



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
NEW YORK REGIONAL OFFICE  
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400  
NEW YORK, NEW YORK 10281-1022

PREETHI KRISHNAMURTHY  
(212) 336-0116  
krishnamurthyp@sec.gov

January 5, 2018

**BY FACSIMILE AND OVERNIGHT DELIVERY**

Brent J. Fields, Secretary  
Office of the Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E., Mail Stop 3628  
Washington, DC 20549  
Fax: (703) 813-9793

RECEIVED

JAN 08 2018

OFFICE OF THE SECRETARY

*Re: In the Matter of Black Diamond Asset Management LLC and Robert Wilson  
(A.P. File No. 3-18099)*

Dear Mr. Fields:

Please find attached for filing: (1) the Division of Enforcement's Brief Requesting Ratification of Certain Prior Actions in these Proceedings and Revision of the Default Order, (2) a proposed order, (3) a certificate of service, (4) the supporting Declaration of Preethi Krishnamurthy in Support of the Division of Enforcement's Brief Requesting Ratification and Revision, and (5) Exhibits 1 through 7 attached to the declaration. The overnight package contains the original and three copies.

Respectfully submitted,

/s/ Preethi Krishnamurthy

Preethi Krishnamurthy

Encls.

cc:     Administrative Law Judge James E. Grimes (by email)  
         Robert Wilson (by email and overnight delivery)  
         Black Diamond Asset Management LLC (by overnight delivery)

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

RECEIVED  
JAN 08 2018  
OFFICE OF THE SECRETARY

ADMINISTRATIVE PROCEEDING  
File No. 3-18099

In the Matter of

BLACK DIAMOND ASSET  
MANAGEMENT LLC

and

ROBERT WILSON,

Respondents.

THE DIVISION OF ENFORCEMENT'S BRIEF  
REQUESTING RATIFICATION OF CERTAIN PRIOR ACTIONS IN THESE  
PROCEEDINGS AND REVISION OF THE DEFAULT ORDER

Preethi Krishnamurthy  
James K. Hanson  
Division of Enforcement  
Securities and Exchange Commission  
New York Regional Office  
Brookfield Place  
200 Vesey Street  
New York, NY 10281

Attorneys for the Division of Enforcement

January 5, 2018

## TABLE OF CONTENTS

PRELIMINARY STATEMENT .....	1
PROCEDURAL HISTORY.....	2
I.     The OIP, Its Service, and Wilson's Threats.....	2
II.    The Pre-Hearing Conference and Wilson's Continued Invective .....	4
III.   The Default Order and the Division's Motion for Sanctions .....	5
IV.    The Record Reexamination Order .....	7
ARGUMENT .....	8
I.     The Court Should Ratify and Affirm All Prior Actions in These Proceedings, Except the Default Order as to Wilson .....	8
II.    The Court Should Revise the Default Order to Exclude Wilson from Its Scope.....	9
CONCLUSION.....	10

Pursuant to the Court’s Order Vacating Procedural Schedule and Implementing the Securities and Exchange Commission’s Order on Pending Administrative Proceedings (“Record Reexamination Order”), dated December 5, 2017, the Division of Enforcement respectfully submits this brief requesting ratification of certain prior actions in these proceedings and revision of the prior default order, along with the supporting Declaration of Preethi Krishnamurthy (“Decl.”) and exhibits thereto and an attached proposed order.

#### **PRELIMINARY STATEMENT**

The Court should ratify and affirm its prior actions in these proceedings, except that it should revise its prior default order to apply only to Respondent Black Diamond Asset Management LLC (“Black Diamond”)—not to Respondent Robert Wilson (“Wilson”). The Court’s prior actions are well-founded and should be ratified and affirmed after the Court conducts a *de novo* review of the record and independently evaluates the merits. With respect to the default order, however, the Court should revise it to exclude Wilson from the order’s scope in an abundance of caution. The Court should give Wilson another opportunity to answer the OIP and participate in these proceedings, given his *pro se* status, his attempt to respond to the Court’s prior order to show cause, and his opposition to the Division’s motion for sanctions. The Division will prove the merits of the OIP’s allegations at any eventual hearing in this matter: Black Diamond and Wilson never managed assets worth \$583 million or even \$25 million, as the Division’s hearing witnesses and exhibits will show, notwithstanding the defenses Wilson has suggested in his recent filings. But the Court should give Wilson another opportunity to defend himself in these proceedings by revising the default order to exclude Wilson from its scope.

## PROCEDURAL HISTORY

### I. The OIP, Its Service, and Wilson’s Threats

On August 4, 2017, the Commission issued its Order instituting these proceedings.<sup>1</sup> The OIP alleges that in 2015 Wilson registered Black Diamond as an investment adviser with the Commission. (OIP ¶ 6.) In Black Diamond’s initial Form ADV, Wilson claimed—as Black Diamond’s managing member, chief compliance officer, and chief investment officer—that Black Diamond had over \$583 million in assets under management and at least 26 discretionary accounts. (OIP ¶¶ 7, 11–18.) In Black Diamond’s second Form ADV, Wilson claimed that Black Diamond had over \$25 million in assets under management. (OIP ¶¶ 22, 27, 29.) In reality, the OIP alleges, Black Diamond has never obtained any advisory clients, has never held any assets under management, and has never met the minimum requirements for investment adviser registration with the Commission. (OIP ¶¶ 31, 37.) Through this and similar conduct alleged in the OIP, Wilson and Black Diamond violated (or aided and abetted violations of) anti-fraud and other provisions of the Investment Advisers Act of 1940. (OIP ¶¶ 35–38.)

On August 7, 2017, the Commission served Black Diamond with the OIP by mailing it to Black Diamond’s most recent address on its most recent Commission filing, under Rule of Practice 141(a)(2)(ii). (Scheduling Order.) On August 10, the Division produced its non-privileged investigative file to Respondents by sending an electronic copy of the documents on disc by overnight delivery that day.

The next day, on August 11, Division counsel received a voicemail from Wilson. (Div.’s Mot. for Sanctions against Respondents (“Div. Sanctions Mot.”) Ex. 4.) In his voicemail, Wilson claimed

---

<sup>1</sup> For brevity, unless citing to a page or section, this brief does not provide citations for documents that are clearly identified in the text and available on the Commission’s electronic, public docket. Citations to documents available on the electronic docket reflect the documents’ titles as they appear on the docket.

that he “*used to have* a company called Black Diamond Asset Management” and called the Division’s investigation a “criminal, lying [expletive] witchhunt.” (*Id.* (emphasis added).) He contended that the investigation and/or these proceedings violated his rights under the Ninth Amendment of the United States Constitution and threatened: “If I am contacted by any of you or you interfere with me in any fashion, I will take that as an attack on the government of the United States...and see to it that you are tried...and then hung when you are convicted.... Do not ever send me another document.” (*Id.*)

The same day, August 11, the Court issued an Order Postponing Hearing and Scheduling Prehearing Conference, which scheduled a telephonic prehearing conference for September 7, 2017 at 11:00 a.m. Two weeks later, on August 25, the Commission’s process server served Wilson personally with the OIP, under Rule of Practice 141(a)(2)(i).<sup>2</sup> (Scheduling Order.)

On August 28, after confirming service of the OIP on both Respondents, the Division sent Wilson and Black Diamond a letter—proposing a pre-hearing and hearing schedule and enclosing the Scheduling Order—by email and overnight delivery. (Div. Sanctions Mot. Ex. 5.) That evening, Wilson replied with a one-sentence email to Division counsel: “You need to learn how to read you have no authority and you do not belong in this country treasonest.”<sup>3</sup> (Div. Sanctions Mot. Ex. 6.)

