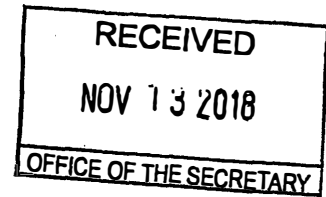


**ADMINISTRATIVE PROCEEDING
SECURITIES AND EXCHANGE COMMISSION
File No. 3-18288 – James E. Grimes, ALJ**



In the Matter of

LAWRENCE E. PENN, III

Respondent.

AMENDED ANSWER

**ANSWER AND MOTION FOR MORE DEFINITIVE
STATEMENT OF RESPONDENT LAWRENCE E. PENN III**

Pursuant to Rules of Practice of the U.S. Securities and Exchange Commission dated September 2016, specifically Rule 220 and the Order Following Prehearing Conference dated October 26, 2018, the Respondent responses to each allegation contained in the Complaint are below. Moreover, anything admitted or denied is only to the best of the Respondent's knowledge of the law, memory as to the facts, and as to any conclusions, characterizations, implications, innuendos, or speculation contained made by the SEC in this matter or in the Order instituting Administrative Proceedings (OIP) as a whole. In addition, Respondent specifically, denies any allegations contained in defined terms, ambiguous terms, actions that were a result of an unlawful criminal charge outlined in the OIP or unnumbered paragraphs in the OIP. This General Response is incorporated, to the extent appropriate, into each numbered paragraph of this Answer.

RESERVATION OF ALL RIGHTS BY RESPONDENT

Pursuant to Rules of Practice of the U.S. Securities and Exchange Commission dated September 2016, specifically Rule 220(e), the Respondent reserves all rights to amend this answer at any time and to motion for more definitive statement of specified matters of fact or law to be considered or determined.

ANSWER TO PARAGRAPH II(B)(4): Respondent denies allegations contained in paragraph II(B)(4).

ANSWER TO PARAGRAPH B(5): Respondent denies allegations contained in paragraph II(B)(5) above.

AFFIRMATIVE DEFENSES

AS AND FOR A FIRST AFFIRMATIVE DEFENSE
Unclean Hands

1. The Record shows that the SEC Enforcement conspired with members of the Manhattan District Attorney and the federal district court by acting under the color of state law to secure a conviction in conflict with law and in violation of the Due Process and Equal Protection clauses of the U.S. Constitution. The unlawful conviction is the predicate used to secure an unlawful summary judgment. The SEC has so abused its powers in the conduct of the investigation and process that a dismissal of this action is warranted. Based on the record, the facts and law remain in dispute and a decision by the Commission should be rendered only after the underlying criminal matter is heard on the merits. Reliance on a plea to alleged actions that do not legally constitute a predicate conviction is constitutionally void. Courts and Administrative Agencies have permitted equitable defenses to be raised against the government, they have required that the agency's misconduct be egregious and the resulting prejudice to the defendant rise to a constitutional level. The Commission should conclude that any decision would be better addressed in a concrete factual and legal setting.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE
Fraud

2. The Record shows that the SEC Enforcement Complaint in the federal district court action used false statement and plead in conflict with Rule 9(b) of the Federal Rules of Civil Procedure.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE
Equitable Estoppel

3. The Record shows that the SEC Enforcement conspired with members of the Manhattan District Attorney and the federal district court by acting under the color of state law to secure a conviction in conflict with law and in violation of the Due Process and Equal Protection clauses of the U.S. Constitution. The SEC Enforcement member's actions constitute misconduct, they were aware of the relevant facts and law, the federal district court relied on their actions and the injury to the Respondent has been substantial.

AS AND FOR A FOURTH AFFIRMATIVE DEFENSE
Illegality

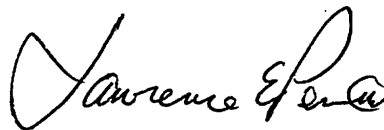
4. The Record shows that the SEC Enforcement conspired with members of the Manhattan District Attorney and the federal district court by acting under the color of state law to secure a conviction in conflict with law and in violation of the Due Process and Equal Protection clauses of the U.S. Constitution. The unlawful conviction is the predicate used to secure an unlawful summary judgment. The SEC has so abused its powers in the conduct of the investigation and process that a dismissal of this action is warranted. In the context of this securities law violation claim there remains material dispute on the facts and law regarding the Respondent's alleged actions and what they constitute. The Securities and Exchange Commission Enforcement has not proved that the Respondent acted with scienter and has not proven that the Respondent at a minimum acted with knowledge about the illegality of his actions. Scienter may only be proven

by demonstrating an intentional deception, manipulation or fraudulent scheme. There remains a material dispute over the facts and law regarding this matter.

AS AND FOR A FIFTH AFFIRMATIVE DEFENSE
False Claims

5.e The Record shows that the SEC Enforcement conspired with members of the Manhattan District Attorney and the federal district court by acting under the color of state law to secure a conviction in conflict with law and in violation of the Due Process and Equal Protection clauses of the U.S. Constitution. The SEC Enforcement member's actions constitute misconduct and false claims that have not been proven. There remains a material dispute over the facts and law regarding this matter.

Dated: November 7, 2018
New York, NY



Lawrence E. Penn III, *Pro Se*
Respondent
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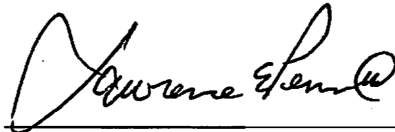
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been served by U.S. Priority mail and/or email.

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Date: November 7, 2018
New York, New York

By: 

Lawrence E. Penn III, *Pro Se*
Respondent
[REDACTED]
New York, New York [REDACTED]
[REDACTED]@gmail.com

Transaction Date/Time: 11/07/2018 06:07 PM CST

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