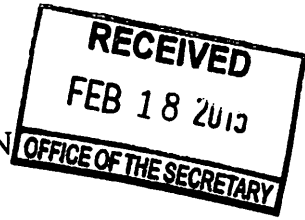


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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of

JOHN THOMAS CAPITAL MANAGMENT
GROUP LLC d/b/a PATRIOT28 LLC,
GEORGE R. JARKESY, JR.,
JOHN THOMAS FINANCIAL, INC., and
ANASTASIOS "TOMMY" BELESIS,

Respondents.

File No. 3-15255

RESPONDENTS' ADDITIONAL SUBMISSION

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Counsel for: JTCM and George Jarkesy, Jr.

Dated: February 13, 2015

Pursuant to the Commission’s Order Directing Additional Submission dated January 20, 2015, Respondents Patriot28 LLC (“JTCM”) and George R. Jarkey, Jr. (collectively, “Respondents”) hereby file their additional submission as follows:

No.	Statement	Citation
1	<p>The ALJ’s numerous erroneous rulings include admitting business-records affidavits offered by the Division that are facially defective, compounded by admitting the hundreds of unauthenticated documents which the defective affidavits purported to sponsor, and further compounded by relying on the interpretation of the contents of the documents attributed by the Division with no qualified sponsoring witness.</p>	<p>Improperly admitted business-records affidavits include: DX-113 (Tr. 2325-2327), DX-114 (Tr. 2062-2065), DX-115 (Tr. 335-336, 2278), DX-116 (Tr. 2088-2092), DX-117 (Tr. 2009-2013), and DX-118/118A (Tr. 2236, 2239-2255, 2306-2322).</p> <p>Improperly admitted evidence bootstrapped to these affidavits/declarations include: DX-214 (Tr. 343), DX-215 (Tr. 343-344), DX-218 (Tr. 344), DX-249 (Tr. 2333), DX-433 (Tr. 2009-2013), DX-479 (Tr. 2336), DX-485 (Tr. 1094-1096), DX-486 (Tr. 2062-2065), DX-487 (Tr. 1096, 1099), DX-498 (Tr. 337), DX-498A (Tr. 333-336), DX-498B (Tr. 333-336), DX-507 (Tr. 2306-2322), DX-508 (Tr. 2306-2322), DX-509 (Tr. 2306-2322), DX-511 (Tr. 2254-2255), DX-512 (Tr. 2306-2322), DX-513 (Tr. 2306-2322), DX-514 (Tr. 2306-2322), DX-518 (Tr. 2306-2322), DX-520 (Tr. 2306-2322), DX-522 (Tr. 2306-2322), DX-523 (Tr. 2306-2322), DX-524 (Tr. 2306-2322), DX-604 (Tr. 1014-1015, 1017-1020), DX-628 (Tr. 2277), DX-631 (Tr. 2306-2322), DX-632 (Tr. 2306-2322), DX-644 (Tr. 2970-2971), DX-645 (Tr. 2977-2978), DX-646 (Tr. 2986, 2988), DX-647 (Tr. 3005), and DX-649 (Tr. 3007-3008, 3010-3011).</p> <p>Other improperly admitted evidence bootstrapped to unqualified testifying witness include: DX-257 (Tr. 131-133), DX-309 (Tr. 583-585), DX-402 (Tr. 2335), DX-403 (Tr. 2335), DX-404 (Tr. 548-550), DX-424 (Tr. 492-493), DX-426 (Tr. 507-508), DX-436 (Tr. 1517, 1524-1529), DX-440 (Tr. 1986), DX-445 (Tr. 2005-2006), DX-453 (Tr. 2042-2043), DX-455 (Tr. 2043-2044), DX-458 (Tr. 2044-2045), DX-460 (Tr. 2045-2046), DX-462 (Tr. 2046-2048), DX-464 (Tr. 2047-2053), DX-465 (Tr. 2053), DX-466 (Tr. 2053-2055), DX-470 (Tr. 2057), DX-472 (Tr. 2058), DX-476 (Tr. 2058-2059), DX-480 (Tr. 2061-2062), DX-489 (Tr. 482-483), DX-489D (Tr. 487-488), DX-493 (Tr. 478-479), DX-621 (Tr. 1991-1993), DX-623 (Tr. 2035, 2038-2040), DX-624 (Tr. 2070-2071), DX-630 (Tr. 2279), DX-633 (Tr. 2283-2284), DX-634 (Tr. 2538-2539), DX-635 (Tr. 2539-2540), DX-636 (Tr. 2540-2545), DX-637 (Tr. 2546), DX-638 (Tr. 2563-2565), DX-639 (Tr. 2570-2572), DX-640 (Tr. 2573-2574), DX-641 (Tr. 2869-2870), DX-643 (Tr. 2964), DX-652 (Tr. 2882-2884), DX-653 (Tr. 2888, 2894), DX-659 (Tr. 2836-2839), DX-660 (Tr. 2989-2990), DX-662 (Tr. 2928-2930), DX-664 (Tr. 2951-2952), and DX-665 (Tr. 2930-2932).</p>

No.	Statement	Citation
2	Respondents objected to the admission of all of the business-records affidavits due to their defects, and objected to the admission of the associated documents for a lack of foundation.	<i>See supra</i> , Statement 1.
3	Moreover, there was no evidence that document custodians were unavailable to testify.	<i>See</i> discussion of DX-113 (Tr. 2325-2327), DX-114 (Tr. 2062-2065), DX-115 (Tr. 335-336, 2278), DX-116 (Tr. 2088-2092), DX-117 (Tr. 2009-2013), and DX-118/118A (Tr. 2236, 2239-2255, 2306-2322)
4	Virtually all of the unauthenticated, unsponsored documents were admitted and now contribute to the erroneous findings of fact and conclusions of law in the Initial Decision.	<i>See supra</i> , Statement 1.
5	Despite the lenience shown by the ALJ in accepting the facially-defective affidavits offered by the Division, the ALJ excluded the affidavit of settled co-respondent Anastasios “Tommy” Belesis offered by Respondents.	Tr. 3029-3045.
6	The Division objected, arguing that Respondents had not demonstrated that Belesis was unavailable to testify, even though the Division conceded that Mr. Belesis would invoke his Fifth Amendment privilege if subjected to cross-examination by the Division, thereby making him unavailable.	Tr. 3029-3040.
7	The ALJ issued a subpoena at the request of the Division several days after the start of the hearing and allowed the Division to call a witness—Arthur Coffey—who had never before appeared on any witness list.	Tr. 1882.
8	Respondents objected to the testimony of the witness as unfair due to lack of adequate notice and opportunity to prepare.	<i>Id.</i>
9	The ALJ allowed the testimony.	Tr. 1546.

No.	Statement	Citation
10	Respondents were not given adequate time to prepare for cross examination—such as by conducting a search through the 700 gigabytes of data produced by the Division—but were required to cross-examine the witness immediately due to the witness’ unavailability because of a personal matter.	Tr. 1882-1886.
11	The ALJ refused to issue the subpoenas prepared by Respondents to the investors on the Division’s witness list, and instead edited <i>sua sponte</i> all of those subpoenas.	<i>See</i> subpoenas issued for Respondents November 12, 2013.
12	Despite no filing of a motion to quash or modify the subpoenas, the ALJ determined on her own motion that the subpoenas were “unreasonable and oppressive” in their request for the investors’ tax returns and statements for investment accounts for the prior five years.	<i>See</i> subpoenas issued for Respondents November 12, 2013.
13	These witness’ status as “accredited” and “sophisticated” and risk-tolerant investors were an issue in the case.	<i>See</i> subpoenas issued for Respondents November 12, 2013; RX-1, RX-2, RX-3, RX-31, RX-38, RX-69, RX-70.
14	In addition, in a case where penalties are sought, the level of the investor’s vulnerability versus sophistication is relevant to any analysis of the degree of egregiousness of conduct.	<i>See</i> subpoenas issued for Respondents November 12, 2013; RX-1, RX-2, RX-3, RX-31, RX-38, RX-69, RX-70.
15	The ALJ also edited <i>sua sponte</i> the subpoena issued by Respondents to settled co-respondent Mr. Belesis, who was included on the Division’s witness list.	<i>See</i> subpoenas issued for Respondents November 12, 2013.
16	The ALJ eliminated the same financial records as for the testifying investors.	<i>See</i> subpoenas issued for Respondents November 12, 2013.
17	Numerous financial transactions involving all respondents were at issue, and Respondents were left to try to defend the case without access to the records for those transactions.	<i>See</i> subpoenas issued for Respondents November 12, 2013; RX-1, RX-2, RX-3, RX-31, RX-38, RX-69, RX-70.

