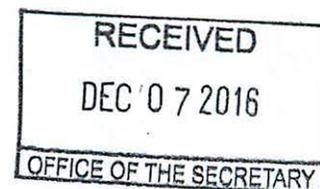


ORIGINAL

HARD COPY



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

Division's Response to Court's
Order of November 29, 2016

The Division submits this Response as ordered by the Court on November 29, 2016, to describe the overlap between the documents Respondents have received from the Division and the documents Respondents are seeking from Seward & Kissel ("S&K").

After receiving a "limited" waiver of privilege from Gray Financial, the staff subpoenaed the following documents from S&K:

All documents concerning professional services rendered by Seward & Kissel LLP during 2012 regarding:

- a. the GrayCo Alternative Partners II, LP and/or
- b. Ga. Code Ann. § 47-20-87.

The Division's subpoena was coextensive with the privilege waiver. S&K produced documents in response to that subpoena.¹ The Division produced all such documents to Respondents.

Respondents' request to S&K is structured differently than the Division's original request, in that Respondents seek multiple categories of documents related to services provided to the Respondents by S&K. Respondents' request is also broader than the Division's request in several respects.

First, Respondents' request encompasses services in connection with a prior fund, GrayCo Alternatives Partners I, LP, which were not included in the production to the Division.² Second, Respondents request several categories of documents indirectly related to the Division's subject matter but not requested or produced to the Division, including: (i) documents related to the qualifications (licensure and CLE participation) of the S&K lawyers involved in the representation; (ii) documents related to the supervision of a particular lawyer; (iii) documents reflecting communications with third parties related to Respondents;

¹ The waiver of the attorney client privilege by Gray Financial was "narrowly circumscribed" and limited to legal advice in connection with GrayCo Alternative Partners II, LP and/or Ga. Code Ann. § 47-20-87. Counsel for Respondents attended the investigative testimony of Seward & Kissel attorneys Robert Van Grover and Alexandra Segal. Offering documents from GrayCo Alternatives Partners I, LP were apparently used as templates, given that redlined versions were provided to the Division as drafts of Partners II offering documents.

² Certain of Respondents' requests seek all documents in connection with any services provided to Respondents, or to Gray Financial. The Division is aware only of services provided in connection to the two funds.

(iv) documents reflecting the document retention policies of S&K; (v) documents related to the malpractice policy applicable to the servicing of Respondents; and (vi) documents reflecting communications with the staff of the SEC.³

All correspondence between the staff and S&K that relates to Gray Financial has been produced to Respondents. The Division does not have information as to additional documents which S&K may have in its possession and which may be responsive to the additional categories included in Respondents' subpoena.

Respectfully submitted this 7th day of December, 2016.



William P. Hicks
Pat Huddleston
M. Graham Loomis
Kristin W. Murnahan
For the Division

Securities and Exchange Commission
950 East Paces Ferry Road, Suite 900
Atlanta, Georgia 30326
Hicksw@sec.gov
(404) 842-7675 (Hicks)
(404) 842-7666 (Fax)

³ Respondents request a billing schedule for the relevant attorneys. Several legal bills submitted by S&K to Gray were produced, and list the hourly rate of the attorneys.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that ne has served a copy of the DIVISION’S RESPONSE TO COURT’S ORDER OF NOVEMBER 29, 2016, by electronic mail and by United Parcel Service, addressed as follows:

Secretary Elizabeth M. Murphy
Securities and Exchange Commission
100 F. Street, N.E.
Washington, D. C. 20549-1090

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

Terry R. Weiss
Greenberg Traurig, LLP
Counsel for Respondents
3333 Piedmont Road, N.E.
Terminus 200 ▪ Suite 2500
Atlanta, Georgia 30305
weisstr@gtlaw.com

This 27th day of December, 2016.

/s/ William P. Hicks
William P. Hicks