

Christopher Martin

[REDACTED]

[REDACTED]

RE: ADMINISTRATIVE PROCEEDING FILE NO. 3-21303

ANSWER FROM BRADLEY REIFLER

I want to thank the SEC for this opportunity to respond. I respond to you as a pro se defendant. On May 5, 2022, on the advice of counsel, I accepted a plea. On November 7, 2022 I plead guilty to one count of wire fraud *Ex. 1* and not mail fraud as was written in the Order written on February 15, 2023 Section II B. 2. On January 17, 2023 I surrendered to The Board Of Prisons at Otisville Correctional Facility to begin serving my 5 year sentence *Ex. 1*

As an inmate I have no access to the internet, limited files, and extremely limited phone usage. This alone is a great burden to overcome and it disables my ability to include certain exculpatory documents that I wish to have considered. In light of these facts I would ask the SEC to consider a stay in this Administrative Proceeding The SEC wrote to me last week stating that I can visit their offices to see the documents that will be present and I can make copies but again as you are aware; this is not an option for me at this time.

In the event that a stay is not granted, I am submitting a response along with past exhibits. My daughter has assisted me on this presentation and my wife, having full power of attorney, will sign and file on my behalf.

In order to be successful in this effort, I must prove that I have broken no security laws, pose no risk to the public and equally importantly, did not, and will not, violate any ethical and moral standards that the industry has adopted. It is critical to understand the circumstances surrounding my indictment and the specifics as to what I pled to.

The following in no way changes my factual basis, but rather it fills in the voids in the hopes of preventing inaccurate assumptions.

The Purchase of the Markel Portfolio

In 2014, I met Steve Fickes, owner of Port Royal, through an associate named Michael Flatley. Mr. Fickes was looking to first acquire and then invest the funds of the Markel reinsurance portfolio. Mr. Fickes had a 10-year relationship with North Carolina Mutual, who at the time were at risk of losing their \$600,000.00 of annual servicing fees if the Markel portfolio were to be sold to a reinsurer that would select a different servicer.

From the beginning, my main goal was to secure an investment from Mr. Fickes for the public fund that I had created; Forefront Income Trust

("FIT"). FIT would allow middle America access to conservative investment opportunities that previously were only available to the wealthy. I was looking for an institutional investor that would provide at least 10M for foundation capital before approaching individual investors.

Forefront had arranged a short term loan to close the portfolio purchase. Mr. Fickes agreed to provide the capital to pay off this loan and it was understood he would assume personal liability for it.

Eligibility

I knew very little about the insurance business. At first, I had considered taking on the role of formal advisor to the portfolio, and so started to form an entity, Stamford Brook Capital LLC, to do so. When Mr. Fickes explained the fiduciary nature I would be undertaking, I stopped the formation of Stamford Brook Capital LLC immediately *Ex 2, pg 168 Line 19-25 and Pg. 169 Line 1-20 169 Ex 3, pg 102 Line 25 and pg.103. Lines 1-19* and informed Mr. Fickes that I would be much more comfortable being his advisor and suggesting investment opportunities. This was a space I had much more experience in and was confident I could successfully undertake.

It was agreed that Mr. Fickes would be in charge of eligibility, and I would recommend investments. As you may recall, Mr. Fickes testified before the SEC that he understood he was responsible for "determining whether

proposed investments qualified as “Eligible Assets” under the Trust Agreement.” Steve Fickes went on to testify that I was responsible for locating investment opportunities.

Mr. Fickes showed me investment regulations to confirm how liberal the portfolio’s investments could be. This also encouraged me to make the loan to him. All the investment recommendations that I suggested were consistent with the regulations that he showed me.

