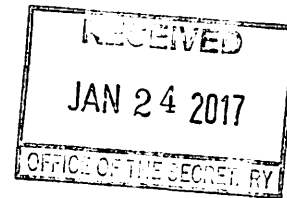


**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16554**



**In the Matter of:**

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

**Respondents.**

**RESPONDENTS' SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR  
RECONSIDERATION TO CORRECT ADDITIONAL INACCURACIES AND  
MISLEADING STATEMENTS BY THE DIVISION**

Respondents Gray Financial Group, Inc., Laurence O. Gray, and Robert C. Hubbard, IV ("Respondents"), respectfully submit this Supplemental Brief in Support of Motion for Reconsideration to Correct Additional Inaccuracies and Misleading Statements by the Division.


Although Respondents and their counsel understand the Court's rules that reply briefs are not allowed, it is unfair in every respect for Division counsel to continue to misrepresent facts to the Court in advancing their arguments. As the settlement agreements the Division has had for years patently show, neither Gray Financial nor Bob Hubbard were in any respect responsible for payments to Mr. Clark. The payments to Mr. Clark were a financial obligation of Mr. Gray only, an obligation which he timely honored.

This point is more than some technical error; it is substantive and deliberate. The theory, according to the Division, apparently is that Fund II was created and delivered to defraud investors, at least in part, as a result of the debt created by the Perry Clark settlements. The timing of the facts underlying this argument make no sense (as Division counsel should easily know) and that will be shown at trial. But even assuming the timing of the events could make

sense, the fact that Gray & Co. is not the party incurring the debts makes all of the difference in the world. The Division cannot credibly argue that the Larry Gray's temporary personal debts can create scienter for a separate entity, Gray & Co.

Respondents ask that the Court reconsider issuing the subpoena to Mr. Clark, and admonish Division counsel for their continued misrepresentation of material facts to the Court. Respondents further ask that the Court direct that Division counsel cease and desist from making additional material misrepresentations that mislead the Court.

Respectfully submitted this 23rd day of January, 2017.



Terry R. Weiss  
George D. Sullivan  
Stefanie M. Wayco  
Greenberg Traurig, LLP  
3333 Piedmont Road, NE  
Terminus 200, Suite 2500  
Atlanta, Georgia 30305  
Telephone: (678) 553-2603  
Facsimile: (678) 553-2604  
[weisstr@gtlaw.com](mailto:weisstr@gtlaw.com)  
[sullivang@gtlaw.com](mailto:sullivang@gtlaw.com)  
[waycos@gtlaw.com](mailto:waycos@gtlaw.com)

*Attorneys for Respondents*

**CERTIFICATE OF SERVICE**

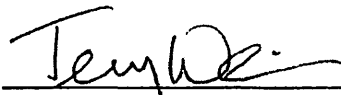
The undersigned counsel for Respondents Gray Financial Group, Inc., Laurence O. Gray, and Robert C. Hubbard, IV hereby certifies that he has served a copy of the foregoing **SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR RECONSIDERATION TO CORRECT ADDITIONAL INACCURACIES AND MISLEADING STATEMENTS BY THE DIVISION** by electronic mail and by overnight delivery, 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  
Securities and Exchange Commission  
Division of Enforcement  
950 East Paces Ferry Road, Suite 900  
Atlanta, Georgia 30326

This 23rd day of January, 2017.



---

Terry R. Weiss  
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](mailto:weisstr@gtlaw.com)

*Attorneys for Respondents*