UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-14684

In the Matter of

ANTHONY FIELDS, CPA
d/b/a ANTHONY FIELDS &
ASSOCIATES and d/b/a
PLATINUM SECURITIES
BROKERS,

Respondent.

JUDGE CAROL FOX FOELAK

RESPNDENT'S REPLY TO THE DIVISION OF ENFORCEMENT'S PREHEARING BRIEF PART I

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SUMMARY ARGUMENT

Without performing any analytical review, verifying the existence of the signers of the contracts, forensic, investigation, background checks on the parties within the body of the contracts or other supporting documentation that was presented by the respondent to the Division of Enforcement of the Securities And Exchange Commission that was subpoenaed in July of 2011. Having done no due diligence, no investigation whatsoever on any of the documentation submitted, No phone calls, no subpoenas, no depositions, (other than the respondents) supporting their allegations the Department of Enforcement determined that the respondent has perpetrated a criminal offence, fraudulent in nature, has produced an expert witness, who works and is compensated by the same agency accusing the respondent of fraud, whose testimony is biased in all aspects of the term bias has prepared a respondent's Overview of Prime Bank Securities Fraud Schemes Using Social Media and the Internet, the Respondent's Background and Use of Trade Names Respondent's Offerings and Misrepresentations through Business Networking Social Media. Respondent' s False Website Advertising Respondent's False Registration of AF A with the SEC, False Certifications and Failure to Comply with Regulatory Requirements Platinum is not Registered as a Broker-Dealer with the SEC and is not a Primary Dealer in U.S. Treasury Securities and Respondent's Answer to the Order Instituting Proceedings and Refusal to Enter into Stipulations of Fact.Harlan Fiske Stone and Louis Brandeis._Wrote, "Entrapment," is the conception and planning of an offense by an officer, and his procurement of its commission by one who would not have perpetrated it except for the trickery, persuasion, or fraud of the officer."

By not agreeing to be barred for life from the securities industry the Department of Enforcement has pursued vigorously every avenue to engage in the undocumented force of entrapment. Chief Justice Charles Evans Hughes located the key to entrapment in the defendant's predisposition or lack thereof to commit the crime.

Calling the investigation a "gross abuse of authority", Hughes wrote:

"It is clear that the evidence was sufficient to warrant a finding that the act for which defendant was prosecuted was instigated by the prohibition agent, that it was the

> creature of his purpose, that defendant had no previous disposition to commit it but was an industrious, law-abiding citizen, and that the agent lured defendant, otherwise innocent, to its commission by repeated and persistent solicitation of a plea of guilty by the respondent."

Statement of Fact

It is a general requirement that for an action in misrepresentation to proceed, that the statement in question be one of present or past fact. This has its grounding in that only facts can be distinguished as being true or untrue at the time they are made.

The Statements made in the respondents ADV and web sites were statements of fact at the time of filling and Statements which are made in relation to the intention of a party or the occurrence of some event in the future do not constitute misrepresentations should they fail to eventuate.

The Plaintiff indicates that no secondary market exists for Bank Guarantees' (BGs) or Mid Term Bank Notes (MTNs). However, Investopedia, a leading market research organization strongly disagree and states the following:

Definition of 'Secondary Market'

> "A market where investors purchase securities or assets from other investors, rather than from issuing companies themselves. The national exchanges - such as the New York Stock Exchange and the NASDAQ are secondary markets."
>
> "Secondary markets exist for other securities as well, such as when funds, investment banks, or entities such as Fannie Mae purchase mortgages from issuing lenders. In any secondary market trade, the cash proceeds go to an investor rather than to the underlying company/entity directly."

A Sole proprietorship exists for the purpose of facilitating the organization process and affords The Proprietor to hire his staff when needed as stated by Investopedia below:

A **sole proprietorship**, also known as the **sole trader** or simply a **proprietorship**, is a type of business entity that is owned and run by one individual and in which there is no legal distinction between the owner and the business. The owner receives all profits (subject to taxation specific to the business) and has unlimited responsibility for all losses and debts. Every asset of the business is owned by the proprietor and all debts of the business are the proprietor's. This means that the owner has no less liability than if they were acting as an individual instead of as a business. It is a "sole" proprietorship in contrast with partnerships.

Definition by Glos&Baker. "A sole proprietorship is a business owned by one person who is entitled to all of its profits" Definition by Reed& conover "The single or the sole proprietorship is a business owned and controlled by one man even though he may have many other persons working for him" A sole proprietor may use a trade name or business name other

than his or her legal name. In many jurisdictions there are rules to enable the true owner of a business name to be ascertained. In the United States there is generally a requirement to file a *doing business as* statement with the local authorities.

The current system of primary dealers was set up in 1960 with 18 dealers. The number of primary dealers grew to 46 in 1988, declined to 21 by 2007 and stands at 21 in October 2011

The most recent additions to the list of primary dealers were Bank of Nova Scotia, New York Agency and BMO Capital Markets Corp., both named on October 4, 2011. Name changes of the firms are fairly common as are withdrawals dues to mergers, for example, when Merrill Lynch was taken over by Bank of America, the Merrill Lynch name was at first withdrawn but the Bank of America dealer firm was later renamed Merrill Lynch

Having security accounts with Fidelity, Merrill Lynch, Bloomberg, CQG, Inc., Pershing Clearing House and Treasury Direct gives the respondent access to well over 25,000 securities

To establish fraud, a plaintiff typically has the burden of proving each of the following elements:

- The defendant made a representation of one or more material facts;
- The representation was false when it was made;
- The defendant knew the representation was false when the defendant made it, or defendant made it recklessly (i.e., without knowing whether or not it was true);
- The defendant made the representation with the intention that the plaintiff rely upon it;
- The plaintiff relied upon the representation; and
- The plaintiff suffered damages as a result of the reliance.

Innocent misrepresentation occurs when the representor had reasonable grounds for believing that his or her false statement was true.[19] Prior to *Hedley Byrne*, all misrepresentations that were not fraudulent were considered to be innocent. This type of representation primarily allows for a remedy of rescission, the purpose of which is put the parties back into a position as if the contract had never taken place.

The respondent having well over 30 years' experience as an accountant, being a Certified Public Accountant for 25 years and his extensive background in the financial industry and that respondent had no previous disposition to commit it but was an industrious, law-abidingcitizen, and that the agent lured defendant, otherwise innocent, to its commission by repeated and

persistent solicitation of a plea of guilty by the respondent." is more than Sufficient to justify his ability to perform as an investment advisor and securities broker as well as continuing to be a Certified Public Accountant.

BACKGROUND

Anthony Fields started his career as an intern in the Accounting Department of Continental Bank of Chicago in 1979 while in his second year of college. This internship lasted until the end of the year at which point Mr. Fields acquired a position with the accounting firm of Blumenfeld, Weiser, Friedman & Company as a proof reader of financial statements and tax returns. Mr. Fields worked his way up from proof reader to Junior Accountant in 1981 when he adegree in Accounting from Roosevelt University. In 1983 Mr. Fields advanced to Senior Accountant and acquired his Certificate of Mastery in Accounting from the Department of Agriculture's Graduate School. And finally, in 1987 Mr. Fields acquired his Certificate as a Certified Public Accountant from the University of Illinois.

While working at BlumenFeld, Weiser, Friedman Mr. Fields' responsibility was to prepare all of the receipts and disbursements of the investing activities, the Financial Statements and Tax Returns for the client's investment portfolios managed by the affiliated firm of Weiser Investment Management, as well as other accounting auditing and tax related assignments. In 1987 to 1988 Mr. Fields worked for the Accounting firm Foxx & Company located in Cincinnati, Ohio as a Manager in the Auditing Department, and In 1988 to 1989 Mr. Fields worked for the Accounting Firm Hill & Taylor & Company located in Chicago, Illinois as an Audit and Tax Manager. Mr. Fields' extensive knowledge in investments, accounting and taxes fueled the need to establish Anthony Fields & Associates, Certified Public Accountants in 1989 and ultimately spin off into Investment Advising in 2009.

REPLY TO STATEMENT OF FACTS

1. **Overview of Prime Bank Securities Fraud Schemes Using Social Media and the Internet**

The secondary market, also called aftermarket, is the financial market in which previously issued financial instruments such as stock, bonds, options, and futures are bought and sold Another frequent usage of "secondary market" is to refer to loans which are sold by a mortgage bank to investors such as Fannie Mae and Freddie Mac.

The term "secondary market" is also used to refer to the market for any used goods or assets, or an alternative use for an existing product or asset where the customer base is the second market (for example, corn has been traditionally used primarily for food production and feedstock, but a "second" or "third" market has developed for use in ethanol production).

With primary issuances of securities or financial instruments, or the primary market, investors purchase these securities directly from issuers such as corporations issuing shares in an IPO or private placement, or directly from the federal government in the case of treasuries. After the initial issuance, investors can purchase from other investors in the secondary market.

The secondary market for a variety of assets can vary from loans to stocks, from fragmented to centralized, and from illiquid to very liquid. The major stock exchanges are the most visible example of liquid secondary markets - in this case, for stocks of publicly traded companies. Exchanges such as the New York Stock Exchange, NASDAQ and the American Stock

Exchange provide a centralized, liquid secondary market for the investors who own stocks that trade on those exchanges. Most bonds and structured products trade "over the counter," or by phoning the bond desk of one's broker-dealer.

This Information was provided by the leading research firms Wikipedia and Investopedia.

Wikipedia is a free, collaboratively edited and multilingual Internet encyclopedia supported by the non-profit Wikimedia Foundation. Its 21 million articles (over 3.9 million in English alone) have been written collaboratively by volunteers around the world. Almost all of its articles can be edited by anyone with access to the site, and it has about 100,000 regularly active contributors. As of May 2012, there are editions of Wikipedia in 285 languages. It has become the largest and most popular general reference work on the Internet, ranking sixth globally among all websites on Alexa and having an estimated 365 million readers worldwide. It is estimated that Wikipedia receives 2.7 billion monthly pageviews from the United States alone. Wikipedia was launched in January 2001 by Jimmy Wales and Larry Sanger. Jimmy Donal "Jimbo" Wales; born August 7, 1966 is an American Internet entrepreneur best known as a co-founder and promoter of the online non-profit encyclopedia Wikipedia and the Wikia company. Wales was born in Huntsville, Alabama, United States, where he attended Randolph School, a university-preparatory school, then earned bachelor's and master's degrees in finance. While in graduate school, he taught at two universities, but left before completing a PhD in order to take a job in finance and later worked as the research director of a Chicago futures and options firm. In 1996

Lawrence Mark "Larry" Sanger (born July 16, 1968 is an American philosopher co-founder of Wikipedia, and the founder of Citizendium. He grew up in Anchorage, Alaska. From an early age he has been interested in philosophy. Sanger received a Bachelor of Arts in philosophy from Reed College in 1991 and a Doctor of Philosophy in philosophy from Ohio State University in 2000. Most of his philosophical work has focused on epistemology, the theory of knowledge.

He has been involved with various online encyclopedia projects. He is the former

editor-in-chief of Nupedia, chief organizer (2001–2002) of its successor, Wikipedia, and founding editor-in-chief of Citizendium. From his position at Nupedia, he assembled the process for article development. Sanger proposed implementing a wiki, which led directly to the creation of Wikipedia. Initially Wikipedia was a complementary project for Nupedia. He was Wikipedia's early community leader and established many of its original policies. He spearheaded an alternative wiki-based project, Citizendium.

Wikipedia's departure from the expert-driven style of encyclopedia building and the presence of a large body of unacademic content have received ample attention in print media. In its 2006 Person of the Year article, *Time* magazine recognized the rapid growth of online collaboration and interaction by millions of people around the world. It cited Wikipedia as an example, in addition to YouTube, MySpace, and Facebook. Wikipedia has also been praised as a news source because of how quickly articles about recent events appear Students have been assigned to write Wikipedia articles as an exercise in clearly and succinctly explaining difficult concepts to an uninitiated audience.

Although the policies of Wikipedia strongly espouse verifiability and a neutral point of view, criticisms leveled at Wikipedia include allegations about quality of writin inaccurate or inconsistent information, and explicit content. Various experts (including founder Jimmy Wales and Jonathan Zittrain, Oxford University) have expressed concern over possible (intentional or unintentional) biases. These allegations are variously addressed by Wikipedia policies.

About Investopedia

Investopedia, a division of ValueClick, Inc. was founded in 1999 by Cory Wagner and Cory Janssen. Its original concept was based on building the most comprehensive financial dictionary online. Over time, the focus of the site expanded to building educational content and

tools to help empower the individual investor.

In April 2007, the site was acquired by Forbes Digital, having recognized the pure potential of Investopedia. After three years of ownership which resulted in significant growth and expansion of the website, Forbes sold Investopedia to ValueClick in August 2010.

Today the site attracts millions of visitors per month seeking to improve their financial understanding. Investopedia offers an abundance of financial content, from articles, dictionary terms, tutorials and video, to frequently asked questions and exam prep quizzes. Notable is Investopedia's Stock Simulator and FXtrader, where users can register for free and practice their investing skills with $100,000 in virtual cash in either the stock market or fast paced foreign exchange market.