A Reinsurance Agreement, (“Trust Agreement”) was created and signed between North Carolina Mutual, Port Royal, and Summit Trust. *Ex 4* . The Trust Agreement outlined the roles/responsibilities as well as the checks and balances for the parties involved. I was not, and never have been, a party to this agreement. In an email from Michael Lawrence (CEO of NCM), he writes, “*We are not certain why Michael Flatley or Bradley Reifler would have any knowledge of the Trust Agreement as they are not parties to the agreement.*” *Ex 5*. As I previously stated, I do not have access to this document here in Otisville however, this is exculpatory and can be sent to the SEC by my former counsel.

It was essential to Mr. Fickes that he be in control of the regulatory eligibility of the investments because—as a party to the Trust Agreement—he and Port Royal were contractually liable for any financial shortfall resulting

from the investment portfolio. The Reinsurance Trust Agreement states, “*If, on any Measurement Date, the fair market value of the Assets held in the Trust Account on such date shall be less than the Statutory Reserves and Liabilities, the Reinsurer shall promptly...deposit additional Assets having a fair market value of not less than such Reinsurance Trust Deficiency amount.*” *Ex 4.*

In order for any investment to be made there needed to be unanimity between Mr. Fickes and myself. In short, Mr. Fickes had the final determination if we moved forward on an investment recommendation. *Ex. 6a, 6b, 6c.*

My Relationship to NCM

I knew that NCM could be a good resource to access potential investors for FIT, and that its policyholders were the exact demographic that FIT was looking to market to. Aside from this, I had no other relationship with them. My relationship was solely with Port Royal. There were no contractual associations between myself and NCM, nor any verbal agreements, that would be interpreted as having any obligation between the parties. There was virtually no communication between myself and NCM for the first 14 months.

The lack of relationship between myself and NCM is reinforced in a letter from NCM’s attorney: “*Forefront Partners, Forefront Capital, Forefront Management or any other “Forefront” company (collectively “Forefront”) have*

never had an investment advisory or other management responsibilities with the Port Royal North Carolina Mutual Reinsurance Trust, Port Royal, or NCM.” Ex 7. Again, I do not have access to this document here in Otisville however, this is exculpatory and can be sent to the SEC by my former counsel.

Investments

Before acquiring the portfolio, Mr. Fickes solicited investment suggestions from others as he wanted the portfolio to be immediately invested. In an email from Steve Fickes to Michael Flatley on March 27, 2015 he writes: ***“Maybe I should plan to come up to NY Wednesday/Thursday so David and I can map out where all the money will be invested. So, the minute it arrives it can be put to work.”*** Ex 8a. A few weeks later, on April 28, 2015, Mr. Fickes wrote to me: *“I think we should get James Speed and company up to NY ASAP and map out a strategy to knock out a few deals with them.”*

Ex 8b.

There are two initial investments that I recommended: a \$10M loan into FIT and a 10M loan to Forefront Partners. These recommendations have resulted in accusations of fraud, theft, self-dealing, and a substantial financial loss leading to NCM’s demise.

Forefront Income Trust (“FIT”)

FIT was a public fund that I created. The structure of FIT was unlike any other fund on Wall Street; its fees and profit structure was overwhelmingly favorable to the investor. No fees would be charged to the investor and they would earn the first 8% return. Only after exceeding an 8% return would Forefront make any money.

As a public fund, FIT had a publicly filed prospectus which included information such as its terms, structure, investment criteria, and its liquidity terms. There were 7 people on FIT’s investment committee, an independent board of directors, and regulatory oversight by the Securities and Exchange Commission. Port Royal’s investments in FIT were transparent; all of FIT’s investments could be found quarterly on dozens of public reporting sites.

Contrary to allegations of hiding investments, the Trustee of both Port Royal and NCM, Meade Rudasill at Summit Trust, personally completed FIT’s opening account forms. *Ex.9* . He also thought so highly of FIT that he invested money on behalf of his father.

FIT won several awards for its performance and its low risk. Awards included *“Hedge Fund Manager of the Year 2016” -Wealth and Finance International*, *“Top 10 Funds” -Ranked by Compound Annual Return & Ranked by Sharpe Ration*, and *“Top 5 Funds” -Ranked by Monthly Return*.

