

March 5, 2014

Case 3 **HARD COPY** 75691

To whom it may concern,

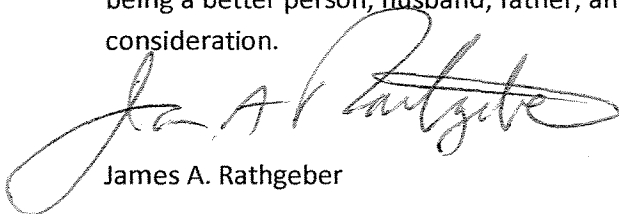
I am responding to a letter from Elizabeth M. Murphy and signed by Ms. Jill M Peterson, Assistant Secretary for the SEC. I originally spoke with Mr. David Frohlich back in August of 2013 and responded with a letter dated August 21, 2013. I am including my response to Mr. Frohlich which includes my personal reasons for petitioning the Commission not to bar me from the Securities Industry. I also included several examples of rampant abuse of the financial system by the likes of JP Morgan Chase, Wells Fargo, Steve "Stevey" Cohen, as well as his hedge fund SAC Advisors with NO ACCOUNTABILITY yet you want to make a statement by taking the action of barring me from the industry. I have also included over 10 letters written by high net worth, sophisticated clients who knew me best because they dealt directly with me and got to know me personally. The letters (including victims in my legal case) attest to my honesty and character which means a great deal to me!!!!!!

Let's get directly to the matter at hand. The issue of barring me from the industry is being decided by people who have never met me yet the people who wrote the letters on my behalf were made aware of my legal situation yet continued to do business with me and felt the need to express their feelings about me in words. I pled guilty to the charges of securities fraud, grand larceny etc.... back on December 2, 2011. I was sentenced to 5 years probation and given 175 hours of community service. As of today, March 5' 2014 I am no longer on Probation (was released back in December 2013. 2 years) and completed my 175 hours of community service by becoming affiliated with the Meals-On-Wheels program. Even though I completed my required 175 hours in February of last year (2013) I still up until this past week delivered meals every other Monday and every Friday. I would be more than happy to have documentation and letters provided for you by the people who know me but I'm convinced my fate is already decided by people who do not know me and are only looking for an opportunity to make it seem as if they are ridding the system of riff raff (such as myself) for their own peace of mind. What's wrong with this picture is I am not the problem folks. I pled guilty because that was the advice of my attorney, Ronald Fischetti. Every single trade I did in the timeframe that was laid out in my indictment was confirmed verbally with the client (including Jeff Davis, victim) and my Supervisor, Mr. William Greenman. Mr. Greenman is still a registered rep and you can take the time to find him, contact him, and ask him if what I am stating is in fact true. He documented every trade and conversation in a log that was confiscated by the Manhattan DA's office in December 2005. After getting the order from my client and then having Mr. Greenman confirm with the client I would then call the compliance department at the New York City office of Joseph Stevens &co. (I was located in the Melville, Long Island office). I would either speak with Edison Alvarado (see attached character letter) or Linda Chudnoff (head of compliance). I would explain that I received an order from a particular client and they would ask if Mr. Greenman confirmed the trade. I would answer "of course" and then transfer the call to Mr. Greenman and either Mr. Alvarado or Ms. Chudnoff would in fact confirm the trade. The next step was to have the call transferred back to me and I was given clearance to put the trade in through the system

which is exactly what I did. Just for the record, neither Mr. Alvarado nor Ms. Chudnoff were ever indicted or accused of any wrongdoing in this legal issue.

Once again, I find it outrageous that the SEC is coming after me with the sole mission of barring a very dangerous individual. I have NO intention of ever going back into the securities business even though the judge in my case, The Honorable Marcy Kahn granted me a Certificate of Civil Disabilities which would have allowed me to actually get back into the business. I am not the one responsible for bringing the world financial markets to its' knees nearly 6 years ago. No, those people are still in their Penthouse apartments and still in the securities business. They pay a fine, get a slap on the wrist and are back in time for lunch!!!! Does that sound fair????? Not to me but again you want to make an "example" of me, Jimmy Rathgeber. How pathetic. I'm angry and frustrated. Not one individual has been held accountable for all the unlawful abuse that took place with the likes of Wells Fargo, Bank of America, JP Morgan Chase. Steve Cohen pays a \$600 million dollar fine and the following week buys a \$160 million dollar Picasso and a \$18 million dollar ocean front mansion!!!!!! Who said crime doesn't pay?????? Please, with all due respect how is it possible you people from the Commission let Jamie Dimon and JP Morgan Chase pay \$12 BILLION for the Mortgage abuse (without admitting or denying wrongdoing of course), then pay \$1.8 BILLION because of the Madoff fiasco and then another \$418 million yesterday for some other infraction. It's really a joke that out of ALL of these companies and people you have your eyes set on me.