In addition to online content, Investopedia offers free weekly newsletters covering all topics from investing basics to Forex trading. Our newsletters cater to all audiences, whether it be the seasoned investor interested in receiving stock analysis and trends, or inexperienced individuals looking to get their financial feet wet.

An Introduction To Bank Guarantee and the Secondary market (EXHIBIT A) will provide a brief understanding of the secondary market that in the opinion of the expert witness of the Division of Enforcement states does not exist. (EXHIBIT B) is an advertisement from Fidelity advertising the sell of Mid Term Notes to the secondary Market. (EXHIBIT C) is a bank guarantee being sold on the secondary market through Euroclear, and finally, (EXHIBIT D) shows Mid Term Notes recenty sold on the secondary market.

These exhibits demonstrate that the expert witness of the Division of Enforcement's opinion on the secondary market and his opinion expressed pertaing to the respondent are 100% wrong and that there has been no attempts to perpetrate fraud any any form or fashion.

2. Respondent's Background and Use of Trade Names

Anthony Fields started his career as an intern in the Accounting Department of Continental Bank of Chicago in 1979 while in his second year of college. This internship lasted until the end of the year at which point Mr. Fields acquired a position with the accounting firm of Blumenfeld, Weiser, Friedman & Company as a proof reader of financial statements and tax returns. Mr. Fields worked his way up from proof reader to Junior Accountant in 1981 when he adegree in Accounting from Roosevelt University. In 1983 Mr. Fields advanced to Senior Accountant and acquired his Certificate of Mastery in Accounting from the Department of Agriculture's Graduate School. And finally, in 1987 Mr. Fields acquired his Certificate as a Certified Public Accountant from the University of Illinois.

While working at BlumenFeld, Weiser, Friedman Mr. Fields' responsibility was to prepare all of the receipts and disbursements of the investing activities, the Financial Statements and Tax Returns for the client's investment portfolios managed by the affiliated firm of Weiser Investment Management, as well as other accounting auditing and tax related assignments. In 1987 to 1988 Mr. Fields worked for the Accounting firm Foxx & Company located in Cincinnati, Ohio as a Manager in the Auditing Department, and In 1988 to 1989 Mr. Fields worked for the Accounting Firm Hill & Taylor & Company located in Chicago, Illinois as an Audit and Tax Manager. Mr. Fields' extensive knowledge in investments, accounting and taxes fueled the need to establish Anthony Fields & Associates, Certified Public Accountants in 1989 and ultimately spin off into Investment Advising in 2010..

From 1999 until 2003, the respondent was making approximately $300,000 per year and in 1999 purchased his home in Elburn, Illinois for $750,000. In 2003 it had a market value of $1,300,000.

In 1999, the respondent purchased a track of land for $1,000,000 for the purpose of building a 127 room Howard Johnson's Hotel. As of 2010 the property was worth $1,125,000.

In November of 2006, the respondent wrote a book entitled " The Reverse Mortgage Residential Foreclosure Program, An Innovative And Unique Way To Save Your Home."

From 1989 to the present the respondent has hitrd at leased 20 employees, (Secretary's Bookkeepers, Junior Accountants, Senior Accountants and Managers). The Division of

Enforcement, without any verification research and documentation to support their misrepresentation of facts stated in part:

"In March, 2010, Fields registered AFA as an investment adviser with the SEC. Fields also operates the Website •• www.anthonyfieldsandassociates.com •• to advertise AF A's services as an investment adviser. .AF A has never had any officers, directors or employees besides

Fields, however, and Fields has no experience trading securities or providing investment advisory services. Fields has never bought or sold any securities (for others or even for himself) and does not hold any securities licenses."

In addition, the respondent, has bought and sold securities on Treasury Direct as recent as 2011.

Furthermore, the respondent has studied vigorously, to sit for the series seven exam. See (EXHIBT F).

Fields registered Platinum as a broker-dealer with the SEe in March 2010 but withdrew that registration effective September 2010 after FINRA told him that Platinum did not meet minimum net capital requirements and subsequently re-registered October 13, 2010 once it was discovered that the SEC allows for the anticipation of revenues under SEC Staff

Accounting Bulletin: No. 101 -- Revenue Recognition in Financial Statements:

Securities and Exchange Commission 17 CFR Part 211 [Release No. SAB 101]

Staff Accounting Bulletin No. 101 Agency: Securities and Exchange Commission

Action: Publication of Staff Accounting Bulletin, that the respondent could use unearned revenue from the anticipated revenues from the executed contracts signed by sellers and buyers (EXHIBIT G) of the financial instruments to determine net capital.(EXHIT F)

3. Respondent's Offerings and Misrepresentations through Business Networking Social Media

The respondent admits that he advertised on the "Business To Business" (B2B) websites. However, the respondent denies advertising on these sites for any raudulent purposes. The Division of Enforcement, has again misrepresented the facts of the issues that they have

introduced as evidence against the respondent.

Misrepresentations Presented By The Division Of Enforcement:

A. His LinkedIn "profile" identifies him as the owner of Platinum and the "Principal/CCO" of AFA and refers LinkedIn members to his web sites for those companies for additional information.

The respondent's post's in the B2B websites never referred anyony to the respondent's websites as the Division as provided in there brief. (Statement Of Facts, Issue number 2. .Respondent's Offerings and Misrepresentations through Business Networking Social Media.

Quotes"

FRESH CUT BGS 40+1

Bank Guarantees, Cash Backed, Deutsche Bank, Credit Suisse, HSBC, JP Morgan Chase, BNP Paribas, UBS, RBS or Barclays, One (1) year and one day, Fresh Cut USD 500 Billion (USD 500,000,000,000.00) with Rolls and Extensions 40% or better plus 1 % Commission Fee to be paid, to Buy Side and Sell side consultants *50/50.* First Tranche: 500M USD .... .If you are interested you can email for particulars at anthonyfields@att.net.

Fields posted this additional notice in the same LinkedIn discussion group:

FRESH CUT MTNS 30+1

"Medium Term Notes, Cash Backed, Deutsche Bank, Credit Suisse, HSBC, JP Morgan Chase, BNP Paribas, UBS, RBS or Barclays, Ten (10) years and one (1) day. Fresh Cut 7.5% expected. USD 500 Billion (USD 500,000,000,000.00) with Rolls and Extensions. 30% or better plus 1 % Commission Fee to be paid, to Buy Side and Sell side consultants *50/50.* First Tranche 500 M USD. All interested parties can email me for particulars at anthonyfields@att.net."

B. "Fields subsequently exchanged emails with a self-described "consultant" who said she would "send [Fields] some opportunities," but no seller was ever identified."

Respondent: If the Division of enforcement had done any follow-up or performed any analytical review, verifying the existence of the signers of the contracts, they would have discovered the existence of the sellers on the instruments, forensic, investigation, background checks on the parties within the body of the contracts

C. "Fortunately for Westminster, its representative eventually realized that Fields did not represent the owners of any MTNs, and declined to have further contact with him. Fields did not induce anyone to actually send him money to the knowledge of the Division."

Respondent: The reason that Weisminster did not close his deal is attached. see (EXHIBIT H).

4. **Respondent' s False Website Advertising**

The Division of Enforcement has again misrepresented the truth about the original contract 50 Billion dollar contract with East West Trading (EXHIBIT I). The respondent advertised on his website (Anthony Fields, & Associates) that the organization was an investment advisory firm specializing in U.S. Government Securities only. The potential investor called and asked if the respondent had access to treasury strips. The respondent informed the potential client that he did have access to the Treasury securities in his inquiry. The respondent sent a list of ISIN and CUSIP s to the potential buyer and once he verified that they were real he indicated that his company would like to purchase them at a price of 3o% percent of face value whereas he would then sell them to his exit buyers for 32% of face value. When the respondent informed him that he would have to open an account with the firm he asked did the firm have the securities in the firm's portfolio. Once the respondent informed him that the firm was mot in possession of the securities but would purchase them with the funds of the potential buyer he indicated that the only way he would open an account was if we already had the securities in the firm's possession.

The potential client agreed that he would sign the contract with the understanding that Anthony Fields & Associates would have the Treasury securities in it's possession. In February of 2010 Fields found Mr. Leston Williams, who indicated that he was a partner in a large pesion fund and that after hearing the details of the transaction, offered to go into a joint venture with Anthony Fields & Associates to fulfill the contract requirements between East West Trading and Anthony Fields & Associates.

The Division of Enforcement indicates that the contract was only a few pages.

Contracts can come in all shapes and sizes, and in the words of my contracts professor, Eric Andersen, even on eggshells. That's right. He litigated a case involving a contract written on an eggshell. When I saw an article about a contract on a napkin, it didn't surprise me. Now that I've been practicing law almost 20 years, not much about the law surprises me anymore. The question then becomes what constitutes a contract? Yes, it's possible to have a contract on a napkin, but it has to contain the essential elements of the contract and be signed by the party to be charged with performance

Other representations made on AF&A website are no more justifiable. Thus, the purported "Company Bio" claims that:

- "Currently there are 44 designated primary dealers [of U.S. Treasury securities]. Our firm has an arrangement with the 45th primary dealer."

The respondent acknowledges that he made that statement, however, the information was obtained from Investopedia and when the information was obtained it was out dated. Since that time Investopedia has updated their information and contends that there are 21 primary dealers in America as of 2010.

Innocent misrepresentation occurs when the representor had reasonable grounds for believing that his or her false statement was true. Prior to Hedley Byrne, all misrepresentations that were not fraudulent were considered to be innocent. This type of representation primarily allows for a remedy of rescission, the purpose of which is put the parties back into a position as if the contract had never taken place. Section 2(2) Misrepresentation Act 1967, however, allows for damages to be awarded in lieu of rescission if the court deems it equitable to do so. This is judged on both the nature of the innocent misrepresentation and the losses suffered by the claimant from it.

- "The management of Anthony Fields & Associates is experienced in company start ups and securities trading and government securities in particular."

The respondent 's statements are true and accurate and would like to know where or how did the Division of Enforcement come to the conclusion that these statements were misrepresented without verifying any of the information presented to them. The respondent has helped well over 10 start-up companies: The Illinois Migrant Council; the Reverse Mortgage Corporation; Kumow Dot Com, Inc.; Gurnee Real Estate Development Corporation is just to name a few. The respondent has also worked closely with Weiser Investment Management Company assisting in trading and research of stocks and bonds such as AT&T, who spinned off into seven other companies such as, Ameritect, Southwest Bell; Atlantic Bell, etc.

- "Previously, management grew a company from a single one man operation into a multi-level organization with sixteen branch offices and resources well over 16 million dollars."

The respondent 's statements are true and accurate and would like to know where or how did the Division of Enforcement come to the conclusion that these statements were presented without verifying any of the information presented to them

- "Anthony Fields & Associates provides discretionary and non discretionary advisory services in fixed income portfolios to high net worth individuals and institutional investors."

The respondent 's statements are true and accurate and would like to know where or how did the Division of Enforcement come to the conclusion that these statements were presented without verifying any of the information presented to them. The respondent established his investment advisory firm for the specific purpose of providing discretionary and non discretionary advisory services in fixed income portfolios to high net worth individuals and institutional investors."

The Division of Enforcement apparently does not have any knowledge of Marketing or advertising. The other misstatement of Facts presented by them are:

- Notwithstanding these many claims, in reality, Fields has never had any "arrangement" with a "primary dealer" of U.S. Treasury securities and has absolutely no experience trading such securities himself.
- AF A has no "high net worth individuals and institutional investors" as clients,
- , or indeed, any investor clients at all. Fields heads no "expert investment team" or "experienced research team" at AF A. Fields own personal experience as an investment adviser and turnaround specialist is nonexistent. Even the "startup" that Fields claims to have grown is merely a company that he may have once audited but that he never managed and with which he had no sustained involvement. Platinum, despite its characterization on the AF A website, does not even exist except as a trade name.

The respondent 's statements are true and accurate and would like to know where or how did the Division of Enforcement come to the conclusion that these statements were misrepresented without verifying any of the information presented to them. The respondent has helped well over 10 start-up companies: The Illinois Migrant Council; the Reverse Mortgage Corporation; Kumow Dot Com, Inc.; Gurnee Real Estate Development Corporation is just to name a few. The respondent has also worked closely with Weiser Investment Management Company assisting in trading and research of stocks and bonds such as AT&T, who spinned off into seven other companies such as, Ameritect, Southwest Bell; Atlantic Bell, etc.

In addition, if you looked closely at the website you would see that the respondent's website did allow for the registration online and the viewing accounts on line with the proper ID and password.