No.	Statement	Citation
18	Moreover, in a case where aiding and abetting is charged and penalties are sought, the relative culpability of the settled respondents versus the Respondents is at issue.	<i>John Thomas Capital Mgmt. Grp. LLC</i> , Initial Decision, Release No. 693, at p. 32-33 (Oct. 17, 2014) (th "Initial Decision").
19	The ALJ refused to authorize issuance of a subpoena by Respondents for SEC records needed related to Respondents' constitutional claims, thereby preventing Respondents from obtaining the evidence needed to support their evidence-based, as-applied constitutional claims.	<i>John Thomas Capital Mgmt. Grp. LLC</i> , Admin. Proceedings Ruling Release No. 1242 (Feb. 14, 2014).
20	She admitted documentary and witness testimony over hearsay objections by Respondents, stating that hearsay is no barrier to admission in APs, and then excluded Respondents' evidence sustaining the Division's hearsay objections.	Tr. 91, 132-133, 138-139, 150, 317, 1001, 1634-1635, 1869-1870, 1992, 2225, 3029-3045.
21	For example, the private placement memoranda themselves proved that Fund II was always open to domestic investors, that Fund II was not scheduled to expire or terminate in September 2012—and therefore Respondents were not late in distributing the assets, and that the durations of both funds could be extended at the election of the Manager.	Tr. 32, 39, 2522-2526, 2599-2604.
22	Other documents demonstrated that the values attributed to both funds at the end of 2011 were wrong—by a wide margin.	<i>Compare</i> RX-17, RX-18 to OIP.
23	For example, the ALJ based the conclusions of law and sanctions on target ownership percentages in the private placement memoranda ("PPMs") related to insurance policies, when there is no mention of this in the OIP.	<i>Compare</i> Initial Decision to OIP.
24	The ALJ then ignored the terms of the PPM that permit adjustment to the asset mix and strategy—like upon the occurrence of a market crash such as the one that occurred in 2008 and 2009.	RX-1, p. 16-54, RX-2, p. ii-iii, 12-35; RX-3; Tr. 2407-2409.

No.	Statement	Citation
25	Further, the ALJ relied upon the PPMs for the terms that supported the Division's theory, improperly ignoring the rest of the terms, calling the discussion of risk factors "boiler plate."	Tr. 761-766.
26	The ALJ erroneously concluded that an undisclosed relationship exists between Respondents and the settled respondents, John Thomas Financial ("JTF") and Anastasios Belesis ("Belesis"). Initial Decision 16. This finding is not supported by credible evidence and ignores contradictory evidence that they acted independently.	RX-327, Tr. 558, 657-658, 666, 688-694; Respondent's Proposed Findings of Fact ("RPFoF"), ¶¶ 151-52.
27	The ALJ erroneously concluded that the selection of the name for John Thomas Financial was serendipitous. Initial Decision 9. This finding mischaracterizes the evidence and ignores contradictory evidence.	RX-327, p.4; Tr. 74.
28	The ALJ erroneously concluded that Belesis and Jarquesy became acquainted in 2003. ALJ further erroneously concluded in a footnote that Jarquesy denied that date but did not provide an alternate date. Initial Decision 8. This finding mischaracterizes the evidence and ignores and excluded contradictory evidence of the correct date offered by Respondents.	RX-327, p. 1; Tr. 74-75, 2514-2521.
29	The ALJ erroneously concluded that Belesis reinforced his position in the relationship through threats to stop selling interests in Jarquesy's Funds. Initial Decision 10. This finding mischaracterizes the evidence and ignores contradictory evidence.	RX-327, p. 3-5; Tr. 558, 657-658, 666, 688-694, 2659-2660, 2702-2703, 2708-2709, 2760-2761; RPFoF, ¶¶ 151-52.
30	The ALJ erroneously concluded that Jarquesy testified in an evasive manner that did not provide any assurances of the reliability of his testimony. Initial Decision 10. These findings mischaracterize Jarquesy's testimony.	Tr. 2689-2690.
31	The ALJ erroneously concluded that while Jarquesy evaded a large portion of the Division's questions, his recollection markedly improved when questioned by his own counsel. Initial Decision 11. This finding mischaracterizes Jarquesy's testimony.	Tr. 2689-2690.