I am pleading with you for the opportunity NOT to be barred from the financial industry based on PRINCIPLE!!!!!! I have no intention of getting back into stocks, bonds, insurance or any other area of the financial industry. Just take a step back and think logically about this for a moment. Read the character letters again and then please give me the benefit of the doubt. I have done all I can to make my case understandable in laymen's terms. I am not an attorney. I'm just trying to continue to work towards being a better person, husband, father, and friend. I want to thank you very much for your consideration.

A handwritten signature in cursive script, appearing to read "James A. Rathgeber". The signature is written in black ink and is positioned above the printed name.

James A. Rathgeber

**YAHOO!** SMALL BUSINESS**Letter**

Friday, August 26, 2011 1:57 AM

From: [REDACTED]

To: "Jimmy Rathgeber" [REDACTED]

To whom it may concern,

It has come to my attention that Jim Rathgeber's character has come under attack or has been questioned by his recent employer. I am writing in reference to my experience with Jim through the last 8 or so years that I have worked with him on a professional basis as a stock broker with 3 different firms. I have and still do hold Jim in the highest regard as far as my personal and professional experience with him goes. I have always felt that Jim has been very open and fair with me. For example, last year Jim recommended that I sell shares of Star Scientific to take some profits off the table, since the shares had made a recent run upwards. After I sold the share, they proceeded to go up in price and subsequently, Jim did not charge me any commission fee when I repurchased some more shares. He did not have to do this, I did not ask for it, but he did it on his own accord. He has never guaranteed me a rate of return or stock price, but was open with the potential risks and returns.

Even though Jim has recently plead guilty on some charges, I have no on going concerns with any future dealings with him on any professional or personal basis. If Jim was a licensed stock broker today, I would still be dealing or working with him and would have no reservations.

Thank you for your time

Dr. Brian J. Keller

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September 7, 2011

To Whom It May Concern:

I met James Rathgeber when I joined Joseph Stevens & Co. in November 2004. In the 2 ½ years we worked together, I came to know Jimmy as a knowledgeable broker to his clients, a loyal friend and a dedicated family man. Jimmy's greatest joys are his children and he is happiest spending time with them.

Sincerely,

*Patricia Giglia*

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May 27, 2011

TO WHOM IT MAY CONCERN

Please let this letter serve as a character reference for James Rathgeber, who I've known for 7 years. We met while we were both working at Joseph Stevens & Co., Inc. In the 7 years I've known him, I found him to be forthright and honest, and he also had strong work ethic, and was genuinely passionate about his job. As an individual he was very responsible.

As a compliance associate at Joseph Stevens, I was involved in confirming daily trades done by James Rathgeber and found no issues.

James is a good person and a man of integrity.

Sincerely,

A handwritten signature in black ink, appearing to read "Edison Alvarado", with a long horizontal line extending to the right.

Edison Alvarado

*Jerry Littlefield*



August 24, 2010

To Whom It May Concern:

Following my original introduction to James Rathgeber while he was employed at Brookstone Securities Inc., I found the gentleman to be brutally honest for I had informed him how I checked him out on the FINRA brokers site and detected a minor infraction. He incredulously became very forthright and honest by immediately declaring that I should have seen much more, for he had been wrongfully implicated in a \$150 million fraud scheme, along with fifteen others, which he was actively striving to correct. Not only was I highly impressed with James' candid and forthright honesty then, but have become even more so with these exemplary attributes as time progressed.

True to his word, James introduced me to a real winner, for we bought 50,000 shares of Star Scientific (CIGX) on December 21<sup>st</sup> and 22<sup>nd</sup> of 2009 for an average cost of \$.60. Just as James adamantly predicted, we sold it premarket on March 25, 2010 for about \$2.80, thereby enabling a joyous return of \$110,000 on a \$30,000 investment within a three month time period.

Brookstone Securities, not James, gave me great cause for concern for the way they handled my checks. They had informed me they could not deposit my check, as it was made out to Brookstone rather than First Southwest. Thus they requested I wire said funds to them -- which I did. Then, I discovered they deposited the check the same day they requested the funds be wired to cover my supposedly inadvertent mistake.

On January 07, 2010, I wrote Nikki Upthegrove of Brookstone, informing her how the same questionable scenario occurred once again with the other check I sent for \$16,571.11 for again, they claimed they had a check they could not deposit -- but did -- and needed me to again wire funds forthwith. In my letter, I had to admonish her for I still hadn't received the \$16K plus back for which I had sent her wiring instructions. James, like myself, was visibly upset with the strangely recurring errors.

I found James to be very open regarding the abuse that Brookstone and Phil Fatta were continuing to barrage him with, and the negative effect it was having. Actually, I believed it to be inconsistent with good policy regarding Phil Fatta for, even though he was aware that I was a client of James, he would call without James on the line to confirm a trade or find out my thoughts about the market.