The Division of Enforcement also represented that the respondent made highly misleading claims on his other organization's website, "Platinum Securities Brokers" as follows:

- Fields also made highly misleading claims on Platinum's Website. There, Fields proclaimed: "At Platinum Securities Brokers you can buy bills, notes bonds, tips and strips or mutual funds either by calling one of the our representatives or by transacting these securities yourself on the Internet.
- The website also claimed that Platinum "provide] s l Prime Brokerage Services. The services provided under prime brokering are securities lending (after one year), leveraged trade executions, and cash management, among other things
- and that it has "state of the art electronic trading capabilities and a portfolio of over 25,000 U.S. Government securities."

  The respondent having security accounts with Fidelity, Merrill Lynch, Bloomberg, CQG, Inc., Pershing Clearing House and Treasury Direct gives the respondent access to well over 25,000 securities
- Platinum's website also stated that it would take commissions (I.e., transaction-based compensation).

- Fields failed to disclose the fact that Platinum was not registered as a broker-dealer with the SEC.
- "Platinum Securities Brokers is an institutional broker/dealer in U.S. Government securities. Licensed in the State of Illinois and registered with the Securities and Exchange Commission."
- "Platinum Securities Brokers is one of the leading institutional broker/dealers in government securities with state ofthe art electronic trading capabilities and a portfolio of over 25,000 U.S. Government securities."
- "[Platinum has] tremendous influences on the fmancial markets because we can either buy or sell a large volume of U.S. Government securities."
- "This institutional brokerage firm ... [has] strong relationships with major Fixed Income sources like the United States Treasury, Department [sic] and the Bureau Of [sic] Public Debt and other leading issuers of Treasury obligations."
- Fields also asserted that "Platinum Securities Brokers not only have their own research analysts, but also have strong relationships with other research firms"; that "[o]ur syndicate desk offers access to new issues, including structured products"; and that "you can tap into our large, executable online inventory, which provides access to more than 25,000 Government Securities."
- Fields' had no good faith basis for any of these claims, and in fact, none of them is true. Fields has various rationales to justify his representations but none are sustainable. For example, Fields' only basis for claiming that Platinum had a large "inventory" of securities is that he had access to Bloomberg research tools on his computer.

The respondent 's statements are true and accurate and would like to know where or how did the Division of Enforcement come to the conclusion that these statements were misrepresented without verifying any of the information presented to them. The respondent has helped well over 10 start-up companies: The Illinois Migrant Council; the Reverse Mortgage Corporation; Kumow Dot Com, Inc.; Gurnee Real Estate Development Corporation is just to name a few. The respondent has also worked closely with Weiser Investment Management Company assisting in trading

and research of stocks and bonds such as AT&T, who spinned off into seven other companies such as, Ameritect, Southwest Bell; Atlantic Bell, etc.

In addition, if you looked closely at the website you would see that the respondent's website did allow for the registration online and the viewing accounts on line with the proper ID and password.

5. Respondent's False Registration of AF A with the SEC, False Certifications and Failure to Comply with Regulatory Requirements

The Division of Enforcement States that:

"On March 15, 2010, Fields filed a Form ADV with the SEC to register AFA as an investment adviser. AF A was ineligible to register, however, because its principal place of business (to the extent it existed at all) was Fields' apartment in Illinois, a state that had enacted an investment adviser statute. Section 203A of the investment Advisers Act prohibits an adviser that is regulated or required to be regulated in the state in which its principal office is located from registering with the SEC unless it has assets under management in excess of $25 million or advises a registered investment company. AF A met neither of these conditions, and hence, was ineligible to register with the SEC.

The Division of Enforcement further stated"

"AFA's Form ADV and accompanying "Organizational Brochure" contained numerous misrepresentations. Among these were the false representations (which Fields certified under penalty of perjury) that AF A had high net worth individuals, hedge funds and other businesses as clients and had AUM of $400,000,000. In truth, AFA had zero assets under management and never earned a dime from any investor. Moreover, AFA's Organizational Brochure falsely asserted that Platinum was a registered broker-dealer that receives compensation on transactions executed for AFA's clients."

Fields also did not comply with the Investment Advisers Act's requirements concerning business practices and procedures. In the period March 2010 - October 2010, Fields did not adopt or implement any written procedures, let alone procedures reasonably designed to prevent

violations of the Advisers Act. Fields also failed to maintain required books and records, including records relating to client communications through LinkedIn, TradeKey and other platforms or service providers. Fields did obtain a template for a compliance manual from a commercial vendor in November 2010, but he made no substantive changes and did not even read it prior to his investigative testimony in this matter in June 2011. In addition, Fields did not have a written code of ethics prior to being contacted by the Division in May 2011, at which time he again downloaded a generic template without making any substantive changes."

The respondent uses the affirmative defenses of reasonable expectations, statement of Fact and Intention and the Future.

Statements which are made in relation to the intention of a party or the occurrence of some event in the future do not constitute misrepresentations should they fail to eventuate. This is because at the time the statements were made they can not be categorised as either true or false. However, similarly to the first point above, an action can be brought if the intention never actually existed. This can be illustrated by the decision in *Edgington v Fitzmaurice* (1885) 29 Ch. D. 459, which deals with a statement of intention by the directors of a company to use loaned money to alter company buildings and make purchases to expand the company's operating options.

Statement of Fact

It is a general requirement that for an action in misrepresentation to proceed, that the statement in question be one of present or past fact. This has its grounding in that only facts can be distinguished as being true or untrue at the time they are made and,

The reasonable expectations doctrine is built on assumptions about the way people, in particular unsophisticated insureds, buy insurance. It assumes that in the process of buying insurance, insureds develop specific expectations about what will be covered by their policies. 5 Research done generally in consumer psychology, and specifically about insureds' perceptions and buying behaviors, casts serious doubts on these assumptions. Although not conclusive, that research tends to show that average consumers generally do not develop the kinds of expectations assumed by judges applying the reasonable expectations doctrine. If those assumptions are

ations doctrine is less theoretically justified and becomes arbitrary in its application. At the same time, however, this research shows that insureds are easy targets for insurers, and therefore some type of protective doctrine like reasonable expectations may be justified.

6. Platinum is not Registered as a Broker-Dealer with the SEC and is not a Primary Dealer in U.S. Treasury Securities

The Division of Enforcement states that:

Platinum is not registered with the SEC as a broker-dealer. Platinum was briefly registered from March 2010 until Fields filed a Form BDW application to withdraw its registration on July 7,2010. Fields withdrew the registration upon FINRA's request on account of Platinum's inability to maintain $250,000 minimum in net capital. Platinum's withdrawal of its broker-dealer registration became effective on September 4, 2010. Platinum also is not licensed by the Federal Reserve Bank of New York as a primary dealer authorized to buy and sell securities directly for the U.S. Treasury.

First of all, the Division of Enforcement did not mention that the reason I withdrew the application from the Securities and Exchange Commission was because FINRA indicated that I could not do a "Partial Withdrawal" which meant that I could not withdraw from just FINRA and maintain my status with the Securities and Exchange Commission. Therefore I had to do a "Full Withdrawal" And, in addition, the only reason I had to withdraw was because of the net capital requirement. All other documentation was submitted on a timely basis. Secondly, I resubmitted the application for Platinum Securities Brokers on July 13, 2010 and to this date it is still pending which again, was not mentioned in your findings and recommendations So again all that you have done is present exaggeration, misleading half-truths, or manipulation of facts to present an untrue picture of me and my firms.

7. Respondent's Answer to the Order Instituting Proceedings and Refusal to Enter into Stipulations of Fact

The respondent's refusal was based on the fact that the SEC's lack of an intake and/or screening process is no reason to bar an investment advisor from working in the securities industry for life.

The Brief Intake/Assessment is the initial meeting with the client during which the intake specialist gathers information to address the client's immediate needs to encourage his/her engagement and retention in services.

also be used to screen clients to determine if they need assistance in setting up or altering current information to be presented to the public and other management services, and if so, to determine the model of case management most appropriate to meet a client's needs, and to assess the client's willingness and readiness to engage in advisory services.

In the intake and screening of my application with the Securities and Exchange Commission, by the Intake and screening department, it should have been determined then the $400 million dollars under management that was stated in the For ADV was predicated on the execution of the $50 billion dollar contract that you reviewed in your investigation. And had the Intake and Screening Department requested to interview me it would have been discovered and they would have probably informed me that I should wait to fill out the Form ADV and wait to put up my websites until the execution of the contract because the potential assets under management was and would only materialize once the contract was executed and the funds delivered to the account of my firm. Oh but wait, the Securities And Exchange Commission does not have an Intake and Screening department. But they do have a Department of Enforcement.

It is very irresponsible and negligent to allow a firm to register with the Securities And Exchange Commission and approve their application without screening the applicant to determine whether the applicant meets the SEC's eligibility and qualification criteria.

So instead of correcting the internal problems that the Securities And Exchange Commission has internally by not having an intake and screening process or any written intake and screening procedures you find an unsuspecting victim such as myself and persecute them for not being screened by your agency.

"Fields will fully violate

LEGAL ARGUMENT

It is equally clear that Fields has violated Section 17(a). To establish a violation, the Commission must show either a misrepresentation or omission regarding material facts or other fraudulent conduct. *See Basic, Inc.* v. *Levinson,* 485 U.S. 224, 235 n.13 (1988)

(citation omitted). A statement or omission is material if a reasonable investor would view its disclosure as significantly altering the "total mix" of available information. *See id; TSC Industries* v, *Northway, Inc.,* 426 U.S. 438, 449 (1976). Materiality is not a close question on the facts of this case. Indeed, it is difficult to imagine anything more material than the fact that the securities Fields purported to offer did not exist. Fields' po stings on LinkedIn must be also read together with his Linkedln "profile," which falsely asserts that BOs and MTNs are among his "specialties. " That assertion would be material t~ anyone considering Fields' offer of BOs and MTNs. Similarly, Fields' profile directed investors to the AFA and Platinum websites which contained many other material misrepresentations. Among these are the materially misleading claims that AFA is an SEC-registered investment adviser with a large and sophisticated clientele and that Platinum is a registered broker/dealer with a large inventory of securities. In addition to all these material misrepresentations, Fields also omitted material information from his Linkedln posting by failing to disclose that he had no absolutely relationship with Deutsche Bank, Credit Suisse, HSBC or any of the other banking institutions whose names he used in his postings.

Furthermore, the state of mind evidence in this case is more than sufficient to establish a violation of Section 17(a). Establishing violation of Section 17(a)(1) requires a showing of scienter, but a showing of mere negligence is sufficient to establish a violation of Section

17(a)(3). *See SEC* v. *Steadman,* 967 F.2d 636,641-42. 643 n.5 (D.C. Cir. 1992), *citing Ernst &* *Ernst* v. *Hochfelder,* 425 U.S. 185, 194 n. 12 (1976); *Aaron v. SEC,* 446 U.S. 680, 686 n. 5

In this case, there is ample evidence from which scienter can be inferred. Fields is a CPA who purports to have taken courses covering the subject matter of FINRA's Series 7 (General Securities Registered Representative) and 63 (Uniform Securities) examinations and

to have previously conducted research for an a. accounting firm partner who was also an investment adviser. This profile strongly supports the inference that Fields knew that no secondary market for BGs and MTNs exists. Fields' advertising billions of dollars of a class of securities he knew he did not have, and had never before traded, also supports the inference of scienter. What Fields did know was that there was money to be made by offering BGs and MTNs regardless of whether they actually existed as securities traded on secondary markets. Any doubts about Fields' wrongful state of mind should be completely extinguished by his false clainis on AFA's website (to which Fields' LinkedIn profile directed potential buyers) about supposed contracts worth "$50 billion" and "2.5 billion" based on nothing more than his highly realistic "contract" with a phantom counter-party, as previously described. These same. facts make it impossible not to conclude that Fields, at an absolute minimum, acted with extreme recklessness sufficient to establish scienter. Even if Fields really believed there was a

11 Scienter is a mental state consisting of all intent to deceive, manipulate or defraud. *Ernst & Ernst,* 425 U.S. at 193 n. 12. Scienter has also been described by the Supreme Court as a "wrongful state of mind." *Dura Pharm* v. *Broudo,* 544 U.S. 336, 341 (2005).

12 *Herman* & *MacLean* v. *Huddleston* stated that while Supreme Court has not expressly addressed the issue, the prevailing view of the appellate courts is that reckless behavior may satisfy the scienter requirement. *See also, SEC* v. *Jakubowski,* 150 F.3d 675, 681 (7th Cir. *1998); In re Scholastic Corp.,* 252 F.3d 63, 74 (2d Cir. 2001).

secondary market for BGs and MTNs, such belief was based on extreme recklessness. Moreover, even assuming *arguendo* that it was not reckless for Fields to believe that such a market existed, he still had no basis to offer hundreds of millions of dollars worth of BGs and MTNs he did not have or have any realistic prospect of obtaining.

Fields apparently will argue that his representations were not misleading and/or do not reflect scienter or negligence because such things as BGs and MTNs do actually exist. But while commercial instruments that are sometime described as BGs and MTNs do exist and are routinely used in commercial transactions, that isnot what Fields represented. What Fields' postings represented was the existence of secondary markets for buying. and selling BGs and MTNs like securities. That representation was false because BG and MTNs are not securities that can be traded on secondary markets. Fields will be unable to present any competent evidence to the contrary. Furthermore, it bears emphasis that Fields purported to offer "billions" of dollars. worth of specific BGs and MTNs with specific rates or return and sales commissions even though he had neither an "inventory" nor access to any BGs and MTNs at all.