No.	Statement	Citation
32	<p>The ALJ erroneously concluded that some of the representations in the marketing materials may have been accurate when the documents were first used became inaccurate and were not corrected. The ALJ further erroneously states that Respondents argue that the Division did not prove that the private placement memoranda were used without alteration throughout the time at issue. However, Respondents, who are in the best position to know of any successor PPM amendments, did not offer evidence of any changes. The ALJ further erroneously found that the private placement memoranda were used without further amendments in selling interests in the Funds during the time in issue. Initial Decision 11. These erroneous findings mischaracterize the evidence—including express authority to change professionals, business plan and asset mix—and Respondents’ legal obligations and the applicable burden and standard of proof.</p>	<p>RX-1, RX-2, RX-3, RX-316, RX-321, RX-322, RX-323, RX-324, RX-325, RX-326.</p>
33	<p>The ALJ erroneously concluded that investors might be able to redeem their investments, but upon potential payment of a penalty. Initial Decision. Initial Decision 12. This conclusion mischaracterizes the evidence, the written terms of the investment, relies on unreliable evidence and ignores contradictory evidence.</p>	<p>RX-1, p. 16-54, RX-2, p. ii-iii, 12-35; RX-3.</p>
34	<p>The ALJ erroneously concluded that investor Robert Fulhardt believed that the Fund has a September 2012 maturity date, and investor Steve Benkovsky also believed that the fund had a five-year duration that would end in 2012. Initial Decision 12. These findings mischaracterize the evidence—including the written terms of the investment—rely on unreliable evidence and ignore contradictory evidence.</p>	<p>RX-1, DX-206 (PPM specifies Fund I as a 10-year fund with the option to extend the fund by two one-year extensions at Respondents' option); Tr. 2513-2514; RPFoF, ¶ 160.</p>
35	<p>The ALJ erroneously concluded that in a podcast sent to investors on May 21, 2009, Jarkesy explained that uses of investment capital by percentages. Initial Decision 13. This conclusion mischaracterizes the evidence, relies on unreliable evidence, ignores contradictory evidence and misapplies the law.</p>	<p>RX-1, DX-206, at cover-iii, 15-27; RPFoF, ¶ 19.</p>

