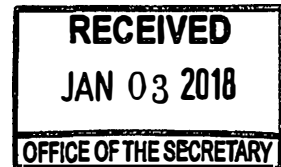


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ADMINISTRATIVE PROCEEDING
SECURITIES AND EXCHANGE COMMISSION
File No. 3-18288 – Carol Fox Foelak, ALJ



In the Matter of

LAWRENCE E. PENN, III, *Pro Se*

Respondent.

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 Prehearing Order dated December 18, 2017, 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 and memory as to the facts, and as to any conclusions, characterizations, implications, innuendos, or speculation contained herein 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.

MOTION FOR MORE DEFINITIVE STATEMENT BY RESPONDENT

Pursuant to Rules of Practice of the U.S. Securities and Exchange Commission dated September 2016, specifically Rule 220(e), the Respondent requests to enter a motion with a definitive statement of specified matters of fact or law to be considered.

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Lawrence E. Penn, III (“Respondent” or “Penn”).

SUMMARY OF ALLEGATIONS

II.

After an investigation, the Division of Enforcement alleges that:

A. **RESPONDENT**

1. From at least March 2010 through October 2013, Respondent was the managing director of Camelot Acquisitions Secondary Opportunities Management, LLC, an investment adviser registered with the Commission. Respondent, 47 years old, is a resident of New York, New York.

ANSWER TO PARAGRAPH II(A)(1): Respondent denies that from at least March 2010 through October 2013 Camelot Acquisitions Secondary Opportunities Management, LLC was an investment adviser registered with the Commission. Respondent admits that he is 47 years old. Respondent admits that from at least March 2010 through October 2013 he was a resident of New York, New York. Respondent admits that from at least March 2010 through October 2013, he was the managing director of Camelot Acquisitions Secondary Opportunities Management, LLC.

B. **ENTRY OF THE INJUNCTION/RESPONDENT’S CRIMINAL CONVICTION**

2. On August 22, 2017, a final judgment was entered against Penn, permanently enjoining him from future violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Penn, et al., Civil Action Number 1:14-CV-0581, in the United States District Court for the Southern District of New York.

ANSWER TO PARAGRAPH II(B)(2): Deny.

3. The Commission's complaint alleged that, between March 2010 and October 2013, Penn engaged in a fraudulent scheme to misappropriate approximately \$9 million from a private equity fund in order to provide additional assets to Penn to spend on his business and personal expenditures.

ANSWER TO PARAGRAPH II(B)(3): Deny.

4. On March 16, 2015, Penn pled guilty to Grand Larceny in the First Degree in violation of New York Penal Law § 155.42 and Falsifying Business Records in the First Degree in violation of New York Penal Law § 1175.10 before the Supreme Court of the State of New York, County of New York: Part 42 in The People of the State of New York vs. Lawrence E. Penn, III, Indictment No. 00073-14. On April 20, 2015, Penn was ordered to pay restitution in the amount of \$8,362,974 and was sentenced to a prison term of two to six years.

ANSWER TO PARAGRAPH II(B)(4): Respondent denies allegations contained in paragraph II(B)(4) above. Respondent denies knowledge and information sufficient to admit or deny the lawfulness or whether the allegations contained in paragraph II(B)(4) are to be deemed void.

5. The counts of the criminal information to which Penn pleaded guilty alleged, among other things, that Penn stole over \$1 million from a private equity fund in the same scheme underlying the Commission's complaint described in Paragraph 3 above.

ANSWER TO PARAGRAPH B(5): Deny.

AFFIRMATIVE DEFENSES

AS AND FOR A FIRST AFFIRMATIVE DEFENSE

Unclean Hands

1. The SEC has operated with Unclean Hands.

AS AND FOR A SECOND AFFIRMATIVE DEFENSE

Lack of Personal Jurisdiction

2. The SEC lacks personal jurisdiction over this Respondent.

AS AND FOR A THIRD AFFIRMATIVE DEFENSE
Failure to meet the elements

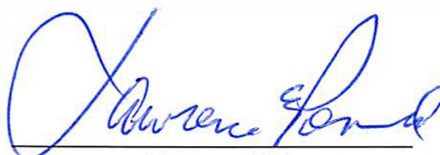
3. The SEC failed to prove the elements of the allegation
AS AND FOR A FOURTH AFFIRMATIVE DEFENSE

4. SEC's allegations are not the result of acts or omissions proximately caused by the Respondent.

AS AND FOR A FIFTH AFFIRMATIVE DEFENSE
Unconstitutional Actions

5. Respondent alleges that the granting of the SEC's demands are unconstitutional and the actions of the SEC should bar any ban.

Dated: January 2, 2018
New York, NY



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Commission's Secretary
100 F Street NE, Mail Stop 1090
Washington, D.C. 20549
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**ADMINISTRATIVE PROCEEDING
SECURITIES AND EXCHANGE COMMISSION
File No. 3-18288 – Carol Fox Foelak, ALJ**

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LAWRENCE E. PENN, III, *Pro Se*

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CERTIFICATE OF SERVICE

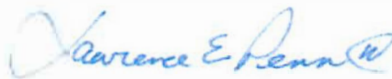
I, Lawrence E. Penn III, certify that on January 2, 2018, I caused true a correct copy of the following document:

ANSWER

to be served by email, fax or U.S. Mail on the following:

1. Howard Fischer
SECURITIES AND EXCHANGE COMMISSION
New York Regional Office, Brookfield Place
200 Vesey Street, Suite 400
New York, NY 10281-1022
Email: FischerH@sec.gov
2. Commission's Secretary
100 F Street NE, Mail Stop 1090
Washington, D.C. 20549
Fax: (703) 813-9793
E-Mail: alj@sec.gov

Dated: January 2, 2018
New York, NY



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