Fields will apparently also assert that he was merely offering his services as an "intermediary" between interested potential buyers and the prime banks that were potential sellers." That assertion flies in the face of the admissions and averments contained in Fields' own Answer to the OIP. As recounted above, Fields admitted that "we are in the business to sell United States Government Securities," (emphasis added), that potential "buyers" responded to his LinkedIn postings and that Platinum "clears securities transactions for Anthony Fields & Associates' accounts.", Even without consideration of these admissions, the plain meaning of Fields' postings is that he was offering to sell securities. For example, Field's made this offer to

[13] As discussed below, since Fields was not a registered broker, offers to serve as a broker would violate Section 15(a} of the Exchange Act in any event.

touted actually exist in Europe or anywhere else. Such instruments are not sold anywhere. All that really existed was Field's offers to make sales. Because only the offers existed, there is no foreign law or tribunal better situated to adjudicate the claims raised in this action. Second, the dispositive fact is assessing the Division's claim under Section 17(a) of the Securities Act is that Fields was located in the U.S. when making offers to sell securities. *See SEC v. Goldman Sachs 7 Co. and Fabrice Tourre,* Case 1:1O-cv-03229-BSJ-MHD (S.D.N.Y.), Mem. Op., Jan. 6, 2011 at 37-39 (denying motion to dismiss Section 17(a) claim against defendant alleged to have made offers from 'New York to sell securities to foreign buyersj.!" This is because Section 17(a), unlike Section 10(b) of the Exchange Act, applies not only to the "sale" but also to the "offer" of securities. 15 D.S.C. § 77q(a). "Actual sales [are] not essentia!" in order to maintain a Section 17(a) claim. *SEC v. Am. Commodity Exch., Inc.,* 546 F.2d 1361, 1366 (loth eir. 1976). "Because section 17(a) applies to both sales and offers to sell securities, the SEe need not base its claim of liability on any completed transaction at all." *SEe v. Tambone,* 550 F.3d 106, 122 (1st Cir. 2008), *citing Blue Chip Stamps v . Manor Drug Stores,* 421 U.S. 723, 733-34 & n. 6 (1975).15

The last argument Fields has signaled is that he cannot be held accountable for misrepresentations on the AF A and Platinum. websites because they are supposedly separate

14 Although not designated for publication, also instructive is the decision in *United States v. Hall,* D.C. No. 2:05-cr-00121-SJO-2 (9th eir, Aug. 29,2011), Mem. Op., at 4-5, which held that evidence that defendants "made numerous offers of securities by soliciting potential investors in the United States" was sufficient for a claim to proceed under Section 17(a).

15 *Cf., SEC v. Gallard,* 1997 WL 767570, *3 (S.D.N.Y.) (sale of prime bank instruments and letters of credit occurred "when the contracts to purchase them were executed"); *SEC v. Roar,* 2004 WL 1933578 (S.D.N.Y.) (sale of prime bank instruments occurred "at the time [defendant] received the duped would-be investors' money"); *Baurer v. Planning Group, Inc.,* 669 F.2d 770, 779 (D.C. Cir. 1981) (exchange of funds for an investment note constituted the purchase).

members of the LinkedIn discussion group "Trade Platforms - Private Placement Programs (PPPs) - High Yield":

FRESH CUT BGS 40+1

Bank Guarantees, Cash Backed, Deutsche Bank, Credit Suisse, HSBC, JP Morgan Chase, BNP Paribas, UBS, RBS or Barclays, One (1) year and one day, Fresh Cur USN 500 Billion (USD 500,000,000,0000.00) with Rolls and Extensions 4Q% or better plus 1 % commission fee to be paid, to Buy Side and Sell side consultants 50/50. First Tranche: 500M USD .... .If you are interested you can email for particulars at anthonyfields@att.net.

On its face, this is an offer to sell securities. No seller besides Fields is identified. (While the names of various banks are identified, the whole point is that they were supposedly the original issuers of instruments now being sold on supposed secondary markets.) Nothing is said about Fields being merely a middleman. To the contrary, Fields refers to "buy side and sell side consultants" in the third person, references a sales commission payable to them and invites interested persons to email him directly "for particulars."

Furthermore, Fields' attempt to characterize himself as an intermediary is unavailing to him because the term "in the offer or sale of any securities" as used in Section 17(a) is "define[d] broadly," and is "expansive enough to encompass the entire selling process." *See United States v. Naftalin,* 441 U.S. 768, 772 (1979). Just as fraudsters cannot escape liability on the basis that the securities they offered were fictitious and therefore not really "securities," *US. v. Lauer, 52* F.3d at 669, it is no defense to claim to have only offered to "intermediate" the sale of fictitious securities. Were it otherwise, defendants in all prime bank securities fraud case would rely on this circular *ipsi dixit.*

Next, Fields will apparently argue that jurisdiction is lacking because "the instruments in question were sold in the European Market." . *See* Answer, p. 7, ~ 6. That argument is specious for at least two reasons. First, neither the BOs and MTNs nor the secondary markets that Fields

entities. This argument is apparently premised on *Janus Capital Group, Inc.* v, *First Derivative Traders,* 131 S. Ct. 2296 (2011), which considers who may be held liable under Section 1 O(b) of the Exchange Act in view of its language making it unlawful for any person "[t]o make any untrue statement of a material fact" in connection with the. purchase or sale of a security. The argument fails, however, because AF A and Platinum were clearly *alter egos* or trade names under which Fields conducted business.[16] Fields was the "uitimate authority" (indeed the only authority) over statements made using these trade names. *Cf. City of Rosedale Employees' Retirement System* v, *Energy Solutions, Inc.,* 2011 WL 4527328, at *17-18 (S.D.N.Y. Sept. 30, 2011) (defendant holding company was maker under *Janus* of statements in the registration statement filed by company that it owned). In addition, Fields' argument fails because this case is brought under Section 17(a)(1) and 17(a)(3) of the Securities Act, which do not even contain the "make" language found in Section 1 o(b) of the Exchange Act.

A potential argument that Fields has not raised but that the Division nonetheless wishes to address in the interest of candor to the Court is that its claims are not cognizable under Sections 17(a)(1) and 17(a)(3) of the Securities Act because they rely solely on misrepresentations rather than separate misconduct. Such an argument would follow the reasoning of *SEC* v. *Kelly,* 817 F. Supp. 2d 340 (S.D.N.Y. Sept. 22, 2011), which dismissed the Commission's charges under Section 17(a)(1) and 17(a)(3) on the basis that the alleged deceptive acts (i.e., structuring transactions with a counterparty to purchase advertising) were not themselves deceptive, but rather became deceptive

16 As noted, Fields has admitted OIP Paragraph 2 which alleged, inter alia, that AF A "is a sole proprietorship" and that "Fields is its founder, president, chief compliance officer, and sole control person."

only because of another's subsequent misstatements about those transactions in its public filings.t' *Kelly* reasoned that to hold otherwise "would allow the SEC to allege that the conduct *Janus* held insufficient to establish primary liability under subsection (b) of Rule IOb-5 is scheme-related conduct that supports primary liability under subsections (a) and (c), notwithstanding that the alleged misstatements represent the basis ofthat claim." *Kelly,* 2011 WL 4431161, at *4.[18] *Kelly* was wrongly decided and should not be followed in this case. *Kidly's* analysis was unsound because Section 17(a) of the Securities Act does not contain the "to make" language found in Rule 10b-5 which *Janus* construed. It is for precisely this reason that other courts that have considered the question have concluded that *Janus* is inapplicable to claims filed under Section 17(a). *See SEC* v. *Pentagon Capital Management PLC,* 2012 WL 479576, at *42 (S.D.N.Y. Feb. 14, 2012); *SEC* v. *Mercury Interactive, LLC,* 2011 WL 5871020, at *2 (N.D. Cal. Nov. 22, 2011); *SEC v.Geswein,* 2011 WL 4565861, at *2 (N.D. Ohio Sept. 29, 2011); *SEC* v. *Daifotis,* 2011 WL 3295139, at *5-6 (N.D. Cal. Aug. 1,2011); *see also SEC* v. *Radius Capital Corp.,* 2012 WL 695668, at *7 (M.D. Fla. Mar. 1,2012) (implicitly holding that *Janus* does not apply to claim under Section 17(a)(2); granting motion to dismiss claim under Rule lOb-5(b) because it failed to allege specific facts showing that defendant had ultimate authority over statements in company prospectus, and denying motion to dismiss Section 17(a)(2) claim against same defendant based on identical allegations); *see also, SEC* v. *Mercury Interactive, LLC, supra*

17 *See also In the Matter of Flannery and Hopkins,* Initial Release No. 438 Adm. Proc. File No . 3-L4081 (October 28, 2011) (ALJ decision holding that *Janus* rationale extended to Section 17(a)(1) and 17(a)(3) and when a scheme to make false statements was alleged the SEC must prove respondents had ultimate authority to make false statements to hold them liable). *Flannery* is currently on appeal to the Commission.

2011 WL 5871020, at *3 (*Janus* does not apply to Section 14(a) of the Exchange Act because it does not contain the "to make:" language contained in Rule 10b-5(b»; *SEe* v. *Dafotis,* 2011 WL 3295139, at *6 (N.D. Cal. Aug. 1, 2011) (*Janus* does not apply to Section 34(b) of the Investment Company Act [15 D.S.C. §80a-33(b)] because the decision was limited to Rule 10b-5(b) and there is no private right of action under Section 34(b»).

Kelly's reasoning is also at odds with the Supreme Court's reasoning in *US.* v *Naftalin,* 441 U.S. 768, 773-74 (1979), which held that Sections 17(a)(2) and (3) were intended to capture additional conduct thatcan be the basis for an action rather than limit the breadth of conduct that violates Section 17(a)(I).19 The teaching of *Naftalin* is that Congress intended to capture conduct broadly through describing additional acts in each successive prong under Section 17(a), not narrowly to address fraud by requiring that conduct may *only* be charged under one prong (leaving conduct unaddressed if the elements of the particular prong are not met). Consistent with that view, the Commission has ruled on scheme liability charges in the past, *see, e.g., In the Matter of Gregory 0. Trautman,* 2009 SEC LEXIS 4173 (Dec. 15,2009), but to the Division's knowledge has never drawn a bright line distinction between misrepresentations and conduct, or stated that misrepresentations alone are insufficient to support a scheme liability theory. Neither should this Court.

Finally, *Kelly* should not be followed in this case because, unlike the situation in *Kelly*, there can be no concern here that scheme liability charges are being used to circumvent the requirements for imposing primary liability on persons who did not make or have ultimate authority concerning the misrepresentations in question. Fields is no mere aider and abettor. To the contrary, Fields is the only maker of the misrepresentations contained in his LinkedIn postings. He also had ultimate authority concerning the misrepresentations on AF A and Platinum's websites. Furthermore, the Division's charges under Sections 17(a)(1) and 17(a)(2) are also sustainable because Fields engaged in fraudulent conduct in addition to his misrepresentations. Specifically, the evidence shows that Fields set up AF A as phony investment adviser and Platinum as a phony broker-dealer, and then directed potential buyers to their websites through his LinkedIn profile. This conduct is at least as substantial as conduct found sufficient to support Section 17(a) charges in other cases. *See SEC* v. *Kearns*, 691 F. Supp. 2d 601, 617-18 (D.N.J. 2010) (corporate officer's knowledge and discussion of scheme and implementation of inadequate investigations were sufficient to state claim under Section 17(a) on a scheme liability theory); *SEC* v. *Patel*, Civil No. 07-cv-39-SM, 2009 WL 3151143 (D.N.H. Sept. 30, 2009) (SEC had sufficiently alleged conduct separate from underlying misrepresentations as to corporate defendant).

II. Respondent Willfully Violated Section 15(a) of the Exchange Act

Field's willfully violated Section 15(a) of the Exchange Act [15 *U.S.C.* § 780(a)] by offering brokerage services through the Platinum website when he was not a registered broker-dealer or associated with one. To the extent that Fields' LinkedIn po stings are deemed offers to intermediate sales rather than offers to sell, Fields also violated Section 15(a) in that manner.