No.	Statement	Citation
36	The ALJ erroneously concluded that remaining portion of funds after life insurance policies were bought was to go to medium term debt and equity in business enterprises. Initial Decision 13. These findings mischaracterize the evidence—including express authority to change business plan and asset mix—relies on unreliable evidence and ignore material other evidence.	RX-1, DX-206, at 3-4, 7, 30, 33; RPFoF, ¶ 18.
37	The ALJ erroneously concluded that the PPM for Fund II did not provide such numerical details. However, marketing materials for Fund II represented that about half of Fund II’s investment would be in insurance policies amounting to at least 117% of capital commitments with additional funds to secure payment of premiums with the other half in corporate investments. Initial Decision 14. These findings mischaracterize the evidence, the written terms of the investment, rely on unreliable evidence and ignore contradictory evidence.	RX-1, p. 16-54; RX-2, p. ii-iii, 12-35; RX-3; Tr. 231-235, 350, 954-955.
38	The ALJ erroneously concluded that contrary to the representations in the Funds’ PPMs and financial statements that JTCM set the valuations for the Funds’ positions, Jarquesy disclaimed responsibility for this, indicating that AlphaMetrix valued the Funds’ positions. The ALJ made additional erroneous conclusions regarding who participated in valuing assets and how assets were valued. Initial Decision 15. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Ex. DX-230; Tr. 286, 288-290, 409-415, 420-422, 2396, 2662-2664; RPFoF, ¶ 57.
39	The ALJ made erroneous conclusions regarding the role of KPMG and Deutsche Bank and the representations about them to investors. Initial Decision 15. These findings mischaracterize the evidence—including express authority to change professionals and the business plan—rely on unreliable evidence and ignore material other evidence.	Answer, ¶¶ 4, 59-61; RX-316; RX-327, p. 4; Tr. 2669-2672, 2677-2688, 2759-2760; RPFoF, ¶ 27.

No.	Statement	Citation
40	The ALJ erroneously concluded that some statements in the PPM may have been accurate when made, became inaccurate and remained uncorrected. Initial Decision 11. These findings mischaracterize the evidence—including express authority to change professionals and the business plan—and mischaracterize the law and duties applicable to Respondents.	RX-1, RX-2, RX-3, RX-316, RX-324, RX-325.
41	The ALJ erroneously concluded that Financial Statements represented valued according to FAS 157. Initial Decision 14. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	RPFoF, ¶ 55.
42	The ALJ erroneously concluded that valuation of each asset in the Funds' holdings was listed on each Funds' holdings pages, and that each investor's share was calculated from those holding pages. Initial Decision 14-15. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 175-180, 1199.
43	The ALJ erroneously concluded that Alphamatrix did not participate in valuing the funds. Initial Decision 14. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	DX-230; Tr. 286, 288-290, 409-415, 420-422, 2396, 2662-2664; RPFoF, ¶ 57.
44	The ALJ erroneously concluded that any question concerning valuation would go to Jarkey (through subordinates at times) and Jarkey had the final word setting valuations, even if unreasonable. Initial Decision 15. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 288, 294-295, 297-299, 306, 308-309, 311-312, 316-318; RPFoF, ¶ 58.
45	The ALJ erroneously concluded that JTCM approved all statements – holdings, profit and loss, financial statements, and investor statements. Initial Decision 15. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	RX-19; RX-20; RX-21; RX-22; RX-300; RX-301; Tr. 328; 409-415, 420-422; RPFoF, ¶ 59.

No.	Statement	Citation
46	The ALJ erroneously concluded that on December 12, 2009 Belesis ordered Jarkey to deliver funds and on December 18 Fund I bought \$30,000 in Galaxy stock and Fund II bought \$10,000 in Galaxy stock. Initial Decision 17. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 2449-2450, 2697-2702, 2760, 2762; RPFoF, ¶ 154.
47	The ALJ erroneously concluded that inconsistent with the PPM, Fund II bought no life insurance policies. Initial Decision 22. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	RX-1, RX-2, RX-3, RX-318.
48	The ALJ erroneously concluded that Fund I did not meet 117% obligation in 2008. Initial Decision 22. This finding mischaracterizes the evidence—including express authority to change business plan and asset mix—relies on unreliable evidence and ignore material other evidence.	RX-1; DX-206.
49	The ALJ erroneously concluded that Fund I did not meet 117% obligation in 2010. Initial Decision 23. This finding mischaracterizes the evidence—including express authority to change business plan and asset mix—relies on unreliable evidence and ignores material other evidence.	DX-206 at cover-iii, 15-27, 33; DX-405 (Funds owned policies with face value of \$24.5 million, which meant that Respondents did not misrepresent that they had 117% face value); Tr. 2386-2388, 2398-2399; RPFoF, ¶ 43.
50	The ALJ erroneously concluded that Respondents did not spend the amount pledged on insurance policies/premiums; nor put the policies in the master trust in a timely fashion as promised in the PPM and marketing materials. Initial Decision 23. These findings mischaracterize the evidence—including express authority to change business plan and asset mix—rely on unreliable evidence and ignore material other evidence.	Tr. 1504-1524.

