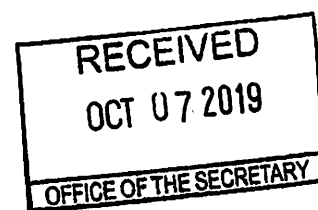


UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION



In the Matter of Application of

J. W. KORTH & COMPANY LIMITED PARTNERSHIP

SEC Admin. Proc. File No. 3-19206
FINRA Disciplinary Proceeding
No. 2012030738501

c/o James Korth and Michael Gibbons
J. W. Korth & Company, Limited Partnership
6500 Centurion Drive Suite 200
Lansing Michigan 48917
(CRD No. 26455)

To: Vanessa A. Countryman
Acting Secretary
The Office of the Secretary
Securities and Exchange Commission
100 F Street, NE
Room 10915
Washington, D.C. 201549-1090

cc: Colleen Durbin
Office of General Counsel
FINRA
1735 K Street, N.W.
Washington, D.C. 20006

RESPONSE TO FINRA BRIEF IN OPPOSITION TO APPLICATION FOR REVIEW

While FINRA has created an impressive and organized brief with an enormous number of cited cases and other authorities and arguments, only one determination really matters and very important

considerations regarding public policy to protect investors and enhance the securities markets spring from it.

Did J. W. Korth & Company provide an extraordinary level of service for its customers and did it get paid fairly for it?

In our National Adjudicatory Council Brief (Bates 001745), we showed the cited cases which FINRA rehashed in their latest work did not apply to us. In each and every case cited by FINRA, there was a real egregious activity. In our case there was clearly not.

It is absolutely a true and undeniable fact that each of the trade sets in question is a unique case with a unique set of circumstances and we have provided the evidence of the circumstances and work it took to deal with them while also contemplating multiple relevant factors, including the resulting yields, as cited in the applicable rules. Just as it did in their National Adjudicatory Council ("NAC") decision FINRA again has ignored all the Additional Evidence¹ and the specific circumstances and makes its case by dismissing nearly 500 pages of facts with a broad dismissive and largely untrue statements.

We respectfully request that the Commission ignore everything else and focus on what really matters here. We largely provided our customers with quality investment opportunities in a challenging market at yields which were thoughtful and fair. Please look at each case (individual trade set) individually and review its section in the Additional Evidence which shows the circumstances and the work it required to make those recommendations to our customers.

¹ The Additional Evidence is nearly 500 pages of emails, instant messages, research reports, detailed presentations to clients, prospectus and offering memorandum cover sheets, affidavits, trade tickets and summaries all showing level of work required to deliver recommendations on these relatively small trades to customers. The Additional Evidence appears in Bates 001745; 001901; 002033.

At the same time we request that the Commission note in their review that all trade sets were completed within the written rules and we understood and interpreted them in good faith and even FINRA acknowledges this in their statement:

“We do not find the firm (J.W. Korth) intentionally or recklessly overcharged its customers. It had in place a policy for determining markups that it openly explained to FINRA and reliably implemented” and we do not find the firm exhibited a pattern of charging excessive mark-ups” -(Hearing Panel Decision Page 22. Bates 001515)

So we respectfully ask again, please take each trade set as an individual case and apply the Additional Evidence that we worked so hard to compile for the FINRA National Adjudicatory Council. Review and make a fair determination of the fairness of the compensation on each of these small trades as if you were sitting in the seats of our team doing the intensive skilled work of finding value and mitigating your customers risk and trying to make an honest living while completing one or two trades a day and receiving about 40-45% of the gross profit.

Also, when you consider the demand for a consultant to control our trading, please consider the trades in question happened before 2011 and that we have done hundreds of thousands of trades since that have been reviewed by FINRA and only these very few have been ever been questioned and no questions have occurred in the last 9 years.

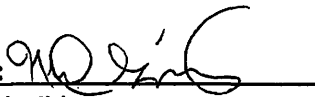
Also, please consider the fact that FINRA’s actions here have taken us completely out of the business of finding value for customers in obscure, complicated and smaller issue securities because we

are afraid to charge enough to pay for the work it takes to research them and the inventory risk it often takes to ensure they are available for clients. And as a result, FINRA's actions, while well intentioned, have damaged investors in that those that need to sell obscure smaller issue securities most likely are receiving lower bids or none at all. A dismissal of this case and a directive to FINRA to create a better format for its mark-up enforcement procedures - than just using an arbitrary numerical guideline - would hearten many smaller dealers and result in a stronger market place for the issuance and trading of smaller bond issues and thereby enhance the US financial markets and economy as a whole.

Lastly and again, we respectfully request the Commission to review each trade set separately and apply the Additional Evidence we have provided as the foundation for all its determinations here.

Thank you,

James W. Korth and Michael Gibbons

Signed: 
Michael Gibbons

Notices may be sent to the above via email and certified mail as follows:

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or

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Chief Compliance Officer

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