Section 15(a) provides that it is unlawful for a broker or dealer to effect securities transactions or to induce or attempt to induce the purchase or sale of any security without being registered with the Commission pursuant to Section 15(b) of the Exchange Act. A natural person acting as a broker or dealer must either be registered as a broker-dealer or be an associated person of a registered broker-dealer. Section 3(a)(4) of the Exchange Act generally defines a "broker" as "any person engaged in the business of effecting transactions in securities for the account of others," and the definition connotes "a certain regularity of participation in securities transactions" at key points in the chain of distribution." *Mass. Fin. Srvs., Inc.* v. *Securities Investor Protection Corp.*, 411 F. Supp. 411, 415 (D. Mass. 1976); *SEC* v. *National Executive Planners, Ltd.*, 503 F. Supp. 1066, 1073 (M.D.N.C. 1980).20 "A person may be 'engaged in the business,' among other ways, by receiving transaction-related compensation or by holding itself out as a broker-dealer." . *See* Strengthening the Commission's Requirements Regarding Auditor Independence, Securities Exchange Act Rel. No. 47265 (Jan. 28, 2003), 68 FR 6006,6014-15 n.82 (Feb. 5,2003).

The evidence will show that Fields held himself out as a broker-dealer and solicited business as a broker-dealer on Platinum's website. Fields represented, for example, that "[a]t Platinum Securities Brokers you can buy bills, notes bonds, tips and strips or mutual funds either by calling one of our representatives or by transacting these securities yourself on the Internet." Such communications with and recruitment of investors for the purchase ofsecurities is strongly indicative of broker conduct. *See SEC* v. *George*, 426 F.3d 786, 797 (6th Cir. 2005). The Commission has likewise explained that "[s]olicitation is one of the most relevant factors in determining whether a person is effecting transactions." *Definition of Terms in and Specific Exemptions for Banks, Savings Associations, and Savings Banks under Sections 3(a)(4) and 3(a)(5)ofthe Securities Exchange Act of* 1934, Rel. No. 34-44291,2001 WL 1590253, at *20 (May 11, 2001)(listing activities that constitute "effecting transactions"). To the extent that Fields' LinkedIn postings may have constituted offers to broker sales and purchases, they constitute additional evidence of solicitation.

The Commission is not required to show scienter in order to establish a violation of

Section 15(a). *See SEC* v. *Martino*, 255 F. Supp. 2d

68, 283 (S.D.N.Y. 2003). However, it is

obvious from Fields' prior registration and attempts to register Platinum with the SEe as a broker-dealer that he understood the registration requirements.i'

III. Respondent Willfully Violated the Anti-Fraud Provisions of the Advisers Act

A. Respondent Willfully Violated Sections 206(1) and 206(2) of the Advisers Act

Sections 206(1) and 206(2) of the Advisers Act [15 D.S.C. §§ 80b-6(l), 80b-6(2)] prohibit an investment adviser from (1) employing any device, scheme,' or artifice to defraud clien~s or prospective clients; or (2) engaging in any transaction, practice, or course of business that operates as a fraud or deceit upon clients or prospective clients. An investment adviser is a fiduciary whose actions are governed by the highest standards of conduct. *See SEC* v. *Capital Gains Research, Inc.*, 375 U.S. 180, 191..:92 (.1963). Investment adviser fraud must concern a material fact. *See id.* at 200. Information is "material" if there is a substantial likelihood that a reasonable person would consider the information important in making an investment decision or

21 It is the Division's position that Fields' misleading social media postings and Internet advertising should be held to violate *both* Section 17(a) of the Securities Act and Section 15(a) of the Exchange Act.

if the information would significantly alter the total mix of information available. *See Basic, Inc.*, 485 U.S. at 231-32; *TSC Industries*, 426 U.S. at 449. Scienter is an element of a Section 206(1) violation, but not a Section 206(2) violation, and can be satisfied by a showing of extreme recklessness. *See Steadman*, 967 F.2d at 641-42,643 n.S. [22]

Fields willfully violated Sections 206(1) and 206(2) of the Advisers Act by intentionally providing prospective clients with false information about, among other things, his ADM, number of Clients, expertise and experience, operational history, existing contracts, and ability to utilize Platinum as a primary dealer to reduce client commissions. Fields knew that prospective clients would rely on the false information on his website and in his Commission filings in considering and selecting him as their investment adviser.[23] Misrepresentations regarding ADM and fund performance are material because investors may use such figures to draw conclusions

about an adviser's size, investors, and abilities. *See, e.g., Warwick Capital Management,* Admin. Proc. File No. 3-12357 (Feb. 15, 2007) (initial decision finding adviser's exaggerated claims about assets under management to be material); *In the Matter of Barr Financial Group, Inc.,* Investment Advisers Act Rel. No. 2179 (Oct. 2, 2003) (Commission opinion stating that misrepresentations regarding assets under management were material because "they conveyed a false impression of [the adviser's] size and investor base and of the qualifications of the Finn's management").

Furthermore, Fields acted with a high degree of scienter. Despite representing in AFA's filed Form ADV that the firm had $400 million in ADM, Fields knew that AFA has never had one cent in AUM from any client. Moreover, having never before purchased or sold securities, Fields had no reasonable basis on which to represent any probable performance data on AFA's website. He therefore wiUfully violated Sections 206(1) and 206(2) of the Advisers Act by making false statements to prospective clients.

Fields will not contest the Division's assertion that he had no AUM but apparently will assert that he had a reasonable "expectation" to justify his false representations of AF A having $400 million in ADM. That assertion is specious. Most obviously, any expectation that Fields had of attracting hundreds of millions of dollars in capital was patently unreasonable because it was based on completely executory contracts that required him to provide the capital himself Such contracts would not satisfy the requirements of the any of the accounting concept principles cited in Field's Answer to the OIP (even assuming their applicability). Fields' reliance on FASB Statement of Financial Accounting Concepts No.5, "Recognition and Measurement in Financial Statements of Business Enterprises," for example, is completely misplaced because his contracts met virtually none of the criteria for representing that revenues were "realized or realized and

earned." For example, no goods or services had been "delivered" and collectability was hardly "reasonably assured" under Fields' purported billion dollar contracts.

Even more fundamentally, Fields' reliance on SEe Staff Accounting Bulletins and Generally Accepted Accounting Rules related to . the recognition of revenues in financial statements is misplaced because the Investment Adviser Registration Depository (the online registration system through which investment advisers must file their Form ADVs) provides explicit instruction as to how to calculate regulatory AUM for purposes of completing the Form ADV. Only "securities. portfolios for which [the adviser] provides continuous and regular supervisory or management services as of the date of :filing [the] Form ADV" should be counted. The value of such portfolios should be based on the current market value of the assets. Fields did not have "continuous and regular supervisory or management" control over any funds, much less $400 million, when he filed his Form ADV or any other time.

Rule 203A-2(d) [17 C.F.R. § 275.203A-2(d)] promulgated under the Investment Advisers Act did provide a limited exception for newly formed Investment advisers to register with the Commission based upon a "reasonable expectation" that they will have $25 million under management prior to the end of 120 days. However, Rule 203A-2(d) required the adviser to expressly d~sc l ose its reliance on the exception. Fields made no such disclosure. Rule 203A-2(d) also .explicitly stated that the exception is valid for a maximum of one 120-day period. If an adviser relies on the newly formed adviser exception and does not meet the requisite assets under management within 120 days after the SEC declares its Form ADV effective, it must file a Form ADV-W to withdraw its registration, Fields did not withdraw his registration 120 days after it became effective, even though he still did not meet the $25 million threshold.

B. Respondent Willfully Violated Section 206(4) of the Advisers Act and Rule 206(4)-1(a)(5) Thereunder [Advertising]

Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] prohibits a registered investment adviser from engaging "in any act, practice, or course of business which is fraudulent, deceptive or manipulative." Proof of scienter is not required to establish a violation of Section 206(4). *See Steadman,* 967 F.2d at 647. Rule 206(4)-1(a)(5) prohibits any registered investment adviser, directly or indirectly, from "publish[ing], circulat[ing]or distribut[ing] any advertisement ... which contains any untrue statement of a material fact, or which is otherwise false or misleading." For purposes of Rule 206(4)-1(b) [17 C.F.R. § 275.206(4)-1 (b)], "investment advisory material which promotes advisory services for the purpose of inducing clients to subscribe to those services" is advertising material within the rule. *SEC* v. *CR. Richmond & CS.*, 565 F.2d 1101, 1105 (9th eir. 1977).

As previously discussed, Fields prepared and disseminated false and misleading representations on AFA's website and in its Form ADV brochure (which was submitted to the Commission as an attachment to his Form ADV) regarding, among other things, his industry experience and expertise and his association with a "leading institutional broker-dealer" that would provide his clients with direct access to a primary dealer and reduced trading commissions. Because these po stings were designed to promote advisory services for the purposes of soliciting clients, these representations constitute "advertisements" within the meaning of Rule 206(4)-I(b). Fields therefore willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-1 thereunder. *See, e.g., In the Matter of Isaac Sofair,* Investment Advisers Act Rel. No. 2245 (June 4, 2004) (settled order finding Section 206(4) and Rule 206(4)-l(a)(5) violations where brochures overstated firm's assets under management); *In the Matter of Nevis Capital Management, LLC,* Investment Advisers Act Rel. No. 2214 (Feb. 9,2004) (settled order

finding Section 206(4) and Rule 206(4)-1 violations where adviser provided links on its website to third-party articles that contained misrepresentations or omissions regarding the adviser's performance).

IV. Respondent Willfully Violated the Registration, Disclosure and Recordkeeping Provisions of the Advisers Act

A. Respondent WilHully Violated Section 203A of the Advisers Act [Ineligible to Register]

In March 2010 when Fields filed his Form ADV, Section 203A of the Advisers Act [15 D.S.C. § 80b-3a] generally prohibited an adviser that is regulated or required to be regulated in the state in which it has its principal office and place of business from registering with the Commission, unless it has assets under management in excess of $25 million or advises a registered investment company. Fields' principal office and place of business is in Illinois, which has a regulatory regime for investment advisers. [24] In 2010 and 2011, inAFA's Forms ADV, Fields falsely claimed that his assets under management were approximately $400 million, when in fact he never had any assets under management. By registering with less than the required $25 million in assets under management with no other legitimate basis for registration and no exemption available to him, Fields willfully violated Section 203A.

B. Respondent Willfully Violated Section 207 of the Advisers Act [False Form ADV]

Section 207 of the Advisers Act [15 D.S.C. § 80b-7] makes it unlawful "for any person· willfully to make any untrue statements of material fact in any registration application or report

[24] Effective September 19, 2011, the Advisers Act, as amended by Section 410 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) ("Dodd-Frank Act"), increased the minimum threshold of assets under management to $100 million to register as an investment adviser with the SEC for advisers subject to regulation and examination by the state in their primary place of business and requires registered advisers that do not meet that threshold to withdraw their Form ADV registrations.

filed with the Commission under Section 203 or 204, or willfully to omit to state in any such application or report any material fact which is required to be stated therein." A finding of willfulness does not require a showing of intent to commit a violation, but merely intent to do the act that constitutes a violation. *See Wonsover* v. *SEC,* 205 F.3d408, 413-15 (D.C. Cir. 2000); *In the Matter of Zion Capital Management,* Admin. Proc .. No. 3-10659 (Jan. 29, 2003). In AFA's Form ADV filings from March 2010 through the present, Fields intentionally overstated the number and nature of AFA's clients and its total assets under management. AFA's Form ADV thus was materially inaccurate because it suggested that Fields had a large investment advisory business, when, in fact, he had essentially none. Thus, Fields willfully violated Section 207 of the Advisers Act. *See, e.g., In the Matter of Oakwood Counselors, Inc.,* Investment Advisers Act Rel. No. 1614 (Feb. 10, 1997) (settled order finding adviser and adviser's president, who signed false Form ADVs, violated Section 207).

c. Respondent Willfully Violated Section 204 of the Advisers Act and Rules 204-2(a)(11) and 204-2(e)(3)(i) Thereunder [Books and Records]

Section 204 of the Advisers Act [15 *V.S.C.* § 80b-4] and the rules thereunder require advisers registered with the Commission to maintain and provide to the Commission upon request certain identified reports and records. Rule 204-2(a)(11) [15 C.F.R. § 275-2(a)(11)] requires every registered adviser to make and keep true, accurate, and current books and records . relating to its investment advisory business, including "[a] copy of each notice, circular, . advertisement, newspaper article, investment letter, bulletin or other communication that the investment adviser circulates or distributes, directly or indirectly, to 10 or more persons." Additionally, Rule 204-2(e)(3)(i) requires advisers to maintain and preserve such records in an easily accessible place for five years. The Commission does not need to prove that a defendant

acted with scienter in order to establish a violation of Section 204. *See, e.g., In re Disraeli and Lifeplan Assocs., Inc.*, Initial Decisions Rel. No. 328, 2007 SEC LEXIS 424, at *74 (Mar. 5, 2007) (citing *SEC v. Worldwide Coin In~. Ltd.*, 567 F. Supp. 724, 749, 751 (N.D. Ga. 1983) (holding scienter not required for books and records violations».

Fields maintained virtually no records. Moreover, he has no procedures designed to preserve electronic mail records. Fields admitted that, despite utilizing several free email and online communication providers (including NetZero, LinkedIn, and TradeKey) which he was aware routinely delete emails and online communications after six months, he does nothing to preserve emails prior to their deletion. As a result, Fields was unable to produce any of the email or online communications that he was required to retain, including records reflecting client solicitations and securities offerings that were more than six months old. Fields testified that such emails and online communications once existed, but that he failed to preserve them. Fields, by failing to preserve emails, online and other client communications, and advertisements, willfully violated Section 204 and Rules 204-2(a)(11) and 204-2(e)(3)(i) thereunder.

