they
23 were in draft form and subject to further
24 discussion.
25 Q. Did you ever tell him in an e-mail or in

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1 a phone call that the drafts you were sending him
2 were subject to further review and revision by
3 Seward & Kissel?
4 A. They knew that it was subject to further
5 revision since we needed input from them on various
6 items in the documents.
7 Q. What is the answer to my question? Did
8 you ever tell him that?
9 A. Did I tell him something he already
10 knew?
11 Q. I'm asking not what he knew but what you
12 told him. Did you ever put in an e-mail to him or
13 say in a phone call to him that these drafts are
14 subject to further review within Seward & Kissel?
15 A. I would imagine I did.
16 Q. Well, I would imagine. Do you have a
17 specific recollection of ever saying that?
18 A. Do I have a specific recollection of
19 saying that expressly? No. But I think it was very
20 clear under the circumstances under which they were
21 sent and in light of all the prior discussions with
22 respect to their other projects, that a lot --
23 additional more time was needed to complete the
24 project.
25 Q. So you believe it was clear in the

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1 course of conduct that you had with Gray Financial
2 and Mr. Hubbard that he should have known that? Is
3 that what you're saying?
4 MR. LANEY: Object to the form of the
5 question.
6 A. Among other reasons, yes.
7 (Plaintiffs' Exhibit 5, July 15th, 2011
8 engagement letter from Mr. Van Grover of
9 Seward & Kissel to John Robinson of Gray &
10 Company, was so marked for identification, as
11 of this date.)
12 Q. You have been handed what has been
13 marked as Plaintiffs' Exhibit 5, which is a
14 July 15th, 2011 engagement letter from Mr.
15 Van Grover of Seward & Kissel to John Robinson of
16 Gray & Company.
17 First, let me ask you if you saw this
18 letter, this engagement letter at or around the time
19 it is dated?
20 A. Not that I recall.
21 Q. Subsequently, you saw this letter,
22 correct?
23 A. Yes.
24 Q. And you recall providing a deposition in
25 the SEC proceedings? And again, I can show you the

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1 transcript, but do you recall being asked about this
2 engagement letter?
3 A. I actually don't specifically recall
4 that.
5 Q. Well, let me ask you a few questions.
6 This letter is addressed to Mr. Robinson, who is a
7 senior managing director at the time of Gray &
8 Company. Did you ever have any dealings with Mr.
9 Robinson?
10 A. I actually met him in person once.
11 Q. And what was that in connection with?
12 A. A potential joint venture with another
13 client.
14 Q. Did you meet him here in New York?
15 A. Yes.
16 Q. And again, you met him here, but to the
17 best of your knowledge, you never met Mr. Hubbard or
18 Mr. Gray in person, correct?
19 A. That's correct.
20 Q. Now, under description of engagement,
21 the engagement letter states "We will represent you
22 in connection with the organization of one or more
23 private investment funds, each a fund."
24 Now, you understood when you got
25 involved in this engagement that there could be one



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1 A. That's correct.
2 Q. And if you turn to the next page, 59082,
3 for the two-month period, February, March 2012, for
4 Gray Global Capital Partners Fund I LP, according to
5 this, 12 hours was billed of which 11-3/4 hours was
6 your time and only 15 minutes was a partner time,
7 correct?
8 A. Based on this, yes.
9 Q. So again, you were providing the vast
10 majority of the work, at least with respect to this
11 particular fund, correct?
12 MR. LANEY: Object to the form.
13 A. I was billing the most for this entry,
14 yes.
15 Q. Do you recall any other partner spending
16 more than 15 minutes during this two-month period
17 with respect to the Capital Partners Fund I?
18 A. I can't really recall offhand today.
19 Q. Let me turn your attention to 59088,
20 which is the general time category for services
21 rendered through June 30th for Gray & Co. You see
22 this?
23 A. Um-hum.
24 Q. And if you turn to the next page, it's
25 fair to say that in the first half of 2012, you

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1 continued to provide a variety of regulatory and
2 securities-related advice to Gray & Co., correct?
3 A. That's correct.
4 Q. Now, if you look at page 59091, for this
5 three-month period there is a total of 20 hours
6 billed, of which you billed 15-1/4 hours, correct?
7 A. That's correct.
8 Q. And there is only three-quarters of an
9 hour billed by one partner, Mr. Van Grover, during
10 that three-month period, correct?
11 A. Based on what I see here, yes.
12 Q. So again, you continued to provide the
13 vast majority of the services for Gray & Co. with
14 limited partner involvement, correct?
15 MR. LANEY: Object to the form of the
16 question.
17 A. I wouldn't phrase it that way.
18 Q. Well, Mr. Van Grover provided 45 minutes
19 worth of time, according to the billings. Is it
20 fair to say that you were doing the majority of the
21 work with limited partner review or supervision?
22 A. No, that's not fair to say.
23 Q. Was any other partner advising or
24 supervising you during this three-month time period
25 on Gray & Co. projects?

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1 A. For the general matter?
2 Q. Yes.
3 A. I believe it was primarily Mr.
4 Van Grover.
5 Q. I'm sorry?
6 A. I believe it was primarily Mr.
7 Van Grover, but I should say that the work that I do
8 is more time-consuming than the work that Mr.
9 Van Grover provides, but in terms of supervision,
10 it's irrelevant.
11 Q. Why is it irrelevant?
12 A. Because when you draft a document that
13 takes an enormous amount of time as compared to
14 reviewing a document that's already been drafted.
15 Q. You spent over 15 hours reviewing
16 documents and Mr. Van Grover didn't spend more than
17 45 minutes supervising or going through and
18 reviewing what you were doing, correct?
19 MR. LANEY: Object to form.
20 A. I can't say what all of these matters
21 relate to. I don't know that they specifically
22 related to reviewing documents. There were a bunch
23 of different things here, so...
24 Q. As to the bunch of different things that
25 you were doing, according to the invoices, you spent

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1 over 15 hours and Mr. Van Grover spent approximately
2 45 minutes reviewing or advising you on what you
3 were doing, correct?
4 MR. LANEY: Objection. That's not what
5 the document reflects.
6 A. All I can really do is repeat what I see
7 here.
8 Q. Okay.
9 A. Which is the 15-1/4 hours which I
10 billed, and the three-quarters of an hour that Mr.
11 Van Grover billed, I can't really draw any
12 conclusions from that.
13 Q. Now, let's turn to 59101, still in
14 Exhibit 7, and this is the invoice for Fund II,
15 GrayCo Alternative Partners II LP, for services
16 rendered through June 30th, 2012. Do you see that?
17 A. Yes.
18 Q. And if you turn to the next page, 59012,
19 this reflects the time recorded for Fund II for the
20 period April through June of 2012. Do you see this?
21 A. Yes.
22 Q. Now, according to this, there is a time
23 entry by you for June 8th, 2012. "Looked into
24 Georgia statutes regarding restrictions on
25 alternative investments by eligible large retirement



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1 systems, e-mail correspondence with client,
2 discussed with Rob Van Grover."
3 And you spent a total of an hour on
4 that, is that correct?
5 A. Based on the time entry, yes.
6 Q. And then the next time entry for the
7 same date is by Mr. Van Grover for conference with
8 you regarding the limitation on government plan
9 investment and fund, reviewing research versus Sane
10 (phonetic). Do you see that?
11 A. Reviewed research regarding Sane, yes.
12 Q. So according to your time records, you
13 and Mr. Grover spent a total collectively of about
14 an hour and 15 minutes reviewing the Georgia
15 investment code in connection with Fund II, correct?
16 A. Based on the time entries. It's always
17 possible that some of the time may have crept into a
18 different description, but then again, I see there
19 were no other June 8th entries, so that's probably
20 true.
21 Q. At least if we're looking here, the sum
22 total of time you and Mr. Van Grover spent on
23 reviewing the Georgia investment code that had been
24 brought to your attention by Mr. Hubbard was
25 approximately an hour and a quarter, correct?

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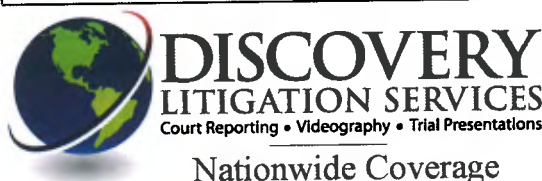
1 A. Based on the entry, yes.
2 Q. And then you drafted the offering
3 documents where you spent about 2-1/2 hours,
4 correct? Excuse me. It's collectively a few more
5 hours. Do you see that?
6 A. Yes.
7 Q. And if you turn to the next page, there
8 is a summary of Mr. Van Grover spending
9 approximately 15 minutes on Fund II during April
10 through June, and a Peter Pront spending two hours.
11 Now, Mr. Pront was a tax partner, correct?
12 A. Mr. Pront was a tax partner and is also
13 a very experienced private equity attorney.
14 Q. To your recollection, did he ever review
15 the Georgia investment code or advise on its
16 interpretation?
17 A. Not with me.
18 Q. And for the Fund II for that three
19 period, you billed the majority of time on this
20 project, correct?
21 A. Four hours and three-quarters out of a
22 total of seven, so yes, I guess that's a majority.
23 Q. Of which approximately an hour was spent
24 reviewing the Georgia investment code brought to
25 your attention by Mr. Hubbard, correct?

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1 A. That's correct.
2 Q. Let me turn your attention to Bates
3 stamp number 59109, which is a cover invoice for
4 professional services rendered through
5 September 30th, 2012 for Fund II. Do you see that?
6 A. Yes.
7 Q. And you continued to provide some advice
8 to Gray & Co. with respect to Fund II in July and
9 August of 2012, correct?
10 A. That's correct.
11 Q. Did Mr. Hubbard or anyone else with
12 Gray & Co. ever indicate to you in this time frame
13 that they were looking to any other law firm for
14 further advice on the Fund II documents or the
15 marketing of Fund II?
16 A. Yes.
17 Q. Okay. Is that referring to that e-mail
18 that you mentioned earlier?
19 A. Yes.
20 Q. Other than that one e-mail, which we
21 will get to, did Mr. Hubbard or Mr. Gray or anyone
22 else with Gray & Co. indicate that they were looking
23 to any other law firm with respect to the Fund II
24 offering materials or the marketing of Fund II?
25 A. Not that I recall.

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1 Q. If you turn to the next page, 59110,
2 according to this, in July you personally were
3 continuing to draft the offering documents for Fund
4 II, correct?
5 A. What page are you on?
6 Q. 59110, Exhibit 7.
7 A. Yes.
8 Q. And Mr. Van Grover during this two-month
9 time period, according to the records, provided
10 approximately 15 minutes of advice on the Fund II,
11 correct?
12 A. That's correct.
13 Q. And you understood that this Fund II
14 would involve a potential investment of \$100 million
15 and above, correct?
16 A. That was subject to further discussion,
17 but yes.
18 Q. And also had implicated a recently
19 passed Georgia law relating to the permissibility of
20 public pension plans in Georgia in alternative
21 investments, correct?
22 A. Can you rephrase that question, please.
23 Q. In any event, you understood when you
24 were working on Fund II and Mr. Van Grover was
25 spending a few minutes on Fund II that this fund was



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1 potentially going to involve investments of 75 to
2 \$100 million or up, correct?
3 A. Correct.
4 MR. LANEY: Object to the form.
5 Q. And that this fund also implicated, at
6 least what Mr. Hubbard brought to your attention, a
7 new Georgia law addressing the permissibility of
8 public pension plan investment in alternative
9 investments, correct?
10 A. Can you clarify what you mean by
11 implicated?
12 Q. Well, you understood that there was some
13 law that Mr. Hubbard brought to your attention
14 related to Fund II, correct?
15 A. That's correct.
16 Q. And you believed that it was appropriate
17 to review the law, the Georgia law, to determine
18 whether the Fund II offering materials had to be
19 revised in some manner to be compliant with the
20 Georgia law, fair to say?
21 MR. LANEY: Object to the form.
22 A. Yes. I understood that the offering
23 documents would need to take into account that
24 statute to the extent that any other requirements
25 affected any of the terms that were reflected in the

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1 offering documents.
2 Q. It's fair to say that you undertook that
3 review of the Georgia law and how it might affect
4 the offering documents with limited participation by
5 Mr. Van Grover, correct?
6 A. Well, at that stage our entire role was
7 somewhat limited, again, making reference to that
8 e-mail that I had mentioned earlier.
9 Q. Putting aside that e-mail, which we will
10 get to, it's fair to say that in providing the
11 services in connection with Fund II and in reviewing
12 the new Georgia law brought to your attention, Mr.
13 Van Grover's time was very limited? The time
14 recorded is like a half an hour, collectively, over
15 a few month period.
16 MR. LANEY: Object to the form.
17 A. Well, at that stage, again, it was very
18 early in the process of drafting the document, so as
19 you can see from the overall time entries, not just
20 Mr. Van Grover's, the time, I think -- what is it?
21 What is all of the time? I don't recall what page
22 it was on.
23 I'm happy to point it out if you show me
24 the page, but otherwise, the overall time spent by
25 all of the attorneys, including myself, given where

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1 we were in the process with Fund II, was
2 significantly lower than all of the time that we
3 billed to all of the other projects that we worked
4 on for Gray.
5 Q. And Mr. Van Grover's time, I think we've
6 looked at about a half an hour of time entries for
7 Fund II?
8 A. Based on this, yes.
9 Q. Did Mr. Hubbard or Mr. Gray ever tell
10 you that they wanted Mr. Van Grover's participation
11 to be limited to perhaps a half hour or less for a
12 fund that would be offered for investment of
13 75 million, a hundred million or plus?
14 A. Well, had the fund continued, Mr.
15 Van Grover's involvement surely would have gone
16 beyond half an hour.
17 Q. The fund did continue, didn't it?
18 A. Not with us representing it.
19 Q. Did you ever reach out after sending the
20 offering materials to Mr. Hubbard to say what is the
21 status?
22 A. I don't recall any particular e-mails
23 reaching out. I did reach out again on the status
24 of this particular issue and was informed that it
25 was something that was being addressed by local

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1 counsel, but the fund, no. The fund, as far as we
2 knew, it never went anywhere.
3 Q. And again, the local counsel referenced
4 is based strictly on that one e-mail, correct?
5 A. Yes. On an e-mail sent by Mr. Hubbard.
6 Q. On one particular issue, correct?
7 A. That's correct.
8 Q. Mr. Hubbard never said, we have other
9 counsel who is going to follow up from here on
10 whatever needs to be done with respect to Fund II,
11 did he?
12 A. He never communicated that to us, no.
13 (Plaintiffs' Exhibit 8, e-mail dated
14 October 17th, 2011, was so marked for
15 identification, as of this date.)
16 Q. Let me hand you what has been marked as
17 Plaintiffs' Exhibit 8. This is an e-mail dated
18 October 17th, 2011 that was then forwarded to you by
19 e-mail dated November 29th, 2011 and I presume you
20 would have received this e-mail, correct?
21 A. At the time?
22 Q. Well, at the time it was forwarded to
23 you in November 2011.
24 A. Then yes, I received it.
25 Q. And Mr. Hubbard is asking to engage



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1 Seward & Kissel on an index project regarding the
2 potential establishment of four index funds. Were
3 you involved in any manner in that project?
4 A. To a limited extent, yes.
5 Q. Now, in the October 17th, 2011 e-mail
6 from Mr. Hubbard to Mr. Van Grover and that was
7 forwarded to you in November, in the second
8 paragraph, Mr. Hubbard asks "We need to know what
9 would be the quickest and most efficient way to do
10 this while maintaining compliance with the State of
11 Georgia investment code. I am attaching a copy of
12 that to this e-mail as well.
13 "As a point of reference, we have
14 several prospective investors, all public pension
15 plans in Georgia, that would qualify as a large
16 retirement system under the code."
17 Further down, "Is there a middle of the
18 road structure that would allow Georgia pension
19 funds to invest in an index product that we
20 developed?"
21 Now, do you recall seeing the Georgia
22 investment code, which is OCGA section mark 47-20-80
23 and follow-up statutes? Do you recall seeing this
24 copy when it was forwarded to you by Mr. Van Grover?
25 A. I don't recall if I took a look at the

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1 statute.
2 Q. You were aware that with respect to this
3 project, Mr. Hubbard was looking to Seward & Kissel
4 to advise on compliance with the State of Georgia
5 investment code, correct?
6 A. With respect to this project, yes.
7 Q. And was interested in whether Georgia
8 pension funds would be allowed under Georgia law to
9 invest in this particular product, correct?
10 A. That's correct.
11 Q. Do you recall assisting Mr. Van Grover
12 in advising on the State of Georgia investment code
13 issues and the public pension plan investment issues
14 requested by Mr. Hubbard?
15 A. I don't recall specifically advising on
16 that particular issue.
17 Q. Did you ever review the statute sent to
18 you by Mr. Hubbard on which he sought advice, which
19 is article 7 entitled "Public Retirement Systems
20 Law"?
21 MR. LANEY: Let me object. Are we
22 talking about the e-mail here in 2011 or
23 something else?
24 MR. ROBBINS: I'm talking about this
25 exhibit.

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1 MR. LANEY: I'm sorry?
2 MR. ROBBINS: I'm not sure what your
3 question is.
4 MR. LANEY: There is a time issue. We
5 talked about a statute in 2012, second of the
6 statute. It didn't exist in 2011. I think
7 you're now asking about this e-mail that's in
8 2011.
9 MR. ROBBINS: That is correct.
10 MR. LANEY: Okay. That's all I want to
11 know. We're not talking about the --
12 MR. ROBBINS: I'm talking about --
13 MR. LANEY: -- amendment in 2012.
14 MR. ROBBINS: I'm talking about this
15 document, this e-mail and the attached
16 Georgia statute entitled "Public Retirement
17 Systems Investment Authority Law," and Mr.
18 Hubbard seeking advice on the Georgia
19 investment code as well as advice on what
20 public pension plans could do. I have not
21 yet gotten to the 2012 revision.
22 MR. LANEY: Thank you.
23 Q. And I'm not sure what your answer was,
24 so let me ask it again. Do you recall ever looking
25 at the public retirement systems investment

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1 authority law, the Georgia statute sent to you by
2 Mr. Hubbard, on which he sought advice from your law
3 firm?
4 MR. LANEY: Object to the form.
5 A. Do you mean sent to Mr. Van Grover and
6 then forwarded to me from --
7 Q. That is correct.
8 A. Okay. I don't recall specifically what
9 the statute said or what my involvement was in
10 reviewing the statute. I vaguely recall involving
11 some of our ERISA attorneys, who were more
12 experienced with index funds and group trusts
13 generally.
14 Q. Did Mr. Van Grover ever have a
15 conversation with you in October or November of 2011
16 in which he indicated that Gray & Co. intends to
17 offer funds to Georgia public pension plans? He is
18 interested in our advice on the applicability of
19 Georgia's investment code and he would like you to
20 become familiar with the Georgia investment code?
21 A. I don't recall any specific
22 conversations.
23 Q. Did he ever indicate to you that he was
24 going to have any other attorneys at Seward & Kissel
25 become familiar with Georgia investment code and how



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1 it might affect funds to be offered by Gray & Co.,
2 to Georgia public pension plans?
3 A. I don't recall the extent of the
4 particular role of the attorneys that we discussed
5 and that we involved, but it was certainly,
6 generally speaking, to make sure that the structure
7 would accommodate what Mr. Hubbard was seeking.
8 Q. Okay. But you personally don't ever
9 recall providing advice asked for by Mr. Hubbard in
10 this time frame, November, December, regarding the
11 applicability of Georgia's investment code, is that
12 correct?
13 A. I don't specifically recall providing
14 that advice.
15 Q. To your knowledge, was any other
16 associate or partner providing such advice to Mr.
17 Hubbard on the applicability of the Georgia
18 investment code?
19 A. Because I wasn't the one handling it, it
20 was -- there were a few attorneys from our ERISA
21 group involved. I can't really say what they have
22 looked at in providing their advice.
23 Q. Do you recall any other attorney,
24 whether it be associate or partner at Seward &
25 Kissel, indicating to you that he or she had advised

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1 Mr. Hubbard or anyone else at Gray & Co. in 2011
2 about the applicability of the Georgia investment
3 code to potential funds involving Georgia public
4 pension plans?
5 A. I don't recall specific discussions
6 about the code.
7 (Plaintiffs' Exhibit 9, e-mail from Mr.
8 Grover to Mr. Hubbard, was so marked for
9 identification, as of this date.)
10 Q. Let me hand you what has been marked as
11 Plaintiffs' Exhibit 9. This is an e-mail from Mr.
12 Grover to Mr. Hubbard and Mr. Gray or copying Mr.
13 Gray, copying you, including a summary of principle
14 terms for GrayCo Alternative Investment Partners I
15 LP, which is Fund I and this is a draft of the
16 summary of terms for Fund I. Did you draft the
17 summary of terms for review by Mr. Van Grover?
18 A. I don't believe I drafted this.
19 Q. Did you have any input into it?
20 A. I don't recall being involved in this at
21 this stage.
22 Q. Mr. Van Grover says, "We have already
23 begun drafting the offering memorandum." And then
24 also mentions that, "Peter Pront and Alex Segal will
25 be working with me on this project."

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1 Were you involved in drafting the
2 offering memorandum for Fund I?
3 A. I was.
4 Q. Now, let me turn your attention to
5 summary of principle terms. I assume you would have
6 read these summary of principle terms, correct?
7 A. In drafting the offering documents, yes.
8 Q. Now, referring to general partner, the
9 general partner of the fund is GrayCo Investment
10 Management, LLC. Were you involved in the
11 establishment of GrayCo Investment Management, LLC?
12 A. I don't remember. I don't even know if
13 that entity was ever formed as named. I don't know.
14 Q. And you understood and it says here that
15 Larry Gray is a principle of both the general
16 partner and a manager. Do you see that?
17 A. I see that's what it says, yes.
18 Q. Turning to the next page, there is a
19 provision on initial closing, which states that, "On
20 initial closing of the sale of LP interest, the
21 initial closing will be held as soon as practical
22 after the fund has received combined aggregate
23 minimum capital commitments of \$10 million." You
24 see that?
25 A. Yes.

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1 Q. What was the initial closing? What's
2 your understanding of that, an initial closing?
3 A. My understanding is that is when it
4 accepts capital to begin investing in underlying
5 investments.
6 Q. So in other words, the term is to the
7 effect that once we receive an aggregate minimum
8 capital commitment of \$10 million, then we will
9 start investing? Is that your understanding of the
10 initial closing?
11 A. I mean I think it can vary, so I can't
12 really say affirmatively that that's always how it
13 works, but I think here that seems to be what it was
14 saying.
15 Q. For the initial closing for Fund I,
16 correct?
17 A. I believe so. Well, let me rephrase
18 that just to be clear in the private equity context.
19 Q. I'm sorry, I can't hear you. You
20 have --
21 A. Just to rephrase that, in the private
22 equity context, a fund receives capital commitments
23 and then subsequently, either simultaneously with
24 receiving those commitments or subsequently
25 thereafter, calls capital for deployment into



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1 investments and so that usually occurs in connection
2 with the initial closing.
3 Q. Just getting at the terms, this document
4 provides a summary of terms and we'll look at the
5 offering documents, that once there is an aggregate
6 minimum of \$10 million, the fund has the ability to
7 proceed with investments, correct?
8 A. Yes.
9 Q. Now, there may be additional capital
10 calls, but at least under the terms of the documents
11 it allows for the general partner to begin investing
12 at that time, correct?
13 A. Yes. Or prior, if you continue reading
14 the sentence.
15 Q. Even prior to receiving the initial
16 \$10 million?
17 A. Correct.
18 Q. And that's what the summary of terms for
19 Fund I allow for, correct?
20 A. Correct.
21 Q. In drafting the documents for
22 Alternative Fund I, did you have any understanding
23 of one way or the other whether Gray & Co. intended
24 to offer this investment to Georgia public pension
25 plans?

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1 A. I don't believe that we've ever
2 discussed that specifically.
3 (Plaintiffs' Exhibit 10, e-mail from Bob
4 Hubbard to Mr. Pront and Mr. Van Grover
5 copying Ms. Segal and Mr. Gray dated
6 October 21st, 2011 and response from Mr.
7 Pront to Mr. Hubbard and Mr. Van Grover
8 copying Ms. Segal was so marked for
9 identification, as of this date.)
10 Q. Let me hand you what has been marked as
11 Exhibit 10. This is an e-mail from Bob Hubbard to
12 Mr. Pront and Mr. Van Grover copying you and Mr.
13 Gray dated October 21st, 2011 and then a response
14 from Mr. Pront to Mr. Hubbard and Mr. Van Grover
15 copied to you. You have received a copy of these
16 e-mails, correct?
17 A. Yes.
18 Q. And there is a discussion at the bottom
19 regarding the general partner GrayCo Investment
20 Management, LLC, correct?
21 A. Yes.
22 Q. And then on the next page there is a
23 list of what the ownership of the general partner
24 would be, correct?
25 A. Yes.

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1 Q. And a notation after that, "This leaves
2 Larry Gray as the majority owner through both his
3 direct interest in the general partner as well as
4 his ownership in Gray & Co." Do you see that?
5 A. Yes.
6 Q. Now, did you have any understanding as
7 of 2011 that Mr. Gray or Mr. Hubbard, as listed here
8 as potential owners of the general partner, were
9 looking to individual or separate counsel for
10 regulatory advice in connection with Alternative
11 Fund I?
12 A. There was no indication that they needed
13 specific personal legal advice on that fund.
14 Q. And just so we're clear, you had an
15 understanding as of this time that in the event
16 there was non-compliance with the state or federal
17 securities laws, Mr. Gray and Mr. Hubbard, as a
18 result of their roles in these entities, could have
19 potential individual liability, correct?
20 A. Potentially, depending on the
21 circumstances.
22 (Plaintiffs' Exhibit 11, e-mails
23 containing e-mail from Mr. Hubbard to
24 paralegal and to Ms. Segal dated
25 December 19th, 2011 and response dated

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1 December 19th, 2011, was so marked for
2 identification, as of this date.)
3 Q. I've handed you what has been marked as
4 Plaintiffs' Exhibit 11. There is an e-mail at the
5 bottom from Mr. Hubbard to the paralegal and to
6 yourself dated December 19th, 2011 and a response
7 from the paralegal dated December 19th, 2011 later
8 that evening to Mr. Hubbard on which you were
9 copied, enclosing a Form D for GrayCo Alternative
10 Partners I LP. Did you review this before it was
11 sent to the client by the paralegal?
12 A. It would have been my practice to review
13 this.
14 Q. Now, what is, just generally, a Form D?
15 A. Form D is a form that must be filed
16 within a certain amount of time of offering
17 securities in a private placement to U.S. investors.
18 Q. It's a notice of exempt offering of
19 securities for filing with the SEC, correct?
20 A. That's correct.
21 Q. Let me turn your attention to the S&K
22 Bates stamped page, which is page 4 of this document
23 and Mr. Gray and Mr. Hubbard are listed as related
24 persons and what is your understanding of the
25 significance of listing them as related persons on a



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1 Form D filing with the SEC?
2 A. I believe that's just responsive to the
3 particular instruction that the SEC gives in
4 completing the form.
5 Q. Okay. What are related persons, as you
6 understand it?
7 A. I'd want to take a look at the
8 instructions to give you an answer.
9 Q. How many Form D's have you done in the
10 course of your career at Seward & Kissel?
11 A. I don't prepare them myself. I review
12 them.
13 Q. Okay. How many have you reviewed?
14 A. Many.
15 Q. Okay. And just generally, I understand
16 you'd like to see precisely what the instructions,
17 but as a general matter, what is your understanding
18 of related persons for purposes for Form D?
19 MR. LANEY: Object to the form of the
20 question.
21 A. Certain persons affiliated with the
22 issuer or with the manager of the issuer.
23 Q. And do you have any understanding of the
24 legal significance of being considered a related
25 person to the issuer?