The next day, August 29, Wilson left Division counsel a menacing, expletive-filled voicemail referencing the Ninth Amendment. (Div. Sanctions Mot. Ex. 7.) Wilson threatened: “It is the inalienable clause of the Declaration of Independence...that has this little statement in there that when the citizens are tired of trash like you they get to adjust and abolish as they see fit or the adjustment is going to be your abolishment.... A citizen has a right to execute you any time they wish.” (*Id.*)

---

<sup>2</sup> The Division filed the process server’s sworn declaration of service with the Secretary’s Office by letter dated September 6, 2017, and served a copy on the Court and Respondents.

<sup>3</sup> Wilson’s emails contain many typographical errors. This brief quotes the emails as written.

## **II. The Pre-Hearing Conference and Wilson's Continued Invective**

On September 5, 2017, at 2:40 p.m., the Division emailed Wilson—at the same email address he had used to send his one-sentence August 28 email to Division counsel—the date, time, and dial-in telephone and meeting number for the September 7 telephone conference.<sup>4</sup> Also on September 5, the Division filed a letter with its proposal for a pre-hearing schedule and hearing dates and emailed a copy to the Court and Wilson. (Div. Sanctions Mot. Ex. 8.)

That evening, Wilson replied with an expletive-filled email to the Division and the Court. (*Id.*) Wilson threatened:

This woman is about as stupid as a rock as I told this [expletive] I invoke my rights under the nine amendment.... That clause states clearly the following it is the right of the People to alter or to abolish the Government and that is what I did by invoking my rights under the 9<sup>th</sup> amendment.... I will tell you for the last time I invoke the ninth amendment, you have no authority, you cannot override the constitution, if I do not receive within 24 hours a letter of dismissal and letters stating that all involved in this SEC crime have been fired I will exercises my additional rights of abolishment and abolish all SEC treasonest involved.

(*Id.*)

On September 7, the Court held its previously-scheduled, telephonic pre-hearing conference. The Division appeared, but Wilson and Black Diamond did not.

Later that day, the Court issued a Scheduling Order. Among other things, the Scheduling Order: (1) concluded that Black Diamond had been served with the OIP on August 7, 2017; (2) calculated that Black Diamond's answer had therefore been due on August 30, 2017; (3) concluded that Wilson had been properly served with the OIP on August 25, 2017, when a process server handed Wilson the OIP; (4) calculated that Wilson's answer to the OIP was therefore due on September 14;

---

<sup>4</sup> The Court's staff had originally tried to email the date and time of the conference to Respondents but had apparently used an outdated email address for Wilson. The Division forwarded the information, along with the dial-in number, to Wilson's correct email address and kept the Court's email address on the email as a courtesy.

and (5) noted that Wilson had “sent two e-mails to [the Court’s] office that direct abusive and profane language to counsel for the Division” and ordered Wilson “to stop sending unprofessional e-mails of this type” to the Court’s email address. The Scheduling Order also reminded all parties that filings “must be filed in hard copy with the Office of the Secretary.” The Court emailed Wilson and the Division a courtesy copy of the Scheduling Order. (Div. Sanctions Mot. Ex. 9.)

Wilson replied with another expletive-filled email, apparently directed to the Court. (*Id.*) Among other things, Wilson wrote:

Get this trough your conartist head you have no authority I have taken that from your lying trash [expletive] by the invocation of the 9th amendment.... [Y]ou are stealing my money, by operating in a position you are not qualified to hold swamp creature...and you think your scum bag [expletive] is going to tell me what to do...you do not have the authority, so you resign right now [expletive] conartist.... [W]e will exercise our right trying you for treason and then excite you after you have been found guilty by 12 citizens who will not be treasonest like you [expletive] head.

(*Id.*)

### **III. The Default Order and the Division’s Motion for Sanctions**

After Wilson failed to file an answer on September 14, 2017, the Court issued an Order to Show Cause on September 15. The Order required Wilson and Black Diamond to show cause, by September 25, why these proceedings should not be determined against them by default. The Order noted that, notwithstanding the prior Scheduling Order, Wilson had since “responded with another abusive and profane e-mail” and attached a copy. The Order to Show Cause then revoked Wilson’s “privilege of submitting filings” to the Court by email.