D. Respondent Willfully Violated Section 204A of the Advisers Act and Rule 204A-l Thereunder {Code ofEthics}

Section 204A of the Advisers Act [l5U.S.C. § 80b-4a] requires that certain investment advisers "establish, maintain, and enforce written policies" reasonably designed to prevent misuse of nonpublic information, and authorizes the Commission to adopt rules designed to prevent such misuse. Rule 204A-1 [17 C.F.R § 275.204A-1] thereunder requires all investment advisers to "establish, maintain and enforce a written code of ethics." A violation of these provisions does not require a showing of scienter. *See, e.g., In the Matter ofF. Xavier Saavedra,* Investment Advisers Act Rel. No. 1894 (Aug. 10, 2000). Fields testified that he did not have a

code of ethics until after he received the staff's document demand, at which time he downloaded a generic pre-packaged code of ethics that he had access to through his off-the-shelf compliance subscription. Fields testified that he has not even read this code of ethics. As a result, he willfully violated Section 204A and Rule 204A-1 thereunder by failing to establish, maintain, and enforce a compliant written code of ethics.

E. Respondent Willfully Violated Section 206(4) of the Advisers Act and Rule 206(4)-7 Thereunder [Compliance Policies and Procedures]

Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder require all advisers to "[a]dopt and implement written policies and procedures reasonably designed to prevent violation" of the Advisers Act and the rules thereunder by the investment adviser and its supervised persons. Here, during the first eight months that he was registered with the Commission, Fields did not have any written policies and procedures. Thereafter, he purchased an off-the-shelf policy manual. Fields did not make any substantive alterations to the policies or tailor them in any way to his specific business. In fact, Fields never printed out the policies or read them. These policies and procedures were not reasonably designed to prevent securities law violations within the meaning of Rule 206(4)-7. *See, e.g., In the Matter of Consulting Services Group, LLC and Joe D. Meals,* Investment Advisers Act Rel. No. 2669 (Oct. 4, 2007) (settled administrative proceeding charging adviser and compliance officer for adopting generic compliance manual that was not tailored to adviser's actual business). Fields therefore willfully violated Section 206(4) and Rule 206(4)-7 thereunder.

V. Significant Sanctions Should Be Imposed Against Respondent

The assessment of whether a particular sanction recommended by the Division is in the public interest is derived from the Court's analysis in *Steadman v. SEC,* 603 F.2d 1126, 1140

(5th Cir. 1979), *aff'd on other grounds,* 450 U.S. 91 (1981), which includes the following elements: the egregiousness of the defendant's actions; the isolated or recurrent nature of the infraction; the degree of scienter involved; the sincerity of the defendant's assurances against future violations; the defendant's recognition of the wrongful nature of his or her conduct; and the likelihood that the defendant's occupation will present opportunities for future violations. In addition, the Commission has listed three additional factors to be considered in making the public interest determination concerning sanctions: (1) the age of the violation; (2) the degree of harm to investors and the marketplace as a result of the violations *(see In the Matter of Marshall E. Melton, et al.,* 80 S.E.C. Docket 2258,2003 WL 21729839, at * 2 (July 25,2003»; and (3) the "extent to which the sanction will have a deterrent effect" *(see Schield Management Co. and Marshall L. Schield,* Exchange Act Rel. No. 53201, 2006 WL 231642, at * 8 (January 31, 2006». Based on these factors, this Court should impose the sanctions against Fields that are recommended below on account of the violations complained of herein.

A. Cease-and-Desist Order

Section 8A of the Securities Act, Section 21C of the Exchange Act and Section 203(e) of the Advisers Act provide, among other things, that the Court may enter an order requiring anyone who has violated any provision of those statutes to cease and desist from committing or causing such violation and any future violation of such provisions. *See* 15 U.S.c. §§ 77h-l, 78u-2; 15 U.S.C. § 80b-3(i). In considering whether to impose a cease-and-desist order, a Court should consider the *Steadman* factors discussed above. *See In the Matter of Herbert Moskowitz,* 77 S.E.C. Docket 446, 456, 2002 WL 434524, at *8 (March 21, 2002). In addition, although some risk of future violations is necessary, it need not be very great to warrant issuing a cease-and-desist order. See In the Matter ofKPMG Peat Marwick, LLP, 74 S.E.C. Docket 357,2001

WL 47245, at * 24 (January 19, 2001), *recon. denied,* Rel. No. 34-44050, 2001 WL 223378, at * 6-7 (March 8, *200* l), *petition for review denied, KPMG, LLP v. SEC,* 289, F.3d 109 (D.C. *Cir.* May 14, 2002) *rehearing en bane denied,* (July 16, 2002). Absent evidence to the contrary, a finding of past violation raises a significant risk of future violation. *See Id.*

As discussed above, Fields willfully violated Section 17(a) of the Securities Act, Section 15(a) of the Exchange Act and Sections 203A, 206(1) and 206(2) of the Adviser's Act and Rules 204A-l, 204-2 and 206(4)-7. Accordingly, Fields should be ordered to cease and desist from committing or causing any violations of these provisions.

B. Withdrawal as Adviser, Bar from Association and Collateral Bars

The evidence will conclusively establish that Fields has never had any assets under management and that his principal place of business has at all times relevant been in Illinois,a state with a regulatory regime for advisers with less than $100 million in assets under management. Section 203A of the Advisers act, as amended by Section 410 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) ("Dodd-Frank Act"), prohibits advisers subject to state regulation and examination regimes (including Illinois) from registering with the Commission unless they have at least $100 million in assets under management. Accordingly, the Division requests the court order Fields immediately to withdraw his FOIm ADV.

Section 15(b)(6) of the Exchange Act [15 *V.S.C.* § 780(b)(6)] provides that the Court can, among other things. bar any person from association with any broker or dealer if such person has, pursuant to Section 15(b)(4) of the Exchange Act, willfully violated any provision of the Securities Act or Exchange Act. Field's holding himself out as a registered broker d/b/a Platinum and his making false statements on Platinum's website warrant a bar from association

with any broker, dealer or investment company. Fields should be permanently barred from association with any broker or dealer.

Based on Fields' willful violations. of Section 17(a) of the Securities Act and Sections 203A, 206(1) and 206(2) of the Adviser's Act and Rules 204A-l, 204-2 and 206(4)-(7), it is also appropriate under Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") to impose a permanent bar on Fields from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter. Fields also should be permanently barred from association with any municipal securities dealer or transfer agent.

These sanctions are warranted because Fields' conduct was egregious and created a substantial risk of loss' for a virtually unlimited number of potential victims seeking investments or investment advice through the various forms of social media and website advertising Fields utilized. The Commission treats violations occurring within the context of fiduciary relations with particular seriousness and due regard for the relationship of trust and confidence. James C. Dawson, 98 SEC Docket 3500, 2010 WL 2886183, at *3, 8-9 & n.16 (2010); Don Warner Reinhard, 2011 SEC LEXIS 158, at *21 n.27 ("[T]he importance of honesty for a securities professional is so paramount that we have barred individuals even when the conviction was based on dishonest conduct unrelated to securities transactions or the securities business"). As an investment adviser, Fields owed clients "an affirmative duty of utmost good faith ... as well as an obligation to employ reasonable care to avoid misleading his clients." *Dawson,* 2010 WL 2886183, at *8. The evidence in this case demonstrates that Fields intentionally deceived prospective clients about his background, experience, expertise; connections to the Federal

Reserve Bank of New York and the US Treasury and various well known financial institutions, not to mention extolling potential exponential returns from fictitious securities. Under these circumstances he should be permanently barred. *Steadman* v. *SEC.* 603 F.2d 1126, 1137 (5th Cir. 1979). A lack of a disciplinary history is not an impediment to imposing a bar for a Respondent's first adjudicated fraud violation. *In the Matter of Jaimie L. Solow,* AP File No. 3-13066,2008 WL 4222151, at *4 (Sept. 16,2008) *(citing Robert Bruce Lohmann,* 56 S.RC. 573, 582 (2003) and *Martin R. Kaiden,* 54 S.E.C. 194,209 (1999».

The sanctions sought herein are also appropriate because Fields lias accepted no responsibility for the wrongfulness of his conduct. Indeed he has steadfastly maintained he is in the process of refining his various SEC filings to continue doing what he has been doing. Furthermore, the selection of an appropriate sanction includes an assessment of the deterrent effect it will have in upholding an enforcing the standards of conduct in the securities business. *See* Schield Mgmt Co., 87 SEC Docket 704, 2006 WL 4730604 at *35 & n.46 (Jan. 31, 2006); *Arthur Lipper Corp.,* 46 SEC 78, 100 (1975). An industry bar against Fields will serve to deter future misconduct in the investment adviser industry.

C. **Civil Penalties**

The Division respectfully requests that the Court order Fields to pay civil penalties on account of his misconduct as follows. Fields should be ordered to pay a Third Tier penalty for his willful violation of Section 17(a) of the Securities Act. Section 8A(g) of the Securities Act [15 U.S.C. § 77h-l(g)] authorizes the Commission to impose a civil penalty upon a finding, with notice and opportunity for a hearing, that any person is violating or has violated any provision, rue or regulation issued under the Securities Act and that such penalty is in the public interest.

A Third Tier penalty of a maximum amount of $150,000 for each such act or omission may be imposed against a natural person if:

(i) The act or omission ... (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

(ii) Such act or omission directly or indirectly resulted in -

(I) Substantial losses or created a significant risk of substantial losses to other persons; or

(II) Substantial pecuniary gain to the person who committed the act or omission.

Fields should also be ordered to pay a Third Tier penalty on account of his willful violation of Section 15(a) of the Exchange Act. Section 21B of the Exchange Act provides that civil penalties may be imposed in any proceeding instituted pursuant to Section 15(b)(4) of the Exchange Act on any person who (1) has willfully violated the federal securities laws; or (2) has failed reasonably to supervise, within the meaning of Section 15(b)(4)(E) of the Exchange Act, with a view to preventing violations of the provisions of such statutes, rules and regulations, another person who commits such a violation, if such other person is subject to his supervision; and such a penalty is in the public interest. 15 D.S.C. § 78u-2(a)(4). Section 21B(b)(3) authorizes the Commission to assess a Third Tier penalty in a maximum amount of $100,000 against a natural person for each act or omission that "involved fraud, deceit, manipulation or deliberate or reckless disregard of a regulatory requirement" and "such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons .... "

Fields should also be ordered to pay a Third Tier penalty on account of his violation of Sections 206(1), 206(2) 206(4) of the Advisers Act and Rules 206(4)1(a)(5) and 206(4)-7 thereunder. Section 203(i) of the Advisers Act authorizes the Commission to impose a civil penalty against any person upon a finding, with notice and opportunity for a hearing, that such penalty is in the public interest and that has willfully violated any provision of the Securities Act,

the Exchange Act or subchapter II ofthe Advisers Act orthe rules or regulations thereunder. A penalty in a maximum amount of $100,000 may be imposed against a natural person "for each act or omission." The criteria for imposing a Third Tier penalty under the Section 203(i) of the Advisers Act are the same as the criteria for imposing a Third Tier penalty under Section 8A(g) oftheSecurities Act and Section 21B of the Exchange Act as quoted above.

Third Tier penalties for Fields' violations of Section 17(a) of the Securities Act, Section 15(a) of the Exchange Act and Sections 206(1) and 206(2) of the Advisers Act are in the public interest because these violations created a significant risk of substantial losses to other persons. In accordance with *Steadman v. SEC*, Third Tier penalties are also in the public interest in order to deter Fields or other persons from perpetrating prime bank securities frauds in the future. Furthermore, Fields has not provided assurances that he will not continue or repeat his violations of the securities laws.

In addition to the Third Tier penalties discussed above, Fields should be ordered to pay Second Tier penalties on account of his willful violations of Sections 203, 204, 204A and 207 of the Advisers Act and Rules 204-2(a)(11), 204-2(e)(3)(i), 204(4), 204-2 and 204A-1 thereunder. Section 203(i) of the Advisers Act authorizes the Commission to assess a Second Tier penalty in a maximum amount of $50,000 against a natural person for each act or omission that "involved fraud, deceit, manipulation or deliberate or reckless disregard of a regulatory requirement." While the Court should consider evidence of Field's ability to pay penalties, it would be

CONCLUSION

1. Character assassination:

. **Defamation**—also called calumny, vilification, traducement, slander (for transitory statements), and libel (for written, broadcast, or otherwise published words).