Having developed a very close relation with James, whom I speak with 3 to 5 times weekly, due to the fact that I found him, as aforementioned, to be very forthright and honest, I even called Dave Locy on James behalf to petition him not to do what he was doing to James. It seemed totally and absolutely unjustified.

Most sincerely,



Jerry Littlefield

To Whom It May Concern,

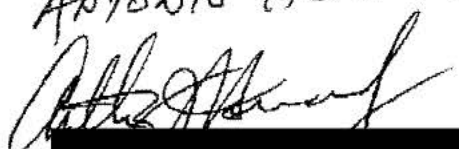
May 5, 2011


I have known James Rathgeber for nearly 6 years. James became my stock broker while at National Securities Corp. He is a polite and professional broker.

When National Securities and James were being investigated he explained the problem and told me he would be leaving to another FIRM.

I continued to do business when he moved to Brookstone Securities, Inc. I had confidence in his abilities and his candidness.

James is a person of good character and I certainly hope he will prevail and be vindicated of any wrongdoing.

Respectfully,  
Antonio Hernandez  




September 21, 2011

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To Whom It May Concern;

James Rathgeber and I meet while I was employed as a Compliance Administrator for Joseph Stevens & Company from January 1996 to August 1999. During my employment at Joseph Stevens, James worked well with senior management, the operations staff and compliance, as well as other members of the firm's sales force.

James and I worked again together at National Securities Corporation ("NSC") from April 2008 until March 2009. During James' employment with NSC, he had no customer complaints nor was there any incidence where James was argumentative or disruptive. James worked well with senior management, the operations staff and compliance, as well as other members of the firm's sales force.

Regards,

Patricia Carlson  
Senior Compliance Officer  
National Securities Corporation



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# David W Hill

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April 12, 2011

To Whom It May Concern,

I have known James Rathgeber as my stockbroker since February 2005. He has demonstrated an integrity and honesty not found in many stockbrokers. I have had several experiences with stockbrokers, but James Rathgeber handled my investments in the most professional manner.

When notified by Brookstone Securities Inc. that he would not longer be handling my account I contacted a Mr. Dave Locy to discuss James Rathgeber status. I stated I was very happy with Mr. Rathgeber performance in handing of my account and trades especially the plus \$20-30,000 short term gains in SIRI and CIGX. Mr. Locy was very abrupt and stated that's nice but there were other internal problems with no mention of FINRA. Mr. Locy seemed not interested in my opinions, was very arrogant and asinine in his approach to my concerns. I closed my account at Brookstone the following week

Respectfully

A handwritten signature in cursive script that reads "D. W. Hill".

D. W. Hill



## BACK IN ACTION PHYSICAL THERAPY

Jeffrey R. Davis, P.T.  
Physical Therapist

Pete Davis, P.T., D.P.T.,  
M.T.C., O.C.S.  
Doctor of Physical Therapy  
Certified Manual Therapist

Lydia T. Bradley, M.S., R.P.T.  
Physical Therapist

Zali Levin, P.T.  
Physical Therapist

- Arthritis & Pain Management
- Aquatic / Pool Therapy
- Certified Hand Therapy
- Functional Capacity Assessments
- Functional Rehabilitation of the Neck and Back
- Neuromuscular Therapy
- Occupational Therapy
- Orthopedic & Sports Medicine
- Osteoporosis: Education & Exercise
- Physical Therapy
- Reflexology
- Work Conditioning

April 29, 2011

To Whom It May Concern:

I have had the pleasure of working with James Rathgeber for the past five years. During this period I have always been impressed with his honesty and integrity. He has demonstrated a high degree of professionalism and a genuine concern for his clients.

I am well aware of his most recent professional and personal issues regarding Brookstone Securities, Inc. In fact, I have flown to New York City to testify before the Grand Jury on his behalf. During this ordeal, Mr. Rathgeber was always up front with me and continues to be there for me.

In summary, I have been very happy with Mr. Rathgeber's performance in handling my investments and trades. In fact, I consider him a friend and a valuable member of my investment team.

Sincerely,

Jeff Davis

VICTIM  
IN MY  
LEGAL CASE  
VICTIM

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ROBERT F. STARZEL

[REDACTED]

[REDACTED]

[REDACTED]

May 22, 2011

TO WHOM IT MAY CONCERN:

Re: JAMES RATHGEBER

Over many years Jimmy Rathgeber has discussed possible investments with me and has executed trades. He has always acted in a highly professional manner, providing his analysis and facts, answering questions, not pushing me to act, and executing flawlessly.

He has been forthright and honest, direct and helpful. He has always acted in a manner which caused me to believe that what he did was in my interest rather than his. Most recently he urged me to work with an experienced broker who has been as Jimmy always is, interested in my needs.

As a practicing lawyer licensed in California and Colorado with a combined forty years of experience in law and business, it has been necessary to assess the character of many people. I place Jimmy high on the list of people who understand the importance of doing the right thing whenever making decisions. He is a man to be trusted.

Sincerely yours,