On September 25 at 8:13 p.m., Wilson emailed Division counsel a two-page document entitled “Order to Show Cause Way Administrative Proceeding Rule Release No. 5056 is Unlawful” (attached as Exhibit 1 to the accompanying Decl.) and asked Division counsel to email it to the Court. Wilson signed the document “Robert Wilson Your Boss.” (Decl. Ex. 1 at 3.) Wilson repeatedly used the first-person singular pronoun “I” in the document. (*Id.* at 2 (“I turn in a company....”); *id.* at 3 (“I never

received the email...."); *id.* ("I had an appointment at the VA for an operation...."); *id.* ("I demand that Grimes recuse himself...").) Among other things, the document claimed, possibly in reference to the pre-hearing conference, that Wilson had "never received the email that Grimes assistant Kathy Shields stated would be circulated" and had had a medical operation "that went all day." (*Id.* at 3.) On September 26, the Division emailed the document to the Court.

On September 28, the Court issued an Order Finding Respondents in Default ("Default Order"). The Default Order found that neither Respondent had answered the Order to Show Cause and that Wilson had "attempted to evade the order revoking his ability to send filings by e-mail" by asking Division counsel to forward his filing. The Default Order concluded that both Wilson and Black Diamond were in default, given their failure to answer the OIP, attend the prehearing conference, or respond to the Order to Show Cause. The Default Order therefore canceled the Scheduling Order's prehearing schedule, granted the Division leave to file a motion for sanctions by October 19, ordered Respondents to file any opposition by November 9 and the Division to file any reply by November 20, and noted that the deadline for issuing an initial decision had not begun to run. The Default Order informed Respondents that they could move to set aside the default under Rule of Practice 155(b).

On October 19, the Division filed and served its motion for sanctions against Respondents. On approximately November 13, Wilson filed an opposition with sixteen exhibits. (Responses of Respondent Wilson dated 11/7/17.) When filing his opposition, Wilson included a cover letter printed on his personal letterhead, not Black Diamond's, and referred to his opposition as "the Responses of Robert Wilson to false allegation of the SEC." (Decl. ¶ 4 & Ex. 2.) Wilson signed the cover letter in only his own name, not Black Diamond's name. (*Id.*) Wilson similarly signed the first and last pages of

his opposition in his own name, not Black Diamond’s name. (Responses of Resp’t Wilson at 1

(“Robert Wilson[,] Spokes Person for the People”); *id.* at 8.)<sup>5</sup>

On November 16, 2017, the Division sought a brief extension to submit its reply brief in further support of its sanctions motion. That afternoon, Wilson emailed the Division and the Court: “Wilson and Black Diamond have no opposition to this motion [for an extension].” (Decl. Ex. 3.) That day, the Court granted the Division’s motion for an extension to reply to Wilson’s opposition until December 1 and noted that “Respondents have indicated that they have no objection to the extension.” (Order Granting Extension of Time for Reply.)

#### IV. The Record Reexamination Order

On November 30, 2017, the Commission ratified its administrative law judges’ appointments and directed them to undertake certain actions in all pending proceedings. *See In re: Pending Administrative Proceedings*, Securities Act Release No. 10440 (Nov. 30, 2017). Later that day, based on the Commission’s order, the Division filed a second motion for an extension of its time to file a reply brief in further support of its sanctions motion. That evening, Wilson emailed the Division and the Court: “I have no problem with this extension[.] Robert Wilson.” (Decl. Ex. 4.)

On December 5, the Court issued its Record Reexamination Order, which vacated the procedural schedule in these proceedings and directed the parties to submit any new evidence relevant to the Court’s reexamination of the record by January 5, 2018. The Order further permitted any party that declined to submit such evidence to nevertheless submit a brief by the same date addressing whether the Court “should ‘ratify or revise in any respect’ any prior actions in these proceedings. (Record Reexamination Order at 2 (quoting *Pending Admin. Proc.* at 2).)

---

<sup>5</sup> Wilson’s Responses are not paginated. The Division therefore treats the first page of the pdf that appears on the Commission’s electronic docket as page 1, notwithstanding the document’s table of contents.