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1 A. In what respect?
2 Q. Well, is there a potential for
3 individual liability in the event that the issuer is
4 in non-compliance with state or federal securities
5 laws?
6 A. In general, it typically depends on the
7 materiality of the non-compliance.
8 Q. Did you ever advise Mr. Gray or Mr.
9 Hubbard to seek separate counsel as to the
10 significance of being listed as related persons on
11 the Form D your law firm was preparing?
12 A. Personally, no.
13 (Plaintiffs' Exhibit 12, e-mail from Ms.
14 Segal to Mr. Hubbard and operating agreement
15 for GrayCo Investment Management, LLC, was so
16 marked for identification, as of this date.)
17 Q. I've handed you what has been marked as
18 Plaintiffs' Exhibit 12, which is an e-mail from you
19 to Mr. Hubbard on which Mr. Van Grover and Mr. Gray
20 were copied with an operating agreement for GrayCo
21 Investment Management, LLC. Did you draft this
22 operating agreement for GrayCo Investment
23 Management, LLC?
24 A. I believe I did.
25 Q. Now, this operating agreement is between

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1 GrayCo Investment Management, LLC and Mr. Gray,
2 correct?
3 A. Well, it's an operating agreement of
4 GrayCo Investment Management, LLC. The parties are
5 Gray and anyone else who signs on as a member.
6 Q. Okay. The draft that you sent them
7 indicates in the first paragraph, "This operating
8 agreement of GrayCo Investment Management, LLC is
9 entered into between Mr. Gray and such other persons
10 as are admitted as members." Correct?
11 A. Yes.
12 Q. Now, GrayCo Investment Management, LLC,
13 to your understanding, was a different entity from
14 Gray Financial, correct?
15 A. That's correct.
16 Q. And according to this document, at least
17 the initial signatories would be GrayCo Investment
18 Management, LLC and Mr. Gray individually, correct?
19 MR. LANEY: Object to the form.
20 A. The signatories to this agreement?
21 Q. The initial signatory to the agreements
22 that you drafted was GrayCo Investment Management,
23 LLC and Larry Gray, the managing member, correct?
24 A. I believe this is an agreement for
25 GrayCo Investment Management, LLC. If that's the

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1 case, that entity wouldn't be a signatory, it would
2 be the members of that entity who would be
3 signatories.
4 Q. Was Seward & Kissel representing GrayCo
5 Investment Management, LLC?
6 A. I would have to take a look at the
7 engagement letter and see how that's described, but
8 I believe as an affiliated entity serving as the
9 general partner of the funds, Seward & Kissel could
10 be deemed to be counsel for that general partner
11 entity.
12 Q. Are you aware of any engagement letter
13 that specifically reflects that Seward & Kissel
14 represents GrayCo?
15 A. Actually, I take back my prior answer.
16 Yes, I think we drafted an operating agreement. I
17 think it's fair to say that we were providing
18 services to GrayCo Investment Management.
19 Q. Are you aware of any engagement letter
20 with the entity GrayCo Investment Management, LLC?
21 A. I'd have to take a look at the
22 engagement letter we reviewed a little while ago to
23 see whether this would fall under that.
24 Q. Were you aware of any engagement letter
25 other than the original engagement letter that we



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1 discussed?

2 MR. LANEY: Object to the form of the

3 question.

4 A. Personally, I was not aware of another

5 engagement remember.

6 Q. Now, this is a document to be signed

7 also by Larry Gray individually, correct?

8 A. Yes.

9 Q. And was Seward & Kissel representing Mr.

10 Gray in connection with the operating agreement of

11 GrayCo Investment Management, LLC?

12 A. No.

13 Q. Did you or to your knowledge anyone else

14 at Seward & Kissel advise Mr. Gray that Seward &

15 Kissel is not purporting to advise him on this

16 operating agreement and he should retain his own

17 counsel to do so?

18 A. I've never specifically told him that,

19 just like I never told the other signatories to the

20 agreement that they should obtain their own counsel.

21 Q. Who did?

22 A. I said I've never communicated that or

23 at least I don't recall specifically communicating

24 that to Mr. Gray, just like I also don't recall

25 specifically communicating that to any of the other

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1 signatories such as Mr. Williams or Mr. Kuhn or

2 anybody else. Typically we don't represent members

3 of an entity just by virtue of representing the

4 entity itself.

5 Q. Well, I'm not talking about just any

6 member. Mr. Gray was the managing member of this

7 entity, correct?

8 A. That's correct.

9 Q. And he's listed on the Form D as a

10 related person, correct?

11 A. That's correct.

12 Q. Now, as a related person and as a

13 managing member and as somebody who is drafting a

14 document to be executed by Mr. Gray, as managing

15 member did you consider whether it was appropriate

16 to advise him that Seward & Kissel is not

17 representing him or not representing his interests

18 and he should retain separate counsel?

19 A. Well, we often prepare documents to be

20 signed by people who are not our clients and

21 potentially from time to time may list someone as a

22 related person whose own company has zero

23 affiliation with our firm, so in our mind one has

24 nothing to do with the other.

25 Q. Well, in your mind. Did you ever

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1 communicate what was in your mind to Mr. Gray

2 regarding representation?

3 A. I don't recall communicating that to Mr.

4 Gray.

5 (Plaintiffs' Exhibit 13, e-mail exchange

6 of November 23rd, 2011 among Ms. Segal, Mr.

7 Hubbard and Mr. Van Grover, was so marked for

8 identification, as of this date.)

9 Q. Let me hand you what has been marked as

10 Plaintiffs' Exhibit 13. This is an e-mail exchange

11 on November 23rd, 2011 among you, Mr. Hubbard and

12 Mr. Van Grover and you have this e-mail exchange,

13 correct?

14 A. Yes.

15 Q. And Mr. Hubbard is asking you with

16 respect to a State Street document involving Fund I,

17 "I would assume that we need to answer this on

18 behalf of the general partner entity of the fund and

19 not necessarily Gray & Company."

20 And then you follow up with Mr.

21 Van Grover, "I assume that ultimately Bob will

22 provide his info for Gray & Company since this is

23 the managing member of the general partner of the

24 fund." Do you see that?

25 A. Yes.

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1 Q. So Mr. Hubbard is asking you questions

2 not only about Gray & Company, but he's also asking

3 questions about the general partner entity of the

4 fund, correct?

5 A. In connection with the funds, providing

6 the information to the administrator, yes.

7 Q. Okay.

8 (Plaintiffs' Exhibit 14, e-mail exchange

9 between Ms. Segal and Mr. Hubbard of

10 January 9th, 2012 regarding LLC operating

11 agreement and response, was so marked for

12 identification, as of this date.)

13 Q. Let me hand you what has been marked as

14 Plaintiffs' Exhibit 14. Exhibit 14 is an e-mail

15 exchange between you and Mr. Hubbard on January 9th,

16 2012 regarding the LLC operating agreement and your

17 response. And you had this e-mail exchange,

18 correct?

19 A. Yes.

20 Q. And he's asking you, "We will all be

21 making the capital contribution at the same time.

22 However, is there a certain time frame by which the

23 contribution should be made?" And who is making the

24 capital contribution?

25 A. I'd have to read some of the prior

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1 e-mails, so if you want to give me a minute.
2 Q. Well, if you look at the second page, it
3 indicates "While there is no requirement that the
4 members of the general partner contribute a minimum
5 amount to the company, the general partner should
6 make a capital contribution to the fund of at least
7 \$100,000, so it may make sense to have the members
8 contribute to the company an amount equal in the
9 aggregate \$100,000 so that the company can then make
10 a commitment to the fund."
11 Does that refresh your memory?
12 MR. LANEY: Ms. Segal, why don't you
13 take a moment to read the document if you
14 need to.
15 A. Yes. I'm going to read the document.
16 Okay. I've read it, so...
17 Q. So the capital contributions that Mr.
18 Hubbard is talking about is from members of the
19 general partner, correct?
20 A. That's what he's asking about, yes.
21 Q. And what you respond to him relates to
22 an additional change to the operating agreement to
23 give Larry the ability to deduct certain amounts and
24 you're talking about Larry Gray?
25 A. Yes. As managing member of that entity.

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1 Q. So the change that you're making to this
2 agreement relates to Larry Gray individually, is
3 that fair to say?
4 A. As the managing member of the company,
5 yes.
6 MR. ROBBINS: Let's take a break.
7 THE VIDEOGRAPHER: The time is 12:36.
8 This ends media number 2. We are off the
9 record.
10 (Lunch recess: 12:36 p.m.)
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1 Afternoon Session
2 1:26 p.m.
3 A L E X A N D R A S E G A L, having been
4 previously duly sworn, was examined and testified
5 further as follows:
6 (Mark Hyland enters the room)
7 (Michael Broz leaves the room)
8 THE VIDEOGRAPHER: The time is 1:26.
9 This is the start of media number 3. We're
10 on the record.
11 (Plaintiffs' Exhibit 15, e-mails
12 containing e-mail from Ms. Segal to John
13 Robinson at Gray & Company dated
14 September 8th, 2011, was so marked for
15 identification, as of this date.)
16 EXAMINATION (Continued)
17 BY MR. ROBBINS:
18 Q. You have been handed Plaintiffs'
19 Exhibit 15. In the middle of the page there is an
20 e-mail from you to I believe John Robinson at Gray &
21 Company dated September 8th, 2011 and indicating
22 "I've been assisting Rob Van Grover in connection
23 with a marketing presentation for Fund I." And then
24 he responded to you. You had this e-mail exchange?
25 A. Yes.

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1 Q. I think we established this was not the
2 Alternative Fund I but the initial fund that you
3 don't believe actually was offered, is that correct?
4 A. That's correct.
5 Q. You in this e-mail say you took a quick
6 look at the current draft of the marketing
7 presentation that George Olah sent us and would
8 recommend including certain additional disclaimers
9 relating to the use of performance information for
10 Voyage Partners LP.
11 And what was the purpose of having
12 disclaimers, additional disclaimers in the marketing
13 presentation?
14 A. Well, without recalling too much or
15 really anything outside of this e-mail, it seems
16 like they related specifically to the use of
17 Voyager's performance information in marketing the
18 fund that was to be sponsored by Gray.
19 Q. Part of what you were advising Gray &
20 Company on was marketing presentations because what
21 is said or written to potential investors could have
22 regulatory implications, correct?
23 A. To the extent they provided us with a
24 presentation to review, then we would review it,
25 yes.



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1 (Plaintiffs' Exhibit 16, e-mail exchange
2 from John Robinson of Gray & Company to Mr.
3 Van Grover, was so marked for identification,
4 as of this date.)
5 Q. Let me hand you what has been marked as
6 Plaintiffs' Exhibit 16 and this is an e-mail
7 exchange from John Robinson of Gray & Company to Mr.
8 Van Grover, which he then forwarded to you, asking
9 for any disclosure updates for the presentation and
10 you left comments on that for Mr. Van Grover, is
11 that correct?
12 A. Yes. I think so, based on my e-mail.
13 Q. The intent, again, was to see if the
14 disclosure in the presentation made by Gray &
15 Company or its representative were consistent with
16 the securities laws, correct?
17 MR. LANEY: Object to the form of the
18 question.
19 A. Not necessarily. Just to see whether
20 addition disclosures were --
21 Q. Too much noise. Sorry.
22 A. So I wouldn't phrase it the way you
23 said. To the extent additional disclosures are
24 required under securities laws or to the extent
25 other clarification is recommended, that we would

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1 point that out to them.
2 (Plaintiffs' Exhibit 17, e-mail from Ms.
3 Segal to John Robinson of Gray & Company
4 dated September 16th, 2011, was so marked for
5 identification, as of this date.)
6 Q. Let me hand you what has been marked as
7 Exhibit 17. This is an e-mail from you to John
8 Robinson of Gray & Company dated September 16th,
9 2011 reflecting your comments on the revised
10 marketing presentation and your suggested riders.
11 Whose handwritten notes are these?
12 A. I believe they are mine. Well, actually
13 I should see. Yes, I think they are mine.
14 (Plaintiffs' Exhibit 18, e-mail from Mr.
15 Hubbard to Mr. Van Grover dated October 17th,
16 2011, was so marked for identification, as of
17 this date.)
18 Q. You have been handed what has been
19 marked as Plaintiffs' Exhibit 18, which is an e-mail
20 from Mr. Hubbard to Mr. Van Grover dated
21 October 17th, 2011 indicating "Per our earlier
22 discussion, we would like your thoughts on whether
23 the attached IMR and adoption agreement outline a
24 structure that, in your opinion, are an acceptable
25 investment vehicle under the constraints in the

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1 Georgia investment code."
2 Mr. Van Grover then forwards this to
3 John Ryan. First, did you get a copy of this
4 e-mail, to your knowledge, at or around the time
5 it's dated?
6 A. I don't recall.
7 Q. Who is John Ryan?
8 A. John Ryan is a partner in our ERISA
9 group. He is a partner in our ERISA group.
10 Q. Is he still with the firm?
11 A. He is.
12 Q. Were you ever asked by Mr. Van Grover to
13 look as to whether these documents reflected an
14 acceptable investment vehicle under the constraints
15 in the Georgia investment code?
16 A. I don't recall being asked that, no.
17 Q. Did you ever consult with Mr. Ryan on
18 any matters dealing with Gray & Company projects or
19 funds?
20 A. I don't recall specifically. Although
21 I believe that there had been at least one call or
22 discussion with John Ryan and Mr. Van Grover
23 regarding this project.
24 Q. Okay. In 2011, after Seward & Kissel
25 was retained by Gray, it's fair to say that Mr.

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1 Hubbard asked you and to your knowledge and others,
2 a variety of legal questions concerning the
3 activities that Gray & Company intended to engage
4 in, correct?
5 A. I can't speak for what he may have asked
6 others. In terms of the activities, the advice he
7 sought from me, can you rephrase that question or
8 repeat it?
9 Q. In other words, Mr. Hubbard, as we've
10 seen, even from the e-mails today, asked you to
11 prepare a number of securities-related documents,
12 correct?
13 A. That's correct.
14 Q. And asked a number of questions relating
15 to, could you advise on the law related to a
16 particular topic, fair to say?
17 A. Or advise on specific issues, yes. I
18 mean I wouldn't say necessarily a particular statute
19 was involved, but yes, there were questions as to
20 whether he could do certain things with respect to
21 the fund or whether the fund could do specific
22 things.
23 Q. And in terms of the securities documents
24 that you were preparing for Gray & Company, you
25 presumed that Gray & Company expected you to prepare



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1 them consistent with applicable state and federal
2 laws, correct?
3 A. That was the expectation by Gray, yes, I
4 believe it was.
5 Q. Did you understand that Mr. Hubbard was
6 not a lawyer? Did Mr. Hubbard ever indicate to you
7 that he was a lawyer?
8 A. No.
9 Q. Did Mr. Gray ever indicate to you that
10 he was a lawyer?
11 A. No.
12 Q. Did you have any understanding through
13 any other Seward & Kissel attorneys that Mr. Gray or
14 Mr. Hubbard were lawyers?
15 A. No.
16 Q. Did you have any understanding that
17 Gray & Company had any in-house counsel?
18 A. I was not aware of in-house.
19 Q. Did you ever deal with anyone who
20 purported to be in-house counsel?
21 A. I don't recall dealing with anyone who
22 was in-house counsel.
23 (Plaintiffs' Exhibit 19, e-mail exchange
24 among Mr. Van Grover, Mr. Hubbard, Mr. Gray,
25 Pete Pront and Ms. Segal, was so marked for

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1 identification, as of this date.)
2 Q. I'm going to hand you what has been
3 marked as Exhibit 19 and this is an e-mail exchange
4 among Mr. Van Grover, Mr. Hubbard of Gray & Company,
5 Mr. Gray, Pete Pront of Seward & Kissel and
6 yourself.
7 At the top Mr. Van Grover writes to Mr.
8 Hubbard, copied to Mr. Gray, Mr. Pront, yourself and
9 Mr. Ryan here, that "On the trust project for
10 Georgia, we can create that as well." What did you
11 understand to be the trust project for Georgia?
12 A. As of October 2011, I don't think I
13 really had all that much information, if anything,
14 on the trust project for Georgia.
15 Q. Did you understand that the trust
16 project that Gray & Company was discussing with
17 Seward & Kissel would be based in Georgia?
18 A. I don't think I knew anything beyond
19 that e-mail at that time.
20 Q. Did you ever indicate to anyone at
21 Gray & Company that no one with Seward & Kissel
22 which you were aware were actually licensed to
23 practice law in Georgia?
24 A. No. That's not something I would have
25 mentioned.

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1 Q. Did you ever indicate to anyone at
2 Gray & Company that, to your knowledge, no one at
3 Seward & Kissel was an expert in the Georgia
4 investment code?
5 MR. LANEY: Object to the form of the
6 question.
7 A. Can you repeat that?
8 Q. Did you ever indicate to anyone at
9 Gray & Company that no one, to your knowledge, at
10 Seward & Kissel was an expert on the Georgia
11 investment code?
12 MR. LANEY: Object to the form of the
13 question.
14 A. I don't think I -- I don't recall ever
15 saying that specifically.
16 Q. Other than with Gray & Company, have you
17 ever worked on any client matters which involve the
18 Georgia investment code?
19 A. Not that I recall.
20 Q. Have you ever worked on any matters for
21 any client other than Gray & Company which involved
22 Georgia statutes relating to the permissibility of
23 public pension plans investing in alternative
24 investments?
25 A. Can you repeat that again.

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1 Q. Other than Gray & Company, have you ever
2 advised any clients on the Georgia statutes
3 regarding the permissibility of public pension plans
4 investing in alternative investments?
5 A. Not that I recall.
6 Q. Did Mr. Van Grover ever indicate to you
7 that other than Gray & Company, he has ever advised
8 any clients on Georgia law relating to the
9 permissibility of public pension plans investing in
10 alternative investments?
11 A. We never discussed his experience.
12 (Plaintiffs' Exhibit 20, e-mails
13 containing e-mail from Mr. Van Grover to Bob
14 Hubbard and Larry Gray dated November 3rd,
15 2011, was so marked for identification, as of
16 this date.)
17 Q. This is an e-mail at the bottom of the
18 page from Mr. Van Grover to Bob Hubbard and Larry
19 Gray at Gray & Co. dated November 3rd, 2011
20 regarding an application to do business in Georgia.
21 Is it your understanding that your law firm was
22 involved in certain filings and applications in the
23 State of Georgia?
24 A. Yes. For example, qualification to do
25 business.



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1 A. I can't confirm that without seeing the
2 provisions of the LPA.
3 Q. Well, just looking at your e-mail where
4 you state, paragraph 4, "We agree that employees of
5 Gray would be subject to a negligent standard of
6 care but that brokers and agents of Gray would be
7 subject to a gross negligent standard of care."
8 As of November 8th, 2011 did you
9 understand that Mr. Gray and Mr. Hubbard were
10 employees of Gray?
11 A. I understood they were employees of
12 Gray.
13 Q. And therefore whatever this standard of
14 care was you were conferring about would be
15 applicable to them individually, correct?
16 A. That's not necessarily the case. It
17 depends on how the provision is drafted. You can
18 have a company be responsible for the bad acts of
19 its employees or you can have an employee of a
20 company be responsible for its bad acts. It depends
21 on how the provision is drafted.
22 Q. Well, when you said employees of Gray
23 would be subject to a negligent standard of care,
24 would employees of Gray include Mr. Gray and Mr.
25 Hubbard?

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1 A. Yes.
2 (Plaintiffs' Exhibit 22, Document with
3 first page e-mail dated November 17th, 2011
4 from Mr. Hubbard to Ms. Segal copied to Mr.
5 Gray, was so marked for identification, as of
6 this date.)
7 Q. You've been handed Plaintiffs'
8 Exhibit 22 and the first page is an e-mail from Mr.
9 Hubbard dated November 17th, 2011 to you copied to
10 Mr. Gray regarding other projects. You received
11 this e-mail, correct?
12 A. Yes.
13 Q. And towards the bottom there is a
14 paragraph which says "Third, you mention that it
15 should be pretty straightforward to convert the
16 GrayCo Alternative Partners I LP documents into a
17 Fund I offering. Please let me know what would be
18 involved in getting Fund II going. We are keeping
19 this as a viable option in the event that the New
20 Haven side letter becomes a barrier for admitting
21 additional LP's to Fund I."
22 So you were aware that as of
23 November 17th, 2011 that Gray & Company was
24 contemplating ultimately having an Alternative Fund
25 II following Alternative Fund I, correct?

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1 A. That's correct.
2 Q. Did you ever get back to him on his
3 inquiry about letting him know what would be
4 involved in getting Fund II going?
5 A. Well, that's a very broad question, so
6 get back to me on what would be involved in getting
7 Fund II going, I explained to him that it would be a
8 similar process in the sense of needing similar
9 documentation.
10 (Plaintiffs' Exhibit 23, e-mails
11 containing e-mail from Mr. Hubbard to Ms.
12 Segal and Mr. Van Grover copied to Mr. Gray
13 dated November 28th, 2011, was so marked for
14 identification, as of this date.)
15 Q. You've been handed Exhibit 23, which at
16 the bottom is an e-mail from Mr. Hubbard to you and
17 Mr. Van Grover copied to Mr. Gray dated
18 November 28th, 2011 and this is a question relating
19 to the Fund I, is that correct?
20 A. That's correct.
21 Q. Pardon?
22 A. Yes.
23 Q. And Mr. Pront responds to you and to Mr.
24 Grover on November 29th saying in part, "It appears
25 that Bob has not yet understood the distinction

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1 between governmental retirement plans and other U.S.
2 tax-exempt organizations." Do you see that?
3 A. I see that.
4 Q. To your knowledge, did you or Mr. Pront
5 explain to Mr. Hubbard further, since he apparently
6 was not understanding the legal distinctions that
7 you all were discussing?
8 MR. LANEY: Object to the form of the
9 question.
10 A. I'd like to review the e-mail chain
11 first.
12 Okay. Can you repeat the question?
13 Q. Mr. Pront has indicated to you and Mr.
14 Van Grover that it appears that Bob has not yet
15 understood the distinction between governmental
16 retirement plans and other U.S. tax-exempt
17 organizations.
18 Do you recall you or Mr. Pront or Mr.
19 Van Grover following up in an effort to assist Mr.
20 Hubbard in understanding this area of the law?
21 A. I don't know what Rob or Peter may have
22 told him following this, but I would imagine that it
23 would have been their practice if they saw that Mr.
24 Hubbard was confused to follow up and clarify it,
25 which is probably why Peter offered to get on a call



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1 the following morning.
2 Q. Do you recall whether there was any such
3 call?
4 A. I don't recall, no.
5 (Plaintiffs' Exhibit 24, Memo to files
6 dated December 6th, 2011, was so marked for
7 identification, as of this date.)
8 Q. You have been handed Plaintiffs'
9 Exhibit 24, which is dated December 6th, 2011, which
10 is a memo to files regarding GrayCo Alternative
11 Partners I LP, which is Fund I and this was prepared
12 by you and put into a file for Gray & Company,
13 correct?
14 A. Yes. I see that.
15 Q. And why did you write this memo to file?
16 A. I'll read it first and then I'll see if
17 I can remember.
18 Well, it looks like I wrote the memo,
19 because notwithstanding advice from Mr. Van Grover
20 and Mr. Pront to Mr. Hubbard, Gray, the fund, was
21 still going to make certain investments.
22 Q. And you wanted some type of memo to file
23 indicating what you had advised Gray & Company and
24 that they appeared to want to go forward with
25 something that may have -- maybe contrary to your

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1 advice, is that fair to say?
2 A. Yes.
3 Q. Now, is that as you understand it
4 Seward & Kissel practice, to write a memo to file if
5 it has an understanding that the client might go
6 forward with something that Seward & Kissel has
7 advised against?
8 A. It depends.
9 Q. It depends on what?
10 A. On lots of things.
11 Q. I'm sorry?
12 A. On lots of things, the circumstances,
13 the issue, the potential implications, the
14 particular associate.
15 Q. Okay. Did you ever, to your
16 recollection, write any memo to file regarding
17 Alternative Fund II?
18 A. Not that I recall.
19 Q. Do you ever recall, whether it be a memo
20 to file or an e-mail to one of your colleagues
21 working on Fund II, to the effect that Gray &
22 Company suggested that it was going forward with
23 something to do with the Fund II that was contrary
24 to your advice?
25 A. I don't recall ever being in a situation

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1 where I was aware that they were doing something for
2 Fund II that was contrary to our advice, so my
3 answer would be no, I never wrote a memo to files.
4 Q. Did they ever indicate to you when you
5 were dealing with them on Fund II that they were
6 going forward with Fund II on something that was
7 contrary to your advice?
8 A. Offhand, I don't recall that ever being
9 the case.
10 (Plaintiffs' Exhibit 25, e-mail from Bob
11 Hubbard to Mr. Van Grover dated October 17th,
12 2011, was so marked for identification, as of
13 this date.)
14 Q. You've been handed what's been marked
15 Plaintiffs' Exhibit 25, which was the October 17th,
16 2011 e-mail from Bob Hubbard to Mr. Van Grover
17 referencing an opinion or seeking an opinion on an
18 acceptable investment vehicle under the constraints
19 in the Georgia investment code and it's been
20 forwarded to you about six weeks later on
21 November 29th, 2011.
22 Did Mr. Grover ever tell you why he was
23 forwarding this e-mail six weeks after he had
24 received it from Mr. Hubbard?
25 A. I would imagine at the time he told me

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1 why he was forwarding it to me.
2 Q. Do you recall?
3 A. I don't recall, no. Perhaps it had
4 become relevant again.
5 Q. Do you recall being asked by Mr.
6 Van Grover in late November 2011 to advise on an
7 issue under the Georgia investment code that Mr.
8 Hubbard had asked him about six weeks earlier?
9 A. Can you please repeat that.
10 (Record read)
11 A. I don't recall any specific discussions
12 or what might have been said regarding this.
13 (Plaintiffs' Exhibit 26, e-mails
14 containing e-mail from Mr. Hubbard to Mr.
15 Van Grover dated October 17th, 2011, was so
16 marked for identification, as of this date.)
17 Q. You have been handed what has been
18 marked as Plaintiffs' Exhibit 26 and at the bottom
19 there is an e-mail from Mr. Hubbard to Mr.
20 Van Grover dated October 17th, 2011 seeking advice
21 on compliance with the State of Georgia's investment
22 code.
23 This is forwarded to you again,
24 November 29th, about six weeks later and then he
25 forward it on to Irina Kerzhner at Seward & Kissel.



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1 Do you recall why Mr. Van Grover forwarded this
2 e-mail from Mr. Hubbard regarding the Georgia
3 investment code about six weeks after he received
4 it?
5 MR. LANEY: Object to the form of the
6 question.
7 A. No. My answer is the same as it was to
8 the previous e-mail.
9 Q. And do you recall why you would have
10 then forwarded it to another lawyer at Seward &
11 Kissel, Ms. Kerzner?
12 A. Well, I believe that Irina had been
13 involved in the index fund project and so I would
14 imagine that the reason why I was sending this,
15 together with the previous e-mail, was because,
16 again, it had suddenly become relevant again.
17 Q. Looking at this e-mail, which also has
18 the Georgia statute for public retirement systems
19 investment authority law attached, does it refresh
20 any recollection on your part that in late November
21 or December 2011 you reviewed the Georgia law for
22 any particular purpose as requested by Gray &
23 Company?
24 A. It's very possible I did, but I don't
25 have a specific recollection doing so.

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1 Q. I take it that if you had done so, it
2 would likely be reflected in your time recorded and
3 ultimately charged to Gray & Company, correct?
4 A. Depending on how specific my time
5 entries would have been in describing what I did,
6 then yes.
7 (Plaintiffs' Exhibit 27, e-mails
8 containing e-mail from Bob Hubbard of
9 October 17th, 2011, was so marked for
10 identification, as of this date.)
11 Q. You have been handed what has been
12 marked as Plaintiffs' Exhibit 27. At the bottom
13 there is another copy of the Bob Hubbard e-mail of
14 October 17th, 2011 relating to constraints in the
15 Georgia investment code being forwarded to you by
16 Mr. Van Grover and then you forward it on to Frank
17 Mitchell. And who is Frank Mitchell?
18 A. He was an associate in the ERISA group.
19 Q. Is he still with Seward & Kissel?
20 A. No.
21 Q. Do you recall talking with Mr. Mitchell
22 about anything relating to Gray & Company?
23 A. I don't recall specific discussions, but
24 I would imagine we've had one or two.
25 Q. And this related to ERISA issues?

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1 A. I don't remember the specific focus of
2 the discussions. It related to the group trust
3 project generally.
4 (Plaintiffs' Exhibit 28, e-mails
5 containing e-mail from Mr. Hubbard to Ms.
6 Segal dated December 12th, 2011, was so
7 marked for identification, as of this date.)
8 Q. You've been handed what has been marked
9 as Plaintiffs' Exhibit 28. In the middle of the
10 page there is an e-mail from Mr. Hubbard to you
11 dated December 12th, 2011 indicating "We do not
12 currently have an LLC agreement and we need guidance
13 and assistance in creating one. Let me know what
14 would work on your end for a call."
15 And then you have a further e-mail
16 exchange. You engaged in this e-mail communication?
17 A. Yes.
18 Q. And what is this LLC agreement for?
19 What entity?
20 A. The general partner of the fund.
21 Q. Which was what entity?
22 A. I believe it was named GrayCo Investment
23 Management, LLC.
24 Q. Now, did Seward & Kissel represent
25 GrayCo Investment Management, LL -- was it LLC or

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1 LLP?
2 A. LLC. I believe it was the same entity
3 for which we saw the operating agreement earlier.
4 Q. Right. And did Seward & Kissel
5 represent GrayCo Investment Management, LLC in
6 preparing the LLC agreement?
7 A. Yes, I believe it did.
8 Q. And have you ever seen an engagement
9 letter in which Seward & Kissel formally stated it
10 was representing GrayCo Investment Management, LLC?
11 A. Naming the entity by name?
12 Q. Yes.
13 A. Well, since it didn't exist when we
14 signed the engagement letter and as far as I knew,
15 there weren't any other engagement letters, no.
16 Q. My question related to, had you seen any
17 or been advised of any subsequent engagement letter
18 in which Seward & Kissel, in writing, stated that it
19 was engaged to represent GrayCo Investment
20 Management, LLC?
21 A. I'm not aware of a subsequent engagement
22 letter. It may have been covered by the original
23 one, depending on how broadly it was worded.
24 Q. Did you prepare an LLC agreement for
25 GrayCo Investment Management, LLC?



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1 A. I believe that was the draft agreement
2 we reviewed earlier.
3 Q. At the time that you drafted the
4 agreement, was it your understanding that Seward &
5 Kissel was representing GrayCo Investment
6 Management, LLC?
7 A. Yes.
8 (Plaintiffs' Exhibit 29, e-mail from Ms.
9 Segal to Bob Hubbard dated December 15th,
10 2011, was so marked for identification, as of
11 this date.)
12 Q. You have been handed what has been
13 marked as Plaintiffs' Exhibit 29, which is an e-mail
14 from you to Bob Hubbard, the subject, "Helpful
15 memoranda, GrayCo Alternative Partners I LP" dated
16 December 15th, 2011. Did you send this e-mail and
17 the attached documents?
18 A. Yes.
19 Q. Now, you indicate, "In connection with
20 the launch of GrayCo Alternative Partners I LP,
21 attached please find the following."
22 And then you enclose a closing letter
23 describing the procedures to follow when sending out
24 documents to investors, a memorandum discussing the
25 various regulatory requirements that may apply to

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1 the fund and a memorandum explaining the procedures
2 relating to private offerings, correct?
3 A. That's right.
4 Q. Did you ever send any similar documents
5 relating to Fund II to Mr. Hubbard?
6 A. No. We never got to that point.
7 Q. When you say you never got to that
8 point, you knew that the materials that you were
9 providing and had drafted for Gray & Company with
10 respect to the Fund II were going to be shown, at
11 least to some investors, correct?
12 A. That's correct.
13 Q. And before those materials which you
14 prepared were shown to the investors, did you ever
15 send Mr. Hubbard any documents similar to in
16 Exhibit 29 describing the procedures to follow when
17 sending out documents to investors or a memo
18 discussing the various regulatory requirements that
19 may apply to the fund or a memorandum explaining the
20 procedures relating to private offerings?
21 A. You mean did I resend the same e-mail
22 with the same attachments for Fund II?
23 Q. Well, let me ask you that first.
24 A. No. I did not resend the same
25 documents.

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1 Q. Okay. Did you review these documents to
2 revise, in light of the fact that Fund II was going
3 to be offered to Georgia public pension planning and
4 that there was a new Georgia code about which you
5 had been informed?
6 A. No. I should mention, these are our
7 standard documents and so even had we continued to
8 represent Fund II and advised the client on the
9 particular Georgia requirements, that's not
10 something that would have been reflected in these
11 three memoranda.
12 Q. Well, number 2 is a memorandum
13 discussing the various regulatory requirements that
14 may apply to the fund. Do you see that?
15 A. I do.
16 Q. And you would agree with me that for
17 Fund II, the Georgia investment code amendments
18 would fall within the category of regulatory
19 requirements that may apply to the fund, correct?
20 A. Well, that's correct, but the memo
21 described in Fund II doesn't purport to contain
22 every single potential requirement that would apply
23 to a manager.
24 Q. Well, did you ever tell Mr. Hubbard when
25 you sent this exhibit and these memo that these are

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1 standard documents that Seward & Kissel sends out
2 and actually may not involve all of the regulatory
3 requirements applying to that particular fund?
4 A. Well, I say here, "Note that our two
5 memos are somewhat outdated, but we are currently
6 updating them internally and will send you updated
7 memos once they become available."
8 So I think this indicated that these
9 were our standard memos that were not all inclusive.
10 Q. Did you ever tell Mr. Hubbard when you
11 sent out these memos that these memos actually did
12 not cover all of the regulatory requirements
13 applicable to this particular fund?
14 A. I did not tell him that these memos
15 cover every potential requirement that may be
16 applicable to his fund.
17 Q. Did you ever send Mr. Hubbard or anyone
18 else at Gray & Company the updated memos once they
19 became available?
20 A. I don't recall.
21 Q. Were there any updated memos?
22 A. I don't remember and I don't even
23 remember whether we still represented the fund.
24 Q. Did you ever work on a memo, an updated
25 memo, discussing the various regulatory requirements



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1 that may apply to the fund that addressed any
2 particular regulatory requirements that applied to
3 Fund I?
4 A. Can you please repeat that question.
5 MR. ROBBINS: Can you repeat it, please.
6 (Record read)
7 Q. Did you ever work or draft an updated
8 memo discussing the various regulatory requirements
9 that would particularly apply to Fund I?
10 A. No, because that's not how we typically
11 advise our clients. That's not the course of
12 conduct we take.
13 Q. Well, course of conduct, let's discuss
14 that a second. Did you ever tell Mr. Hubbard that
15 you, in fact, would not be updating the memo to
16 discuss particular regulatory requirements that
17 applied to Fund I?
18 A. We don't -- we wouldn't necessarily know
19 at the time of sending that memo all of the
20 potential requirements that could apply to Fund I,
21 because as you see in the context of Fund II,
22 sometimes requirements are motivated by the
23 jurisdiction of an investor, which at the outset,
24 when we're first finalizing offering documents, we
25 don't always know what those jurisdictions are.

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1 Q. Did you ever tell what you just said to
2 Mr. Hubbard or Mr. Gray?
3 A. In connection with Fund II?
4 Q. Fund I.
5 A. In connection with Fund I, no, but we
6 have been very involved every time they had
7 questions regarding a particular investor and
8 specific side letters or concerns that that investor
9 had.
10 Q. The answer to my question was no, is
11 that right?
12 A. I don't remember your question.
13 Q. Did you ever send to Gray & Company a
14 memorandum discussing the various regulatory
15 requirements that may apply to Fund II?
16 MR. LANEY: For Fund II or Fund I?
17 MR. ROBBINS: Fund II.
18 A. No. I don't believe I did.
19 Q. Did you ever send Gray & Company a
20 closing letter describing the procedures to follow
21 when sending out documents to investors relating to
22 Fund II?
23 A. No. Again, we never got to that point
24 with Fund II.
25 Q. Did you ever ask Mr. Hubbard if he

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1 thought it would be helpful to have a closing letter
2 describing the procedures to follow when setting out
3 documents to investors in Fund II?
4 A. I didn't ask that question because, A,
5 he had the documents, again, which were not tailored
6 to Fund I, so they would have presumably applied to
7 Fund II. B, it was premature in our representation
8 of Fund II, given where Fund II was.
9 Q. You're going beyond my question, so let
10 me just take it step by step. As we will get to,
11 Mr. Hubbard asked for materials to provide to
12 potential investors in Fund II, right?
13 (Record read)
14 Q. Right?
15 A. Yes.
16 Q. Now, did you ever ask him, in connection
17 with sending him those documents that you knew he
18 was going to provide to potential investors, whether
19 he wanted a letter describing the procedures to
20 follow when sending out these particular documents
21 to investors?
22 A. No.
23 Q. Did you ever ask him, in connection with
24 providing him those documents to send to prospective
25 investors, whether he wanted a memorandum discussing

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1 the particular regulatory requirements that may
2 apply to the Fund II?
3 A. No.
4 THE VIDEOGRAPHER: The time is 2:24.
5 This ends media number 3. We are off the
6 record.
7 (Recess taken)
8 (Mark Hyland leaves the room)
9 (Michael Broz enters the room)
10 THE VIDEOGRAPHER: The time is 2:37.
11 This is the start of media number 4. We're
12 on the record.
13 (Plaintiffs' Exhibit 30, e-mail exchange
14 between Ms. Segal and Mr. Hubbard beginning
15 January 12th, was so marked for
16 identification, as of this date.)
17 BY MR. ROBBINS:
18 Q. Okay. I have handed you an e-mail
19 exchange you had with Mr. Hubbard. On the last page
20 it shows that the e-mail exchange began
21 January 12th, if you could take a look at that.
22 Last page, Mr. Hubbard writes to you
23 with this question, "Hi, Alex. Can an institutional
24 public pension plan invest in our Partners I LP fund
25 if their aggregate assets 18 million?" Do you see



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1 that?
2 A. Yes.
3 Q. So before Fund II, with respect to Fund
4 I, Mr. Hubbard would direct questions to you about
5 what the public pension plans could do and could not
6 do, fair to say?
7 A. No. I wouldn't phrase it that way.
8 Q. Well, how would you phrase it?
9 A. Here, Mr. Hubbard was asking
10 specifically about the federal requirement that an
11 investor be an accredited investor and a qualified
12 purchaser.
13 Q. Okay. He was asking about what an
14 institutional public pension plan can invest assets
15 and this related to a federal law and you responded
16 to his question, correct?
17 A. This related specifically as to whether
18 the public pension plan, how to categorize it or
19 characterize it as an accredited investor or a
20 qualified purchaser specifically. It was a specific
21 question as to its status under these two
22 requirements.
23 Q. Did you answer his question?
24 A. I did.
25 (Plaintiffs' Exhibit 31, e-mail from Mr.

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1 Hubbard to Ms. Segal dated February 15th,
2 2012, was so marked for identification, as of
3 this date.)
4 Q. You've been handed Plaintiffs' Exhibit
5 31, which is an e-mail from Mr. Hubbard to you dated
6 February 15th, 2012 in which he says, respecting a
7 particular letter, "I need to ensure I know how we
8 should complete it, what laws need to be referenced
9 within and what background checks, ongoing
10 monitoring needs to be recurring with regards to the
11 LP's persons in our fund. I want to be sure all of
12 our regulatory issues are covered." Do you see
13 that?
14 A. Yes.
15 Q. And to the best of your knowledge, did
16 you respond to this?
17 A. Well, was there a response?
18 Q. I don't see a response.
19 A. So I can't recall offhand.
20 Q. To the best of your knowledge and I
21 appreciate what you're saying, particularly since
22 this was several years ago, but to the best of your
23 recollection, if a client such as Gray & Company
24 asked you questions such as this, your practice was
25 to respond to them or get someone else at Seward &

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1 Kissel to respond to them, is that fair to say?
2 A. That's fair to say.
3 Q. And as this reflects, Mr. Hubbard from
4 time to time asked you issues in which he wanted to
5 know what laws need to be referenced and he also
6 wanted to be sure that regulatory issues were
7 covered, fair to say?
8 A. Well, as particular regulatory issues
9 arose, yes, he would reach out to us to make sure
10 that we can advise them on how best to address those
11 particular issues.
12 Q. Well, he mentioned what laws to be
13 referenced within. Are you suggesting that Mr.
14 Hubbard has to tell you what particular law he wants
15 guidance on for you to be able to draft documents or
16 answer his questions?
17 A. I don't understand your question.
18 Q. Okay. My question is this, Mr. Hubbard
19 was looking for your legal guidance to make sure
20 that filings they did, documents they signed,
21 documents they provided to third parties were
22 compliant with law, fair to say?
23 A. They were looking to us for guidance, is
24 that what you said?
25 Q. Yes.

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1 A. Yes.
2 Q. And he wasn't on every occasion saying,
3 I want you to comply or give me advice on a
4 particular law. He wanted to make sure that you
5 were preparing documents that would be compliant
6 with any laws that were applicable, is that fair to
7 say?
8 MR. LANEY: Object to the form of the
9 question.
10 A. Preparing documents that would be
11 compliant, yes. We can't possibly advise as to
12 every matter of law without having a specific
13 question or issue that the client is asking about.
14 Q. And I understand, but when you're
15 preparing documents then you understand your
16 responsibility is to comply with any state or
17 federal laws that may be applicable, fair to say?
18 A. To the extent that we know they would
19 apply, yes.
20 Q. And do you not consider it your
21 responsibility to give advice to a client that you
22 know is going to be providing materials to investors
23 as to what they can and cannot say?
24 MR. LANEY: Object to the form.
25 A. Can you please rephrase that.

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1 Q. Okay. In other words, if a client tells
2 you, I'm going to be showing your materials, the
3 materials you provided to prospective investors, do
4 you not believe it's your responsibility to give a
5 client advice on, well, what he should or should not
6 say to the prospective investors relating to your
7 documents?
8 MR. LANEY: Object to the form.
9 A. Regarding the documents or regarding
10 what he says to clients? Those are two different
11 things.
12 Q. Regarding the documents.
13 A. Okay. Do I typically instruct them
14 about what to say about the documents?
15 Q. What to say or what not to say, whether
16 there are any qualifications, disclaimers, areas of
17 uncertainty. Anything like that to give a client
18 advice on taking materials and showing them to
19 prospective investors that is covered by the
20 securities law?
21 A. Well, the advice in that scenario would
22 be that to the extent something hasn't been resolved
23 yet or is subject to change, that those types of
24 things -- or if the entire document hasn't been
25 finalized yet, such as with Fund II, that the draft

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1 stamp remains on and that it be clear that these are
2 subject to change.
3 Q. Okay. And you believe it's part of your
4 responsibility to convey to the clients that they
5 need to convey that to any prospective investors,
6 fair to say?
7 A. That's not my responsibility to instruct
8 a client to say those things, no.
9 Q. Then if it's not your responsibility,
10 why did you provide the information you did, the
11 memos that you did with respect to Fund I as to the
12 marketing of what a client should do when marketing
13 the offering, the regulatory requirements? Why
14 would you bother to do that if it's not part of your
15 responsibility?
16 A. Well, I think that there are two
17 different types of -- two different types of issues
18 here, so with the memos that I provided, that's
19 something we prepare generally to most of our
20 clients, because our goal is to alert our clients of
21 certain federal requirements that they may not be
22 aware of or that aren't necessarily intuitive and to
23 make sure that they're aware of them in connection
24 with marketing the funds.
25 Separately, before a client goes into an

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1 investor meeting or presentation, it's not our
2 practice to convey to them what orally can be said
3 or can't be said because who knows what discussions
4 are going to be had, so we just make sure that to
5 the extent they have showed us a marketing
6 presentation and asked us to review it and asked us
7 for disclaimers, that we'll provide that, but we
8 can't control what our client may say to their
9 prospective investors.
10 Q. I understand you can't control it, but
11 let me ask you, on Exhibit 29, you send out these
12 memos in connection with a launch of a new fund,
13 correct?
14 A. That's correct.
15 Q. And do you feel like this is or do you
16 believe that it's part of your responsibility in
17 working with a client on a new fund, that you
18 provide a client with advice on the procedures to
19 follow when sending out documents to investors, the
20 various regulatory requirements that it may apply
21 and the procedures relating to private offerings?
22 Do you feel like that's part of your duties as
23 advising the client on the fund?
24 A. Generally speaking, yes.
25 (Plaintiffs' Exhibit 32, e-mails

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1 containing e-mail from Mr. Hubbard to Ms.
2 Segal dated February 16th, 2012, was so
3 marked for identification, as of this date.)
4 Q. You have been handed what has been
5 marked as Plaintiffs' Exhibit 32 and at the bottom
6 it's an e-mail from Mr. Hubbard to you dated
7 February 16th, 2012 regarding a FINRA 5131
8 questionnaire and he's asking you basically how to
9 fill this out, correct?
10 A. That's correct.
11 Q. And what is a FINRA 5131 questionnaire?
12 A. It addresses or it's meant to ascertain
13 an investor's eligibility to participate in new
14 issues.
15 Q. And this is something, your
16 understanding was, Mr. Hubbard wasn't particular
17 familiar with, is that correct?
18 A. It seemed to me that he needed
19 additional guidance on completing this.
20 Q. Based on your dealings with Mr. Hubbard
21 and Mr. Gray, did it appear to you that they wanted
22 to be in compliance with applicable rules and
23 regulations?
24 A. Yes.
25 (Plaintiffs' Exhibit 33, e-mail from Mr.



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1 Correct?
2 A. Yes.
3 Q. And why did you note in writing to them
4 that the attached draft was subject to further
5 internal review?
6 A. I don't remember the particular
7 circumstances. Possibly because Rob wanted to take,
8 Rob being Mr. Van Grover, wanted to take another look
9 at the document before it was finalized.
10 Q. Is it your practice if a document that
11 you sent to a client hasn't been vetted internally,
12 to indicate in the cover e-mail sending to the
13 client that the draft is subject to internal review?
14 A. It depends.
15 Q. Is that something you often do?
16 A. From time to time. It depends.
17 Q. What is the purpose of telling the
18 client that?
19 A. Well, that varies, depending on the
20 circumstances. Generally speaking, so that they can
21 understand that further changes may be required
22 before they can consider it final.
23 (Plaintiffs' Exhibit 40, e-mail from
24 Peter Pront to Kottage@local825.org copying
25 Mr. Hubbard, Mr. Gray, Mr. Van Grover and Ms.

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1 Segal, was so marked for identification, as
2 of this date.)
3 Q. Let me hand you what has been marked as
4 Plaintiffs' Exhibit 40 and this is an e-mail from
5 the partner, Peter Pront, to a Kottage@local825.org,
6 copying Mr. Hubbard, Mr. Gray, Mr. Van Grover and
7 yourself and another attorney, which states "Dear
8 Mr. Kottage, for the review of you and your in-house
9 counsel, I have attached the limited partnership
10 agreement of Gray Alternative Partners I LP, the
11 partnership, the summary of principal terms of the
12 partnership and a subscription agreement to be
13 executed by each limited partner of the partnership.
14 "Given the deadlines for finalizing the
15 attached documents, I am sending them to you and
16 Messrs. Gray and Hubbard simultaneously and they
17 remain subject to any final comments that may be
18 provided to us by each of the recipients of this
19 e-mail."
20 Did you get a copy of this e-mail and
21 the attached draft?
22 A. Yes. It looks like I was cc'd.
23 Q. Did you play a role in drafting what is
24 attached here?
25 A. I don't recall being involved at this

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1 point in the drafting.
2 Q. Now, Mr. Pront explicitly said in the
3 cover e-mail that it remains subject to any final
4 comments that may be provided to each of the
5 recipients. Is that a customary qualification made
6 by Seward & Kissel in sending draft documents when
7 the document is still subject to internal review or
8 subject to outside comments before finalization?
9 MR. LANEY: Object to the form.
10 A. There is no standard that Seward &
11 Kissel follows. Each associate or partner follows
12 its own protocol, depending on the circumstances. I
13 should also note that Mr. Kottage is not the client,
14 correct?
15 Q. That is correct.
16 A. And Mr. Kottage, was he counsel for a
17 prospective investor in the fund?
18 Q. Okay.
19 A. That was a question.
20 Q. I'm sorry?
21 A. Do you happen to know if Mr. Kottage was
22 counsel for a prospective investor in the fund? I
23 don't recall if he was.
24 Q. I'm not positive on that.
25 A. Okay. I think in the context of when

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1 you're sending something to someone on the other
2 side, for example, an investor in a fund that you
3 advise, you may want the investor to know or the
4 investor's counsel to know if the particular client
5 hasn't reviewed it yet. But again, there is no
6 protocol and it depends on the attorney and the
7 circumstances.
8 (Plaintiffs' Exhibit 41, e-mail from Ms.
9 Segal to Ms. Freilich@DSWlaw.com copied to
10 Mr. Van Grover, Mr. Pront, Mr. Hubbard and
11 Mr. Gray, was so marked for identification,
12 as of this date.)
13 Q. Let me hand you what has been marked as
14 Exhibit 41 and this is an e-mail from you to Mr. --
15 or I think it's a Ms. Freilich@DSWlaw.com copied to
16 Mr. Van Grover, Mr. Pront, Mr. Hubbard and Mr. Gray,
17 indicating that "Attached, please find marked in
18 clean drafts a revised summary of terms, limited
19 partnership agreement and subscription agreement for
20 GrayCo Alternative Partners I LP and a draft of the
21 side letter." This related to the Fund I, correct?
22 A. That's correct.
23 Q. What did you mean by a clean draft?
24 A. That there were no changes reflected in
25 the documents.



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1 Q. Does that mean the document is a final
2 if you were providing -- or it can be a final if
3 it's a clean draft?
4 A. No. Clean just means it's not marked in
5 draft changes.
6 Q. And this is being sent to someone that
7 you understood to be a counsel for a potential
8 investor?
9 A. I believe that to be the case, but I
10 can't say with certainty at this point. I can't say
11 with certainty at this point without other context,
12 but I believe that to be the case.
13 Q. Okay. Did you see there to be an issue
14 with providing a draft of these fund-related
15 documents to an investor?
16 A. With draft documents to an investor?
17 Q. Yes.
18 A. No. We had been working with the
19 investor's counsel regarding certain changes to the
20 documents as per our client's instruction.
21 (Plaintiffs' Exhibit 42, e-mail from Ms.
22 Segal to Mr. Hubbard copied to Mr.
23 Van Grover, Mr. Pront, Mr. Gray and Chris
24 Kuhn and offering memorandum dated
25 December 6th, 2011, was so marked for

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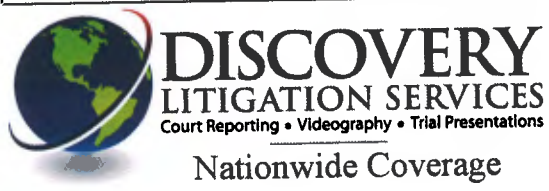
1 identification, as of this date.)
2 Q. You've been handed Plaintiffs'
3 Exhibit 42, which is an e-mail from you to Mr.
4 Hubbard copied to Mr. Van Grover, Mr. Pront, Mr.
5 Gray and a Chris Kuhn with an offering memorandum
6 for GrayCo Alternative Partners I LP and it's dated
7 December 6th, 2011. Did you send this e-mail and
8 draft?
9 A. Yes.
10 Q. And you indicated in the cover e-mail
11 that in order for you to finalize the offering
12 memorandum, they needed to provide you or Mr.
13 Hubbard needed to provide you with additional
14 information, is that correct?
15 A. At that point, yes. I believe I had
16 isolated the few remaining points that we needed to
17 finalize.
18 (Plaintiffs' Exhibit 43, e-mail from Ms.
19 Segal to Mr. Hubbard copied to Mr. Van Grover
20 with revised LLC agreement dated
21 February 2nd, 2012, was so marked for
22 identification, as of this date.)
23 Q. You have been handed Plaintiffs'
24 Exhibit 43, which is an e-mail from you to Mr.
25 Hubbard copied to Mr. Van Grover with a revised LLC

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1 agreement for GrayCo Investment Management, LLC and
2 it's dated February 2nd, 2012, enclosing a revised
3 draft. Did you send this e-mail and the drafts?
4 A. I did.
5 Q. And in the e-mail you indicate,
6 "Attached are revised drafts, marked and clean, of
7 the LLC agreement for GrayCo Investment Management,
8 LLC. If you have no further comments, please accept
9 the clean draft as final, but note that you will
10 need to fill in the relevant information and in
11 Exhibits A and B to the agreement." Is that what
12 you advised them?
13 A. That's what I wrote, yes.
14 Q. And you put in the cover e-mail, putting
15 them on notice that they need to fill in certain
16 information in order to finalize it, correct?
17 A. In order for the exhibits to the
18 agreement to be complete.
19 (Plaintiffs' Exhibit 44, Document from
20 Julia Hanks to Bob Hubbard copying Ms. Segal
21 and Mr. Van Grover, was so marked for
22 identification, as of this date.)
23 Q. You've been handed Plaintiffs'
24 Exhibit 44 from Julia Hanks to Bob Hubbard, which
25 you and Mr. Van Grover are copied. And who is Julia

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1 Hanks?
2 A. She was an associate in the group.
3 Q. Is she anymore?
4 A. No.
5 Q. Did you have any input into the drafts
6 of these advisory agreements?
7 A. Prior to these drafts being sent, I
8 don't know.
9 Q. Ms. Hanks indicates "Hi, Bob. Attached
10 please find initial drafts of the two advisory
11 agreements. Please note that these are subject to
12 further review and we would like to discuss them
13 with you before they are forwarded. Please let us
14 know if there is a time that will be convenient for
15 you."
16 Did you have an understanding as to who
17 they would be forwarded to?
18 MR. LANEY: Are you asking her does she
19 understand that now or --
20 MR. ROBBINS: Well, back then or now.
21 Q. I mean you were copied on this. You
22 were involved in the representation of Gray &
23 Company. You were copied on drafts of the two
24 advisory agreements. Ms. Hanks, your fellow
25 associate, is saying, we want to discuss them with



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1 you. They are subject to further review and let's
2 talk before you forward them. Do you have an
3 understanding of who they were ultimately going to
4 be forwarded to?
5 A. Probably Certium Asset Management, who
6 was going to be the sub-advisor, the counterparty to
7 the agreement.
8 (Plaintiffs' Exhibit 45, e-mails between
9 Ms. Segal, Mr. Van Grover and Mr. Hubbard,
10 was so marked for identification, as of this
11 date.)
12 Q. Now, this is a series of e-mails that
13 you had with Mr. Van Grover and Mr. Hubbard and let
14 me first point you to the bottom of the second page.
15 This is an e-mail from you to Mr. Hubbard dated
16 May 23rd, 2012 and you indicate in the cover e-mail,
17 "There are several bracketed items in the agreement
18 which need to be resolved before we can finalize."
19 And then you laid out the questions
20 about what bracketed items in the attached draft
21 needed to be resolved before you could finalize,
22 correct?
23 A. Can I please read from the beginning?
24 Q. I'm sorry?
25 A. Can I please read the chain from the

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1 beginning?
2 Q. Absolutely.
3 A. Okay. Can you repeat your question?
4 Q. Okay. Referring to the e-mail at the
5 bottom of the page, second page of Exhibit 45, top
6 of the third page, you write to Mr. Hubbard,
7 May 23rd, 2012 and indicate in a cover e-mail that
8 there were several bracketed items in the agreement
9 which need to be resolved before you could finalize,
10 correct?
11 A. That's what I wrote. That was a
12 response to his e-mail on May 21st, 2012 asking for
13 it to be in final form by the end of the week.
14 Q. And then a couple of days later he
15 responded to you regarding the bracketed items, is
16 that correct?
17 A. So I sent the e-mail on the 23rd. I
18 followed up on the 24th, yes. On the 25th he
19 responded.
20 Q. Let's turn to Fund II.
21 (Plaintiffs' Exhibit 46, e-mail exchange
22 between Ms. Segal and Mr. Hubbard of
23 March 8th and March 9th, 2012, was so marked
24 for identification, as of this date.)
25 Q. This is an e-mail exchange you had with

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1 Mr. Hubbard on March 8th and March 9th, 2012,
2 correct?
3 A. Yes.
4 Q. He asked or he made a series of comments
5 or questions and then you responded to them in
6 capital letters, correct?
7 A. Yes.
8 Q. Now, if you go to page 2, towards the
9 bottom there is a heading "GrayCo Alternative
10 Partners II LP." That is what we're calling Fund
11 II, correct?
12 A. Yes.
13 Q. And in March of 2012 he is telling you,
14 he being Mr. Hubbard, "We are already looking ahead
15 towards Fund II in our alternative partners series.
16 In order to call it a Fund II, do we need to
17 continue the naming in the same manner or can we
18 alter the name if desired?
19 "Also, since Fund I had a few insertions
20 into the private placement memorandum limited
21 partnership agreement that were driven by New Haven
22 P&L, I want to make sure that they are revised" --
23 I'm slightly paraphrasing just to make it less
24 acronymic. "Slightly revised to be more in line
25 with our original intent, instead of in the altered

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1 form required by New Haven specifically. We will
2 not be likely to negotiate as generously for a Fund
3 II. I assume the work will be substantially less
4 for this next fund, correct?"
5 And then the capital letters below that
6 are your comments, correct?
7 A. Yes.
8 Q. And you stated "The name for Fund II can
9 be as you wish. The launch of Fund II would entail
10 significantly less work. Please confirm whether you
11 would like us to begin drafting the relevant
12 documents for this fund."
13 Now, why did you believe the launch of
14 Fund II would require significantly less work?
15 A. Because it was going to be based on the
16 documents, in large part based on the documents for
17 Fund I, which we had already finalized.
18 (Plaintiffs' Exhibit 47, e-mail from Mr.
19 Hubbard to Ms. Segal dated June 8th, 2012,
20 was so marked for identification, as of this
21 date.)
22 Q. Now, you've been handed Exhibit 47,
23 which is an e-mail from Mr. Hubbard to you dated
24 June 8th, 2012 regarding Fund II and you received
25 this e-mail, correct?



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1 A. Yes.

2 Q. And he's indicating he would like to

3 have a draft of the new private placement memorandum

4 limited partnership agreement and sub-docs for the

5 fund by next Friday, correct?

6 A. Yes.

7 Q. And then he alerts you to recent changes

8 in state law in Georgia regarding investments by

9 public plans in alternative investments, correct?

10 MR. LANEY: Object to the form of the

11 question.

12 A. He sent -- I'm sorry. Can you repeat

13 that question?

14 Q. Let me just read the paragraph. The

15 second paragraph of the document, "One remaining

16 item is the cover amount for this fund. We

17 originally targeted \$75 million for this fund.

18 However, recent changes in the state law in Georgia

19 now allow certain public plans to invest up to

20 5 percent into alternative investments.

21 "There is one section that we cannot

22 seem to interpret and would like you to take a very

23 brief look into. Attached is the alt's bill. Page

24 4, lines 109 and 112 seem to reference to the

25 investment needing to be \$100 million in order to be

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1 an eligible investment. I also can read this to say

2 that the \$100 million needs to be committed prior to

3 a Georgia plan making its commitment.

4 "We reached out to one of the main

5 proponents of crafting the bill to see what the

6 intent of that section is. However, I would like

7 your interpretation as well. We want Fund II to be

8 eligible for Georgia public plans so we'll place a

9 \$100 million cover on it if needed. However, the

10 preference is for a \$75 million coverage. Please

11 let me know about the issue and the cover amounts

12 ASAP. This morning, if possible."

13 Now, so he was advising you on recent

14 changes in Georgia state law, correct?

15 A. Yes.

16 Q. And he gave you or he included a copy of

17 the revision to the state law which added a new

18 section, 47-20-87. Do you see that?

19 A. Yes.

20 Q. And did you read this new section

21 47-20-87?

22 A. I read these pages, yes.

23 Q. Did you find the law confusing in

24 certain respects?

25 A. For the most part, no.

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1 Q. Okay. Did you review the entire law and

2 not the \$100 million issue to see what, if anything,

3 you should incorporate about the law into the

4 offering documents?

5 A. The entire -- when you say the entire

6 log, you mean these pages, right?

7 Q. I'm referring to 47-20-87.

8 A. Which is encompassed entirely in these

9 pages?

10 Q. Yes.

11 A. Okay. Yes, I did.

12 Q. And what, if any, changes did you make

13 in the offering documents to reflect the law?

14 A. I bracketed the cover amount, as Mr.

15 Hubbard referred to it, to address the \$100 million

16 requirement and the fact that it was an open point.

17 Q. Did you provide any additional advice to

18 Gray & Company in connection with this law, other

19 than what you just referenced?

20 A. No.

21 Q. This is entitled a Senate bill 402, if

22 you look at the top. Did you do any research or

23 analysis to see if this was the final law as adopted

24 by the State of Georgia?

25 A. I don't believe I did any research

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1 outside of reviewing the statute.

2 Q. So to the best of your knowledge, you

3 never asked any questions as to whether this is the

4 final law, whether the final law looks any different

5 in any respects, anything like that, you don't

6 recall?

7 A. No.

8 Q. Did you ask anyone else at Seward &

9 Kissel to review the law and get their thoughts,

10 such as Mr. Van Grover?

11 A. I believe I discussed it with Mr.

12 Van Grover.

13 Q. Do you recall when you discussed it with

14 him?

15 A. I believe it was the same day as the

16 e-mail.

17 Q. Did either of you look to check and see

18 how this alternative investment law compared to that

19 of the other states in which Gray & Company had been

20 offering funds?

21 A. No.

22 (Plaintiffs' Exhibit 48, e-mail from Ms.

23 Segal to Mr. Van Grover dated June 8th, 2012,

24 was so marked for identification, as of this

25 date.)



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1 Q. Now, you had said you didn't find that
2 the law was confusing?
3 MR. LANEY: Objection.
4 A. Generally speaking, for the purpose for
5 which I was reviewing it at that time, no.
6 Q. Well, for what purpose were you
7 reviewing it at that time?
8 A. Well, I was reviewing it to see whether
9 any changes needed to be made to the initial
10 offering documents.
11 Q. Well, I'll refer you back to the answer
12 filed on behalf of Seward & Kissel in which your law
13 firm stated in the alternative that "The correct
14 interpretation of the Georgia public pension
15 investment law was not settled, clear or widely
16 recognized at the time of plaintiffs' alleged
17 violations of the Georgia public pension investment
18 law."
19 Do you disagree with that statement and
20 the answer filed by the law firm?
21 MR. LANEY: Would you read her the
22 entire statement, Mr. Robbins.
23 MR. ROBBINS: We already read it
24 earlier.
25 MR. LANEY: Read it for her again.

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1 MR. ROBBINS: This is the alternative,
2 no.
3 MR. LANEY: I object.
4 A. I recall. Wasn't that an alternative --
5 Q. Yes, it was.
6 A. Okay.
7 Q. But do you agree with the alternative
8 argument made by Seward & Kissel in its answer in
9 this lawsuit that "The correct interpretation of the
10 Georgia public pension investment law was not
11 settled, clear or widely recognized at the time of
12 plaintiffs' alleged violations of the Georgia public
13 pension investment law"?
14 MR. LANEY: I'd like the witness to have
15 the document in front of her. You marked it
16 as Plaintiffs' Exhibit 4, if she can read the
17 defense for herself.
18 A. Okay.
19 Q. Okay. This is an alternative argument
20 which concludes with the following statement by
21 Seward & Kissel in its answer in this lawsuit. "The
22 correct interpretation of the Georgia public pension
23 investment law was not settled, clear or widely
24 recognized at the time of plaintiffs' alleged
25 violations of the Georgia public pension investment

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1 law."
2 Do you agree or disagree with the
3 statement made by Seward & Kissel in this lawsuit?
4 MR. LANEY: I object to the form of the
5 question.
6 A. Are you asking me now, sitting here
7 today, whether I agree with that or then on
8 June 8th, 2012 if I knew of that?
9 Q. This answer was filed on December 15th,
10 2016, so it's fairly recent. This was filed on
11 behalf of the law firm. Are you denying the
12 statement made in the answer by Seward & Kissel?
13 MR. LANEY: Objection.
14 A. No. I'm asking for clarification as to
15 whether you're asking, was that my understanding
16 today and when this was filed or was that my
17 understanding at the time when I responded to Mr.
18 Hubbard's e-mail?
19 Q. Let's answer both questions. At the
20 time that you read it and you didn't spend more than
21 an hour reading it and discussing it, did you?
22 A. Based on the time entries, I don't think
23 I did.
24 Q. So you didn't really read it line by
25 line, detailed, trying to understand all aspects of

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1 the law, all nuances of the law, did you?
2 A. Every nuance, no, I did not.
3 Q. Okay. So at the time, based on a
4 relatively cursory review, you thought it was
5 relatively clear, correct?
6 A. I mean that question is tough to answer,
7 because whether something is clear depends on the
8 particular facts, so something can be clear to me
9 when I read it and not clear as a specific question
10 arises.
11 Q. Well, as you're sitting here today, do
12 you agree or disagree with the statement in Seward &
13 Kissel's answer of December 15th, 2016 that "The
14 correct interpretation of the Georgia public pension
15 investment law was not settled, clear or widely
16 recognized at the time of plaintiffs' alleged
17 violations of the Georgia public pension investment
18 law"?
19 MR. LANEY: Objection. Misstates the
20 answer.
21 Q. You can answer.
22 A. I don't know.
23 Q. You don't know whether you agree or
24 disagree?
25 A. Correct. I don't know.



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1 Q. When reviewing a draft of this answer,
2 did you ever indicate to anybody that you don't
3 agree with that statement made in pleadings?
4 MR. LANEY: Mr. Robbins, you're asking
5 her if she talked with the lawyers, I assume
6 that's who she would have talked to, so I
7 think your question seeks to invade the
8 attorney-client privilege.
9 Q. So in any event, sitting here today, you
10 as an attorney who was involved in representing
11 Gray & Company, including advising on the public
12 pension investment law, you can't state whether that
13 argument or position made by Seward & Kissel in its
14 answer is something you agree with or disagree with,
15 is that fair?
16 MR. LANEY: Object to the form of the
17 question.
18 A. I think this is a factual statement that
19 I can't give an answer to because I don't know.
20 Q. Have you done any further research or
21 analysis of the law since you first advised Gray &
22 Company to make a determination whether you thought
23 it was clear or not?
24 A. No. Personally I have not.
25 Q. Has anybody at Seward & Kissel?

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1 MR. LANEY: Well, let me object to
2 the --
3 A. I don't know.
4 MR. LANEY: I was going to raise
5 attorney-client privilege.
6 MR. ROBBINS: I understand.
7 MR. LANEY: But she doesn't know.
8 THE VIDEOGRAPHER: The time is 4:06.
9 This ends media number 4. We're off the
10 record.
11 (Recess taken)
12 (Michael Broz leaves the room)
13 (Mark Hyland enters the room)
14 THE VIDEOGRAPHER: The time is 4:21.
15 This is the start of media number 5. We're
16 on the record.
17 BY MR. ROBBINS:
18 Q. You've been handed Plaintiffs'
19 Exhibit 48, which is an e-mail from you to Mr.
20 Van Grover dated June 8th, 2012 and what you did was
21 forwarded Mr. Hubbard's e-mail about the recent
22 changes in the state law to Mr. Van Grover, correct?
23 A. Yes.
24 Q. Now, refer back to Plaintiffs'
25 Exhibit 7, please, which is a composite of invoices

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1 sent by Seward & Kissel for services rendered and
2 first refer to Bates stamp numbers 0059102, which is
3 approximately the middle of the document, which is
4 for work done by Seward & Kissel relating to Fund II
5 for April through June of 2012.
6 Are you there?
7 A. Yes.
8 Q. Now, according to the invoice, on
9 June 8th, the day you received Mr. Hubbard's e-mail,
10 you spent time, the following, "Look into Georgia
11 statutes regarding restrictions on alternative
12 investments by eligible large retirement systems,
13 e-mail correspondence with client and discussed with
14 Mr. Van Grover." Correct?
15 A. That's what I wrote, yes.
16 Q. You billed one hour for that work,
17 including looking at the law, correct?
18 A. Yes.
19 Q. And by the way, as of this point, do you
20 recall ever having looked at the alternative
21 investments law for any other state?
22 A. For Gray or for --
23 Q. Anyone.
24 A. I can't recall offhand. I'm sorry. The
25 Georgia statute or any state statute?

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1 Q. Any state statute.
2 A. I can't recall offhand.
3 Q. Were you familiar as of June 2012 with
4 how other states dealt with restrictions on
5 alternative investments by public retirement
6 systems?
7 A. No. I mean that was a -- that's a state
8 by state issue, so...
9 Q. Okay. Well, when you read the Georgia
10 statute did you have any basis for concluding it was
11 similar to other state statutes on this subject
12 matter, different or any other kind of comparison,
13 conclusion?
14 A. I did not make any kind of comparative
15 conclusions when I read the statute.
16 Q. Now, you spent an hour looking at the
17 statute and e-mailing with the client. Then on the
18 same day Mr. Van Grover has an entry for conference
19 with you re limitation on government plan investment
20 fund, reviewed research re Sane and he spent a total
21 of 15 minutes on that log. Do you see that?
22 A. I see that, yes.
23 Q. Now, did you actually do any research
24 regarding the law?
25 A. I reviewed the statute.



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1 Q. Other than reviewing the statute and by
2 statute, you're referring to the Senate bill that
3 Mr. Hubbard had sent to you, correct?
4 A. Yes. The attachment.
5 Q. Did you review anything other than the
6 attachment that Mr. Hubbard sent you?
7 A. Not that I recall.
8 Q. Before he sent you that change in
9 Georgia state law, were you aware of it?
10 A. I don't believe I was at the time.
11 Q. Did Mr. Van Grover indicate that he was
12 aware that state law had changed in Georgia?
13 A. I don't know. I don't remember.
14 Q. So after the one hour that you spent
15 looking at the Senate bill that Mr. Hubbard sent you
16 and talking for 15 minutes or less with Mr.
17 Van Grover, you then proceeded to draft the offering
18 documents, correct?
19 MR. LANEY: Object to the form of the
20 question.
21 A. By the way, just to mention, it could --
22 it's not necessarily or less. I mean sometimes it
23 could be 20 minutes and we'll still only bill 15
24 minutes, for what that's worth.
25 Q. Well, not much, but okay, I accept your

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1 qualification.
2 A. Clarification.
3 Q. After the hour or so review by you of
4 the law and talking with Mr. Van Grover and after
5 the 15 minutes or so discussion by you with Mr.
6 Van Grover, you proceeded to draft the offering
7 documents for Fund II, correct?
8 A. I don't recall exactly the chronology of
9 when I started drafting the documents.
10 Q. Well, I'm just looking at the time
11 recorded here.
12 A. Okay. Yes, I drafted offering documents
13 on June 15th.
14 Q. And you spent, at least in June, 3-1/4
15 hours, more or less, in drafting the offering
16 documents for this \$75 million plus fund that Gray &
17 Company intended to offer, correct?
18 A. Yes. I'm preparing the initial drafts.
19 Q. And there is nothing in at least the
20 recorded time indicating that you ever reviewed the
21 state's statute after June 8th, is that correct?
22 A. That's correct.
23 Q. Now, go to Bates stamp page 59109 in
24 Exhibit 7, which is the invoice from Seward & Kissel
25 for the Fund II project for July and August of 2012.

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1 You did further work with respect to Fund II in July
2 and August, is that correct?
3 A. What was the original page number of the
4 prior entry?
5 Q. I'm sorry, I couldn't hear you.
6 A. What was the page number for the entry
7 we were just looking at?
8 Q. The page number that we were looking at
9 was 59102, which was time for April through June --
10 A. Right.
11 Q. -- 2012 for Fund II and now I'm pointing
12 you to 59110, which is the statement for July and
13 August with respect to Fund II. Do you see that?
14 A. Yes.
15 Q. So in July and August you would agree
16 with me that there is no reference to you ever
17 looking at the state law again with respect to
18 drafting the offering documents for Fund II,
19 correct?
20 A. That's correct.
21 Q. Or otherwise, in providing any advice to
22 Gray & Company regarding the new state law in July
23 or August of 2012, correct?
24 A. That's correct.
25 Q. So you spent another 1.75 hours in July

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1 of 2012 in drafting the offering documents for Fund
2 II, correct?
3 A. Yes. It looks like 2-1/4 hours in July.
4 Q. So you actually spent perhaps five or
5 six hours in drafting the offering documents for
6 Fund II before you sent them to Gray & Company, is
7 that correct?
8 A. Well, if that's what it adds -- this is
9 the two -- this is 2-1/4 and I forgot what was on
10 the previous entry, but the sum of that, yes.
11 Q. Okay. And you, at least according to
12 the recorded time, never looked at the Georgia
13 statute other than the first day that Mr. Hubbard
14 identified it to you, is that correct?
15 A. That is my recollection.
16 Q. Mr. Van Grover, according to the time
17 records, spent another 15 minutes, thereabout, in
18 August with respect to Fund II, correct?
19 A. Yes.
20 Q. So according to the invoices of Seward &
21 Kissel, Mr. Van Grover spent a sum total of
22 approximately a half hour talking with you or
23 reviewing anything to do with Fund II, correct?
24 MR. LANEY: Object to the form of the
25 question.



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1 A. Based on what I'm seeing here between
2 the two entries, yes.
3 Q. Did Mr. Pront ever, to your knowledge,
4 review the state law that Mr. Hubbard had sent you
5 or opine as to it?
6 A. I don't know.
7 Q. Do you recall any discussion with him
8 regarding that?
9 A. I don't recall. Let me rephrase that.
10 There are no discussions that I can recall.
11 (Plaintiffs' Exhibit 49, e-mail from Mr.
12 Hubbard of June 8th, was so marked for
13 identification, as of this date.)
14 Q. Now, you've been handed Plaintiffs'
15 Exhibit 49, which is a response to Mr. Hubbard's
16 June 8th e-mail and you sent this later on June 8th,
17 correct?
18 A. Yes.
19 Q. And you state "First, we will prepare
20 the offering documents for Fund II."
21 A. Yes.
22 Q. And then as we've seen, sometime later
23 you started preparing the offering documents,
24 correct?
25 A. Yes.

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1 Q. And as to the statute issue that he
2 asked you, you state "Based on my understanding of
3 the restriction in lines 109 to 112, an eligible
4 large retirement system may only make an alternative
5 investment in a fund that has at least \$100 million
6 in assets, including committed capital, i.e., your
7 second interpretation. However, it's unclear to me
8 whether the 100 million can include the systems
9 investment or whether the fund must have
10 \$100 million prior to, i.e., excluding the systems
11 investment.
12 "Note that the rule requires an issuer
13 to have at least \$100 million at the time the
14 investment is initially made or committed to be
15 made."
16 So at least as to the \$100 million
17 issue, you found as of June 8th that there was a
18 lack of clarity in the law based upon your review of
19 it, correct?
20 A. Based on my review of it, yes.
21 Q. And it's fair to say that that was the
22 only portion of the law that you really ever focused
23 on?
24 A. I certainly focused on that more than
25 the other stuff because as per the client's request.

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1 Q. Well, he didn't tell you not to read the
2 rest of the law, correct?
3 A. Can you rephrase that?
4 Q. Did the client tell you not to read the
5 rest of the statute?
6 A. The client -- no. I mean there are many
7 things the client didn't tell me, but the client
8 specifically asked me to read lines 109 to 112.
9 Q. Did he tell you to ignore the law in
10 drafting the offering documents or in otherwise
11 rendering advice on Fund II?
12 A. No. He never told me to ignore the law.
13 Q. Now, you go on to say "Rob," and you're
14 referring to Rob Van Grover?
15 A. That's right.
16 Q. You say "Rob is in a meeting now, but I
17 will run it by him afterwards and see what his
18 thoughts are." Do you see that?
19 A. I do.
20 Q. Do you ever recall providing Mr. Hubbard
21 with what Mr. Van Grover's thoughts were on the law?
22 A. I don't recall any follow-up discussions
23 with him, with Mr. Hubbard.
24 Q. I'm sorry?
25 A. I don't recall any follow-up discussions

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1 with Mr. Hubbard regarding Rob's thoughts.
2 Q. Did Mr. Van Grover agree with you that
3 this particular provision of the law was unclear?
4 A. I believe he did, but I can't recall the
5 specific discussion.
6 Q. Do you know whether Mr. Van Grover read
7 any other portions of the law?
8 A. I don't know.
9 Q. There is a reference by you to issuer in
10 this e-mail. In the second paragraph, you say
11 "Know that the rule requires the issuer to have at
12 least \$100 million at the time the investment is
13 initially made or committed to be made." Do you
14 know how issuer is defined in Georgia law?
15 A. I don't know if they specifically define
16 issuer.
17 (Plaintiffs' Exhibit 50, e-mail exchange
18 between Ms. Segal and Mr. Hubbard regarding
19 Fund II with first e-mail dated June 14th,
20 was so marked for identification, as of this
21 date.)
22 Q. You have been handed what has been
23 marked as Plaintiffs' Exhibit 50, which is an e-mail
24 exchange between you and Mr. Hubbard regarding Fund
25 II, your e-mail on June 14th and Mr. Hubbard's



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1 e-mail four days later. You had this exchange,
2 correct?
3 A. I do.
4 Q. And what you wrote Mr. Hubbard on
5 June 14th was "Bob, have you determined how you are
6 going to address the \$100 million requirement for
7 investment by Georgia large retirement systems?"
8 You asked him that, correct?
9 A. I did.
10 Q. And what he wrote back is this, "Not
11 yet. We are still working locally to determine how
12 best to address this. We are also seeking an
13 opinion locally on whether the \$100 million
14 threshold must have already been cleared prior to a
15 Georgia public fund making its commitment." Do you
16 see that?
17 A. I do.
18 Q. Now, Mr. Hubbard did not say in this
19 e-mail that he was seeking an opinion from local
20 counsel in Georgia, did he?
21 A. He did not use the words "from counsel,"
22 no.
23 Q. You just presumed that he was going to
24 be seeking opinion from a lawyer, correct?
25 MR. LANEY: Object to the form of the

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1 question.
2 Q. Well, earlier today in your testimony
3 you suggested that you were aware that Gray & Co.
4 was using local counsel and by local, I mean Georgia
5 counsel and you indicated that it was on the basis
6 of this e-mail, which we have now identified as
7 Exhibit 50.
8 Was this the basis for your presumption,
9 as expressed earlier in the day, that Gray & Co. had
10 retained local Georgia counsel to advise on the
11 statute?
12 MR. LANEY: Object to the form of the
13 question.
14 A. Can you repeat that?
15 (Record read)
16 A. Yes.
17 Q. Was there any other e-mail that you
18 received from Mr. Hubbard or anyone else at Gray &
19 Company which supported a presumption you made that
20 Gray & Co. had hired local Georgia counsel?
21 MR. LANEY: Object to the form of the
22 question.
23 Q. I just want to make sure I understand.
24 What is the basis of the presumption that you say
25 you made that Gray & Co. had hired local Georgia

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1 counsel? Is this the only e-mail that is the basis
2 for your presumption?
3 MR. LANEY: I'm objecting to the form of
4 the question and the use of the word
5 "presumption."
6 Q. You can answer.
7 A. There is nothing that -- there is no
8 other e-mail that I can recall where Mr. Hubbard
9 expressed that they have hired another law firm to
10 advise them on this particular statute.
11 Q. In any of your future communications
12 with Mr. Hubbard or anyone else with Gray & Company,
13 did they ever tell you that they had hired local
14 counsel to advise on this or any other issue
15 relating to the Georgia statute?
16 A. No.
17 Q. Did they ever tell you and by they, I
18 mean Mr. Hubbard or anyone else with Gray & Co.,
19 that they had ever hired any lawyer or law firm to
20 advise them on Fund II other than your law firm?
21 A. They never told us that. We found out
22 later that that was, though, the case.
23 Q. Well, when did you find out?
24 A. At the time that we found out that it
25 launched. When the issue with the SEC arose years

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1 later.
2 Q. Years later you found out for the first
3 time that Gray & Co. had used another law firm
4 subsequent to Seward & Kissel?
5 A. For fund -- and proceeded to launch Fund
6 II, yes.
7 Q. Now, did you follow up with Mr. Hubbard
8 in connection with your preparing the offering
9 materials, what opinion, if any, he had obtained
10 locally with respect to the 100 million threshold
11 issue?
12 A. I did not because we had been terminated
13 prior to the fund reaching that point.
14 Q. Before you sent offering materials and
15 we'll get to that, but I think it was in July, does
16 that sound right to you?
17 A. Sounds right.
18 Q. Now, before you prepared those offering
19 materials, you hadn't been terminated by Gray & Co.,
20 had you?
21 A. No.
22 Q. Now, did you talk with Mr. Hubbard or
23 anyone else at Gray & Co. about what opinion, if
24 any, they had obtained locally on the \$100 million
25 threshold issue?



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1 perspectives.
2 Q. Now, these are the documents that you
3 had spent 2-1/2 hours or so preparing for Fund II?
4 A. How many hours?
5 Q. I think it was 2-1/2.
6 A. Oh, because I thought then we said five
7 hours. But yes, these are the documents that I
8 prepared.
9 Q. Now, what you did, basically, was to
10 revise the Fund I documents in order to do the Fund
11 II documents, correct?
12 A. Correct. I used the Fund I documents as
13 a starting point in drafting the documents for Fund
14 II.
15 (Plaintiffs' Exhibit 52, e-mail from Mr.
16 Pront of June 18th, was so marked for
17 identification, as of this date.)
18 Q. Now, I have handed you what has been
19 marked as Plaintiffs' Exhibit 52 and this is Mr.
20 Pront's e-mail to him of June 18th asking him
21 certain questions about the Fund II offering
22 documents and he responded that he was currently on
23 a week long cruise in Canada. You see that?
24 A. I do.
25 Q. You had this e-mail exchange with Mr.

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1 Pront, correct?
2 A. That's right.
3 (Plaintiffs' Exhibit 53, e-mail from Mr.
4 Hubbard to Ms. Segal of June 28th, 2012, was
5 so marked for identification, as of this
6 date.)
7 Q. You have been handed what has been
8 marked as Plaintiffs' Exhibit 53. Bob Hubbard
9 writes you on June 28th, 2012 regarding Fund II and
10 asks "Hi, Alex. How are the docs coming for Fund
11 II? Can I have a first draft by tomorrow? Again,
12 wasn't anticipating this being a big change from the
13 Fund I docs." You got this e-mail?
14 A. Yes.
15 (Plaintiffs' Exhibit 54, e-mail from Ms.
16 Segal to Mr. Pront of June 28th, 2012, was so
17 marked for identification, as of this date.)
18 Q. You have been handed what has been
19 marked Plaintiffs' Exhibit 54, which is an e-mail
20 from you to Mr. Pront on June 28th, 2012 following
21 up to see if he had a chance to look into a
22 particular question and to review the offering
23 documents related to Fund II, correct?
24 A. That's right.
25 Q. Following up with Mr. Pront, you had not

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1 heard back from him on the offering documents and I
2 take it that Mr. Hubbard was expressing an interest
3 in getting the offering documents as soon as
4 reasonably possible, correct?
5 A. Yes. He wanted the first draft.
6 (Plaintiffs' Exhibit 55, Marked-up draft
7 of Fund II offering documents, was so marked
8 for identification, as of this date.)
9 Q. I've handed you what has been marked as
10 Plaintiffs' Exhibit 55, which is a marked-up draft
11 of the Fund II offering documents and these are the
12 handwritten markups by Mr. Pront that you received,
13 correct?
14 A. Yes.
15 Q. And had Mr. Pront, to your knowledge,
16 ever seen the new Georgia statute relating to
17 pension plans and alternative investments?
18 A. I don't know.
19 Q. Did you ever discuss that statute with
20 him?
21 A. Not that I can recall.
22 Q. Do you recall getting the markup, any
23 kind of markup, from Mr. Van Grover before you sent
24 the offering materials to Mr. Hubbard?
25 A. What do you mean by a markup?

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1 Q. Well, Mr. Pront gave his handwritten
2 comments to it. Did you ever receive any kind of
3 similar handwritten comments or any markups in the
4 document itself from Mr. Van Grover before you sent
5 the offering materials to Mr. Hubbard in July?
6 A. I don't recall receiving handwritten
7 comments from Mr. Van Grover.
8 Q. Did you get any comments from him?
9 A. I don't recall.
10 (Plaintiffs' Exhibit 56, e-mail exchange
11 between Ms. Segal and Mr. Pront of July 4th
12 and July 5th, 2012, was so marked for
13 identification, as of this date.)
14 Q. I've handed you what has been marked
15 Plaintiffs' Exhibit 56 where Mr. Pront, on July 4th,
16 is giving you some comments on certain language in a
17 Fund II document and you thanking him for that on
18 July 5th, 2012, correct?
19 A. Yes.
20 Q. You indicated that you would revise and
21 discuss with Rob or Rob Van Grover. Do you recall
22 if you ever did discuss these with Mr. Van Grover?
23 A. I believe I did.
24 Q. Do you recall what, if anything, he had
25 to say?



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1 discussion.
2 Q. Okay. Now, referring to Exhibit 58, you
3 wrote Mr. Van Grover regarding the Gray docs and
4 this related to the Fund II materials, correct?
5 A. Yes.
6 Q. And you stated "Will you be able to
7 review the offering documents for GrayCo Alternative
8 Partners LP today or should I send drafts to Bob,
9 subject to your review. Bob is asking for them."
10 Correct?
11 A. That's what I wrote.
12 Q. Did Mr. Van Grover actually review the
13 documents on July 9th before you sent them to Mr.
14 Hubbard?
15 A. I don't know if he actually reviewed the
16 docs.
17 Q. Well, look back, if you would, at
18 Exhibit 7, which is the invoices.
19 A. Okay.
20 Q. And turn to Bates stamp page 59110,
21 which is the time for the Fund II matter as invoiced
22 by Seward & Kissel. Let me know when you're there.
23 A. 112?
24 Q. 110.
25 A. Okay.

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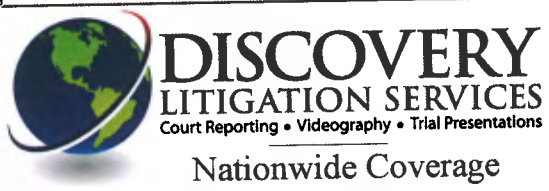
1 Q. And this reflects the time invoiced by
2 Seward & Kissel on the Fund II matters for the
3 months July and August. Do you see that?
4 A. Yes.
5 Q. And on July 9th, 2012 there is no
6 indication that you had any discussion with Mr.
7 Van Grover about the offering documents and no
8 indication that he actually reviewed the documents
9 before you sent them to the client, is there?
10 A. I don't see anything in the narrative
11 saying that.
12 (Plaintiffs' Exhibit 59, e-mail from Ms.
13 Segal to Mr. Hubbard, was so marked for
14 identification, as of this date.)
15 Q. You have been handed Plaintiffs'
16 Exhibit 59, which is an e-mail that you sent to Mr.
17 Hubbard in response to his e-mail to you, saying he
18 wanted the documents in presentable form and saying
19 that he was meeting with two prospective investors
20 the next day and you wrote back to him, "Hi, Bob, I
21 will send these to you now."
22 MR. LANEY: Object to the form.
23 Q. Is that correct?
24 MR. LANEY: Object to the form of the
25 question. You keep misstating Mr. Hubbard's

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1 e-mail.
2 A. I responded "I will send these to you
3 now."
4 (Plaintiffs' Exhibit 60, Offering
5 documents sent to Mr. Hubbard and Mr.
6 Van Grover, was so marked for identification,
7 as of this date.)
8 Q. Now, on July 9th you sent to Mr.
9 Hubbard, copied to Mr. Van Grover, the offering
10 documents for Fund II, correct?
11 A. Yes.
12 Q. And what you said in its entirety was,
13 "Bob, attached please find initial drafts (marked
14 and clean) of the offering documents for GrayCo
15 Alternative Partners II LP. Please let us know if
16 you have any questions or comments. Regards, Alex."
17 Do you see that?
18 A. Yes.
19 Q. And you did not indicate to Mr. Hubbard
20 that these draft offering documents were subject to
21 review by Mr. Van Grover or anybody else internally
22 at Seward & Kissel, correct?
23 A. I did not specifically indicate that.
24 Q. And you did not indicate that to him by
25 phone on July 9th either, did you?

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1 A. I can't recall.
2 Q. Well, according to the invoices that we
3 looked at, you didn't even talk to Mr. Hubbard on
4 the phone on July 9th. Is that consistent with your
5 recollection?
6 MR. LANEY: Object to the form.
7 A. Well, I don't bill for every 30-second
8 phone call.
9 Q. Do you have any recollection you talked
10 with Mr. Hubbard on July 9th, 2012 regarding the
11 offering materials?
12 A. Regarding the offering -- I can't recall
13 either way. We often would speak for 30 seconds at
14 a time and depending on materiality of those
15 discussions, they didn't always make their way into
16 the time entries.
17 Q. Okay. My question is relatively
18 straightforward. Do you recall whether or not you
19 talked with Mr. Hubbard on July 9th, 2012 regarding
20 the offering documents for Fund II you were sending
21 to him?
22 A. I can't recall either way.
23 Q. Now, you understood when you sent him
24 these offering documents that his plan was to use
25 them in connection with talking with two prospective



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1 investors in Fund II the next day, correct?
2 MR. LANEY: Objection to the form of the
3 question. You misstate Mr. Hubbard's e-mail.
4 A. I don't think that's what he
5 specifically said in his e-mail.
6 Q. Well, didn't you surmise that when he
7 writes you, "I haven't received anything on this
8 yet. We are meeting with two prospective investors
9 tomorrow and I was hoping to already have these in
10 presentable form," didn't you surmise from that that
11 he wanted to show them to prospective investors in
12 presentable form?
13 A. It could mean that. It could not mean
14 that to those two prospective investors.
15 Q. Well, did you ever tell Mr. Hubbard,
16 either by way of e-mail by phone, that he should not
17 show these offering documents to prospective
18 investors?
19 A. To those two prospective investors, I
20 did not.
21 Q. Did you tell him not to show these
22 offering documents that he sent on July 9th to any
23 prospective investors?
24 A. I don't recall specifically saying that.
25 Q. Did you ever tell Mr. Hubbard after

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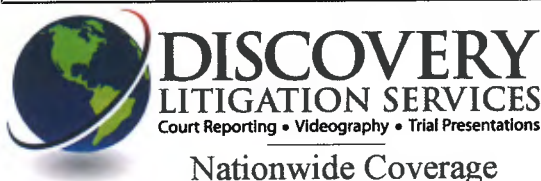
1 July 9th that these offering documents remain
2 subject to review by Mr. Van Grover?
3 A. I don't recall whether I said that.
4 Q. Did Mr. Van Grover ever review these
5 offering documents after July 9th?
6 A. I don't know.
7 Q. Turning to the invoice again, page
8 59110, which is the time on Fund II billed to Gray &
9 Company, you can see there is no entry by Mr.
10 Van Grover indicating that he ever looked at these
11 offering documents after you sent them to Gray &
12 Company, correct?
13 A. There is no entry indicating that he
14 reviewed them.
15 Q. Nor is there any entry by you
16 indicating that you ever talked with Mr. Van Grover
17 about the offering materials other than related to a
18 specific question dealing with affiliated hedge
19 fund, correct?
20 MR. LANEY: Object. You're asking ever?
21 Q. After July 9th when you sent these
22 offering materials to the client, there is no
23 indication in the invoices that you ever talked with
24 Mr. Van Grover regarding the offering materials that
25 you had sent to Gray & Company, other than with

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1 respect to an issue dealing with affiliated hedge
2 fund, correct?
3 A. There is no specific indication in the
4 narrative that I spoke to Mr. Van Grover, but that
5 doesn't mean that I didn't.
6 Q. Do you have any specific recollection of
7 Mr. Van Grover and you talking about the offering
8 materials that you had sent to Gray & Company and
9 for some reason neither of you recorded any time for
10 that?
11 A. Well, I did recall time on July 9th, but
12 my narratives tend to be fairly broad, so the fact
13 that I didn't specifically write in the narrative
14 that I spoke to Mr. Van Grover is not dispositive.
15 Q. Very lawyer-like. Now, it's not in the
16 time entries. Do you have any independent
17 recollection of talking with Mr. Van Grover about
18 these offering materials on July 9th?
19 A. I don't remember the content of any
20 particular discussions I had with Mr. Van Grover,
21 but it would have been my practice to speak to him
22 prior to sending these documents out.
23 Q. And it would have been a good practice
24 to talk with the partner who is the head of the
25 group about offering materials on a \$75 million,

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1 \$100 million fund before you sent the materials to
2 the client, right?
3 A. Generally, yes.
4 Q. And sitting here today, there is no
5 documents of which you're aware, including the time
6 records, which reflect that you, in fact, talked to
7 Mr. Van Grover about the documents before you sent
8 them to the clients, correct?
9 A. Again, there is nothing specific in the
10 entries that indicate that I spoke to him, but it
11 would have been my practice to do so.
12 Q. Have you seen any e-mail during the time
13 you were preparing for the SEC deposition or
14 preparing for today which indicated that you had
15 talked with Mr. Van Grover about the offering
16 materials before you sent them to Gray & Company?
17 A. Well, again, Mr. Van Grover and I sit
18 right next to each other.
19 Q. Okay. I'm asking you a question.
20 A. Can you rephrase that or repeat that?
21 Q. I'll repeat it. In preparing for the
22 SEC deposition or preparing for today's deposition,
23 did you see any e-mail, other written communication
24 which reflected that you talked with Mr. Van Grover
25 about these offering materials before you sent them



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1 to the client?

2 MR. LANEY: Excuse me just a moment. In

3 preparing -- documents reviewed in preparing

4 for a deposition seek to invade the attorney

5 work product, client work product and the

6 attorney-client privilege. You might want to

7 rephrase that question.

8 MR. ROBBINS: Well, I don't agree with

9 you, but I'm not going to waste time arguing.

10 Q. Before today, do you recall seeing any

11 e-mail or anything in writing, whether it be an

12 e-mail, a memo, a marked up document, notes of a

13 meeting, which reflects that you talked with Mr.

14 Van Grover about these offering materials before you

15 sent them to Gray & Company on July 9th?

16 A. I don't recall seeing anything written,

17 no.

18 Q. Did you recall before today seeing

19 anything written, whether it be e-mail, marked up

20 documents, memo or the like, which reflected that

21 Mr. Van Grover reviewed these offering documents

22 after you sent them to Gray & Company?

23 A. I don't recall seeing anything written.

24 Q. Do you have any recollection of actually

25 sitting down and talking with Mr. Van Grover, either

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1 before or after you sent out these offering

2 documents, about the contents of the offering

3 documents? For example, sitting in his office or

4 him sitting in your office where you all actually

5 discussed these offering documents?

6 A. Well, sitting here today, years later, I

7 can't remember the specific discussions, but again,

8 it would have been my practice to do so prior to

9 sending these documents out.

10 Q. And I understand your practice and I'm

11 just asking if there is anything that you can refer

12 us to which shows that you carried forward that

13 practice, carried out that practice in connection

14 with these Fund II offering documents?

15 A. Can I recall anything from that date?

16 No.

17 Q. Now, let me refer you to a few pages of

18 this document and again, as of July 9th, 2012, when

19 you sent these offering documents to Mr. Hubbard,

20 did you have any more clarity about the \$100 million

21 issue that he asked you about?

22 A. When I sent the initial drafts?

23 Q. Yes.

24 A. No. I don't think I did.

25 Q. You didn't do it in this e-mail, but did

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1 you in any other e-mail ask him to check the

2 bracketed materials, if any, in the documents and

3 get back to you on them before these were finalized?

4 A. In the attachments they contained

5 several bracketed items and notes for items to be

6 discussed.

7 Q. I understand, but did you in any e-mail

8 tell him, please, Bob, before your meeting with the

9 investors, please look at the bracketed materials in

10 the offering documents I sent you?

11 A. Well, he was going to look at the

12 offering documents, so therefore he would have seen

13 the bracketed items.

14 Q. Okay. Can you answer my question?

15 A. I don't know what your question is.

16 Q. Okay. Well, listen carefully if you

17 would. Did you send him an e-mail and we've seen

18 other e-mails that were sent to Gray & Company, with

19 various materials. Did you send him any e-mails

20 saying, please look at the bracketed materials in

21 the documents so that we can finalize them?

22 A. There was nothing in this e-mail that

23 we're looking at as Exhibit 60 that says please

24 confirm the bracketed items, no.

25 Q. Did you indicate in any other e-mail or

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1 written communication or for that matter phone call

2 to Mr. Hubbard that he should not show them or give

3 them to prospective investors in Fund II before the

4 bracketed information was finalized?

5 A. I don't recall saying that.

6 Q. Did you give him any advice on what he

7 should not or should tell prospective investors

8 about the status of these offering materials before

9 providing them to these investors?

10 A. Well, I think as long as they were being

11 provided in draft form with the obvious open issues

12 bracketed and highlighted, that was sufficient.

13 Q. Okay. Listen to my question. Did you

14 tell Mr. Hubbard by e-mail or by phone what he

15 should or should not say to prospective investors

16 when providing these offering materials to them?

17 A. No.

18 Q. Did you advise him that given the lack

19 of clarity in the Georgia law that you identified,

20 that he should advise prospective investors that

21 there is a lack of clarity in the recent Georgia

22 law?

23 A. Regarding the \$100 million requirement?

24 Q. Yes.

25 A. Well, that was a bracketed item, which



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1 indicates it's subject to further resolution.
2 Q. Did you hear my question?
3 A. Well, maybe you should repeat it.
4 Q. My question is this, did you advise Mr.
5 Hubbard on what he should say, if anything, to the
6 prospective investors as to the lack of clarity in
7 the state law regarding the \$100 million issue?
8 A. When you say as to the lack of the
9 clarity in the state law, do you mean as to the
10 lack, Gray's inability at that point to have
11 resolved that issue?
12 Q. Sure.
13 A. Sure, okay. So, no, outside of
14 bracketing the item as an open item, I don't recall
15 specifically instructing him to communicate that to
16 the investor.
17 Q. Did you ever advise Mr. Hubbard, either
18 by phone or in writing, that he should advise
19 prospective retirement plan investors that there is
20 a new law applicable to investing in alternative
21 investment funds like this fund?
22 A. No, but I should mention, we weren't
23 really at that stage yet.
24 Q. I'm sorry?
25 A. We were not at the stage where investors

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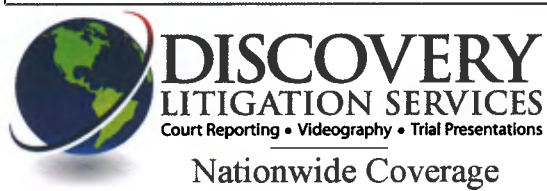
1 were actually investing yet.
2 Q. Yes, but you were at a stage where Mr.
3 Hubbard told you he was going to be talking with
4 prospective investors the very next day, right?
5 A. That's right.
6 Q. You were at a stage where you knew he
7 was actually going to talk with investors about Fund
8 II, right?
9 A. That's right.
10 Q. And you understand that the securities
11 laws can be triggered at the time an investment
12 advisor starts talking with prospective investors or
13 starts providing offering materials, even in draft
14 form, to prospective investors, correct?
15 A. Well, it depends on the particular rule.
16 Not this rule, but yes, in theory, yes.
17 Q. Not what rule?
18 A. The Georgia statute.
19 Q. Why do you say that?
20 A. Because it was focused on facts, many of
21 which would only be known at the time investors
22 invested and the fund was closer to being launched.
23 Q. Generally speaking, you understand that
24 securities laws may be triggered, whether it be
25 federal or state, at the time an investment advisor

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1 or an issuer or a fund manager begins talking with
2 prospective investors and provides offering
3 materials to prospective investors, whether in draft
4 form or otherwise, correct?
5 A. Depending on the rule, yes.
6 Q. Now, did you ever advise Mr. Hubbard
7 before he talked with these two investors that he
8 referenced or any other investors in Fund II,
9 regarding the rules applicable to what he should or
10 should not say about the status of Georgia law
11 relating to investments by pension plans and this
12 type of investment?
13 MR. LANEY: You mean beyond the fact of
14 what she said in the e-mail she sent to him?
15 MR. ROBBINS: Which is nothing, but
16 okay, other than this e-mail.
17 MR. LANEY: It's not clear.
18 MR. ROBBINS: Dan, I'm asking the
19 witness to testify, not you.
20 MR. LANEY: I'm not testifying, but I
21 don't want you to misstate --
22 MR. ROBBINS: I am not misstating
23 anything.
24 Q. Now, my question had nothing to do with
25 that earlier e-mail. My question is, did you advise

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1 Mr. Hubbard before he talked with these two
2 investors or any other potential investors in Fund
3 II, about the state of the Georgia investment code
4 or about the new law?
5 A. I'm sorry. Repeat the question.
6 Q. On July 9th, before then or after then,
7 did you advise Mr. Hubbard on what to say, if
8 anything, regarding the new state law that he had
9 sent you, what he should say to prospective
10 investors, if anything, about that law?
11 A. I don't believe I did.
12 Q. And you knew as of July 9th, 2012 there
13 was a lack of clarity in that state law which
14 impacted this Fund II and that clarity had not been
15 resolved, at least in your mind?
16 A. To my knowledge, it was not resolved at
17 that point or at least I wasn't aware of any
18 resolution.
19 Q. Looking at Exhibit 60, Bates stamp
20 number 0007, a few pages in, are you with me?
21 A. Page 7?
22 Q. The Bates stamp number 7.
23 A. Yes.
24 Q. Okay. This is the executive summary.
25 Do you see that?



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1 A. In this initial draft? No.
2 Q. Did you ever ask him who were the
3 initial investors which Gray & Company intended to
4 get in Fund II?
5 A. At that point I don't think that would
6 have been -- I think it was too premature to know
7 that.
8 Q. My question is did you ask him?
9 A. Did I ask him?
10 Q. Yes.
11 A. No.
12 Q. And if you had asked him and he had
13 indicated it would be Georgia pension plans,
14 presumably you would have revised the plan or
15 advised him that it would be an issue with respect
16 to the initial closing records, correct?
17 MR. LANEY: Objection. Hypothetical.
18 A. Had we continued to represent the fund
19 and draft the offering documents and received
20 further information regarding who was going to be
21 investing, then yes, I believe we would have
22 reviewed and revised the documents in light of the
23 Georgia statute.
24 Q. And you didn't believe it was
25 appropriate to ask those kind of questions when he

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1 said he was meeting with prospective investors, he
2 didn't indicate where they were or what they were
3 and he wanted offering documents in presentable
4 form, you didn't see fit to ask him further
5 questions regarding those subject matters before
6 sending him these offering documents, correct?
7 A. On that particular issue? No.
8 Q. Now, on page 0024 of the offering
9 documents, legal counsel is indicated as Seward &
10 Kissel LLP, is that correct?
11 A. Yes. That's what it says.
12 Q. Now, on page 0034 there is a heading
13 called "No Separate Counsel, No Independent
14 Verification." The statement is "Seward & Kissel
15 LLP represents the general partner, the manager and
16 the fund, collectively, the parties, as U.S.
17 counsel." Was that a true statement?
18 A. Yes. At the time it was true.
19 Q. And just so we're clear here who we're
20 talking about, who is the general partner and who is
21 the manager? I think it's on page 0007.
22 A. Yes. It probably is. I'm looking at
23 0014. It says "The general partner of the fund is
24 GrayCo Investment Management, LLC." And then below
25 that it says "The general partner will engage GrayCo

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1 Global Advisors, a division of Gray & Company, to
2 serve as the manager."
3 THE VIDEOGRAPHER: The time is 5:31.
4 This ends tape number 5. We're off the
5 record.
6 (Recess taken)
7 THE VIDEOGRAPHER: The time is 5:45.
8 This is the start of media number 6. We're
9 on the record.
10 (Plaintiffs' Exhibit 61, e-mail from
11 Ashley McCants at Gray & Company dated
12 July 16, was so marked for identification, as
13 of this date.)
14 BY MR. ROBBINS:
15 Q. You've been handed what has been marked
16 Plaintiffs' Exhibit 61, which is an e-mail from
17 Ashley McCants at Gray & Company dated July 16th,
18 subject matter "GrayCo Voyager Partnership," in
19 which Ms. McCants indicated "Bob is in an all-day
20 meeting but has asked me to reach out to you
21 regarding the docs on GrayCo/Voyager. He said he
22 really needs to move this project forward and needs
23 to put some finality to these private placement
24 memorandum subject docs."
25 What is your understanding of this

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1 project? What was this project, the GrayCo/Voyager?
2 A. Yes. That was the joint venture.
3 Q. And you write to Mr. Van Grover, you
4 forwarded this to Mr. Van Grover the same day
5 indicating "I guess they are back on?"
6 A. Um-hum.
7 Q. Did you do any more work on the
8 GrayCo/Voyager project, to your recollection?
9 A. I don't remember.
10 Q. I take it that would be reflected in the
11 invoices if you did so?
12 A. It should be.
13 (Plaintiffs' Exhibit 62, e-mails
14 containing e-mail from Bob Hubbard to Ms.
15 Segal, was so marked for identification, as
16 of this date.)
17 Q. Now, let me hand you what has been
18 marked as Plaintiffs' Exhibit 62. This is an e-mail
19 at the bottom from Bob Hubbard to you regarding a
20 GCAP question. Is that the Fund II?
21 A. Yes.
22 Q. So as of August 6th, 2012, Mr. Hubbard
23 is still looking to you for advice on a particular
24 matter involving Fund II, correct?
25 A. Yes.



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1 Q. And you provided him with the advice,
2 correct?
3 A. Yes.
4 Q. Did you ever ask him if he wanted you to
5 do anything further on the offering materials or
6 anything further on Fund II?
7 A. Not that I can recall.
8 Q. Did you ever follow up with him on the
9 applicability of the -- or rather the interpretation
10 of the changes in the state law that he had sent
11 you?
12 A. No. I think in general, Fund II, we
13 sort of stopped communicating on that altogether by
14 this point.
15 Q. Okay. Did he tell you not to
16 communicate with them further about Fund II?
17 A. Did he tell me specifically not to
18 communicate with him?
19 Q. Yes.
20 A. No.
21 Q. Did he tell you he wasn't interested in
22 any advice or thoughts you had on Fund II after
23 August 6th?
24 A. He didn't tell me that, but he also
25 didn't ask me for any advice, assistance or anything

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1 else regarding Fund II after this time.
2 Q. Did you ever follow up with him and say
3 what's going on with Fund II or words to that
4 effect?
5 A. Not that I can recall.
6 Q. Did you do any further research or
7 analysis of the state law that he had sent you?
8 A. No. As far as we knew, everything was
9 on hold.
10 Q. You said as far as you knew. Did he
11 ever tell you everything was on hold?
12 A. With respect to Fund II?
13 Q. Fund II.
14 A. Even in this e-mail regarding the
15 Voyager fund, things would become very urgent and
16 then lay dormant for a bit, so this was as far as we
17 knew like the other projects in that respect.
18 Q. My question is very straightforward.
19 Did Mr. Hubbard or Mr. Gray or anyone else with
20 Gray & Company on or after August 6th, 2012 tell you
21 that Fund II was on hold?
22 A. They did not specifically tell me that,
23 no.
24 Q. Now, let me ask you a few other
25 questions. Are you aware of any e-mail or other

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1 document from Gray & Company indicating that it had
2 ended the engagement with your law firm?
3 A. No. They never communicated that to us.
4 Q. Now, sitting here today, do you know
5 whether there was or was not a violation of the new
6 Georgia pension law for Fund II?
7 A. I believe it's alleged that there was.
8 Q. I understand it's been alleged, but do
9 you have any personal information or knowledge as to
10 whether there is, in fact, a violation of the
11 Georgia pension law?
12 A. I personally do not have any knowledge
13 on that.
14 Q. Do you have any personal information or
15 knowledge as to whether the allegations made by the
16 SEC and the proceeding against Gray Financial and
17 the two individuals are true or not?
18 A. I don't. I wouldn't know that. We
19 didn't represent them at the time.
20 Q. When Mr. Hubbard asked you questions
21 did you understand that he was asking the questions
22 for himself and for Mr. Gray and for their
23 companies?
24 MR. LANEY: You mean personally?
25 MR. ROBBINS: Yes.

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1 Q. I mean when he's communicating with you,
2 you're communicating with one person for the most
3 part at Gray & Company, Mr. Hubbard, correct?
4 A. With a person, yes, on behalf of Gray &
5 Company.
6 Q. Okay. That's how you understood when he
7 was asking you for advice, it was not just for him,
8 right, it was for the company affiliates?
9 A. That's right. It was for him acting on
10 behalf of his employer, yes.
11 Q. Well, there is more than one entity
12 which you acknowledge you represented, correct?
13 A. Referring to the general partner, that's
14 right.
15 Q. Okay. And the manager?
16 A. And the manager.
17 Q. As a matter of course, when you had
18 questions or needed information from Mr. Gray or Mr.
19 Hubbard or from Gray & Company, would they provide
20 the information you wanted?
21 A. If there was specific information that
22 we requested from them?
23 Q. Yes.
24 A. Generally, yes. They would be
25 responsive to that.



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1 Q. Did you have any reason to believe that
2 they weren't telling you the truth?
3 A. Can you be more specific?
4 Q. Well, when they were providing you with
5 information that you requested, did you have any
6 occasion to think that they weren't telling the
7 truth, that the information provided was false?
8 A. No. There was no reason to think that
9 they were purposely giving me wrong information.
10 Q. Okay. In communicating with securities
11 clients, is it fair to say that there can be a
12 variety of ways in which you can communicate? It
13 can be by formal legal opinions, informal legal
14 opinions, establishing a course of conduct, by
15 e-mail or by phone, is that fair to say?
16 A. That's right.
17 Q. Did you ever indicate to anyone at
18 Gray & Company that you did not believe you or your
19 firm were not competent to advise on the questions
20 that they asked of you?
21 A. I did not indicate that, no.
22 Q. Or to prepare any of the documents that
23 they asked you to prepare?
24 A. I did not indicate.
25 (Plaintiffs' Exhibit 63, Transcript, was

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1 so marked for identification, as of this
2 date.)
3 Q. Finally, attached let me hand you what
4 has been marked as Plaintiffs' Exhibit 63. You
5 recall being questioned by the Securities Exchange
6 Commission in the proceedings, Gray Financial Group,
7 et al.?
8 A. I do.
9 Q. And did you get a copy of the transcript
10 that is reflected in Exhibit 63 or a copy that was
11 similar to this transcript?
12 A. I received a transcript, yes.
13 Q. Did you read it?
14 A. I did.
15 Q. Did you make any corrections to it and
16 provide them to the SEC?
17 A. No.
18 Q. And you understood you were under oath
19 when you gave that deposition?
20 A. Yes.
21 Q. And you understand you are under oath
22 today?
23 A. Yes.
24 Q. Now, have you ever been called upon to
25 testify under oath, whether by deposition or in

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1 court, on any other legal proceeding?
2 A. No.
3 Q. Have you provided any written statement
4 or affidavit to the SEC in connection with the Gray
5 proceedings?
6 A. A written statement?
7 Q. Yes.
8 A. No.
9 Q. And I also was including an affidavit.
10 A. Personally, I can't recall anything
11 outside of the deposition.
12 MR. ROBBINS: That's all the questions I
13 have. Are you reserving the right to read
14 and sign?
15 MR. LANEY: Yes.
16 MR. ROBBINS: Okay. Thank you.
17 THE VIDEOGRAPHER: The time is 5:56.
18 This ends media number 6. We're off the
19 record.
20 (Time noted: 5:56 p.m.)
21
22
23
24
25

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SECURITIES AND EXCHANGE COMMISSION
ATLANTA REGIONAL OFFICE
950 East Paces Ferry Road, Suite 900
Atlanta, Georgia 30326-1382

PETER J. DISKIN
Assistant Regional Director, Enforcement

Telephone : (404) 842-7631
Facsimile : (404) 842-7666

January 29, 2015

Via Email and UPS

Terry R. Weiss, Esq.
Greenberg Traurig, LLP
Terminus 200
3333 Piedmont Road, NE, Suite 2500
Atlanta, GA 30305

Re: In the Matter of Gray Financial Group, Inc. (A-3486)

Dear Mr. Weiss:

Enclosed are two declarations for execution by Larry Gray and Bob Hubbard respectively. **Please return the executed declarations to my attention by no later than Tuesday, February 3, 2015.** The staff is willing to postpone the continuation of Mr. Gray and Mr. Hubbard's subpoenaed testimony requested in my January 14, 2015 correspondence to you pending receipt of the executed declarations.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Peter J. Diskin".

Peter J. Diskin
Assistant Regional Director

Enclosure

cc: Michael J. Adler, Esq. (via email)

UNITED STATES OF AMERICA
Before the
SECURITIES & EXCHANGE COMMISSION

In the Matter of: _____)

Gray Financial Group, Inc. _____)

File No. A-03486

DECLARATION OF ROBERT C. HUBBARD, IV

I, Robert C. Hubbard, IV, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, do hereby declare under the penalty of perjury (28 U.S.C. § 1746) that the following is true and correct:

1. I am 39 years old and reside in Mableton, Georgia.
2. I am a shareholder and current Co-Chief Executive Officer of Gray Financial Group, Inc., a U.S. Securities and Exchange Commission registered investment adviser doing business under the names of Gray & Co., Gray & Company, and GrayCo Global Advisors ("Gray Financial").
3. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from the law firm Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, regarding the Employees' Retirement System of Georgia Enhanced Investment Authority Act ("GA Alt. Investment Act"), which is codified at O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
4. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from any law firm or lawyer, other than Seward & Kissel LLP, regarding the GA Alt. Investment Act, O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
5. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by the law firm Greenberg Traurig, LLP or any attorney at that firm in connection with the offer and sale of interests in GrayCo Alternative Partners II L.P. ("GrayCo Alt. II") to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, about the compliance or non-compliance with Georgia state law of GrayCo Alt. II, or the fact that Greenberg

Traurig may have performed other duties in connection with investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

6. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by any law firm or attorney, other than Seward & Kissel LLP, in connection with the offer and sale of interests in GrayCo Alt. II to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by any law firm or attorneys, other than Seward & Kissel LLP, about compliance or non-compliance with Georgia state law by GrayCo Alt. II, or the fact that such law firms and attorneys performed any other duties in connection with any investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

I declare under the penalty of perjury that the foregoing is true and correct. Declared and executed this ____ day of _____, 2015.

Robert C. Hubbard, IV

UNITED STATES OF AMERICA
Before the
SECURITIES & EXCHANGE COMMISSION

In the Matter of:)	
)	
Gray Financial Group, Inc.)	File No. A-03486
)	

DECLARATION OF LAURENCE O. GRAY

I, Laurence O. Gray, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, do hereby declare under the penalty of perjury (28 U.S.C. § 1746) that the following is true and correct:

1. I am 53 years old and reside in Atlanta, Georgia.
2. I am the Founder, majority owner, and current President of Gray Financial Group, Inc., a U.S. Securities and Exchange Commission registered investment adviser doing business under the names of Gray & Co., Gray & Company, and GrayCo Global Advisors ("Gray Financial").
3. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from the law firm Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, regarding the Employees' Retirement System of Georgia Enhanced Investment Authority Act ("GA Alt. Investment Act"), which is codified at O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
4. Before January 31, 2013, I did not seek, receive, or rely on any legal advice or opinion from any law firm or lawyer, other than Seward & Kissel LLP, regarding the GA Alt. Investment Act, O.C.G.A. § 47-20-87, and/or anything else that I understood to be a Georgia statute regulating the investment by large public pension funds in alternative investments. To my knowledge, nobody else working at or acting on behalf of Gray Financial sought, received, or relied on any such legal advice or opinion either.
5. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by the law firm Greenberg Traurig, LLP or any attorney at that firm in connection with the offer and sale of interests in GrayCo Alternative Partners II L.P. ("GrayCo Alt. II") to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by Greenberg Traurig, LLP or any attorney at that firm, including but not limited to Genna Garver, about the compliance or non-compliance with Georgia state law of GrayCo Alt. II, or the fact that Greenberg

Traurig may have performed other duties in connection with investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

6. I did not rely in any manner on an interpretation of the GA Alt. Investment Act, O.C.G.A. § 47-20-87, by any law firm or attorney, other than Seward & Kissel LLP, in connection with the offer and sale of interests in GrayCo Alt. II to Gray Financial clients before January 31, 2013. Among other things, I did not rely on any absence of comment by any law firm or attorneys, other than Seward & Kissel LLP, about compliance or non-compliance with Georgia state law by GrayCo Alt. II, or the fact that such law firms and attorneys performed any other duties in connection with any investments in GrayCo Alt. II, as any indication whatsoever of whether GrayCo Alt. II and/or any proposed investment by any large Georgia pension fund in GrayCo Alt. II complied with Georgia state law. To my knowledge, nobody else working at or acting on behalf of Gray Financial relied in any such way either.

I declare under the penalty of perjury that the foregoing is true and correct. Declared and executed this ____ day of _____, 2015.

Laurence O. Gray

Resp. Ex. 1364

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. 3-16554
GRAY FINANCIAL GROUP, INC.,)
LAURENCE O. GRAY, AND)
ROBERT C. HUBBARD, IV)

ADMINISTRATIVE PROCEEDINGS - PRE-HEARING CONFERENCE

PAGES: 31 through 57

PLACE: Securities and Exchange Commission
950 East Paces Ferry Rd., Suite 900
Atlanta, GA 30326

DATE: Thursday, January 26, 2017

The above-entitled matter came on for hearing,
pursuant to notice, at 3:00 p.m.

BEFORE (Via Telephone):

CAMERON ELLIOT, ADMINISTRATIVE LAW JUDGE

Diversified Reporting Services, Inc.

(202) 467-9200

1 APPEARANCES:

2
3 On behalf of the Securities and Exchange Commission:

4 WILLIAM HICKS, ESQ.
5 PAT HUDDLESTON, ESQ.
6 MICHAEL ADLER, ESQ.
7 Securities and Exchange Commission
8 Division of Enforcement
9 950 East Paces Ferry Rd., Suite 900
10 Atlanta, GA 30326
11 (404) 842-7694
12 hicksw@sec.gov
13

14 On behalf of the Respondents (Via Telephone):

15 TERRY R. WEISS, ESQ.
16 GEORGE SULLIVAN, ESQ.
17 Greenberg Traurig, LLP
18 3333 Piedmont Road, NE, Suite 2500
19 Atlanta, GA 30305
20 (678) 553-2603
21 weisstr@gtlaw.com
22

23 Also Present:

24 Andrea Hart, SEC Paralegal
25

1 that is what appears to me to be a possible conflict of
2 interest involving Greenberg. The -- read the parties'
3 pre-hearing briefs. I've read the attachments to the
4 Respondents' pre-hearing brief.

5 I've also read the Respondents' two expert
6 reports, and I'm concerned about some of the things
7 that -- some of the points that are made in these
8 filings, because they cast a very different light on
9 what's going on in this than what I thought was going on
10 within the last few weeks.

11 Let me -- let me first ask the Division some
12 questions. I've read the Division's pre-hearing brief,
13 and I read the part about -- part where you talked about
14 some emails between Mr. Hubbard and a Seward & Kissel
15 lawyer -- I think it was Ms. Segal -- about the \$100
16 million requirement. The -- where did these emails come
17 from? Did these come from Seward & Kissel? Were they in
18 the investigative file already? What's their prominence?

19 MR. HICKS: Might -- they'd been produced by
20 repeated people, I think --

21 MR. ADLER: They were produced by Seward &
22 Kissel.

23 JUDGE ELLIOT: Okay. So, I -- and then the
24 Division was not aware of these emails until they were
25 produced within the last few weeks? Is that right?

1 PROCEEDINGS

2 JUDGE ELLIOT: Very well. Let's go on the
3 record. We're here in the matter of Gray Financial
4 Group, Inc., et al., Securities and Exchange Commission
5 administrative proceeding File Number 3-16554. My name
6 is Cameron Elliot, presiding administrative law judge.
7 May I have appearances from counsel, please?

8 MR. HICKS: Bill Hicks for the Division.

9 MR. HUDDLESTON: Pat Huddleston for the
10 Division.

11 MR. ADLER: Michael Adler for the Division.

12 MR. WEISS: And for the Respondents, this is
13 Terry Weiss.

14 MR. SULLIVAN: And this is George Sullivan, for
15 the Respondents.

16 JUDGE ELLIOT: All right, thank you. And thank
17 you for appearing on short notice. I am sorry for the --
18 my sympathies go to Ms. Wayco and her family. I'm sorry
19 for the circumstances of this. And the reason for
20 calling this, of course, is to talk about potentially
21 delaying the case.

22 However -- and I'm sorry to put this on you
23 without any notice, but I've -- unfortunately, I'm still
24 actually thinking about it, but I want to talk about
25 something else that is potentially very significant, and

1 MR. ADLER: With regard to the Seward & Kissel
2 emails, those were produced pursuant to Gray Financial
3 waiving its attorney/client privilege, specifically with
4 regards to the advice it received regarding the Georgia
5 law.

6 MR. HICKS: But that happened during the
7 investigation.

8 MR. ADLER: That was -- yeah --

9 MR. HICKS: Yeah -- the --
10 (Crosstalk.)

11 MR. HICKS: These were produced -- my goodness,
12 over a year ago.

13 JUDGE ELLIOT: Oh, okay. All right. So, this
14 was not something that came up just recently when I --
15 when we litigated the issue of the Seward & Kissel
16 subpoena?

17 MR. HICKS: No. No, sir.

18 JUDGE ELLIOT: Okay, very good. All right.
19 Now, elsewhere in your pre-hearing brief -- in fact, let
20 me just call it up so I can read it. I'm referring to
21 page six, and there's a paragraph that extends between
22 page six and page seven. The last full sentence there,
23 I'll just read it into the record. "By August 2012, GFG
24 had hired Greenberg Traurig, which prepared the documents
25 that would be offered to investors and prospective

1 investors in GrayCo Alt II."

2 And then there's footnote 2, and footnote 2,
3 I'll just summarize what I think is relevant. Footnote 2
4 talks about how Greenberg represented -- at least the way
5 I read it -- represented the Respondents between August
6 2012 and August 2013 in connection with offering GrayCo
7 Alt II to these pension plans.

8 Now, I -- let me ask the Division. How do
9 you -- what is your basis for saying this? What evidence
10 do you have about Greenberg's representation during that
11 time?

12 MR. HICKS: I think we have a lot of evidence
13 that they were representing. They are on the offering
14 materials as -- you know. Listed as the counsel to the
15 fund, I think.

16 MR. HUDDLESTON: Yeah, to the fund, to the
17 manager. I mean, it just says right there in the PPM,
18 and then the limited partnership agreement, and the
19 subscription documents.

20 MR. HICKS: Yeah.

21 JUDGE ELLIOT: And it -- when you say that
22 Greenberg represented Respondents through August 2013 --

23 MR. HICKS: Mm-hmm.

24 JUDGE ELLIOT: -- you're saying that only
25 because that's when the last sale happened, or did they

1 clients.

2 And so your clients relied on Seward & Kissel's
3 counsel in the form of conduct. It's sort of implicating
4 Seward & Kissel's conduct. Am I understanding your basic
5 position correctly?

6 MR. WEISS: Your Honor, partially you're
7 correct. And let me back up if I can. You are correct
8 in the sense that the conduct of Seward & Kissel is a big
9 part of it. However, what is -- what is missing from the
10 description is a couple of things.

11 First of all, there had been a course of
12 conduct with Seward & Kissel dating back a year and a
13 half, two years prior to that initial contact regarding
14 fund number two. Relating to another fund that was very
15 similar, was well as other things.

16 And what Your Honor will see is that there is a
17 course of conduct in the part -- between the parties as
18 to how things were done, and specifically, by the way,
19 with respect to Seward & Kissel's analysis of Georgia law
20 on other issues, and how they interacted with the client,
21 and a lot of this is in part what Mr. Figen is going to
22 be using as part of his -- the basis of his testimony.

23 But let me actually get to a second point too,
24 which is very important, that when we have fund one,
25 which had been used and sold to non-Georgia pension

1 withdraw in August 2013, or did they complete the
2 engagement or something? How -- why do you -- why did
3 you pick that time?

4 MR. HICKS: I think we picked that date just
5 because that's the end of the charge conduct. I -- we're
6 not saying that they necessarily stopped, and that -- you
7 know, we don't know what they did after that, but --

8 JUDGE ELLIOT: Okay.

9 MR. HICKS: Yeah.

10 JUDGE ELLIOT: Right. All right. Well, let me
11 then turn to the Respondents, and let me -- Mr. Weiss,
12 let me explain what troubles me. I have read Mr. -- is
13 it -- is it Figen? Is that how you pronounce his name?

14 MR. WEISS: Yes.

15 JUDGE ELLIOT: Mr. Figen, okay. I've read Mr.
16 Figen's expert report. I've read your pre-hearing brief.
17 And it -- and it seems to me that -- and tell me if I'm
18 wrong -- it seems to me that the basis of your advice of
19 counsel defense is Seward & Kissel was engaged to
20 prepared some offering documents, and give any associated
21 legal advice, and they delivered the offering documents.

22 And so Mr. Gray and Mr. Hubbard concluded from
23 that that there were no legal difficulties with
24 presenting these offering documents to their clients, or
25 recommending the investment in GrayCo Alt II to their

1 plans, that is done, up and running, everybody is happy.
2 And that was in addition some other significant legal
3 work, as I said, that Seward & Kissel had done for Gray.

4 We then get to April of 2012, and there are two
5 phone calls between Bob Hubbard and the Seward -- at this
6 point now the Seward & Kissel senior associate of alt
7 fund two. He then sends her a copy of the actual statute,
8 and says, "I want you to draft documents that comport
9 with this new statute." That was the charge in the -- in
10 that assignment.

11 And I will also add that there is only -- and
12 this is really important -- there is only one engagement
13 letter that Seward & Kissel drafted, and which was signed
14 by both Gray as well as by Seward & Kissel. That
15 engagement letter is incredibly broad, and it covers
16 business advice, legal advice, preparing offering
17 documents, so forth, and so on, and so on. That is the
18 starting point of the relationship.

19 So, you start there. You have the course of
20 conduct. You then move into fund number two, the request
21 to create a fund that specifically complies. You then
22 have -- move forward, and there's some back and forth by
23 email, in particular between Mr. Hubbard and the
24 associate at Seward & Kissel, Ms. Segal, and -- where
25 there were questions that were raised about the fund and

1 compliance with Georgia law.

2 She then reports to him, "Gee, I don't know the
3 answer to some of these questions. Let me talk to my
4 partner" -- "to the senior partner about it." She
5 doesn't come back and tell him one way or the other how
6 that -- those conversations came out.

7 He then -- and I'm skipping a little bit of the
8 communications to get to the point here, which is then in
9 July, he then contacts her and says, "Look, I haven't
10 heard from you in a long time. We want to present these
11 documents, and present it to" -- "and market it to our
12 clients tomorrow at a meeting," and that specifically
13 referred to the Atlanta police, and the Atlanta fire.

14 "Can you send us, please, the documents so we
15 can present this to our clients?" And she sent him in
16 response to that -- two hours later, she sent him final
17 documents for that purpose.

18 So, our position is that -- and he then used
19 those documents in marketing the fund number two to
20 police and fire, as well as to others too, by the way.
21 And I -- and obviously by the way, I'm available to
22 answer questions about GT's involvement as well, but
23 nonetheless -- so our position is, is that yes, there was
24 reliance on advice of counsel through that overall course
25 of conduct, the specific request to make a fund that was

1 just like you did before, but this time it needs to
2 comply with Georgia law and this statute, and you all had
3 worked on Georgia law issues before with no problem.

4 The engagement letter doesn't accept any of
5 that out as being something you're uncomfortable
6 handling. She then sends it all to him, expecting that
7 he's going to use it to market it to clients because he
8 told her that he was going to do that.

9 JUDGE ELLIOT: Okay.

10 MR. WEISS: Hopefully that helped to fill in
11 some of the gaps.

12 JUDGE ELLIOT: Well, it does, but it still
13 leaves me very troubled, because my question -- and I'll
14 maybe make it clearer, I'm not asking you to disclose
15 anything privileged, Mr. Weiss, but how is Greenberg's
16 conduct any different from Seward & Kissel's?

17 MR. WEISS: That's a great question, and let
18 me -- and I will address that specifically, because I
19 would have exactly the same question. And the answer is
20 that -- and by the way, the Division was 100 percent
21 correct. GT's name is on the final documents. The
22 documents were brought to GT. GT was -- finalized those
23 documents for purposes of final marketing purposes. No
24 question about that. Nobody's -- is questioning
25 differently, and I don't think that that is anything that

1 is confidential.

2 However, with respect to the specific question
3 of reliance on counsel, both Mr. Gray and Mr. Hubbard
4 have signed declarations to the effect that they did not
5 rely on GT for purposes of advice of counsel on that
6 particular issue. Relying on counsel -- on GT on advice
7 for other things, but nothing having to do with
8 compliance with the Georgia pension law.

9 JUDGE ELLIOT: Well, I don't understand --
10 well, I don't understand the difference. I mean, you've
11 got Seward & Kissel, which -- it may have had the
12 longstanding relationship, and may have had a very broad
13 engagement letter, but Seward & Kissel -- Seward & Kissel
14 ultimately delivered the documents, and maybe doesn't
15 provide the advice they're being asked for, and now
16 they're being sued by your clients for malpractice.
17 Correct?

18 MR. WEISS: Yeah.

19 JUDGE ELLIOT: Greenberg instead prepares
20 offering documents, and doesn't provide advice, or at
21 least Respondents do not rely upon Greenberg's advice.
22 What is to stop Greenberg -- what is to stop the
23 Respondents from suing Greenberg for legal malpractice?

24 MR. WEISS: And let me -- actually, I think --
25 one other point on this. The documents that we're

1 talking about are effectively the same documents. We --
2 GT did not prepare new documents. They simply -- they
3 took the old documents, answered the questions, whatever
4 they were, not dealing with the Georgia pension law, and
5 finalized those documents, and then put its name on the
6 final document.

7 With respect to answering your question about
8 what is to stop them, you know, I guess my -- that's a
9 tricky one, because I don't know that I can tell you
10 definitely as to the Gray -- Gray has certainly not
11 waived a right to sue anybody, but they certainly have
12 said that for purposes of this issue -- the issue that's
13 before Your Honor, that GT had nothing to do with that.

14 So, I would think that if -- for whatever
15 reason, if Gray decided to say, "Well, we're going to now
16 sue you for that," GT would have a slam dunk defense to
17 that.

18 MR. HICKS: Your Honor --

19 JUDGE ELLIOT: Okay, I've got to say, I'm
20 really having a lot of trouble understanding what's going
21 on here. Mr. Hicks, do you have anything to add to this?

22 MR. HICKS: Yeah, I do. I -- you know, I think
23 the -- obviously the issue of Seward and how much they
24 could've relied on Seward, we have a different take, and
25 that's a factual issue.

1 But I think there's a more basic legal issue
2 here, and you know, we were probably looking to address
3 it through a motion that Your Honor was kind of backing
4 into it, and that is, you know, in fact they don't
5 necessarily say in their declarations, "I don't believe
6 that Greenberg did not provide advice on this topic."

7 They say they didn't rely on it, and I think --
8 I think that is a fine distinction, and there is a legal
9 issue which, you know, I think we may need to tee up
10 formally as to whether their assertion of reliance on
11 counsel on the topic waives the privilege as to all
12 communications from anybody on that topic.

13 They can't, you know, fairly say they relied on
14 Seward, they didn't rely on Greenberg, but that kind of
15 dances around the question of, did Greenberg actually
16 give them any advice on the topic? That -- you know, and
17 I think that probably needs some exploring.

18 JUDGE ELLIOT: Okay.

19 MR. HICKS: Yeah, I --

20 JUDGE ELLIOT: Is the -- and this is directed
21 to the Division.

22 MR. HICKS: Yeah.

23 JUDGE ELLIOT: Have you ever given any
24 consideration to moving to disqualify Greenberg?

25 MR. HICKS: I -- we have not yet. It's almost

1 like we don't -- we don't know the answer to the question
2 yet. I guess -- I guess that's the problem. I think
3 that's -- I mean, for us, I would say the first step is,
4 you know, have they waived the privilege as to Greenberg,
5 and did Greenberg give them any advice?

6 If -- and not as to Greenberg, but have they
7 waived the privilege as to any advice on that topic from
8 any lawyers in that period? You know, if the answer to
9 that is yes, then you know, that would be another issue I
10 think we would address.

11 JUDGE ELLIOT: Okay. I think that if -- well,
12 let me ask this of Mr. Weiss. If I were to find that
13 Respondents have waived privilege as to Greenberg, how
14 would Greenberg respond to that, Mr. Weiss?

15 MR. WEISS: Well, I think -- well, I guess it
16 would be -- it would be a question as to how broad the
17 waiver is and on what basis. But you know, obviously we
18 would oppose that. I'd have to know more information to
19 know exactly what specifically we did -- or excuse me,
20 that the client did or anybody did to waive the
21 privilege.

22 JUDGE ELLIOT: Okay.

23 MR. HICKS: And on what -- on what basis. I
24 mean, I'm sorry. I'm kind of missing it. If the
25 question is, did GT give advice on this? Now we're

1 talking about proving a negative, not proving something
2 affirmative.

3 We could give serious -- certainly give serious
4 thought to having Larry and Bob testify that in fact that
5 didn't happen, that there was no advice, there -- they
6 were -- that neither they sought advice nor received
7 advice on this particular issue.

8 So, it would cover, I would think, all facets
9 of that question. I don't know if that satisfies the
10 privilege waiver issue, but I'm certainly trying to get
11 around the other issue, or at least address it.

12 JUDGE ELLIOT: Okay.

13 MR. WEISS: And then of course --

14 JUDGE ELLIOT: Well, let me --

15 MR. WEISS: Yes.

16 JUDGE ELLIOT: -- let me just -- let me -- let
17 me lay out our options. So, I'm fine with not starting
18 the hearing on the 7th of February. I have the court
19 room the following week also. So, we could start it on
20 Monday the 13th.

21 However, I am concerned because I'm now very
22 interested in hearing from the Division on the question
23 of waiver of privilege as to Greenberg, and if I were to
24 find that there has been a waiver of privilege as to
25 Greenberg, I would -- I would be very interested in

1 hearing the parties' views on disqualification.

2 I don't know if Greenberg could continue as
3 trial counsel if there's been a waiver of privilege as to
4 Greenberg. Because then the Division among other --
5 among many other things, the Division would be permitted
6 to call Greenberg lawyers as witnesses against their own
7 clients.

8 MR. WEISS: Mm-hmm.

9 JUDGE ELLIOT: So, I think that that -- if I
10 were to find a waiver of privilege as to Greenberg, that
11 may mean that we have to completely start over from
12 scratch as far as Respondents' counsel goes. So, another
13 option we have is I can ask for briefing on the question
14 of waiver with respect to Greenberg, and I would just
15 cancel the hearing and postpone it without further date
16 until we resolve the question of waiver and possible
17 disqualification. So, let me start out with the
18 Division. What are your views on what I've just laid out
19 as possibilities?

20 MR. HICKS: I'm trying to think of what's most
21 efficient. We can certainly get the briefing out, you
22 know, in a couple of days or less. I mean, that
23 shouldn't be an issue on our view on the privilege issue.
24 On the disqualification, I hate to -- I hate to address
25 it on the fly here.

Resp. Ex. 1365

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF ERNEST LAMONT GREER

I, Ernest LaMont Greer, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I am an attorney and principal shareholder with Greenberg Traurig, LLP (“Greenberg”) in Atlanta, Georgia, where I also reside. I currently serve as Co-President of Greenberg.

2. I am the Greenberg relationship shareholder for Gray & Company (“Gray”), Larry Gray, and Bob Hubbard, which includes the GrayCo Alternate Partners II, LP (“GrayCo II”) fund of funds matter, specifically. I was responsible for bringing the GrayCo II fund of funds matter to our firm to handle in September 2012. As the relationship shareholder, I am also responsible for all billing and have the opportunity to examine all Greenberg bills for legal work done on the GrayCo II matter before being submitted for payment and anytime afterward.

3. I have known Gray’s Chief Compliance Officer & Chief Financial Officer, Marc Hardy, since 1999 and have also known Larry Gray since about 1997. Not long after Mr. Hardy

began working for Gray in March 2012, we discussed the opportunity to bring Gray's legal work to Greenberg, which would allow Gray to consolidate its legal business at one law firm and provide the company access to a law firm located in the same physical location as Gray's headquarters in Atlanta, Georgia. Later that year Mr. Hardy was promoted to Gray's Chief Compliance Officer and Chief Financial Officer, and we continued to discuss a transition of legal work to Greenberg under my watch.

4. On or about September 4, 2012, Gray began transitioning various legal matters to Greenberg, and Greenberg opened client files for Gray for matters that were separate and independent from GrayCo II. The first matter for Gray, Larry Gray or Bob Hubbard was opened with Greenberg on September 4, 2012.

5. Specifically, Greenberg was engaged to represent Gray, Larry Gray, and Bob Hubbard in connection with revising and completing the then existing GrayCo II fund of funds offering documents. The scope of our engagement in this matter was essentially to pick up in revising the GrayCo II fund offering documents where their prior counsel, Seward & Kissel LLP ("Seward & Kissel"), had left off. In my experience as an attorney for over 25 years and as a relationship shareholder, this is not unusual when one law firm is "inheriting" work that was started by another law firm. The first time entries for that matter were recorded by various Greenberg personnel was September 20, 2012.

6. It appeared from the GrayCo II offering documents for GrayCo II, which bore Seward & Kissel's name, that the work for the offering was already largely done by Gray's prior counsel, Seward & Kissel. I recall the clients had some specific areas for the offering that they wanted to be addressed, and there were some areas that typically I would expect that Greenberg would also want to address. None of these areas -- either requested by the clients or identified by

Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

7. None of the clients' invoices for this matter suggest that any work related to the Georgia Act provisions at issue was actually performed by anyone at Greenberg. Accordingly, from my review of the invoices and my knowledge of the scope of Greenberg's engagement otherwise, it is clear that Greenberg was not asked for by the clients and did not provide the clients any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue at any time from inception through August 16, 2013.

8. In reviewing the invoices, the following Greenberg personnel worked on the GrayCo II matter during the time period at issue, and my review included a review of time billed by these persons:

- Ernest Greer, Co-President
- Rachel B. Cohen-Deaño, Corporate & Securities attorney
- Genna Garver, Corporate & Securities attorney
- Shannon M. Thompson, Corporate & Securities attorney
- Michael R. Einig, Tax attorney
- Leslie A. Klein, Tax attorney
- Nneoma A. Maduiké, Corporate & Securities law clerk
- Theodore I. Blum, Corporate & Securities attorney
- Tom West, Tax attorney
- William H. Mayer, Tax attorney
- Richard A. Sirius, Tax attorney
- Steven B. Lapidus, Tax attorney
- Sylvie A. Durham, Corporate & Securities
- John J. Giovannone, Corporate & Securities attorney (deceased)
- Peggy Awtrey, Corporate & Securities paralegal
- Charmaine H. Perdon, Corporate & Securities paralegal
- Cathy Clarken-Gleason, Corporate & Securities paralegal

9. From my review of our time records the following personnel performed the lion's share of the work on this matter: Genna Garver and Rachel Cohen-Deaño. Everyone else

recorded a minimal amount of time. None of the Greenberg personnel mentioned above are involved with Gray's trial team for this matter, and it is not expected that they will be.

10. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 14th day of February 2017.

A handwritten signature in black ink, consisting of a large, stylized capital letter 'E' followed by a horizontal line that extends to the right.

Ernest LaMont Greer

Resp. Ex. 1366

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF ROBERT C. HUBBARD, IV

I, Robert C. Hubbard, IV, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I am 41 years old and reside in Dunwoody, Georgia.
2. During the operative time frame of 2012 and 2013, I served as the Chief Operating Officer for Gray & Company ("Gray").
3. Gray's Chief Compliance Officer/Chief Financial Officer, Marc Hardy, joined Gray in March 2012 and later that same year was promoted to those positions he now has with the firm. Mr. Hardy had a long standing personal and professional relationship with Ernest Greer, who is the current Co-President of Greenberg Traurig, LLP ("Greenberg"). I also think that Gray's president, Larry Gray, and Mr. Greer were acquainted prior to 2012. Between the

time that Mr. Hardy joined Gray and his promotion to CCO/CFO in 2012, he made it be known that he was supportive in consolidating and transitioning our future legal work with one law firm, Greenberg, and having Mr. Greer serve the role of the relationship shareholder, considering Greenberg's professional depth in many areas along with the firm's stellar reputation. Mr. Gray and Mr. Hardy agreed that consolidating our legal work with Greenberg might offer potential efficiencies: it provided the opportunity for a single law firm to better learn our business and objectives and, perhaps over time, we could obtain more favorable rates. In addition, Mr. Greer's Greenberg office is located in the same physical building as Gray's headquarters in Atlanta, Georgia.

4. I actually did not want to make the change to Greenberg. As I expressed to Mr. Gray at the time, I was happy with Seward & Kissel's work and felt that we had already invested time in that relationship as Seward & Kissel was already handling multiple matters for us. Nevertheless, based on the reasons stated above, Mr. Gray concluded that the legal work was going to move to Greenberg. In September 2012, Gray began transitioning various legal matters to Greenberg by opening a file that is unrelated to and independent of GrayCo Alternative Partners II, LP ("GrayCo II").

5. The offering documents for GrayCo II were initially drafted by Seward & Kissel LLP ("Seward & Kissel"). While still being counseled by Seward & Kissel, I made revisions to the offering document on August 13, 2012, changing the cover amount of \$75 million that Seward & Kissel originally inputted into the offering document to \$100 million.

6. Before August 16, 2013, the Seward & Kissel attorneys with whom we worked were the only attorneys of mine I either explicitly, implicitly, or, through a course of conduct,

sought or received advice from, or relied upon for any legal advice, opinion, interpretation or analysis of the requirements of O.C.G.A. § 47-20-87(c), (the "Georgia Act provisions at issue").

7. Gray first engaged Greenberg to work on the GrayCo II fund matter in September 2012.

8. At my direction, on September 14, 2012, copies of the most recent versions of the GrayCo II offering documents prepared by Seward & Kissel were sent to our new Greenberg attorneys. Those offering documents also incorporated my comments to the documents which were based on discussions I had had with, and advice I had received from, Seward & Kissel.

9. Based on my communications and course of conduct with Seward Kissel, it was my understanding that they had thought through and addressed all legal issues related to the Georgia Act provisions at issue. Based on the communications I had already had with Seward & Kissel attorneys regarding the cover on the fund, I did not revisit the \$100 million cover issue with Greenberg, nor the implications or requirements of the Georgia Act provisions at issue on GrayCo II.

10. In fact, I did not explicitly, implicitly, or through a course of conduct seek, receive, or rely on, or expect any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue from any Greenberg attorney at any time through August 16, 2013. To my knowledge, no one else working at or acting on behalf of Gray did either.

11. While I had the expectation that Greenberg would handle the GrayCo II matter properly, I did not expect that Greenberg would redo, revise, reanalyze, correct, or otherwise revisit the work that was previously done by Seward & Kissel, including its review of the Georgia Act provisions at issue. The reason I did not rely on Greenberg for this purpose was because I had specifically asked Seward & Kissel to handle this particular part of the offering,

and so we did not ask Greenberg to do the same work we understood Seward & Kissel had performed.

12. The scope of the work I expected Greenberg to perform on the GrayCo II matter was essentially to pick up in revising the GrayCo II fund offering documents where Seward & Kissel left off. Seward & Kissel had handled, among other things, all aspects of the transaction relating to the Georgia Act provisions at issue. Accordingly, I did not ask or expect Greenberg to provide any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue to any representative of Gray, including Mr. Gray or myself, at any time through August 16, 2013.

13. If I were forced to obtain new trial counsel, I would face substantial hardship and in my view my ability to obtain a fair hearing would be seriously prejudiced. The hearing is set to take place next month, which would not allow sufficient time for me to obtain new counsel and for newly retained counsel to get up-to-speed on the facts and legal issues in this highly complex matter that has been developing for years. The financial cost of retaining new counsel would be enormous, and I very well may not be financially able to bear that cost. Accordingly, it would be extremely difficult, if not impossible, at this late juncture to replace my Greenberg counsel, with whom I have worked closely since 2014, and would create a substantial hardship on me, in addition to creating an undue financial burden.

14. I have issued to Greenberg on behalf of myself and Gray an informed written waiver of the potential conflicts that might exist as a result of Greenberg's role in completing the GrayCo II fund offering documents.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 6th day of February 2017.

Robert C. Hubbard, IV
Robert C. Hubbard, IV

Sworn to and subscribed before me this 6th day of February, 2017.

Yvonne P. McKenzie
Notary Public

My commission expires: March 18, 2019



Resp. Ex. 1367

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF LAURENCE O. GRAY

I, Laurence O. Gray, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I am 55 years old and reside in Atlanta, Georgia.
2. I am the founder and principal of Gray & Company ("Gray"). I served as the Chief Executive Officer and Chief Investment Officer for Gray during the operative time frame, from 2012 up through July 2013, and now serve as its President.
3. Gray's Chief Compliance Officer/Chief Financial Officer, Marc Hardy, joined Gray in March 2012 and later that same year was promoted to those positions he now has with the firm. Mr. Hardy had a long standing professional relationship with Ernest Greer, who is the current Co-President of Greenberg Traurig, LLP ("Greenberg"). Between the time that Mr. Hardy joined Gray and his promotion to CCO/CFO in 2012, he made it be known that he was

supportive in consolidating and transitioning our future legal work with one law firm, Greenberg, and having Mr. Greer serve the role of the relationship shareholder, considering Greenberg's professional depth in many areas along with the firm's stellar reputation. I know Mr. Greer as well, and agreed with Mr. Hardy that consolidating our legal work with Greenberg might offer potential efficiencies: it provided the opportunity for a single law firm to better learn our business and objectives and, perhaps over time, we could obtain more favorable rates. In addition, Mr. Greer's Greenberg office is located in the same physical building as Gray's headquarters in Atlanta, Georgia. In September 2012, Gray began transitioning various legal matters to Greenberg by opening a file that is unrelated to and independent of GrayCo Alternative Partners II, LP ("GrayCo II").

4. Mr. Hubbard did not support the idea of switching law firms from Seward & Kissel to Greenberg. Before we ultimately switched, he said that he was pleased with Seward & Kissel's work and felt there was already an investment in the relationship given the number of matters Seward & Kissel was already handling for us. We discussed it and, notwithstanding his objections, I made the decision for us to move to Greenberg.

5. The offering documents for GrayCo II were initially drafted by Seward & Kissel LLP ("Seward & Kissel"). It was my understanding that Seward & Kissel had thought through and addressed all legal issues related to the requirements of O.C.G.A. § 47-20-87(c), (the "Georgia Act provisions at issue").

6. Before August 16, 2013, the Seward & Kissel attorneys with whom we worked were the only attorneys of mine I either explicitly, implicitly, or, through a course of conduct, sought or received advice from, or relied upon for legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue.

7. Gray first engaged Greenberg to work on the GrayCo II fund matter in September 2012.

8. In fact, I did not explicitly, implicitly, or through a course of conduct seek, receive, or rely on, or expect any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue from any Greenberg attorney at any time through August 16, 2013. To my knowledge, no one else working at or acting on behalf of Gray did either.

9. While I had the expectation that Greenberg would handle the GrayCo II matter properly, I did not expect that Greenberg would redo, revise, reanalyze, correct, or otherwise revisit the work that was previously done by Seward & Kissel, including its review of the Georgia Act provisions at issue. The reason I did not rely on Greenberg for this purpose was because, upon information and belief, Gray had specifically asked Seward & Kissel to handle this particular part of the offering, and so we did not ask Greenberg to do the same work we understood Seward & Kissel had performed.

10. The scope of the work I expected Greenberg to perform on the GrayCo II matter was essentially to pick up in revising the GrayCo II fund offering documents where Seward & Kissel left off. Seward & Kissel had handled, among other things, all aspects of the transaction relating to the Georgia Act provisions at issue. Accordingly, I did not ask or expect Greenberg to provide any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue to any representative of Gray, including Mr. Hubbard or myself, at any time through August 16, 2013.

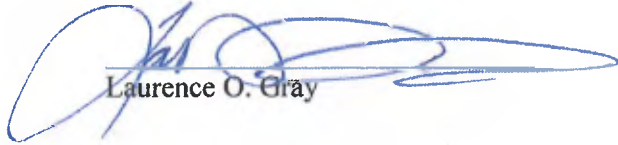
11. If I were forced to obtain new trial counsel, I would face substantial hardship and in my view my ability to obtain a fair hearing would be seriously prejudiced. The hearing is set to take place next month, which would not allow sufficient time for me to obtain new counsel and for newly retained counsel to get up-to-speed on the facts and legal issues in this highly

complex matter that has been developing for years. The financial cost of retaining new counsel would be enormous, and I very well may not be financially able to bear that cost. Accordingly, it would be extremely difficult, if not impossible, at this late juncture to replace my Greenberg counsel, with whom I have worked closely since 2014, and would create a substantial hardship on me, in addition to creating an undue financial burden.

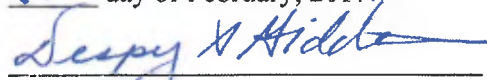
12. I have issued to Greenberg on behalf of myself and Gray an informed written waiver of the potential conflicts that might exist as a result of Greenberg's role in completing the GrayCo II fund offering documents.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 6th day of FEBRUARY 2017.


Laurence O. Gray

Sworn to and subscribed before me this 6th day of February, 2017.


Notary Public

DESPY A. GIDDENS
Notary Public

My commission expires: _____
Fulton County, Georgia
My Commission Expires April 19, 2019

Resp. Ex. 1368

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF GENNA GARVER

I, Genna Garver, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in New York, New York and am of counsel at Dorsey & Whitney LLP, where I chair the New York office's Investment Management practice.
2. During 2012 and 2013, I was of counsel at Greenberg Traurig, LLP ("Greenberg"), where I worked in the New York office of the firm's Corporate & Securities practice group.
3. The first recorded date of any contact between me and any representative of Gray & Company ("Gray"), including Mr. Gray or Mr. Hubbard, regarding the GrayCo Alternative Partners II, LP fund ("GrayCo II") is September 14, 2012.


4. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray, Larry Gray and Bob Hubbard with regard to the GrayCo II fund of funds. It appeared from the GrayCo II offering documents for GrayCo II, which bore Seward & Kissel's name, that the work for the offering was already largely done by Gray's prior counsel, Seward & Kissel LLP. I recall the clients had some specific areas that they wanted to be addressed, and there were some areas that we also wanted to address. None of these areas – either requested by the clients or identified by Greenberg - in any way concerned substantive issues related to the provisions of the amended Georgia pension law at issue in this matter, O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

5. The scope of the work I performed on the GrayCo II fund was essentially to pick up where Seward & Kissel left off. In connection with my work on the GrayCo II offering, I was not asked for by the clients and did not provide the clients any legal advice, opinion, interpretation, or analysis of the provisions of the Georgia Act provisions at issue at any time through August 16, 2013.

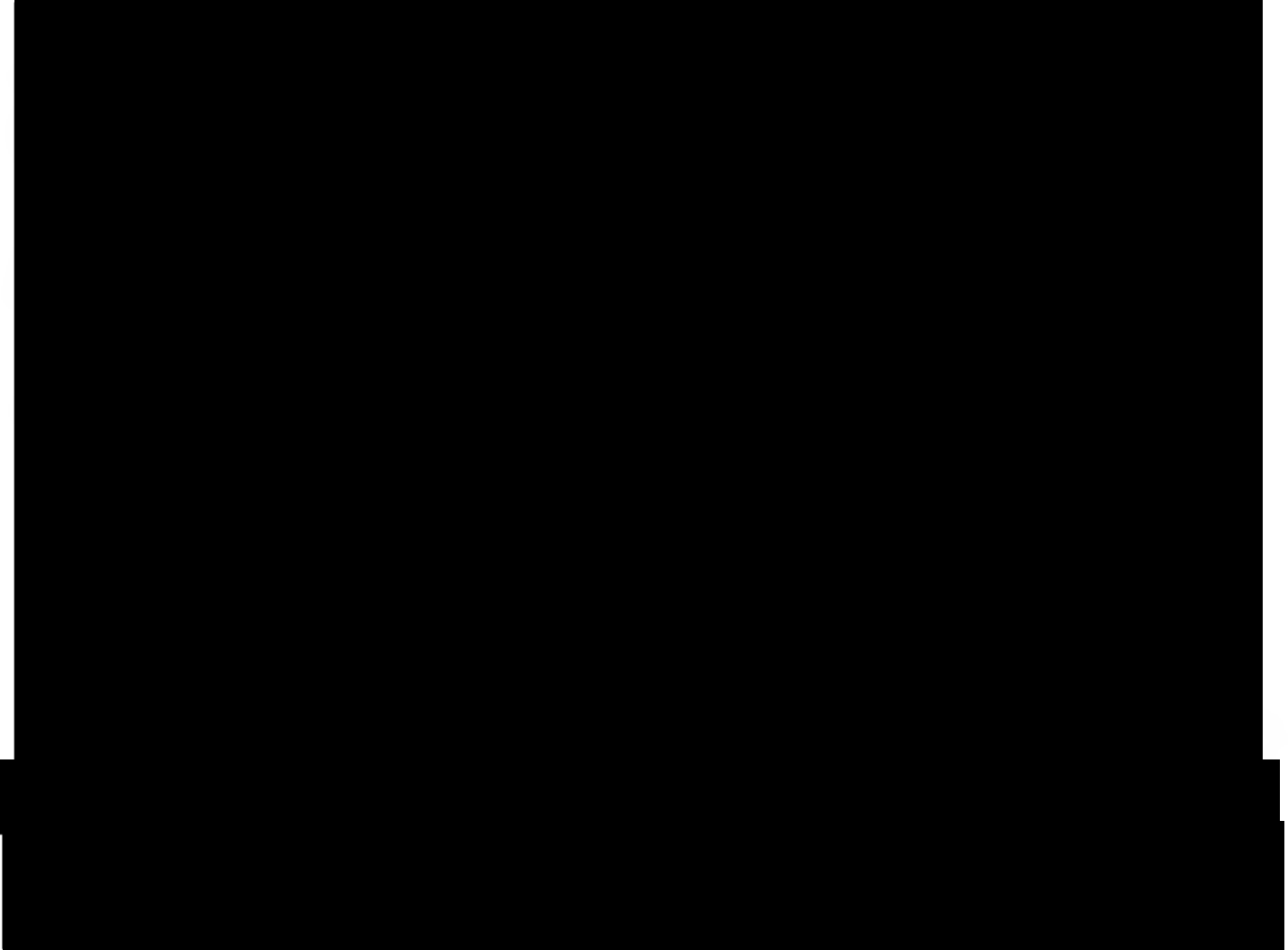
6. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and
executed this 9th day of February 2017.


Jenna Garver

Resp. Ex. 1369



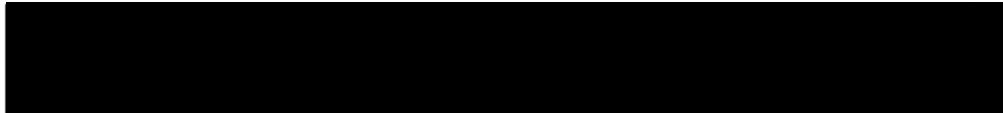
PLEASE NOTE THE NEW CONTACT INFORMATION BELOW EFFECTIVE 12/5/2011



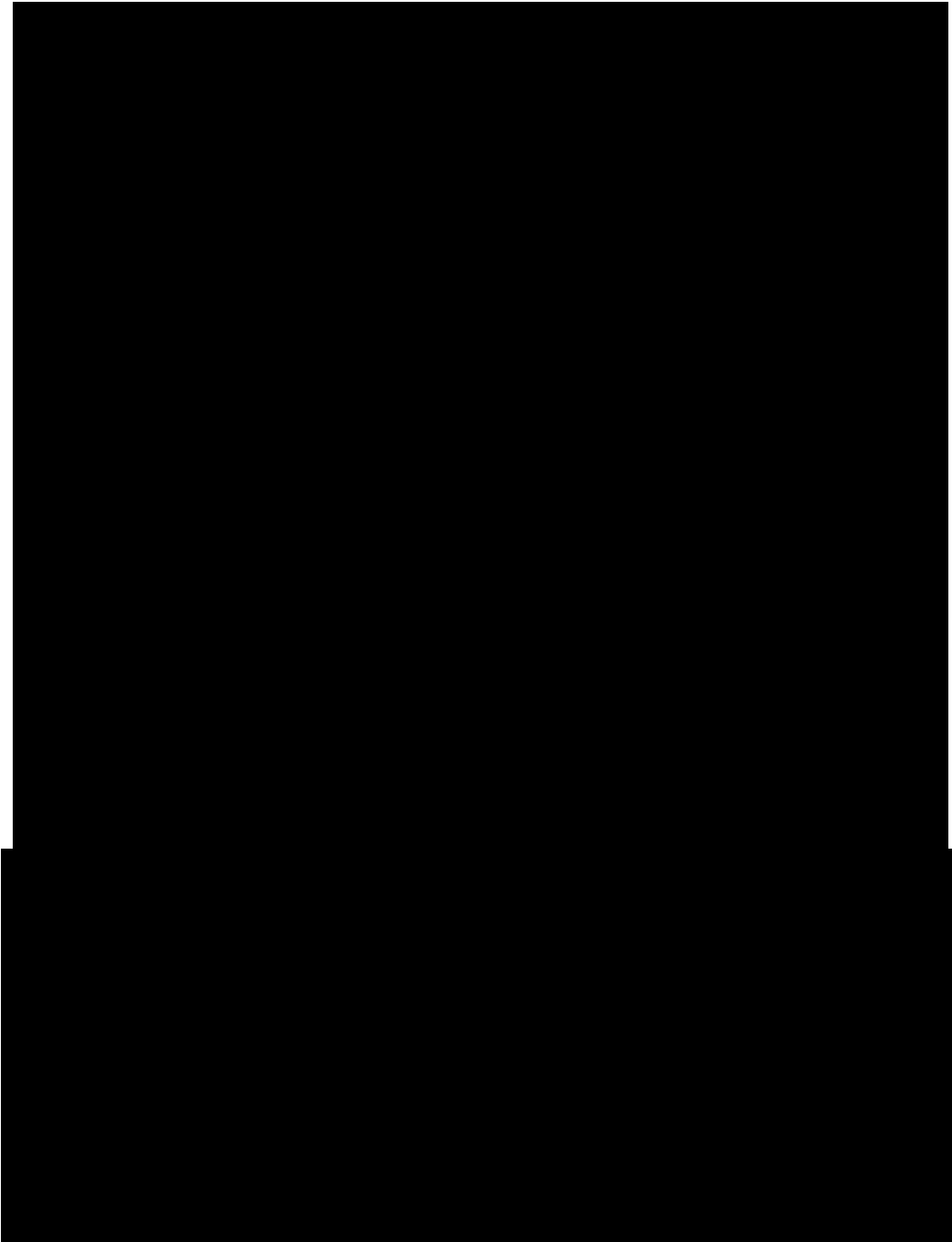
SEWARD & KISSEL LLP
DRAFT
7/09/2012

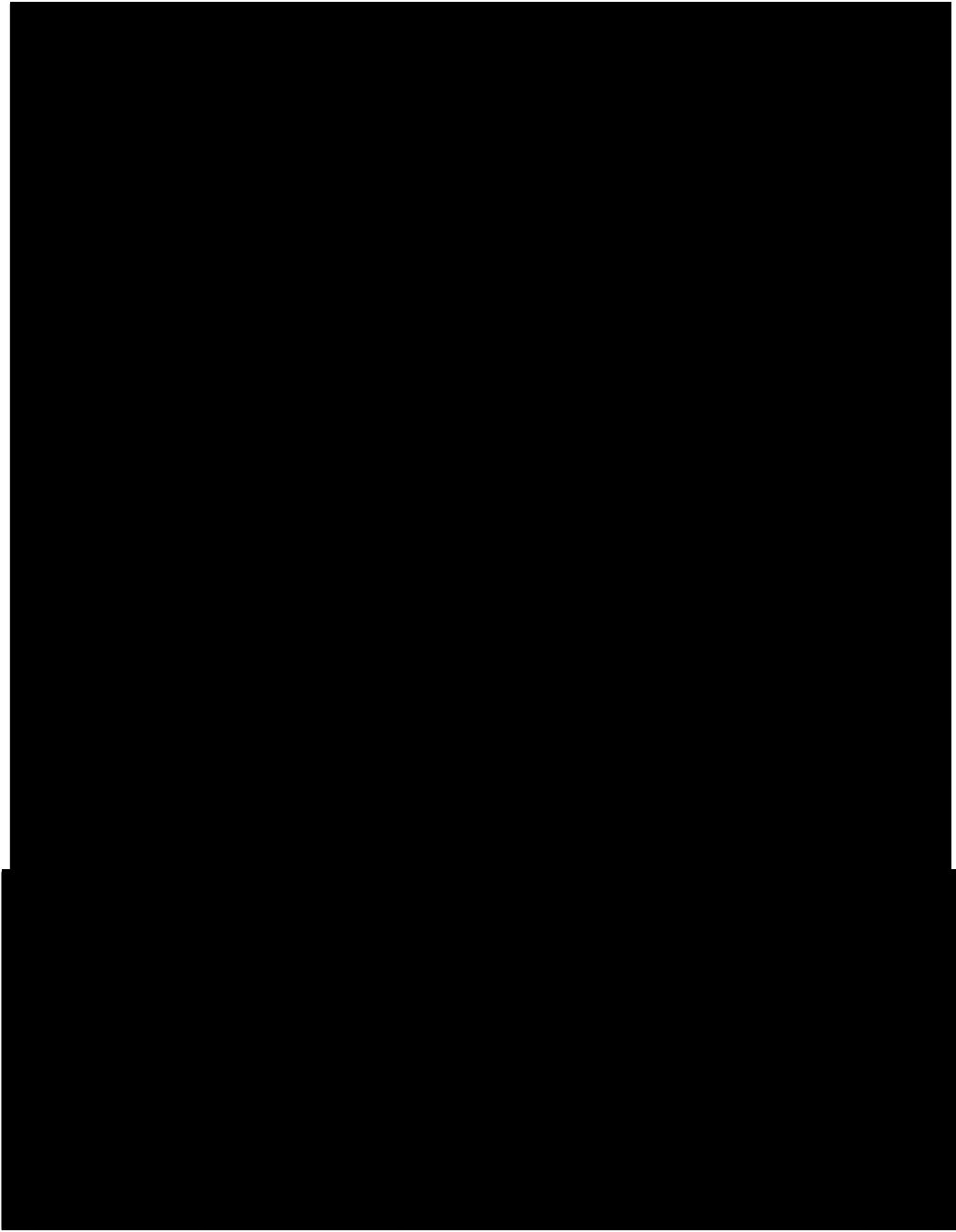
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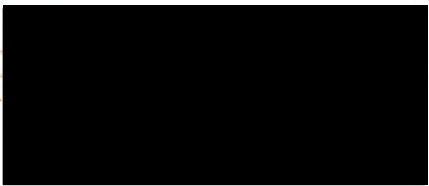
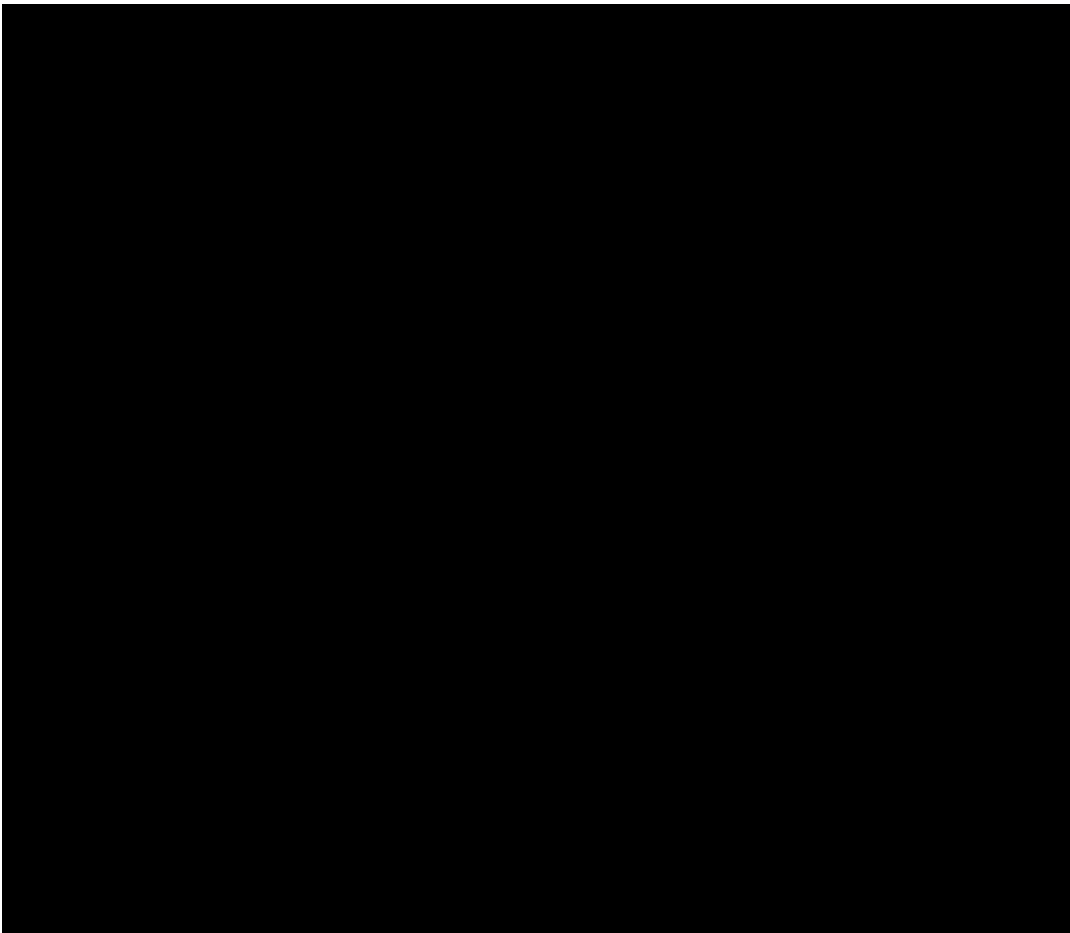
CONFIDENTIAL PRIVATE OFFERING MEMORANDUM

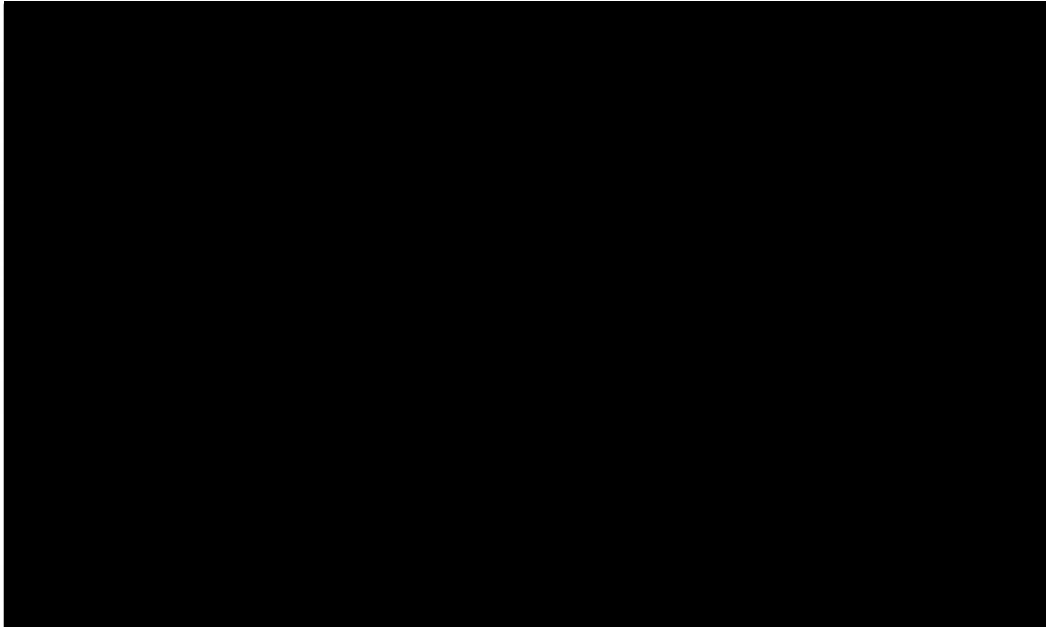












[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Resp. Ex. 1370

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF THEODORE I. BLUM

I, Theodore I. Blum, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I am an attorney and the Managing Shareholder of the Atlanta office of Greenberg Traurig, LLP ("Greenberg") and Co-chair of the firm's Atlanta Corporate and Securities Practice.

2. Gray & Company ("Gray"), Larry Gray and Bob Hubbard engaged Greenberg to represent them in connection with completing the offering documents for a fund of funds named GrayCo Alternative Partners II, LP fund ("GrayCo II"). The Atlanta based offices for Greenberg are located in the same office building, just a few floors apart. Before we were ultimately engaged to handle the matter described below, I became aware that personnel with Gray were

aquainted with our firm's current Co-President Ernest Greer who works in our Atlanta office. Mr. Greer made the necessary introductions of the Gray personnel to me.

3. Since GrayCo II was a transactional matter in the Atlanta office, I was one of the first lawyers contacted in mid September 2012, but did not record billable time until September 25, 2012. Once contacted, my job was to assess the scope of the engagement broadly, consider what work needed to be done, and determine which personnel at the firm were appropriate to get involved to handle the work.

4. The scope of our engagement in this matter was essentially to pick up in revising the GrayCo II fund offering documents where their prior counsel, Seward & Kissel LLP ("Seward & Kissel"), had left off. In my 25 years of experience, this is not unusual when one law firm is "inheriting" work that was started by another law firm. Specifically, Greenberg was engaged to represent Gray, Larry Gray and Bob Hubbard in connection with revising and completing the then existing GrayCo II fund of funds offering documents.

5. It appeared from the GrayCo II offering documents for GrayCo II, which bore Seward & Kissel's name, that the work for the offering was already largely done by Gray's prior counsel, Seward & Kissel. I recall the clients had some specific areas for the offering that they wanted to be addressed, and there were some areas that typically I would expect that Greenberg would also want to address. None of these areas -- either requested by the clients or identified by Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

6. I was not asked for by the clients and did not provide the clients any legal advice, opinion, interpretation or analysis of the Georgia Act provisions at issue at any time from inception through August 16, 2013.

7. Because of her extensive fund of funds expertise, I asked that Genna Garver become involved in this matter. From our time records, I overall see that the following Greenberg personnel worked on the GrayCo II engagement:

- Ernest Greer, Greenberg Co- President
- Rachel B. Cohen-Deaño, Corporate & Securities attorney
- Genna Garver, Corporate & Securities attorney
- Shannon M. Thompson, Corporate & Securities attorney
- Michael R. Einig, Tax attorney
- Leslie A. Klein, Tax attorney
- Nneoma A. Maduiké, Corporate & Securities law clerk
- Theodore I. Blum, Corporate & Securities attorney
- Tom West, Tax attorney
- William H. Mayer, Tax attorney
- Richard A. Sirius, Tax attorney
- Steven B. Lapidus, Tax attorney
- Sylvie A. Durham, Corporate & Securities
- John J. Giovannone, Corporate & Securities attorney
- Peggy Awtrey, Corporate & Securities paralegal
- Charmaine H. Perdon, Corporate & Securities paralegal
- Cathy Clarken-Gleason, Corporate & Securities paralegal

8. From my review of our time records the following personnel performed the lion's share of the work on this matter: Genna Garver and Rachel Cohen-Deaño. Everyone else recorded a minimal amount of time.

9. By submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87(c).

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 7th day of FEBRUARY 2017.



Theodore I. Blum

Resp. Ex. 1371

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF RACHEL B. COHEN-DEAÑO

I, Rachel B. Cohen- Deaño, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in Madison, Wisconsin and am an attorney with Greenberg Traurig, LLP (“Greenberg”) in the Chicago, IL office. My practice focuses on private equity fund formation, mergers and acquisition and general corporate matters.

2. During 2012 and 2013, I was an associate and of-counsel with Greenberg’s Corporate & Securities practice group.

3. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company (“Gray”), Larry Gray, and Bob Hubbard with regard to the GrayCo Alternative Partners II, LP (“GrayCo II”) fund of funds. When we received the offering

documents for GrayCo II, they appeared to be largely done by Gray's prior counsel, Seward & Kissel LLP ("Seward & Kissel"). Indeed, the offering documents we received from the client bore Seward & Kissel's name, indicated the firm was counsel, and stated that "the Fund has been advised by its counsel, Seward & Kissel LLP." I recall the clients had some specific areas for the offering that they wanted to be addressed, and there were some areas that typically I would expect that Greenberg would also want to address. None of these areas -- either requested by the clients or identified by Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").


4. The first recorded date of any contact between me and any representative of Gray, including Mr. Gray or Mr. Hubbard, regarding the GrayCo II fund is September 21, 2012.

5. The scope of the work I performed on the GrayCo II fund was essentially to pick up in revising the GrayCo II fund offering documents where Seward & Kissel left off. In my experience, this is not unusual. In connection with my work on the GrayCo II fund offering, I was not asked for by the clients and did not provide the clients any legal advice, opinion, interpretation, or analysis of the Georgia Act provisions at issue at any time through August 16, 2013.

6. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 10 day of February 2017.



Rachel B. Cohen-Deaño

Resp. Ex. 1372

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF SHANNON M. THOMPSON

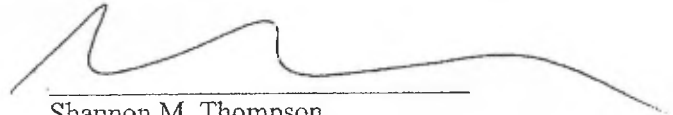
I, Shannon M. Thompson, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in New York, New York and am an associate in the New York office of Sidley Austin LLP. I work in the Investment Funds, Advisers and Derivatives practice group and advise clients in the formation and operation of alternative investment vehicles.
2. In 2013, I was a first-year associate at Greenberg Traurig, LLP ("Greenberg"), where I worked in the firm's Corporate & Securities practice group.
3. During 2013, I was asked to assist other attorneys at Greenberg in connection with services provided to Gray & Company ("Gray") with regard to a fund named GrayCo Alternative Partners II, LP.

4. All of my work on that matter was done at the direction of Greenberg attorneys Genna Garvey and Rachel Cohen-Deano.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and
executed this 7 day of February 2017.



Shannon M. Thompson

Resp. Ex. 1373

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF MICHAEL R. EINIG

I, Michael R. Einig, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in Miami, Florida and am a shareholder at Greenberg Traurig LLP ("Greenberg"). I work in the Miami office's Tax practice group and did in 2012 as well.

2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund ("GrayCo II") is December 6, 2012. The only time I worked on the matter was in December 2012.

3. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company ("Gray"), Larry Gray and Bob Hubbard with regard to GrayCo II. I recall the clients had some specific areas that they wanted to be addressed, and there were some

areas that we also wanted to address. None of these areas -- either requested by the clients or identified by Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

4. I was not asked for by the clients and did not provide to the clients any legal advice, opinion, interpretation, or analysis of the Georgia Act provisions at issue at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 7th day of February 2017.


Michael R. Einig

Resp. Ex. 1374

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF LESLIE A. KLEIN

I, Leslie A. Klein, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in Scottsdale, Arizona and am a shareholder at Greenberg Traurig, LLP (“Greenberg”), where I am the Co-Chair of the firm’s Global Benefits & Compensation Practice. I worked in the firm’s Benefits & Compensation Practice during 2012 and 2013 as well.
2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund (“GrayCo II”) is September 24, 2012.
3. I recall the clients had some specific areas that they wanted to be addressed, and there were some areas that we also wanted to address. None of these areas -- either requested by

the clients or identified by Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

4. I was not asked for by the clients and did not provide to the clients any legal advice, opinion, interpretation, or analysis of the Georgia Act provisions at issue at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 16th day of February 2017.



Leslie A. Klein

Resp. Ex. 1375

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF STEVEN B. LAPIDUS

I, Steven B. Lapidus, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in Miami, Florida and am a shareholder at Greenberg Traurig, LLP (“Greenberg”), where I am the former chair of the firm’s Tax practice. I held this position in 2012.

2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund (“GrayCo II”) is December 6, 2012. I only worked on this matter in December 2012.

3. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company (“Gray”), Larry Gray and Bob Hubbard with regard to GrayCo II.

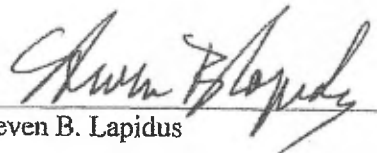
I recall the clients had some specific areas that they wanted to be addressed, and there were some areas that we also wanted to address. None of these areas -- either requested by the clients or identified by Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

4. I was not asked for by the clients and did not provide to the clients any legal advice, opinion, interpretation, or analysis of the Georgia Act provisions at issue at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 6th day of February 2017.


Steven B. Lapidus

Resp. Ex. 1376

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF WILLIAM H. MAYER

I, William H. Mayer, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

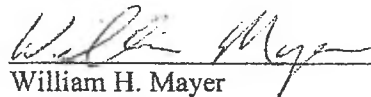
1. I reside in Aurora, Illinois and am a partner with Schuyler, Roche & Crisham, P.C. where I work in the firm's employee benefits practice.
2. In 2013, I was an associate at Greenberg Traurig, LLP ("Greenberg"), where I worked in the firm's Tax practice group.
3. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund ("GrayCo II") is January 4, 2013.
4. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company ("Gray"), Larry Gray and Bob Hubbard with regard to a fund of

funds named GrayCo Alternative Partners II, LP fund. The work I performed was done under the direction of Greenberg attorney Richard Sirius.

5. I did not have any direct contact with Gray, including Mr. Gray or Mr. Hubbard, at any time through August 16, 2013.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 7 day of February 2017.



William H. Mayer

Resp. Ex. 1377

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF RICHARD A. SIRUS

I, Richard A. Sirus, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in Chicago, Illinois and am a shareholder at Greenberg Traurig, LLP (“Greenberg”), where I work in the Chicago office’s Tax practice. This is where I worked in 2013.

2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund (“GrayCo II”) is January 4, 2013.

3. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company (“Gray”), Larry Gray and Bob Hubbard with regard to GrayCo II. I recall the clients had some specific areas that they wanted to be addressed, and there were some areas that we also wanted to address. None of these areas -- either requested by the clients or


identified by Greenberg -- in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the "Georgia Act provisions at issue").

4. I was not asked for by the clients and did not provide to the clients any legal advice, opinion, interpretation, or analysis of the Georgia Act provisions at issue at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 7th day of February 2017.


Richard A. Sirius

Resp. Ex. 1378

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF SYLVIE A. DURHAM

I, Sylvie A. Durham, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:


1. I reside in New York, New York and am a shareholder at Greenberg Traurig, LLP (“Greenberg”), where I worked in the firm’s Corporate & Securities practice. I held this position in 2012.
2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund (“GrayCo II”) is June 14, 2013. The only time I worked on this matter was in June of 2013.
3. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company (“Gray”), Larry Gray and Bob Hubbard with regard to a fund of

funds named GrayCo Alternative Partners II, LP fund. Specifically, I spent a very limited amount of time reviewing relevant CFTC pronouncements.

4. To the best of my knowledge, I was not asked for by the clients and did not provide the clients any legal services for Gray at any time through August 16, 2013, nor to the best of my knowledge, did I have any communications with Gray, Larry Gray or Bob Hubbard.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and
executed this 7th day of February 2017.



Sylvie A. Durham

Resp. Ex. 1379

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF NNEOMA A. MADUIKE

I, Nneoma A. Maduiké , being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:


1. I reside in Brooklyn, New York, and am an associate at Otterbourg, P.C., where I work in the New York office's corporate department.
2. During 2012 and 2013, I was a law clerk at Greenberg Traurig, LLP ("Greenberg"), where I worked in the firm's Corporate & Securities practice group.
3. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund ("GrayCo II") is September 28, 2012.
4. In my capacity as a law clerk with Greenberg, I performed specified legal services for Gray & Company ("Gray"), Larry Gray and Bob Hubbard with regard to GrayCo II.

5. I was not asked for by the clients and did not provide the clients any legal advice, opinion, interpretation, or analysis of the requirements of O.C.G.A. § 47-20-87(c) at any time through August 16, 2013.

6. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 06 day of February 2017.



Nneoma A. Maduike

Resp. Ex. 1380

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF PEGGY AWTRY

I, Peggy Awtrey, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

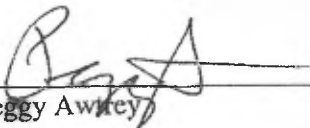
1. I reside in Phoenix, Arizona and am a paralegal at Greenberg Traurig LLP, in the Phoenix office's Corporate & Securities practice. I served in this capacity in 2012 and 2013.
2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund ("GrayCo II") is October 15, 2012.
3. In my capacity as a paralegal with Greenberg, I performed specified legal services for Gray & Company ("Gray"), Larry Gray and Bob Hubbard with regard to a fund of funds named the GrayCo Alternative Partners II, LP fund.

4. I was not asked for by the clients and did not provide to the clients any legal advice, opinion, interpretation, or analysis of the requirements of O.C.G.A. § 47-20-87(c) at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 6th day of February 2017.


Peggy Awkrey

Resp. Ex. 1381

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF CHARMAINE H. PERDON

I, Charmaine H. Perdon, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:


1. I reside in Woodside, New York and am a paralegal at Greenberg Traurig LLP (“Greenberg”), in the New York office’s Corporate & Securities practice. I served in this capacity in 2012 and 2013.
2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund (“GrayCo II”) is October 14, 2012.
3. In my capacity as a paralegal with Greenberg, I performed specified legal services for Gray & Company (“Gray”), Larry Gray and Bob Hubbard with regard to GrayCo II.

4. I was not asked for by the clients and did not provide to the clients any legal advice, opinion, interpretation, or analysis of the requirements of O.C.G.A. § 47-20-87(c) at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 2nd day of February 2017.


Charmaine H. Perdon

Resp. Ex. 1382

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF CATHY CLARKEN-GLEASON

I, Cathy Clarken-Gleason, being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

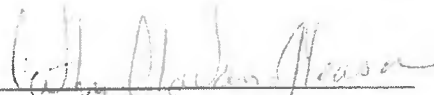
1. I reside in North Caldwell, New Jersey, and am a paralegal at Greenberg Traurig LLP ("Greenberg"), in the New Jersey office's Corporate Banking practice. I served in this capacity in 2012.
2. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund ("GrayCo II") is October 1, 2012.
3. In my capacity as a paralegal with Greenberg, I performed specified legal services for Gray & Company ("Gray"), Larry Gray and Bob Hubbard with regard to a fund of funds named the GrayCo Alternative Partners II, LP fund.

4. I was not asked for by the clients and did not provide the clients any legal advice, opinion, interpretation, or analysis of the requirements of O.C.G.A. § 47-20-87(c) at any time through August 16, 2013.

5. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 6th day of 2017 2017.


Cathy Clarken-Gleason

Resp. Ex. 1383

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16554

In the Matter of:

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

Respondents.

DECLARATION OF THOMAS WEST

I, Thomas West , being legally fit and qualified to testify in a court of law, and having personal knowledge of the facts contained herein, hereby declare under penalty of perjury that the following is true and correct:

1. I reside in Washington, D.C. and am currently employed as an attorney at the U.S. Treasury Department.
2. During 2012, I was a shareholder at Greenberg Traurig, LLP (“Greenberg”), where I worked in the firm’s Tax practice group.
3. The first recorded date of any work performed by me regarding the GrayCo Alternative Partners II, LP fund (“GrayCo II”) is September 23, 2012.
4. In my capacity as an attorney with Greenberg, I performed specified legal services for Gray & Company (“Gray”), Larry Gray, and Bob Hubbard with regard to the


GrayCo II fund of funds. Nothing I worked on or addressed in any way concerned substantive issues related to the requirements of O.C.G.A. § 47-20-87(c) (the “Georgia Act provisions at issue”).

5. In connection with my work on the GrayCo II fund offering, I did not provide the clients any legal advice, opinion, interpretation, or analysis of the Georgia Act provisions at issue at any time through August 16, 2013.

6. In submitting this declaration, I am in no way suggesting that the GrayCo II fund did not comply with the Georgia pension law, O.C.G.A. § 47-20-87.

[SIGNATURE PAGE FOLLOWING]

I declare under penalty of perjury that the foregoing is true and correct. Declared and executed this 10th day of February 2017.



Thomas West

Div. Ex. 14

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. A-03486-A
GRAY FINANCIAL GROUP, INC.)

WITNESS: Robert C. Hubbard, IV
PAGES: 1 through 189
PLACE: Securities and Exchange Commission
950 East Paces Ferry Road, Suite 900
Atlanta, Georgia 30326
DATE: Wednesday, November 13, 2013

The above-entitled matter came on for hearing,
pursuant to notice, at 10:23 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

DIVISION'S
EXHIBIT
014
File No. 3-16554

Page 2

1 APPEARANCES:

2

3 On behalf of the Securities and Exchange Commission:

4 MICHAEL J. ADLER, ESQ.

5 PETER J. DISKIN, ESQ.

6 Division of Enforcement

7 950 East Paces Ferry Road

8 Suite 900

9 Atlanta, Georgia 30326

10 (404) 842-7634

11 (404) 842-7632

12

13 On behalf of the Witness:

14 JOE D. WHITLEY, ESQ.

15 JASON EDGECOMBE, ESQ.

16 Greenberg Traurig, LLP

17 3333 Piedmont Road, NE

18 Suite 2500

19 Atlanta, GA 30305

20 (678) 553-7339

21 (678) 553-2455

22

23

24

25

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15 45 Policemen and Firemens' Pension Fund 74

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17 46 Email Communication Bates-Labeled 172

18 Gray/SEC00085782 and 85783

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20 EXHIBITS PREVIOUSLY IDENTIFIED

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22 1 Commission Supplemental Information 8

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Page 3

1 APPEARANCES (CONT.):

2

3 GENNA GARVER, ESQ. (Via video conference)

4 Greenberg Traurig, LLP

5 Metlife Building

6 200 Park Avenue

7 New York, NY 10166

8 (212) 801-9200

9

10 Also Present:

11 Robert Burrow, SEC Intern

12 Sophia Priola, SEC Intern

13

14

15

16

17

18

19

20

21

22

23

24

25

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7 9 New Haven Policemen and Firemens' 76

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24 Spreadsheet of Investors, Cover Page

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1 **classes. Do you know what partnership was closed to**
2 **new investors?**

3 A Underpinning this particular fund,
4 Edgewater would have been closed to new investors.
5 It had already closed at the time Fund I went
6 through, but they had an investor who was seeking to
7 reduce their overall commitment and asked if we would
8 be interested in their second fund in taking on
9 another stub, if you will, of that -- of that
10 investment. So that's the one that I'm aware of that
11 was closed. Actually I believe at that point to new
12 investors, either Millennium or Third Point is not
13 accepting new dollars. I believe Third Point may be
14 it.

15 **Q Was that the case at the time of this**
16 **meeting, November 7, 2012?**

17 A I believe so, but I would have to -- again,
18 I would have to confirm. I don't have my notes. I
19 mean, I -- I remember us approaching, and again, I
20 don't know. I want to say it's Third Point, but it's
21 one of the two, is we created Fund II saying do you
22 have room for another smaller allocation as part of
23 our next fund and they said as you, Gray & Company,
24 have entities that are existing investors, we think
25 for that size we can probably find room. But it was

1 told to me they are closed to new investors and I
2 believe they're closed to existing investors now.

3 **Q The next part of the sentence that I just**
4 **read, it refers to the Georgia legislature approving**
5 **investment in alternative asset classes. Do you know**
6 **what this -- this is referring to?**

7 A Yes, it should be the -- the new section
8 under Georgia Code -- and I don't recall specifically
9 what it is, but it's 47, I believe, dash -- I can't
10 recall after that, but --

11 **Q Okay. Do you recall what that -- the**
12 **general requirements of that law are?**

13 A I recall the segment of -- of the code that
14 required investments to be in funds that were 100
15 million in size or greater. So I know that we've
16 had, you know, a lot of discussion in creating the
17 fund about that specific line. When we decided to
18 come back with a second fund, you know, our first one
19 was just over 25 million.

20 Our initial discussions were to put a
21 cover. We had debated 50 million, just double the
22 first one, see if we can do it. Seventy-five million
23 at one point. But then we spent considerable time
24 talking about this particular part and -- and know
25 that drove our decision to make the cover 100

1 million.

2 **Q Okay. Who discussed -- who discussed**
3 **making the cover a hundred million and -- and in**
4 **particular, who discussed the Georgia law?**

5 A I remember having the discussion with Larry
6 early on in that process, but again that would have
7 been probably mid-year 2012. I mean, we -- we had to
8 wait for the final passed legislation. You know, we
9 had seen drafts up to that point or, you know,
10 whichever, the House or the Senate had approved
11 first, so we had seen that copy.

12 **Q Okay.**

13 A And I recall sending it to counsel and I
14 recall there being questions as to what 100 million
15 meant because it was not very clear in the guidelines
16 what they were using to determine the 100 million
17 mark; whether that was commitment size; whether that
18 was final closed number; whether that was, you know,
19 current market value; whether that included other
20 funds in a series, because that language was used
21 elsewhere within there. So you know, I remember
22 those discussions.

23 **Q Were you provided with a legal opinion?**

24 A I don't remember a formal legal opinion.

25 **Q But the attorney provided you with advice**

1 **on that?**

2 A I remember -- and again, I don't know if it
3 was phone conversation or email, one of the two, with
4 our counsel, had said they interpreted it as --
5 again, I -- I had two different -- so we had --

6 MR. WHITLEY: Get into the -- the actual
7 legal advice at this point so maybe you should stay
8 away from that.

9 MR. ADLER: Fine.

10 MR. WHITLEY: So -- but he did receive --
11 if I might interrupt and say, he did receive advice,
12 is what you're saying. And -- and what that advice
13 was might get us into a place where we'd be on to
14 something that might be privileged. Let me say that
15 we'll examine the privilege issues and see if there's
16 a way for us to assess that and -- and at some point
17 make a decision about sharing that with you.

18 MR. ADLER: Okay.

19 MR. WHITLEY: Sorry to interrupt.

20 MR. ADLER: No, it's fine. Can he identify
21 the legal counsel?

22 MR. WHITLEY: Yeah.

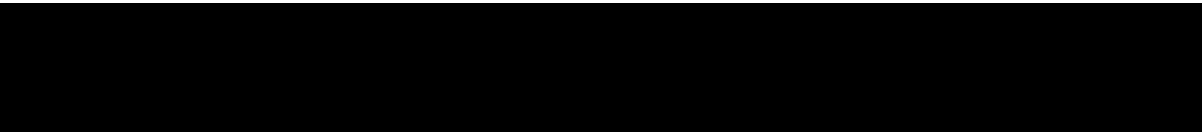
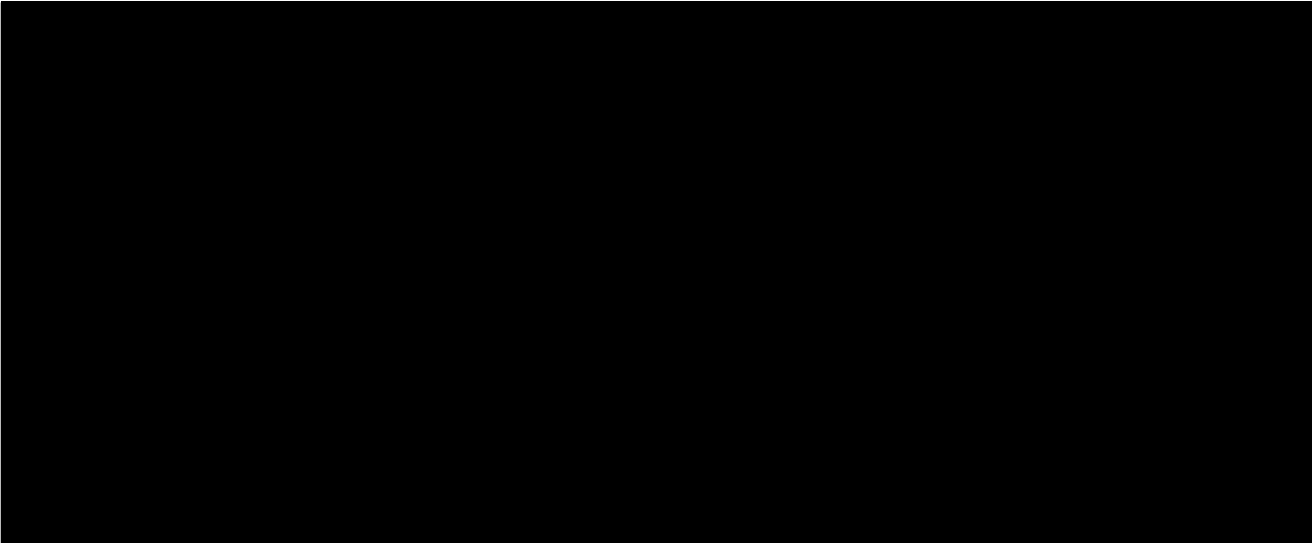
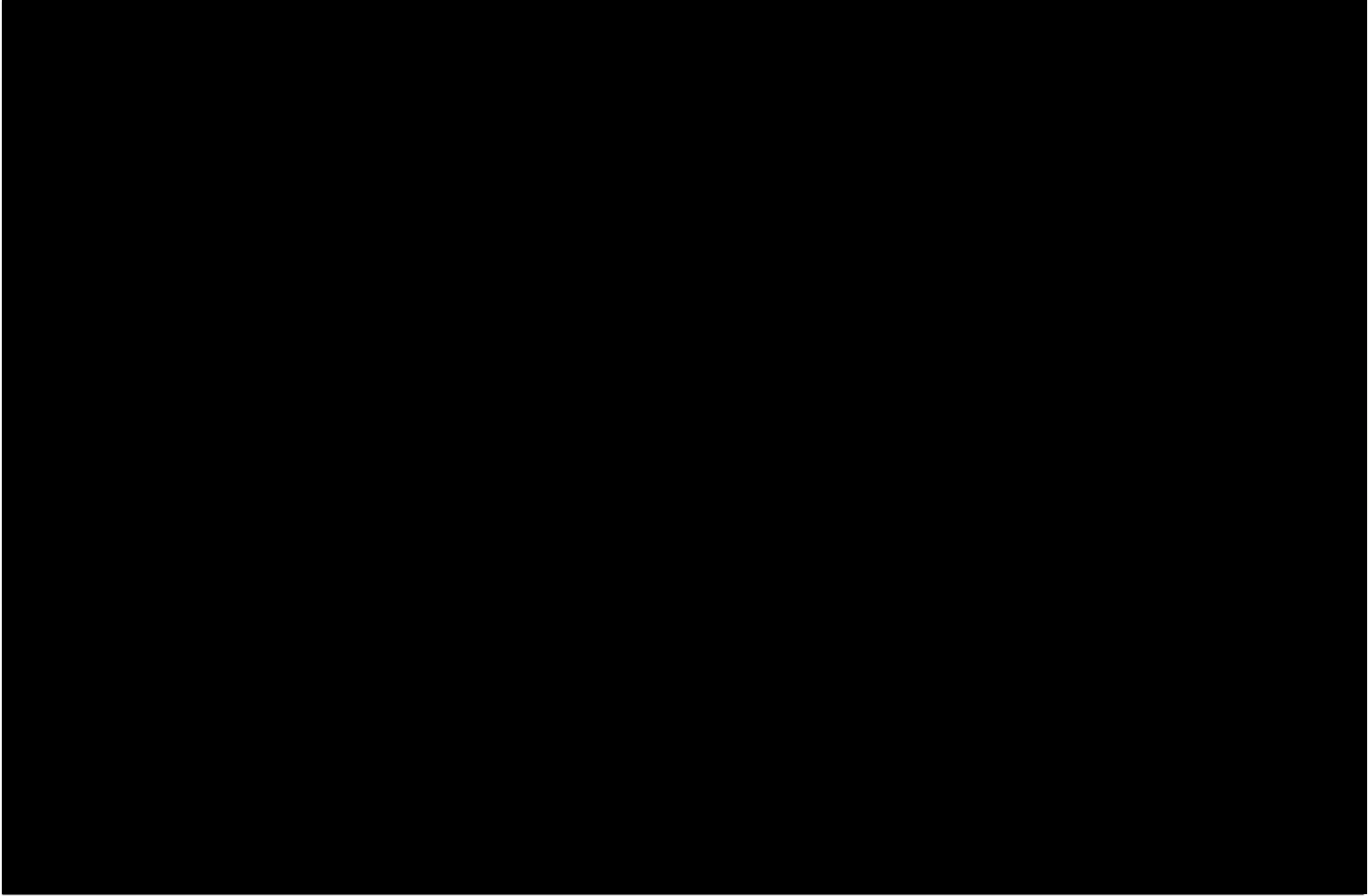
23 THE WITNESS: Okay. Originally it would
24 have been Seward & Kissel. Because they were counsel
25 when we created Fund I. We later shifted general

1 firm's counsel to Greenberg Traurig --
 2 BY MR. ADLER:
 3 Q Okay.
 4 A -- at which time we, you know, posed the
 5 question again.
 6 Q Okay.
 7 BY MR. DISKIN:
 8 Q Who's your contact at Seward, the
 9 individual or individuals?
 10 A It's been a while since we talked to them.
 11 I believe her name was Alex -- Alexandra -- I'm
 12 sorry -- Alex Segal, S-E-G-A-L. And we also, early
 13 on, had worked with Rob Van Grover.
 14 Q And how about at Greenberg? Same question.
 15 A Predominately Genna Garver.
 16 Q Okay.
 17 A Although she -- she did have others engaged
 18 at various points.
 19 Q Okay.
 20 (SEC Exhibit No. 21 was
 21 referred to.)
 22 MR. WHITLEY: Thank you.
 23 MR. ADLER: You're welcome.
 24 BY MR. ADLER:
 25 Q Mr. Hubbard, I just handed you what has

1 been previously marked as Gray Financial Exhibit 21.
 2 This is a four-page exhibit. It's printed off of
 3 Lexis Nexis. It's Code of Georgia Annotated and it's
 4 section 47-20-87 of the Official Code of Georgia. Do
 5 you recognize the law identified in this printout?
 6 A Not necessarily in this format, but it
 7 seems consistent with what I've seen.
 8 Q Okay. If you can turn to the second page
 9 of this exhibit. Under -- I guess this is under
 10 subsection (C)(2) -- (C)(2)c. You see that? It says
 11 an alternative investment shall not exceed in any
 12 case 20 percent of the aggregate amount, and then it
 13 has Number 1 and -- and 2 where it defines what the
 14 aggregate amount -- it defines how to establish the
 15 aggregate amount. Do you see that?
 16 A Yes.
 17 Q Okay. Did you review this around the time
 18 the GrayCo Core Alts II Fund was established and
 19 offered to Georgia Pension Fund investors?
 20 A I believe so. I mean, I -- I remember
 21 going through and discussing the -- the -- the whole
 22 code.
 23 Q Okay. What is the -- the cover of the
 24 GrayCo Core Alts II Fund?
 25 A 100 million.

1 Q Okay. Are the investors using the -- the
 2 cover amount of a hundred million, are any investors
 3 exceeding 20 percent of the aggregate amount of
 4 either of the way -- in your opinion of how -- how 20
 5 percent is defined according to this exhibit?
 6 A Using the cover amount, yes.
 7 Q Did you look at it any different way, using
 8 a different amount other than the cover amount to --
 9 to determine whether or not any of the investors
 10 exceeded the 20 percent?
 11 A Again, the discussions had centered around
 12 what the final closing amount of the fund would be.
 13 Discussions had also included whether or not parallel
 14 or series in the funds go against or count towards
 15 the overall amount that is considered.
 16 Q What do you mean by parallel or series?
 17 A So -- and again, in -- in (C)(1) it
 18 mentions including all parallel pools -- pools and
 19 related investment vehicles as part of the program.
 20 So this was Fund II in that series, so we looked at,
 21 you know, a cover of a hundred and a cover of at
 22 final close of 26.1 million.
 23 So whether parallel vehicles or series of
 24 vehicles applies, it also in other areas here refers
 25 to the issuer and the assets under management. So

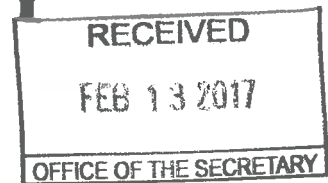
1 again, all of that was looked at as part of, you
 2 know, what is to be judged to be the total amount of
 3 assets when you consider somebody's, you know,
 4 overall ownership or overall interest.
 5 Q Can you tell me the way that -- that you --
 6 that you, yourself, looked at it? That what you
 7 considered to be the aggregate amount, the
 8 appropriate aggregate amount to use?
 9 A I would have looked at it as final closing
 10 amount of the fund and what each underlying LP would
 11 have represented as a percent of that total final
 12 close amount.
 13 Q And when is the final close determined?
 14 A It should be 18 months after the initial
 15 close, according to the plan documents. So that
 16 probably puts it into mid next year.
 17 Q With regards to the next paragraph, which
 18 reads each alternative investment by an eligible
 19 large retirement system shall have previously been or
 20 shall be concurrently made or committed to be made by
 21 at least four other investors not affiliated with the
 22 issuer. Is -- is that -- is that the case -- is your
 23 reading of this consistent -- strike that.
 24 What is your understanding as to whether or
 25 not the number of investors in the GrayCo Core Alts



[REDACTED]

[REDACTED]

Brenda L. McDonald
Tel 678.553.2357
Fax 678.669.1610
mcdonaldbr@gtlaw.com



February 10, 2017

VIA FACSIMILE - 703-813-9793
AND OVERNIGHT DELIVERY

Secretary Brent J. Fields
c/o Ms. LaQuita Barnett
Senior Information Specialist
U.S. Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549-1090

Re: *In the Matter of Gray Financial Group, Inc., Laurence O. Gray, and Robert C. Hubbard, IV*; Administrative Proceeding File No. 3-16554

Dear Ms. Barnett:

Enclosed for filing with the Commission are the original and three copies of Respondents' Response and Opposition to Division's Motion for Order Defining Extent of Attorney-Client Waiver and Addressing Potential Disqualification of Counsel, with accompanying Certificates of Service relating to the above-referenced proceeding.

Please do not hesitate to contact me if you have any questions or concerns.

Very truly yours,

A handwritten signature in blue ink that reads "Brenda McDonald".

Brenda L. McDonald
Legal Assistant to Terry R. Weiss

/blm
Enclosures