No.	Statement	Citation
51	The ALJ erroneously concluded that Respondent purchased policies at 15% rate, but valued at 12% rate. Initial Decision 24. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	DX-425; DX-621; Tr. 504-505, 2405-2406, 2662-2264; RPFoF, ¶¶ 68-69, 71.
52	The ALJ erroneously concluded that Respondent immediately wrote up the value of policies in contravention of FASB Staff Position 85-4-1. Initial Decision 24. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Record devoid of expert testimony on this issue; see 1 supra.
53	The ALJ erroneously concluded that Jarkey represented to investors that Fund I continued to purchase insurance policies in an August 2010 letter to investors which was a misrepresentation because Fund 1 never acquired a policy after 2009 year end. Initial Decision 24. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 2501-03.
54	The ALJ erroneously concluded that Respondents represented the insurance policies as a conservative hedge but took no steps to reduce risk. Did not invest in a large number of policies as required to reduce risk. Initial Decision 24. These findings mischaracterize the evidence—including express authority to change business plan and asset mix—rely on unreliable evidence and ignore material other evidence.	RX-1; DX-206 at cover-iii, 15-27, 33; RPFoF, ¶ 14.
55	The ALJ erroneously concluded that Respondents never told investors and potential investors that the strategy from the PPM changed. Initial Decision 28. These findings mischaracterize the evidence—including express authority to change business plan and asset mix—rely on unreliable evidence, ignore material other evidence, and mischaracterize the law and duties applicable to Respondents.	RX-1, p. 16-54, RX-2, p. ii-iii, 12-35; RX-3.

No.	Statement	Citation
56	The ALJ erroneously concluded that Respondents did not advise auditors of impairment of the notes. Initial Decision 17. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 2748- 2750; RPFoF, ¶ 102.
57	The ALJ erroneously concluded that Jarquesy spoke highly of Am. West in a podcast that did not reflect the true condition of America West. Initial Decision 17. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 2409-2413, 2426-2430, 2725-2731, 2748-2479.
58	The ALJ erroneously concluded that Jarquesy sent an optimistic “Research Report” to investors in September 2010 and issued a press release regarding America West that did not reflect true financial condition of the company. Initial Decision 17. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 2409-2413, 2426-2430, 2725-2731, 2748-2479.
59	The ALJ erroneously concluded that Alphamatrix relied on Jarquesy for valuation of Galaxy because it was not publicly traded. Initial Decision 18. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 2706-2708; RPFoF, ¶¶ 83, 89, 93.
60	The ALJ erroneously concluded that from 2009 – 2011 Jarquesy valued shares wildly. Initial Decision 18. This finding mischaracterizes the evidence—including material corporate events affecting price—relies on unreliable evidence and ignores material other evidence.	Tr. 2468, 2706-2708, 2735-2739; RPFoF, ¶¶ 83, 89-90.
61	The ALJ erroneously concluded that changes in price did not coordinate with events occurring inside Galaxy. Initial Decision 18. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 2706-2708, 2735-2739; RPFoF, ¶¶ 83, 89-90.