## ARGUMENT

### I. **The Court Should Ratify and Affirm All Prior Actions in These Proceedings, Except the Default Order as to Wilson.**

It is well established that subsequent ratification of an earlier decision rendered by an unconstitutionally appointed officer remedies any alleged harm or prejudice caused by the violation. *See Doolin Sec. Sav. Bank, F.S.B. v. Office of Thrift Supervision*, 139 F.3d 203, 213–14 (D.C. Cir. 1998); *FEC v. Legi-Tech, Inc.*, 75 F.3d 704, 707–09 (D.C. Cir. 1996). That principle applies whether or not the ratifying authority is the same person who made the initial decision, so long as “the ratifier has the authority to take the action to be ratified,” and, “with full knowledge of the decision to be ratified,” makes a “detached and considered affirmation of th[at] earlier decision.” *Advanced Disposal Services East, Inc. v. NLRB*, 820 F.3d 592, 602–03 (3d Cir. 2016).

To implement this remedy, the Court should conduct a *de novo* review of the administrative record, engage in an independent evaluation of the merits through the exercise of detached and considered judgment, and then determine whether prior actions should be ratified and thereby affirmed. This process ensures “that the ratifier does not blindly affirm the earlier decision without due consideration.” *Advanced Disposal Services East*, 820 F.3d at 602–03.

The Court’s prior actions in these proceedings, including the Default Order as to Black Diamond, were well-founded and should be ratified and affirmed, except that the Court should revise the Default Order as to Wilson, as described in Section II below. In particular, the Default Order as to Black Diamond is well-founded because Black Diamond has never answered, appeared, or otherwise attempted to defend itself in these proceedings. Wilson submitted (or attempted to submit) his responses to the Order to Show Cause and the Division’s motion for sanctions only in his own personal capacity, not as a representative of Black Diamond. (Decl. Ex. 1 at 1–2; Responses of Resp’t Wilson at 1, 8; Decl. Ex. 2.) Nor has any lawyer or officer of Black Diamond filed a notice of appearance on Black Diamond’s behalf, as the Rules of Practice require for an entity appearing in a

Commission proceeding. *See* 17 C.F.R. §§ 201.102(b) & 102(d)(2) (“In any proceeding, a bona fide officer of a corporation, trust or association may represent the corporation, trust or association.... When a person...appears in a representative capacity before the Commission or a hearing officer..., that person shall file with the Commission...a written notice.”).<sup>6</sup>

## II.e The Court Should Revise the Default Order to Exclude Wilson from Its Scope.<sup>e</sup>

Given Wilson’s *pro se* status, his attempt to respond to the Order to Show Cause, and his opposition to the Division’s sanctions motion, as described above in the Procedural History section, the Court should not ratify the Default Order as to Wilson. Instead, the Court should revise the Default Order so that it applies only to Black Diamond. The Court should then give Wilson another opportunity to answer the OIP, appear for a pre-hearing telephonic conference to discuss scheduling, and otherwise participate in these proceedings.<sup>7</sup>

---

<sup>6</sup> Wilson’s opposition to the Division’s sanctions motion appears to suggest that the Court should not sanction Black Diamond because it has been “dissolved” and has withdrawn its Commission registration. (Responses of Respondent Wilson at 5.) Although Black Diamond may be defunct, it has not been dissolved as a Wyoming limited liability company (“LLC”), according to the office of the Wyoming Secretary of State. (Decl. ¶¶ 7–9 & Ex. 5.) Black Diamond is simply inactive and, among other things, delinquent in paying a Wyoming tax. (Decl. ¶¶ 8–9.) Black Diamond can file paperwork to be reinstated as a Wyoming LLC before July 8, 2019, once it has taken several steps, including paying a Wyoming tax and retaining a Wyoming agent for service of process. (Decl. ¶ 9.) Nor has Black Diamond withdrawn its Commission registration, which is still active or “Approved,” meaning its adviser “registration is approved by” the Commission and has not been suspended, terminated, “requested to be terminated,” canceled, or revoked. (Decl. ¶¶ 10–11 & Exs. 6 & 7.) Black Diamond’s continued investment adviser registration and potential for reinstatement as a Wyoming LLC—combined with its failure to oppose the Division’s motion for sanctions or otherwise appear—support the sanctions that the Division’s sanctions motion requests as to Black Diamond.

<sup>7</sup> In his response to the Division’s motion for sanctions, Wilson proffers various purported defenses to the merits of the OIP’s allegations. For example, Wilson claims that in 2015 Black Diamond “was asked to advise and manage the assets of a \$10,000,000 private placement and a \$180,000,000 self-underwriting”—less than a third of the \$583 million in assets Wilson claimed Black Diamond *actually* managed on its 2015 Form ADV. (*Compare* Responses of Resp’t Wilson at 3 *with* OIP ¶¶ 6–7, 16–18, 21.) Wilson’s defenses have no merit. As the Division will prove at any hearing the Court schedules, Black Diamond never managed any assets. And even if Black Diamond had managed any assets, the value of any such assets never approached the initial \$583 million or even the later \$25 million that Wilson claimed Black Diamond managed in its Forms ADV.

## CONCLUSION

For these reasons, the Court should revise the Default Order so that it applies only to Black Diamond and not Wilson but otherwise, in the form of the attached proposed order, ratify and affirm all of the Court's prior actions in these proceedings.

### DIVISION OF ENFORCEMENT

By: 

Preethi Krishnamurthy  
James K. Hanson  
Securities and Exchange Commission  
New York Regional Office  
Brookfield Place, 200 Vesey Street, Ste. 400  
New York, New York 10281  
Tel. (212) 336-0116 (Krishnamurthy)  
Fax. (212) 336-1319  
[KrishnamurthyP@sec.gov](mailto:KrishnamurthyP@sec.gov)  
[HansonJ@sec.gov](mailto:HansonJ@sec.gov)

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-18099

In the Matter of

BLACK DIAMOND ASSET  
MANAGEMENT LLC

and

ROBERT WILSON,

Respondents.

[PROPOSED] ORDER RATIFYING AND AFFIRMING  
CERTAIN PRIOR ACTIONS

After a de novo review and reexamination of the record in these proceedings, I have reached the independent decision to ratify and affirm all prior actions made by an administrative law judge in these proceedings, except that I have reached the independent decision to revise the Order Finding Respondents in Default, dated September 28, 2017, as described in a separate order. This decision to ratify and affirm is based on my detached and considered judgment after an independent evaluation of the merits.

---

James E. Grimes  
Administrative Law Judge

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-18099

In the Matter of

BLACK DIAMOND ASSET  
MANAGEMENT LLC

and

ROBERT WILSON,

Respondents.

CERTIFICATE OF SERVICE

I hereby certify that I caused to be served the foregoing Division of Enforcement's Brief Requesting Ratification of Certain Prior Actions in these Proceedings and Revision of the Default Order, dated January 5, 2018, along with the attached proposed order and the supporting Declaration of Preethi Krishnamurthy and Exhibits 1 through 7, on this 5<sup>th</sup> day of January, 2018, on the following by the means indicated:

Robert A. Wilson

[REDACTED]  
Calverton, NY [REDACTED]

[REDACTED]@optonline.net

(By email and UPS)

Brent Fields, Secretary  
Office of the Secretary  
U.S. Securities and Exchange Commission  
100 F. Street, N.E.  
Washington, D.C. 20549-2557  
(By facsimile and UPS (original and three copies))

Black Diamond Asset Management, LLC

[REDACTED]  
Calverton, NY [REDACTED]

(By UPS)

The Honorable James E. Grimes  
Administrative Law Judge  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557  
[ali@sec.gov](mailto:ali@sec.gov)  
(By email)



\_\_\_\_\_  
Preethi Krishnamurthy  
Senior Trial Counsel

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-18099

In the Matter of

**BLACK DIAMOND ASSET  
MANAGEMENT LLC**

and

**ROBERT WILSON,**

Respondents.

**DECLARATION OF PREETHI KRISHNAMURTHY IN SUPPORT OF  
THE DIVISION OF ENFORCEMENT'S BRIEF  
REQUESTING RATIFICATION AND REVISION**

I, Preethi Krishnamurthy, pursuant to 28 U.S.C. § 1746, do hereby declare as follows:

1. I am employed as a senior trial counsel in the Securities and Exchange Commission's Division of Enforcement in the Commission's New York Regional Office. Along with my colleague James K. Hanson, I represent the Division in this proceeding.

2. I submit this declaration in support of the Division of Enforcement's Brief Requesting Ratification of Certain Prior Actions in these Proceedings and Revision of the Default Order both to attach exhibits and to recount Division counsel's November 2017 telephone call with the State of Wyoming's Office of the Secretary of State concerning the corporate status of Respondent Black Diamond Asset Management LLC ("Black Diamond").

3. Exhibit 1 is a true and correct copy of an email and attached two-page document that Respondent Robert Wilson ("Wilson") sent to Division counsel on September 25, 2017, at 8:13 p.m.

4. Exhibit 2 is a true and correct copy of a cover letter Division counsel received from Wilson on November 16, 2017 by U.S. Postal Service priority mail. The cover letter accompanied the document, dated November 13, 2017, that appears on the Commission's electronic docket as "Responses of Respondent Wilson dated 11/7/17, with Exhibits 1-16."

5. Exhibits 3 and 4 are true and correct copies of email strings that include emails Division counsel received from Wilson on the dates and times indicated on them.

6. Exhibit 5 is a true and correct copy of documents Division counsel obtained in November 2017 from the public website of the State of Wyoming's Secretary of State, Business Division, concerning Black Diamond's Wyoming limited liability company ("LLC") status.

7. On November 21, 2017, after obtaining the documents contained in Exhibit 5, Division counsel spoke with a representative of the State of Wyoming's Office of the Secretary of State, Business Division, by telephone. The Division sought clarification of Black Diamond's status as a Wyoming LLC.

8. The Wyoming representative informed Division counsel that Black Diamond had failed to file its required annual report for 2017, that Black Diamond had failed to pay the required annual taxes and fees, and that Black Diamond's registered agent had resigned. The Wyoming representative explained that Black Diamond's status as a Wyoming LLC was therefore "inactive."

9. The Wyoming representative further explained that, based on Wyoming's records, Black Diamond had not been dissolved and could gain reinstatement as a Wyoming LLC. She explained that, to be reinstated, Black Diamond would have to (1) file an annual report, (2) pay a \$50 tax assessment, (3) retain a new registered agent, and (4) pay a registration fee determined on a sliding scale based on the value of assets Black Diamond held in Wyoming. The Wyoming representative further explained that Black Diamond could be reinstated as a Wyoming LLC in this fashion at any

time through approximately July 8, 2019, but that if Black Diamond failed to act by then, Black Diamond's status would become "archived."

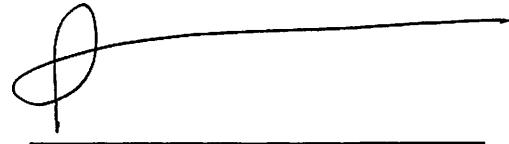
10. Exhibit 6 is a true and correct copy of Black Diamond's Commission registration status, printed on January 5, 2017, from the following publicly-available Investment Adviser Public Disclosure ("IAPD") website:

[https://adviserinfo.sec.gov/IAPD/IAPDFirmSummary.aspx?ORG\\_PK=168048](https://adviserinfo.sec.gov/IAPD/IAPDFirmSummary.aspx?ORG_PK=168048).

11. Exhibit 7 is a true and correct copy of the pop-up box (which appears when clicking the question mark next to the column "Registration Status" in the hyperlink listed above and printed as Exhibit 6) that explains the list of terms used in the IAPD "Registration Status" column, as they pertain to Commission and state registration, for investment advisers listed on IAPD.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed: January 5, 2018  
New York, New York



Preethi Krishnamurthy