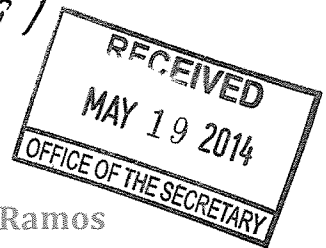


File No. 3-15691



May 14, 2014

I am responding to the Motion for Summary Disposition filed by Ms. Ramos seeking to permanently bar me from the Securities Industry. I was NOT going to respond and just give up this fight until I woke up at 2:30 this morning and decided that I will defend this and I hope to prevail. In my opinion, the decision of Ms. Ramos and the SEC was just a rubber stamp decision without actually taking the time to look at how this particular case might actually be different. I am not an attorney. My attorney is currently working a trial and could not help me with this. I consulted other attorney's and was informed it would probably cost me close to \$50,000 and the SEC would probably do whatever in their power to continue their mission no matter what. I do not have \$50,000 to defend myself so it seems it's the David vs. Goliath scenario. To clear up any confusion, I am David and the SEC is Goliath. Please bear with me because I am not any attorney but I am going to list a few items I feel are important to consider when rendering your decision.

Ms. Ramos states in her Motion that Twenty (20) other individuals were prosecuted in my case. How many are actually going to the lengths I am to not be barred from the industry? I would answer" NONE" that I am currently aware of.

On page ten (10) of the Motion. Ms. Ramos writes that "Finally, there is a real likelihood that , absent a collateral bar, the Respondent will have opportunities for future violations. It is entirely POSSIBLE, that Respondent may seek to re-enter the securities industry in the absence of a bar preventing him from doing so." With all due respect BUT how can Ms. Ramos make such an outrageous claim? How could Ms. Ramos and the SEC don't have any idea about my future intentions? I made it crystal clear in my prior letter that I have NO intention whatsoever of going back into the Security Industry and if I did then I am sure the SEC would be made aware and would take the necessary steps to prevent me. I still have no intention. This whole defense on my part is about principle and nothing more. Ms. Ramos and the SEC repeatedly write about how it's in the public interest to have me not in the industry. That's actually comical when the SEC has not held one, just one individual accountable for the financial meltdown back in 2008. Bernie Madoff was allowed to continue his scam for years after the SEC was made aware of it. I have read that some of the SEC employees were actually very impressed by Mr. Madoff and asked for jobs. But me? I am a threat.

Ms. Ramos and the SEC do not know me. They have done nothing more than read words on a piece paper and draw their own conclusions, which is fine in any other case but this is different and I will explain why. I willingly cooperated with the District Attorney's twice prior to my being indicted. I explained in specific detail how I did my business and how all my trades were verbally confirmed by my direct supervisor, Mr. William Greenman and then the Compliance department allowing all my trades to go into trading. I was told by the DA that the people in compliance would be going to prison for years. Surprisingly enough, not nobody from our Compliance department was indicted in this case. In fact Mr. Edison Alverado (who worked for Joseph Steven's compliance and confirmed my trades) wrote a character letter on my behalf that I included in my prior mailing. I also included other letters written by my clients (some of them victims in my case). These people ALL knew me for years and show a different side of me than what the SEC presents. Please take a step back and look at those letters once again and make up your own mind. You can also call one of my "victims" Mr. Les Boelter and ask him what he thinks of me. His phone number is [REDACTED] He's known me now for 11 years. There is something definitely wrong with this picture. You cannot make a decision that affects somebody's life without taking a little time and putting some feeling into it. Words aren't a substitute for actually getting to know someone. Can ALL these respectable people above and those included below be such bad judges of my character?