Any intentional false communication, either written or spoken, that harms a person's reputation; decreases the respect, regard, or confidence in which a person is held; or induces disparaging, hostile, or disagreeable opinions or feelings against a person.
Defamation may be a criminal or civil charge. It encompasses both written statements, known as libel, and spoken statements, called slander.
By publicly announcing to the media (television, newspapers, radio, etc.) that "Fields made fraudulent offers of fictitious securities through various forms of social media. Fields also reported false and materially misleading information to the Commission on AFA's Form ADV, failed to maintain required books and records and to implement adequate compliance policies and procedures, and published false and materially misleading information on the websites of both AFA and Platinum. In addition, Fields, without being registered as a broker-dealer, has used social media platforms, including LinkedIn to offer to buy and sell fraudulent bank guarantees and medium term notes ("MTNs") in exchange for transaction-based compensation" when you have contracts signed by both the sellers and the buyers for the purchase and the sell of the securities in question.

By not mentioning the contracts submitted to you and you knowing that they existed, you have intentionally, knowingly and willing attempted to slander my name with these libelous accusations.

In addition, inquiring minds (The sellers and the buyers) would like to know how you determined that the contracts signed by the seller of the instruments and signed by the buyer of these instruments were deemed fraudulent and fictitious.

By indicating that I continue to hold both AFA and Platinum Securities out as a broker-dealers and appear to be soliciting broker-dealer business through at least two independent websites, as well as providing clients securities-related services for transaction based compensation and these services include various fraudulent offerings for fictitious multi-hundred million dollar bank guarantees and medium term notes is totally an untruth.

In the websites that you are referring to, there are no references made, whatsoever, in any of the two independent websites that Anthony Fields & Associates or Platinum Securities Brokers were representing any sellers or buyers of Bank Guarantees' or Mid-Term Notes.

In addition, it is unimaginable that you, Ms. Donna Norman, Senior Counsel, Division of Enforcement, United States Securities and Exchange Commission, do not know what a Bank Guarantee (BG) or a Bank Mid-Term Note (MTN) is. I'm astounded that you, Ms. Donna Norman, Senior Counsel, Division of Enforcement, United States Securities and Exchange Commission , would call these securities fraudulent and fictitious and that they do not exist. And that these Bank Instruments do not sell for Hundreds of Millions of dollars or Euros, for that matter.

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As I hope that you are aware, character assassination may involve doublespeak, spreading of rumors, innuendo or deliberate misinformation on topics relating to the my morals, integrity, and reputation. It may involve spinning information that is technically true, but that is presented in a misleading manner or is presented without the necessary context.

1. Intake and Screening Process

The Brief Intake/Assessment is the initial meeting with the client during which the intake specialist gathers information to address the client's immediate needs to encourage his/her engagement and retention in services.

The Brief Intake/Assessment may also be used to screen clients to determine if they need assistance in setting up or altering current information to be presented to the public and other management services, and if so, to determine the model of case management most appropriate to meet a client's needs, and to assess the client's willingness and readiness to engage in advisory services.

In the intake and screening of my application with the Securities and Exchange Commission, by the Intake and screening department, it should have been determined then the $400 million dollars under management that was stated in the For ADV was predicated on the execution of the $50 billion dollar contract that you reviewed in your investigation. And had the Intake and Screening Department requested to interview me it would have been discovered and they would have probably informed me that I should wait to fill out the Form ADV and wait to put up my websites until the execution of the contract because the potential assets under management was and would only materialize once the contract was executed and the funds delivered to the account of my firm. Oh but wait, the Securities And Exchange Commission does not have an Intake and Screening department. But they do have a Department of Enforcement.

It is very irresponsible and negligent to allow a firm to register with the Securities And Exchange Commission and approve their application without screening the applicant to determine whether the applicant meets the SEC's eligibility and qualification criteria.

So instead of correcting the internal problems that the Securities And Exchange Commission has internally by not having an intake and screening process or any

written intake and screening procedures you find an unsuspecting victim such as myself and persecute them for not being screened by your agency.

The State of Illinois and FINRA has Intake and Screening Policies and Procedures. Why doesn't the Securities and Exchange Commission have them. Or if you have intake and screening procedures why not use them?

2. Entrapment

By not having proper intake and screening policies and procedures or by not utilizing your intake policies and procedures are have essentially entrapped me and my firms by the luring, by a police officer (the Department of Enforcement), into committing a crime so that me and my firms may be prosecuted for it.

The Securities and Exchange Commission has lured me and my firms into danger, difficulty, or a compromising situation and into performing a previously or otherwise uncontemplated illegal act.

All of the allegations presented by Ms. Donna Norman, Senior Counsel, Division of Enforcement, United States Securities and Exchange Commission would have been averted and mote issues had my firms and I been screened to determine any defects in the application and or my thought as to want could be done as opposed to what actually was done.

1. I have About as much chance of escape as a log that is being drawn slowly toward a buzz saw —Arthur Train
2. Captured like water in oil —John Updike
3. Caught in [as a war] like meat in a sandwich —Robert MacNeil, Public Television broadcast, December, 1986
4. Caught like a forest in a blazing fire —Delmore Schwartz

5. Withdrawal of Registration

You indicated that Platinum Securities Brokers was registered March of 2010 and withdrew July 6, 2010, for, among other things, failure to maintain minimum net capital requirements. So far all that you have done is present exaggeration, misleading half-truths, or manipulation of facts to present an untrue picture of me and my firms.

First of all, you did not mention that the reason I withdrew the application from the Securities And Exchange Commission was because FINRA indicated that I could not do a "Partial Withdrawal" which meant that I could not withdraw from just FINRA and maintain my status with the Securities And Exchange Commission. Therefore I had to do a "Full Withdrawal" And, in addition, the only reason I had to withdraw was because of the net capital requirement. All other documentation was submitted on a timely basis.

Secondly, I resubmitted the application for Platinum Securities Brokers on July 13, 2010 and to this date it is still pending as of today which again, was not mentioned in your findings and recommendations So again all that you have done is present exaggeration, misleading half-truths, or manipulation of facts to present an untrue picture of me and my firms.

6. Claims Made In the Websites of Anthony Fields & Associates and Platinum Securities Brokers

You allegations that multi-million dollar fraudulent and fictitious Bank Guarantees and Mid Term Notes were not in either of the websites of Anthony Fields & Associates nor Platinum Securities Brokers.

So again all that you have done is present exaggeration, misleading half-truths, or manipulation of facts to present an untrue picture of me and my firms.

However, it is true that Anthony Fields & Associates and Platinum Securities Brokers stated that the primary clients would be institutional organizations and High Net Worth Investors and that Anthony Fields & Associates and Platinum Securities Brokers only dealt with United States Government Treasury Securities.

By Comingling the Finding to make it appear that Anthony Fields & Associates and Platinum Securities Brokers were jointly and severally guilty of multiple acts if fraud and malfeasance and that by being the owner of both the firms, I am as guilty of the same charges and allegations as the two of the firms that I own and operate is a travesty of justice.

And in the course of your initial investigation you spilled over into my other firms and went on a flagrant attempt to tarnish me and my firms' reputation.

So far all that you have done is present exaggeration, misleading half-truths, or manipulation of facts to present an untrue picture of me and my firms.

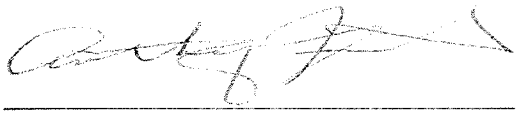
Because you failed to screen the applications submitted by me on behalf of Anthony Fields & Associates and Platinum Securities Brokers and by not having proper intake and screening policies and procedures or by not utilizing your intake policies and procedures you have essentially entrapped me and my firms into committing a crime so that me and my firms may be prosecuted for it.

I have not committed any crimes and all that I am guilty of is submitting application and building websites that I thought were accurate at the time based on the anticipated revenues of multi-million dollar contracts.

I pray that you analyze my response and conclude that the Allegations be withdrawn and that I be afforded the opportunity to resubmit the applications and adhere to the

appropriate rules and regulations that you have brought to my attention during your hearing.

Professionally Submitted,



Anthony Fields, CPA
Pro Se

RESPNDENT'S REPLY
TO THE DIVISION OF ENFORCEMENT'S PREHEARING BRIEF
PART II

(EXHIBITS)

EXHIBIT A

An Introduction to Bank Debenture Trading Programs

Commonly Asked Questions

WHAT IS A BANK DEBENTURE TRADING PROGRAM?

Also referred to as a secured asset management program, this is an investment vehicle commonly used by the very wealthy where the principal investment is fully secured by a Bank Endorsed Guarantee. The principal is managed and invested to give a guaranteed high return to the investor on a periodic basis. There is no risk of losing the investor's principal investment.

This investment opportunity involves the purchase and sale of Bank Debentures within the International Market in controlled trading program The program allows for the investor to place his funds through an established Program Management firm working-directly with a major Trading Bank.

The investment funds are secured by a Bank-Endorsed Guarantee by the Banking institution at the time the funds are deposited. The Investor is designated a the Beneficiary of the Guarantee unless otherwise instructed by the Investor. The guarantee is issued to secure the Investor's principal for the contract period. This guarantee will be Bank Endorsed with the Bank Seal, two authorized senior Officers' signatures, and will guarantee that the funds will be on deposit in the Bank during the contract period and will be returned fully to the Investor at the end of the contract term.

The Investor is also guaranteed by the program Directors, by contract that they will receive what is in effect a percentage of each trade made by the Trade Bank. This can be in the form of a guaranteed profit/yield paid on a periodic basis upon terms as set forth in the contract

The Instrument to be transacted under the Buy/Sell Program are fully negotiable Bank Instrument. delivered unencumbered, free and clear of any and all liens, claims or restrictions. The Instrument are debt obligation of the Top One Hundred (100) World Banks in the form of Medium Term Bank Debentures of 10 years in length. usually offering 7 1/2% interest; or, "Standby Letters of Credit" of one year in length with no interest but at a discount from face value. These Bank Instrument conform in all respects with the Uniform Customs and practice for Documentary Credits as set forth by the International Chamber of Commerce, Paris, France (ICC) in the latest edition of the ICC Publication Number 400 (1983 Revision) and the newest implemented ICC Publication 500 (1995 Revision).

WHAT IS THE INVESTORS RISK IN THIS PROGRAM?

As stated, the Investment funds principal is fully secured by a BANK ENDORSED GUARANTEE (or, safekeeping receipt) which is issued by the Trading Bank at the time the funds are deposited. The Investor is designated as the Beneficiary of the Guarantee which is issued to secure the principal for the contract period and all elements of risk have been addressed. It must be stressed that, before an instrument is purchased, a contract is already in place for the resale of the Bank Debenture Instrument. Consequently, the Investors funds are never put at risk. The trust account will always contain either funds or Bank Instrument of equal or greater value. After each transaction period, the profits are distributed according to the agreement and the process repeats for the duration of the contract.

HOW OFTEN DOES THE PROGRAM DO TRANSACTIONS?

Operations will take place approximately forty (40) International Banking Weeks per year. with specific transactions taking place approximately one or more times per week depending on circumstances" Although there are 52 weeks in a year, there are only 40 international banking weeks during which transactions take place. An International Banking week is a full week which does not include an officially recognized holiday. However, this does not preclude that transactions may occur on short weeks that have a holiday.

WHY ARE THESE "HIGH RETURNS WITH SAFETY" PROGRAMS NOT GENERALLY PUBLICIZED?

The answer is that these programs have been available, though not widely known for years. However, because of the extremely high minimum requirements to enter them, only a few could qualify. The minimums have been 10 to 100 million dollars previously. Only recently have the smaller minimums been available so that more can qualify and yet have the opportunity to earn exceptionally high and safe profit yields. Also, The Investor must be "invited in" to participate in these very limited enrollment programs.

Individual programs can quickly become filled and are then closed to further Investor participation.

LEVERAGED TRADING PROGRAMS

By leasing assets, usually in the form of United Sates government Treasury Bills, for a fraction of their face value, the ability to purchase and subsequently resell bank instrument in large quantities is possible. This is the principal on which leveraged treading-programs revolve. The leased assets provide the collateral against which the instrument are purchased and resold, with the entire process taking only one or two days to accomplish.

The large profits produced by trading programs is created by the difference between the purchase cost and resale price of the instrument. Even with a net profit of four per cent per transaction, the process of buying and selling can be performed several times each week, providing for profits which make the return on other investments pale by comparison. A four per cent profit produced just once weekly for forty weeks would total 160%.

By leasing assets, the profit is generated on a much larger amount of instrument, greatly increasing the total dollar profit. For example, if a four percent profit were generated on $100 million, the net profit would be $4 million. Leasing assets typically requires the payment of three percent of the face amount per month, in advance: to lease $100 million in assets would require the payment of $3 million. However, by using the leased assets, profits can be generated on $100 million worth of instruments ($4 million), not just $3 million ($120,000). Even if just one transaction occurred during the month, the profit created would exceed the cost of leasing the assets.

