



UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

COPY

In the Matter of

LAURENCE I. BALTER d/b/a
ORACLE INVESTMENT RESEARCH

File No. 3-17614

**RESPONDENT'S MOTION FOR A
MORE DEFINITE STATEMENT**

Respondent, Laurence I. Balter, doing business as Oracle Investment Research (collectively "Mr. Balter" or "Respondent"), through the undersigned counsel, respectfully move the Administrative Law Judge for a more definite statement as to certain of the allegations in the Order Instituting Administrative and Cease-And-Desist Proceeding commencing this proceeding ("OIP"), pursuant to Rule 220(d) of the Securities and Exchange Commission's Rules of Practice.

On or around October 4, 2016, the Securities and Exchange Commission issued the OIP alleging that

Balter engaged in three distinct schemes. First, he fraudulently allocated profitable trades to his own accounts to the detriment of several client accounts. Second, Balter falsely told his SMA clients who invested

in the Fund that they would not pay both advisory fees and Fund management fees for the portions of their accounts invested in the Fund.

Third, Balter made trades for the Fund that deviated from two of its fundamental investment limitations.

OIP, ¶1. At paragraph 11, the OIP adds that there are multiple days on which Mr. Balter traded ahead of his clients. At paragraph 12, the OIP alleges that Mr. Balter's emails underreported losses. At paragraphs 13 and 14, the OIP alleges that Mr. Balter's unjust allocations resulted in him reaping modest profits while his clients suffered losses during specific narrow timeframes. At paragraphs 16 and 17, the OIP accuses Respondent of telling his clients that he would not "double dip" (advisory fees in the account holding the Fund, plus fees inside the fund).

Paragraphs 18 through 25 accuse Mr. Balter of violating the fundamental investment limitations.

As detailed in the Memorandum of Points and Authorities filed herewith, a More Definitive Statement is required to provide:

1. Transactional details (time, date, issuer or stock, number of shares traded) of the transactions upon which the claim is based that Mr. Balter fraudulently allocated profitable trades to himself instead of "Client A", presumably Brian Barbata and his family's accounts.
2. Documents, verbal agreements or testimony that establish the terms of the fee agreements upon which the Division's claims that profits should have been allocated on a "first-day returns" basis using only a single Barbata account, rather than a holistic analysis of fair allocations of actual profits among all Barbata accounts under management by Mr. Balter, as was actually and fairly allocated by Mr. Balter and as Mr. Barbata testified he believed was the parties' actual agreement;

3. Transactional details (time, date, issuer or stock, number of shares traded, and market capitalization of issuer at the time of transaction) upon which the Division claims that Mr. Balter defrauded his clients by trading before them or alongside them with respect to the same issuer's shares;
4. Transactional details (time, date, issuer or stock, number of shares traded, diversification and industry concentration information) of each transaction which allegedly caused the Fund to violate the diversification and, separately, the industry concentration standards upon which the OIP is based.
5. Client communication details (who, what, when, how and to whom) in which Mr. Balter allegedly made representations to clients that there will be no double dipping; and exactly what charges, if any, violated such representation on a client by client basis.

WHEREFORE, pursuant to Rule 220(d) of the Securities and Exchange Commission's Rules of Practice, Respondent seeks an order compelling the Commission to produce a More Definitive Statement in support of its OIP identifying, with particularity, each of the foregoing facts so that Respondent has a fair opportunity to prepare adequately his defenses and responses to the claims to be prosecuted against him by the Division at the hearing on this matter.

Dated: Santa Monica, California
November 4, 2016

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