No.	Statement	Citation
62	The ALJ erroneously concluded that together Jarquesy and Belesis exerted control over Galaxy. Initial Decision 18. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 558, 2449-2450, 2697-2702, 2760, 2762; RPFoF, ¶¶ 153-154.
63	The ALJ erroneously concluded that Fund I sold 300,000 shares of Radiant to Fund II in Aug. 2010 with a cost of \$0.23 per share. Respondents increased the valuation of those shares the same month to \$1.00 per share causing Fund I's unrealized profits to rise. Initial Decision 19. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 2586-2587, 2662-2264, 2662-2264; RPFoF, ¶¶ 123-125.
64	The ALJ erroneously concluded that in December 2010 Radiant stock traded for the first time in 15 months at \$4.00 per share coinciding with a marketing campaign. Initial Decision 19. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 2583-2586, 2662-2264, 2740-2742; RPFoF, ¶¶ 126-128.
65	The ALJ erroneously concluded that Jarquesy valued certain warrants in Radiant at \$6.92 though they were previously valued at \$0.12 four months earlier. Initial Decision 19. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	RPFoF, ¶129.
66	The ALJ erroneously concluded that Jarquesy sent stock certificates of Radiant to certain fund investors on October 23, 2014 with a letter stating the Radiant shares were valued at least \$2.00 per share. The closing price on Yahoo! Was \$1.04 on Yahoo! Finance with no activity from October 24, 2013 through January 2, 2014. Initial Decision 20. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence; there were no transactions during that period.	RX-310.

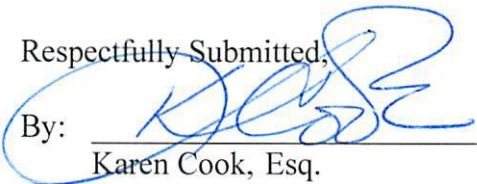
No.	Statement	Citation
67	The ALJ erroneously concluded that Jarkey initiated a promotional campaign in the fourth quarter of 2010 for America West stock. This caused the stock price to go up to \$1.95 per share in December 2010. Subsequently on the financial statements, Jarkey valued the stock at \$1.95 per share. Initial Decision 20. These findings mischaracterize the evidence, rely on unreliable evidence and ignore material other evidence.	Tr. 2740-5742, 2746-2747; RPFoF, ¶¶ 108, 111, 115-116, 118.
68	The ALJ erroneously concluded that Jarkey initiated a promotional campaign for Radiant as well resulting in the share price going up to \$4.00 per share in December 2010, resulting in very large gains reported on the year-end financial statements of the Funds. Initial Decision 20. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 2583-2586, 2740-2742; RPFoF, ¶127.
69	The ALJ erroneously concluded that Fund I capped the aggregate capital commitments in any 1 company at 5%. Initial Decision 21. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Ex. DX-206, 20 (authorizing up to aggregate capital commitments of 10%), 43 (authorizing General Partner to change the strategy of the Funds); RPFoF, ¶46.
70	The ALJ erroneously concluded that marketing materials repeated the 5% limitation. Initial Decision 21. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Ex. DX-206, 43 (authorizing General Partner to change the strategy of the Funds); RPFoF, ¶24.
71	The ALJ erroneously concluded that Fund I did not meet the cap in 2007, 2008, 2009, or 2010. Initial Decision 21. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	Tr. 2758-2759; RX-3.
72	The ALJ erroneously concluded that Belesis' input into decisions concerning portfolio companies and receipt of fees from such companies directly affected investors and losses. Initial Decision 29. This finding mischaracterizes the evidence, relies on unreliable evidence and ignores material other evidence.	RX-327, p. 3-5; Tr. 558, 657-658, 666, 688-694, 2659-2660, 2702-2703, 2708-2709, 2760-2761; RPFoF, ¶¶ 151-52.

