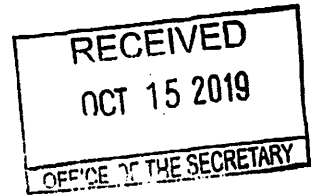


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3-19589

**Finra complaint # 2016050924601**

I am appealing the decision by Finra based on a plethora of inaccuracies that formed the basis of their conclusion to bar me from Finra. I will give a general background of the case and then cite specifics that warrant this appeal.

The case is quite simple. I was called in for an OTR for an ongoing investigation regarding a \$4,000 payment from a public fund (Forefront Income Trust) through a broker dealer to the Easter Seals Dixon Center focused on helping veterans and military families.

At the OTR, questions were asked about Forefront Income Trust; a non-traded public interval fund. After spending 2 years and millions in legal fees, the SEC approved the fund's unique structure; strategy; and client base. A prospectus was written and approved by the SEC.

I had prepared for the OTR to review the payment in question and thought the interview would be brief. Questions were asked about the fund that indicated that they did not read the prospectus or understand the structure of a non-traded public interval fund. At the first OTR, I was admittedly frustrated with their lack of knowledge and their accusatorial tone.

I told them that I had worked extensively with the SEC and they should read the prospectus and we can move on. That did not go well. I did think that Finra had specific parameters that governed their involvement and the SEC's approval would be satisfactory to them. I was not as patient as I should have been. Answers were either in the public domain or already had the approval of the SEC. The second OTR, I was more forthcoming on answering questions regarding the fund, however still adamant about their jurisdiction and why they kept questioning what the SEC had already approved.

On a totally unrelated subject to the above, I was asked about ongoing litigation that accused me and about 10 others of problems relating to investment decisions for an insurance reserve portfolio. Nothing to do with Finra's oversight mandate. Unfortunately, it is important to generally understand the case since I was temporarily unwilling to answer questions about it, while current litigation was ongoing. The only justification for Finra's involvement was their blanket jurisdiction to judge the integrity of its members. I was not a member at that time.

North Carolina serviced a reinsurance portfolio owned by Markel (a reinsurer) and earned approximately \$600K for their services. Markel wanted to get out of the business and sell the portfolio that was being serviced by North Carolina Mutual. Markel's price was 5M. Steve Fickes (having a reinsurance company called Port Royal) and NCM had worked together in the past. Steve Fickes found Forefront Partners to make a loan of 5M to Port Royal to purchase the portfolio, thereby insuring NCM's continued servicing business for 600K a year.

My company, Forefront Partners, agreed to do this loan for several reasons: 1) The money would be available for 7+ years. 2) We were told that there would be a 2M windfall when the actuarial tables would be adjusted (agreed to be split with NCM). 3) It would provide seed capital for Forefront Income Trust. 4) NCM and Port Royal had pre-approved a loan Forefront Partners backed by significant collateral (the expected duration of the loan was 7 years. 5) Make money on the spread between the expenses and death benefits to be paid to NCM (approx. 4%). and the investments that Port Royal would make.

NCM denied knowing of and approving the investment decisions when they were audited by the Insurance Commission. My signature was forged and there was a collective effort to blame me and FF. NCM knew and approved of the investments even before day 1. When Port Royal took over the portfolio; the agreed upon investments were made. 85% of the portfolio was invested in the first 2 weeks. NCM and Summit (trustee) made the wires; Fickes provided NCM detailed reports. NCM just cared about maintaining their 600K income stream. Did Forefront Partners request self-serving investments? YES. FF partners loaned 5M. Everyone knew of these investment requests and approved them.... NCM had to approve the wires made by their trustee, Summit Trust) NCM had 14 lawyers and with my only having a paralegal, I was able to get the CEO fired and the facts put on record.

Finra would be unable to judge in a few hours my integrity. They had only read the plaintiffs lawsuit and not my countersuit for the 5M at risk.

Finra was indignant and accusatorial and if they made a judgement against my character (this would have been based on no facts; only their opinion) .then this could have very serious consequences to the ongoing litigation. The ONLY way to prevent this was to refuse to answer questions and either I would answer questions after the litigation was completed, or after the litigation concluded, Finra would have a basis to make a character assessment.

The panel took "Additional consideration" to bar me from the industry. Firstly, "Reifler has a disciplinary history, which we consider in an appropriate sanction in this case. "The panel mentions a fine of \$59,033 in 1999. I did not admit or deny any wrongdoing and paid a fine. I was inaccurately accused of having an unregistered branch office (even though the "branch" was licensed as an independent Introducing Broker with the NASD). The panel cited a \$36,000 fine for the oversight in not updating the above settlement. They failed to mention that Finra fined my firm \$1,500.00 for this same infraction. Since this dated back 15 years, Massachusetts originally started with a fine of \$500,000.

Since my registration 33 years ago (1986), I have had over 6,000 clients and generated well in excess of 1 Bln in commissions. I would hardly characterize my disciplinary history adding to the justification for a bar from the industry. I think just the opposite. The panel cites a case that justifies their ability to ask questions in an ongoing litigation, however the case "Williams 50 SEC at 1072" was specifically mandating that questions had to be answered **if** there is a possibility of litigation. Thank you for your time and consideration. Sincerely, Brad Reifler