As of January 2022, FIT had returned \$7M to NCM. In addition FIT had open positions valued at 10.85M. This would imply a profit of \$7M+ to NCM from the FIT investment. Below is a breakdown of the 10.85M open positions as of January 2022.

- 34,505,000 shares of Xeriant (Jan high; \$6.9M)
- Joel Schreiber's debt in FIT 3.6M
- Auto Funding Group: 1.5M of car loans collateralized by used cars (realistic recovery 350K)

Forefront Partners

Forefront had significant assets and collateral that would conservatively support the 10M loan, *Ex. 10a, 10b, 11* Additionally, Forefront had strong cash flow primarily from Talking Capital, a telecom finance business. As of September 2015 Talking Capital's net income was \$3,365,189.85.

All profits from Port Royal's loan to Forefront went to Port Royal. My conduct has been questioned concerning misappropriating funds. The "Port Royal Prime Note Term Sheet" outlined the loan terms between Forefront and Port Royal.

Steve Fickes knew that Forefront was paying many of its lenders 10% interest. Forefront also had agreed to pay Port Royal 10% on its loan (it started at 12%). The loan proceeds would be considered a profit and Forefront's arrangement with Port Royal was to receive 60% of the profits.

NCM's Financial Setback

In 2016 NCM had a decade of financial problems and in 2016 alone had lost 4.4M under Michael Lawrence's leadership. The largest debtor to NCM was Joel Schreiber, ("Schreiber"), who owed NCM 15M. He approached Michael Lawrence in 2017 and stated that he had serious financial problems and wanted to negotiate his debt. Michael Lawrence, without any approval from others, agreed to forgive approximately 12M of Schreiber's debt if he would pay 3.2M right away. Schreiber agreed. NCM had unfortunately serious financial setbacks which probably led to approving the 100M+ portfolio (which resulted in 85M of ineligible investments, and replacing James Speed with a new CEO, Michael Lawrence. The cash crunch, not related to Port Royal, was solved temporarily if Lawrence could get an immediate injection of 3.2M.

To date, Michael Lawrence and the Rehabilitator have given 15 extensions and the 3.2M debt has still not been paid in full. *Ex. 12*

In Closing

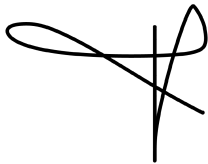
In 2016 Forefront's partner in the Talking Capital business, Rodney Omanoff, started a competing company, Voip Guardian, and went on to make \$59M. Summary judgment, in part, was granted in September 2022 against Rodney Omanoff and his affiliated companies. The first week in January 2023 there was a bench trial to determine the judgment amount. *Ex. 14* Any and all recovered monies will be given to the lenders of Forefront Partners with interest.

In January 2022 a trustee, Don Roof, was hired by NCM to liquidate FIT. Despite providing him with extensive information on the FIT's investments, contact information to the administrator, and settlement agreements, I was described as not only being unhelpful but burdensome. Cited is an excerpt from an email from myself to Don Roof's associate, on January 25, 2022 *"I have called Don at least 6 times in the last couple of weeks and have not had the courtesy of a response. I am deeply concerned that investors who put their hard-earned savings into Forefront Income Trust are now having their assets eaten away by unnecessary expenses, and the disregard of a multiyear effort to get money owed to the fund, at very little legal expense."* *Ex 15a, 15b*

Conclusion

In addition to serving a five (5) year prison sentence I have also been ordered to pay restitution to NCM in the amount of \$20,322,220.00 I have spent my entire professional life in the financial sector and ask that you strongly consider allowing me to maintain my license so I may reenter the financial sector(s) upon my release and do my part to make the victims within NCM whole again.

I thank you for your time and consideration and I look forward to assisting in any way that I can in the prehearing conference.

A handwritten signature in black ink, appearing to be 'Bradley C. Reifler'. The signature is stylized with a large loop on the left and a vertical line on the right.

Bradley C. Reifler by Ash Reifler under POA