No.	Statement	Citation
73	The ALJ erroneously concluded that Respondents violated the antifraud provisions in Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act of 1934 and Rule 10b-5 thereunder, and aided and abetted violations by the Funds of the same statutes. Initial Decision 24, 28, 29. There is insufficient evidence to support this conclusion, the findings of fact supporting this conclusion mischaracterize the evidence, and the ALJ ignored substantial evidence that contradicts this conclusion.	<i>See 1-72 supra, 76-79 infra.</i>
74	The ALJ erroneously concluded that Respondents violated the antifraud provisions in Sections 206(1), (2) and (4) of the Investment Advisors Act of 1940 and Rule 206(4)-8 thereunder, and aided and abetted violations by the Funds of the same statutes. Initial Decision 24, 28, 29. There is insufficient evidence to support these findings, the findings of fact supporting this conclusion mischaracterize the evidence, and the ALJ ignored substantial contrary evidence in the record.	<i>See 1-72 supra, 76-79 infra.</i>
75	The ALJ erroneously concluded that Respondents argue that the representations were not false when made and that the PPM gave JTCM discretion to change the investment strategy of the Fund. Yet Respondents never informed investors and potential investors of such changes. Initial Decision 28. These findings mischaracterize the evidence, mischaracterize the duties imposed upon Respondents, ignore substantial contrary evidence in the record, and are a misapplication of the law.	<i>See 1-72 supra, 76-79 infra.</i>
76	The ALJ erroneously concluded that Respondents may not rely upon advice of counsel as a defense because Respondents do not claim that they consulted counsel before undertaking the actions. Initial Decision 28. There is insufficient evidence to support these findings and the ALJ ignores substantial contrary evidence in the record.	Tr. 38-39, 2378-2380, 2384, 2396-2398, 2404-2406, 2706, 2753.

No.	Statement	Citation
77	The ALJ erroneously concluded that Respondents misrepresented or failed to disclose the true relationship between Respondents and the settled co-respondents, and that such misrepresentation or omission was material. Initial Decision 29. There is insufficient evidence to support these findings, and the ALJ ignores substantial contrary evidence in the record.	RX-327, p. 3-5; Tr. 558, 657-658, 666, 688-694, 2659-2660, 2702-2703, 2708-2709, 2760-2761; RPFoF, ¶¶ 151-52.
78	The ALJ's finding of scienter is erroneous in that there is insufficient evidence to show that Respondents knew the representations in the offering materials to be false at the time they were made—or that they were false at all at the time they were made—and the ALJ erroneously concluded that Respondents had a duty to correct prior statements, but offers no legal support for this conclusion. Initial Decision 11.	N/A: Record devoid of evidence, Initial Decision devoid of legal support.
79	The ALJ purported to address all of Respondents' constitutional claims by reciting case law supporting the ALJ's conclusion that the claims have no merit. Initial Decision 2-7. These findings are wholly improper in light of the following: 1) SEC APs do not permit counter claims, 2) the ALJ denied Respondents' request for issuance of subpoenas to obtain evidence to support their constitutional claims, 3) the ALJ failed to follow SEC procedures established to protect Respondents' constitutional rights, 4) the ALJ excluded evidence that supports Respondents' constitutional claims, thereby preventing review of the evidence, and 5) SEC ALJs do not have authority, procedural authority, training or expertise to deny constitutional claims asserted by Respondents.	15 U.S.C. §§ 77i(a), 77t, 78u, 78y(a), 80a-41, 80a-42, 80b-9 80b-13; 17 C.F.R. §§ 201.200-210; <i>Central Bank of Denver, N.A. v. First Interstate Bank of Denver, N.A.</i> , 511 U.S. 164 (1994).

Respectfully Submitted,

By:


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Karen Cook, PLLC




S. Michael McColloch, Esq.
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**Counsel for John Thomas Capital
Management Group d/b/a Patriot28
LLC and George Jarkesy, Jr.**



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February 13, 2015

Brent J. Fields, Secretary
Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Mail Stop 3628
Washington, DC 20549

Via Facsimile and Federal Express

Re: In the Matter of John Thomas Capital Management, Group, LLC et al.,
Admin. Proc. File No. 3-15255

Dear Mr. Fields:

Enclosed please find the original and three copies of Respondents' Additional Submission in the above referenced case.

If you have any questions, please do not hesitate to contact me.

Regards,

A handwritten signature in blue ink that reads "Karen Cook" followed by a stylized flourish.

Karen Cook

Enclosures as stated

cc: The Honorable Carol Fox Foelak, via Email and U.S. Mail w/copy of Enclosure
Todd D. Brody, via Email and U.S. Mail w/copy of Enclosure
Alix Biel, via Email and U.S. Mail w/copy of Enclosure