History and Development of Bank Instruments

Picture the world at war in 1944. All of Europe, except for Switzerland, is pounding its infrastructure, manufacturing base and population into rubble and death. Asia is locked into a monumental straggle which is destroying Japan, China, and the Pacific Rim countries. North Africa, the Baltic's, and the Mediterranean countries are clutched in a life and death stuggle in the fight to throw off the yoke of occupation. A world gone mad! Economic destruction, mad, human misery and dislocation exists on a scale never before experienced in human history. What went wrong? How could the world rebuild and recover from such devastation? How could another war be avoided?

KEYNES, HARRY WHITE AND BRETTON WOODS

This was the world as it existed in July 1944 when a relatively small group of 130 of the western worlds most accomplished economic, social and political minds met in upstate

New Hampshire at a small vacation town called Bretton Woods. John Maynard Keynes, the man who had predicted the current catastrophe in his book, The Economic Consequences of the Peace, written in 1920, was about to become the principal architect of the post-World War II reconstruction Keynes presented a rather radical plan to rebuild the worlds economy, and hopefully avoid a third world war. This time the world listened, for Keynes and his supporters were the only ones who had a plan that in any way seemed grand enough in foresight and scope to have a chance at being successful. Yet Keynes had to fight hard to convince those rooted in conventional economic theories and partisan political doctrines to adopt his proposals. In the end, Keynes was able to sell about two-thirds of his proposals through sheer force of will and the support of the United States Secretary of the Treasury, Harry Dexter White.

At the hart of Keynes proposals were two basic principals: first the Allies must rebuild the Axis Countries, not exploit them as had been done after WW 1; second, a new international monetary system must be established, headed by a strong international banking system and a common world currency not tied to a gold standard.

Keynes went on to reason that Europe and Asia were in complete economic devastation with their means of production seriously crippled, their trade economies destroyed and their treasuries in deep dept. If the world economy was to emerge from its current state, it obviously needed to expand. This expansion would be limited if paper currency were still anchored to gold.

The United States, Canada, Switzerland and Australia were the only industrialized western countries to have their economies, banking systems and treasuries intact and fully operational. The enormous issue at the Bretton Woods Convention in 1944 was how to completely rebuild the European and Asian economies on a sufficiently solid basis to foster the establishment of stable, prosperous pro-democratic governments.

At the time, the majority of the world's gold supply, hence its wealth, was concentrated in the hands of the United States, Switzerland and Canada. A system had to be established to democratize trade and wealth; and redistribute, or recycle, currency from strong trade surplus countries back into countries with weak or negative trade surpluses. Otherwise, the majority of the world's wealth would remain concentrated in the hands of a few nations while the rest of the world would remain in poverty.

Keynes and White proposed that the United States supported by Canada and Switzerland would become the banker to the world, and the U.S. Dollar would replace the pound sterling as the the medium of international trade. He also suggested that the dollar's value be tied to the good faith and credit of the U.S. Government not to gold or silver, as had traditionally been the support for a nation's currency.

Keynes concept of how to accomplish all of this was radical for its time, but was based upon the centuries old framework of import/export finance. This form of finance was used

to support certain sectors of international commerce which did not use gold as collateral, but rather their own good faith and credit, backed by letters of credit, avals, or guarantees.

Keynes reasoned that even if his plans to rebuild the world's economy were adopted at the Bretton Woods Convention, remaining on a Gold standard would seriously restrict the flexibility of governments to increase the money supply. The rate of increase of currency would not be sufficient to insure the continued successful expansion of international commerce over the long term. This condition could lead to a severe economic crisis, which, in turn, could even lead to another world war. However, the economic ministers and politicians present at the convention feared loss of control over their own national economies, as well as, run-away inflation, unless a "hard-currency" standard were adopted.

The Convention accepted Keynes' basic economic plan, but opted for a gold-backed currency as a standard of exchange. The "official" price of gold was set at its pre-WW II level of $ 35.00 per ounce One U.S. Dollar would purchase 1/35 an ounce of gold. The U.S. dollar would become the standard world currency, and the value of all other currencies in the western, non-communist world would be tied to the U.S. dollar as the medium of exchange.

MARSHALL PLAN, IMF, WORLD BANK AND BANK OF INTERNATIONAL SETTLEMENTS:

The Bretton Woods Convention produced the Marshall Plan, the Bank for Reconstruction and development known as the World Bank, the International Monetary Fund (IMF) and the Bank of International Settlements (BIS). These four would re-establish and revitalize the economies of the western nations. The World Bank would borrow from rich nations and lend to poorer nations. The IMF working closely with the World Bank, with a pool of funds, controlled by a board of governors, would initiate currency adjustments and maintain the exchange rates among national currencies within defined limits. The Bank of International Settlements would then function as a "central bank" to the world.

The International Monetary Fund was to be a lender to the central bank of countries which were experiencing a deficit in the balance of payments. By lending money to that country's central bank, the IMF provided currency, allowing the underdeveloped country to continue in business, building up is export base until it achieved a positive balance of payments. Then, that nation's central bank could repay the money borrowed from the IMF, with a small amount of interest and continue on its own as an economically viable nation. If the country experienced an economic contraction, the IMF would be standing ready to make another loan to carry it through.

BANK OF INTERNATIONAL SETTLEMENTS:

The Bank of International Settlements (BIS) was created as a new central bank" to the central banks of each nation. It was organized along the lines of the U.S. Federal Reserve System and it's principally responsible for the orderly settlement of transactions among the central banks of individual countries. In addition, it sets standards for capital adequacy among the central banks and coordinates the orderly distribution of a sufficient supply of currency in circulation necessary to support international trade and commerce.

The Bank of International Settlements is controlled by the Basel Committee which, in rum, is comprised of ministers sent from each of the G-10 nations central banks. It has been traditional for the individual ministers appointed to the Basel Committee to be the equivalent of the New York "Fed's" chairperson controlling the open market desk.

WORLD BANK

The World Bank, organized along more traditional commercial banking lines was formed to be lender to the world" initially to rebuild the infrastructure, manufacturing and service sectors of the European and Asian Economies, and ultimately to support the development of Third World nations and their economies.

The depositors to the World Bank are nations rather than individuals. However, the Bank's economic "ripple system" uses the same general banking principles that have proven effective over centuries.

THE TIE THAT BINDS: THE BANK OF INTERNATIONAL SETTLEMENTS AND THE WORLD BANK

The directors of both banks are controlled by the ministers from each of the G-10 countries: Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom and Luxembourg.

BRETTON WOODS UNDER PRESSURE:

By 1961, the plans adopted at the Bretton Woods convention of 1947 were succeeding beyond anyone's expectation. Proving that Keynes was right. Unfortunately, Keynes was also right in his prediction of a world monetary crisis. It was brought on by a lack of sufficient currency (U.S. dollars) in world circulation to support rapidly expanding international commerce. The solution to this crisis lay in the hands of the Kennedy Administration, the U.S. Federal Reserve Bank and the Bank of International Settlements. The world needed more U.S. Dollars to facilitate trade. The U.S. was faced with a dwindling gold supply to back such additional dollars. Printing more dollars would violate the gold standard established by the Bretton Woods agreements. To break the treaty would potentially destroy the stable core at the center of the worlds economy, leading to international discord, trade wars, lack of trust and possibly to outright war. The crises was further aggravated by the belief that the majority of the dollars then in circulation was not

concentrated in the coffers of sovereign governments, but rather in the vaults or treasuries of private banks, multinational corporations, private businesses and individual personal bank accounts. A mere agreement or directive issued by governments among themselves would not prevent the looming crisis. Some mechanism was needed to encourage the private sector to willingly exchange their U.S. Dollar currency holdings for some other form of money.

The problem was solved by using the framework of a **forfait** finance; a method used to underwrite certain import/export transactions which relies upon the guarantee or aval (a form of guarantee under Napoleonic law) issued by a major bank in the form of either documentary or standby letters of credit or bills of exchange which are then used to assure an exporter of future payment for the goods or services provided to an importer. The system was well established and understood by private banks, government and the business community world wide. The documents used in such financing were standardized and controlled by international accord, administered by the members of the International Chamber of Commerce (ICC) headquartered in Paris. There would be no need to create another world agency to monitor the system if already approved and readily available documentation, laws and procedure provided by the ICC were adopted. The International Chamber of Commerce is a private, non-governmental, worldwide organization, that has evolved over time into a well recognized organized, respected and, most of all, trusted association. Its members include the worlds major banks, importers, exporters, merchants, and retailers who subscribe to well-defined conventions, bylaws, and codes of conduct over time, the ICC has hammered out pre-approved documentation and procedures to promote and settle international commercial transactions.

In the ICC and forfeit systems lay the seeds of a resolution to the looming crisis. Recycling the current number of dollars back into world commerce would solve the problem by avoiding the printing of more U.S. dollars and would solve the problem by avoiding the printing of more U.S. dollars and would leave the Bretton Woods Agreement intact. If currency, dollars, could be drawn back into circulation through the private international banking system and redistributed through the well known "bank ripple effect", no new dollars would need to be printed, and the world would have an adequate currency supply. The private international banking system required an investment vehicle which could be used to access dollar accounts, thereby recycling substantial dollar deposits. This vehicle would have to be viewed by the private market to be so secure and safe that it would be comparable with U.S. Treasuries which had a reputation for instant liquidity and safety. Given the "newness" of whatever instrument might be created, the private sector would prefer to exchange their dollars for a "proven" instrument (United States Treasuries) but selling new Treasury issues to the would not solve the problem. In fact, it would exacerbate the looming crisis by taking more dollars out of circulation. **The World needed more dollars in circulation.**

The answer was to encourage the most respected and creditworthy of the world's private banks to issue a financial instrument guaranteed by the full faith and credit of the issuing

bank, with the support from the central banks, IMF and Bank of International Settlements. The worlds private investment and business sector would view new investments issued in this manner as "safe". To encourage their purchase over Treasuries, the investor yield on the new issues would have to be superior to the yield on Treasuries. If the instruments could be viewed as both safe and providing superior yields over Treasuries, the private sector would purchase these instruments without hesitation.

The crisis was prevented by encouraging the international private banking sector to issue letters of credit and bank guarantees, in large denominations, at yields superior to U.S. Treasuries. To offset the increased "cows" to the issuing banks, due to the higher yields accompanying these bank instruments, banking regulations within the countries involved were modified in such a way as to encourage and or allow the following:

Reduced reserve requirements via off-shore transactions.

Support of the program by the central banks. World Bank, IMF and Bank of International Settlements.

Off-balance sheet accounting by the banks involved.

Instruments to be legally ranked "para passu" (on the same level) with depositors funds.

The banks obtaining these depositor funds would be allowed to leverage these funds with-the applicable central bank of the country of domicile in such a way as to obtain the equivalent of federal funds at a much lower cost. When these "leveraged funds'" are blended with all other accessed funds, the overall blended rate cost of funds to the issuing bank is substantially diminished, thus offsetting the high yield given to attract the investor with substantial funds to deposit.

The bank instruments offered to investors were sold in large denominations often $100 million through a well established and very efficient market mechanism, substantially reducing the cost of accessing the funds. The reduced costs offset the higher yields paid by the issuing banks.

MULTI-USE INSTRUMENT:

Major commercial banks soon came to realize that these instruments could serve as more than a "funds recycling and redistribution tool", as originally envisioned. For the issuing bank, they could provide a the means of resolving two of the bankers major problems: interest rate risks over the term of the loan, and disinterthediation of depositor funds. Bankers, now for the first time, had available a reliable method of accessing large amounts of money in a very cost efficient manner. These funds could be held as deposits at a predetermined cost over a specific period of time. This new system to promote currency

redistribution had also given private banks a way to pass on to third parties the interest rate and disinterthediation risks formerly borne by the bank.

The use of these instruments providing instant liquidity and safety has worked amazingly well since 1961. It is one of the principal factors which has served to prevent another financial crisis in the world economies.

In recent years, smaller banks not ranked among the top 100 have been issuing their own instruments. Considering the dollars volume and the number of instruments issued daily, the system has worked extremely well. There have been few instances where a major bank has had financial problem. In all cases, the central bank of the G-10 country concerned and the Bank of International Settlements have moved quickly to financially stabilize the bank, insuring its ability to honor its commitments. Funds invested in these instruments rank para passu with depositors accounts, and as such, their integrity and protection is considered by all the institutions involved as fundamental to a sound international banking system.

The bank instruments program designed under the Kennedy Administration is still used very effectively to assist in recycling and redistributing currency to meet the worlds demand for commerce.

INSUFFICIENT GOLD SUPPLY:

Another significant change of the Bretton Woods Agreement came in 1971, when the volume of world trade using U.S. dollars as the medium of exchange,. finally exceeded the ability of the United States to support its currency with gold. The restraints of the gold standard at $35 per ounce established under the Bretton Woods Agreements placed the United States in a very precarious position. As Keynes had predicted, there was not enough gold in the U.S. Treasury to back the actual number of U.S. dollars then in circulation. In fact, the treasury was not really sure how many paper dollars actually were in circulation. What they did how, however, was that there was not enough gold in Fort Knox to back them. The proolem was that the U.S. Treasury was not the only institution aware of this fact. All G-10 countries were aware of this. If demand were placed upon the U.S. