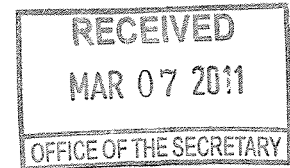


March 3, 2011

Elizabeth M. Murphy
100 F Street, N.E.
Washington, DC 20549



Dear Ms. Murphy:

I had planned on using this brief to answer the allegations against me. I will discuss the two that are at the center of this investigation. Over the past four years I have answered all the questions poised from enforcement. I have produced all the documents requested from enforcement. Over the four years of this investigation I have presented all this material in writing and verbally to enforcement, hearings, NAC and briefly to the SEC. You have access to the notebook of the record that has all my answers to all allegations. I hope you will take the time to review the record.

I ADMITTED MY GUILT back in 2007 of incorrectly signing an outside business activity form. At that moment I asked enforcement to move on to FAIR and JUST penalty. I believed this matter was now closed pending sentencing.

I have stated in all my writings that enforcement and I had a MISUNDERSTANDING on the purpose of the OTR hearing. I BELIEVED the hearing was an offer to me to fight the ruling of the business activity form. I had already plead guilty on the matter and did not want to fight it. I had NO COUNSEL to advise me. Enforcement could have stated their reasons for the hearing and we could have rescheduled the hearing.

I am a multi licensed broker working in this industry for over twenty-five years. I have a clean U5 with only one arbitration matter against me in twenty-five years. In my twenty-five years I have never been disciplined by my firm. In twenty-five years I have never received a complaint by a client, prospect or colleague.

I want to use this brief to respond to the penalties brought against me. It is my opinion and the opinion of others in the industry and in the corporate world that the penalty against me is EXCESSIVE. The penalty does'nt fit the crime. For over four years I have answered all enforcement questions and produced all documents requested by enforcement. This record shows I have COOPERATED FULLY and WITHELD NOTHING. I have never evaded my responsibility in this investigation. I believe a FAIR and JUST penalty is warranted.

The investment business is my career. I started working towards my career back in college. My business is my sole way of financially providing for my family of five. What I and my family have endured financially, personally these past four years is a lesson learned and the point has been made.

I am not asking you now nor have I ever asked to sweep this matter under the rug. I am only asking to find a way for me to stay in the industry I Love. Also, it's not a great time for me at age fifty-four to be looking for a new career in this economy and in my state of California.

I don't believe my victimless crime should be something that wipes out a twenty-five year career. I should'nt be removed from my career for this first time offense. I read and hear about other brokers with numerous arbitrations, ethical and trading infractions and they continue to get a slap on the wrist, pay a fine and continue to work in the industry. I could produce, but you are aware of the the stories I am referring to.

I believe a short suspension with time served (current suspension approaching ninety days) is warranted and is fair and just in this matter. This is my first ever offense with Finra. I want to continue to service my clients. I want to continue my career in the investment industry. I hope you will help me do this.

Sincerely,

Kent Houston