Now I am going to tell what happened to me back in May of 2009. I was informed on May 19, 2009 that I was going to be arrested and that I could turn myself in the next day. I was a complete mess. My bank account was frozen and I had to contact my family and explain what was about to happen and to please arrange for money for bail. My family doesn't have disposable income that they can just write a check. I turned myself in at 7:00 am on Wednesday, May 20<sup>th</sup>, 2009 and about 3:30 pm I was arraigned with the others. My attorney was not able to be there so he sent his assistant who was a bumbling idiot. To make a very long story short I was remanded and sent to the detention center in Lower Manhattan. I was in a holding cell until about 1:30 am when I had to be strip searched. After that it turns out that there was a problem with my bail. My wife contacted the attorney and the attorney called the DA's office to find out who to have the bank check made out to. After 8 hours of waiting, roughly 8:00pm on Thursday my wife was told that the check was not made out to the correct department and I could not be released. I was not able to make any contact and was in a very difficult decision being in a cell with 20 others and not knowing what was happening outside. Friday finally came and by some miracle at about 2:30pm I was told I was being released. You can only imagine my relief. Not only because I was getting out of that God forsaken hole but Sunday, the 24<sup>th</sup> was my daughter Samantha's 18<sup>th</sup> birthday and I didn't want to be in jail for that. Also the next day, Monday the 25<sup>th</sup> was Memorial Day and I had I not made bail then the earliest I would have been released was Tuesday the 26<sup>th</sup>. That event was a nightmare and I'll never forget it for the rest of my life. I'll also never forget the elevator ride up to our cells when I met a kid who could not have been older than 20. I asked him why he was in and he looked at me and said "I supposedly shot a cop"!!!!!! Needless to say I never, ever will forget nor would I ever want to spend another moment in jail. I went to court numerous times over the next 2 years until I decided to take a plea to avoid going to trial. Now put yourself in my shoes and let me ask, "what would you have done"? You have an experience like me and finally after much soul searching and discussions with your attorney and the judge you make a decision. Your attorney advises you have two choices. 1) you can plead guilty and avoid going to prison, put this ordeal behind you and begin putting the pieces of your life back together or 2) you can take a shot at an 8 month trial with no guarantee of being acquitted. If you are convicted you will be sent to prison to live in a 6x8 foot cell for 5-8 years. What would any of you do? What would you do? Also, please don't think for one moment that there aren't any innocent people sitting in prison cells as you read this. I decided it would be in my best interest to take the advice of my attorney and I am very glad I did so. The Judge in my case, The Honorable Marcy Kahn even stated (bottom of page 20 transcripts) "And today I can tell you from having had to interview more than a thousand prospective jurors for the Trial of your co-defendant, who's currently on Trial now, a lot of people in the community do

not have a favorable view of the Financial Services Industry or of the Securities Industry". That was my own personal feeling as well and I could not take the chance. For the record, my co-defendant in the case Charlie Raspa was found guilty and is currently incarcerated. I did not work with him. He was in New Jersey and I was in the Long Island Office. I also had \$135,000 in legal fees that was paid with money I had to borrow from my family which has caused problems as you can imagine besides the \$287,000 I owed in restitution.

So today I am currently off probation. I was given 5 years probation and only was on for 2. I was taken off 3 years early. Why? The answer is simple. My Probation officers, I had 2 separate, Officer Raffone and Officer Chinno got to know me and didn't believe I was such a threat. I was also ordered to do 175 hours of community service. I fulfilled that by joining up with Meals On Wheels. I still do Meals every Friday. I also am called when they need somebody to fill in which I am more than happy to do. You can feel free to contact Lynn, the Supervisor for Meals On Wheels from the Huntington, New York. Her phone number is [REDACTED] You can also feel free to contact a few of the Captains that got a chance to know me and were fully aware of my history because I never hid it:

Trudy [REDACTED]

Ed [REDACTED]

Dr. Len Hoeglmeier [REDACTED]

In conclusion, I just wanted the opportunity to explain my position on the SEC's action to bar me. I am passionate about this because I do know what I did was wrong but as Eric Franz, my attorney explained at my sentencing. If you look at Page 9 of the transcript of my sentencing, He said "Mr. Rathgeber did not wake up and try to devise schemes to figure out a way that he could take shortcuts and defraud people out of money. Mr. Rathgeber worked in an Industry where he was trained on how to do things. I am not looking to justify it because that's not his intention—he fell victim to the fact he was surrounded by people "This is the way we do things and it's okay because at best it might be a problem with REGULATORY but it's not criminal. And that's not an excuse but it should provide you with a better understanding that sometimes people think that they are on the cutting edge but they step over the line. At the time he was engaging in these transactions this was the way he was told at the Firm that it was okay. He believed the Compliance Department was okay with it. HOWEVER, he also recognizes in looking at it backwards now, with the benefit of the information collectively, HE RECOGNIZES WHAT HE DID WAS WRONG."

I do realize now and at the time of my sentencing in December of 2011 that what I did was in fact wrong and I am truly sorry and give my word that nothing like that will ever happen again. Never! Since my sentencing I have been able to pay back \$100,000 of the \$287,000. I have also been able to pay back my family for the monies borrowed to pay for my attorney although my brother and I still are not speaking because of this. I have a daughter who graduated college August of last year, a son finishing up his sophomore year in the PWC program at Binghamton and a 15 year old who plays Varsity soccer, JV Basketball, Track etc.... My wife Roni, a Social Worker by trade had to go back to work and had a difficult time with this whole chain of events. It has not been easy but I have taken the necessary steps in order to get things back on track. Am I perfect? Not by a long shot but I will state that my intentions are always with the best interest of all involved. Whatever decision you make I will respect. Thank you very much for the opportunity to explain myself.

All the best

**James Andrew Rathgeber**