I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Gregory W. Gray, Jr. ("Gray" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2. and III.4. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.
III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Gray was the General Partner of BIM Management LP (“BIM”), an investment adviser, and was also the founder and Managing Partner of Archipel Capital, LLC (“Archipel”). BIM was the General Partner or Managing Member of Archipel Capital – Agrivida LLC (“Agrivida LLC”), Archipel Capital – Amyris Biotechnologies LP (“Amyris LP”), Archipel Capital – Bloom Energy LP (“Bloom Energy LP”), Archipel Capital – Late Stage Fund LP (“Late Stage Fund LP”), Archipel Capital – Lineagen LP (“Lineagen LP”), Archipel Capital – Social Media Fund LP (“Social Media Fund LP”), Archipel Capital – Social Media Fund II LP (“Social Media Fund II LP”), Archipel Capital – Social Media Fund LP 3 (“Social Media Fund LP 3”), Archipel Capital – Social Media Fund LP 4 (“Social Media Fund LP 4”), and Bennington – Everloop LP (“Everloop LP”) (collectively, the “Archipel Entities”), and Gray directed BIM’s investment and operational activities. Gray, 41 years old, is a resident of Buffalo, New York.

2. On January 9, 2017, a final judgment was entered by consent against Gray, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Gregory W. Gray Jr., et al., Civil Action Number 15 Civ. 1465, in the United States District Court for the Southern District of New York.

3. The Commission’s Amended Complaint alleged, inter alia, that in connection with the sale of interests in the Archipel Entities, Gray engaged in fraudulent conduct designed to defraud investors and the Archipel Entities, including through his misuse and misappropriation of investor funds. The Commission’s Amended Complaint alleged that Gray commingled and transferred funds among the Archipel Entities as needed, and that Gray used over $5 million of funds from three different Archipel Entities to provide fictitious returns to investors in the Social Media Fund LP, Social Media Fund II LP, Social Media Fund LP 3, Social Media Fund LP 4. The Commission’s Amended Complaint also alleged that Gray perpetuated his fraud on investors and the Archipel Entities by fabricating a stock transfer agreement to show to a representative of one investor.

4. On December 23, 2015, Gray pled guilty to one count of securities fraud, in violation of 15 U.S.C. Sections 78j(b) and 78ff, and 17 C.F.R. Section 240.10b-5, and one count of perjury, in violation of 18 U.S.C. Section 1621, before the United States District Court for the Southern District of New York, in United States v. Gregory W. Gray Jr., No. 15 Cr. 297 (SHS). On October 25, 2016, a judgment in the criminal case was entered against Gray. He was sentenced to a prison term of 24 months imprisonment, followed by three years supervised release, and ordered to make restitution and forfeiture payments in the amount of $5 million each.

5. The counts in the criminal information to which Gray pled guilty alleged, inter alia, (i) that Gray solicited $5 million from an investor based on false and misleading representations that he would use the money to purchase shares of one company and instead used the $5 million to purchase shares of another company and otherwise compensate investors who were owed money
or shares by Gray, and (ii) that Gray, during sworn testimony before the Commission, gave false testimony.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Gray be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary