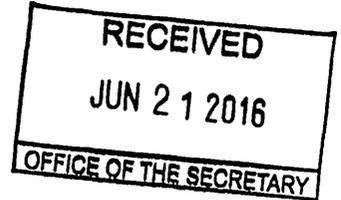


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of:

**JAMES A. WINKELMANN, SR. AND
BLUE OCEAN PORTFOLIOS, LLC,**

Respondents.

ADMINISTRATIVE PROCEEDING
File No. 3-17253

**RESPONDENTS' REPLY IN
SUPPORT OF THEIR MOTION FOR
MORE DEFINITE STATEMENT**

Respondents, James A. Winkelmann, Sr. ("Mr. Winkelmann") and Blue Ocean Portfolios, LLC (together, "Respondents"), hereby submit this Reply in further support of their Motion for More Definite Statement:

Respondents seek a more definite statement on a single paragraph of the OIP, which states:

16. In addition to the misrepresentations contained in the offering memoranda, *Winkelmann made other false and misleading statements to his advisory clients.* For instance, Winkelmann misrepresented the success of the Royalty Units offerings to prospective investors, including by sending an email to an advisory client in which Winkelmann materially overstated, by over 85%, the amounts earlier Royalty Unit investors had been repaid. (Emphasis added.)

Respondents generally requested that the Division be required to state the purported "other false and misleading statements" Mr. Winkelmann supposedly made to unidentified persons.

In opposing this request, the Division failed to substantively address the above language. Instead, it simply sets forth the details pled in *other* paragraphs in the OIP – paragraphs not at issue here – relating to the written offering documents. To be sure, the vast majority of the opposition is devoted to reviewing the specific allegations set forth those paragraphs (paragraphs 5-15).

The contents of paragraphs 5-15, however, are irrelevant to whether the contents of **paragraph 16** of the OIP have been stated with the requisite degree of specificity to allow Respondents to understand, and respond to, the allegations asserted against them. Paragraph 16 clearly separates itself from the allegations relating to the written offering documents in the very first line, which states: “*In addition to* the misrepresentations contained in the offering memoranda...” The paragraph clearly asserts that other “misrepresentations” were purportedly made, but there is no way of determining what those allegations are, when they were made, to whom, and how they were misleading. As a result, regardless of how well the Division pled its allegations with regard to the written offering documents, it has failed to meet the same standard with regard to the “other” yet-unidentified statements.

In fact, the Division’s avid defense of the details in paragraphs 5-15 of the OIP underscores the *lack* of such information in paragraph 16. As the Division states in its opposition, paragraphs 5-15, which relate to the alleged omissions in the written offering memoranda, “lay out” the (i) alleged statements, (ii) the information purportedly omitted, and (iii) to whom those statements (generally) were made.

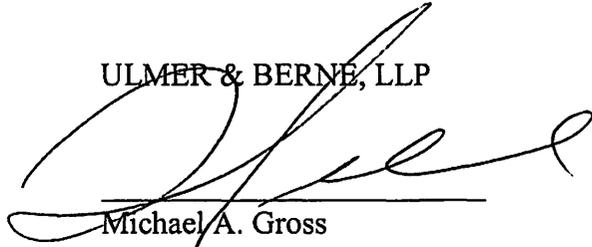
Respondents simply request that the Division “lay out” facts with regard to the allegations in paragraph 16. Otherwise, Respondents will be unable to identify what alleged misrepresentations they supposedly made – let alone defend themselves at trial against such undisclosed misrepresentations. For this reason, the Division should be required to state the allegations in paragraph 16 in the same manner they stated the allegations in paragraphs 5-15.¹

¹ The Division appears to insinuate, but stops short of affirmatively stating, that paragraph 16 refers to a single email since identified, despite pleading the paragraph to suggest that there were “statements” (plural). If the allegations of paragraph 16 relate solely to the contents of one email, the Division need only state the same, and Respondents will withdraw their motion.

WHEREFORE Respondents respectfully request the entry of an order requiring the Commission to specifically allege the misrepresentations referenced in paragraph 16 of the OIP.

Dated: June 20, 2016

ULMER & BERNE, LLP

A large, stylized handwritten signature in black ink, appearing to read 'Michael A. Gross', is written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on June 20, 2016, I served a copy of the **RESPONDENTS'**
REPLY IN SUPPORT OF THEIR MOTION FOR MORE DEFINITE STATEMENT,
addressed as follows:

Original and three copies to:
Via facsimile transmission and overnight mail
delivery

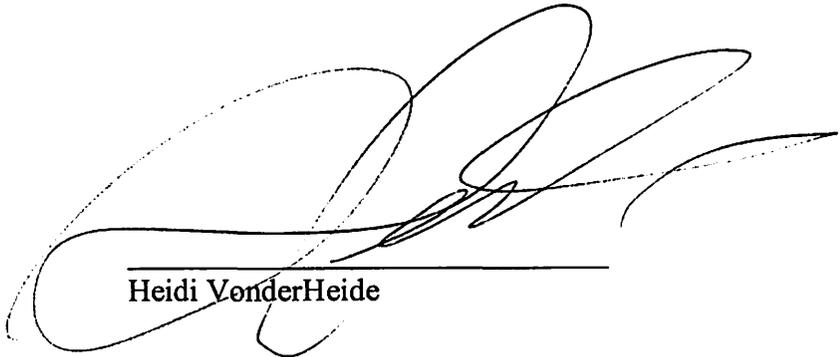
Brent J. Fields, Secretary
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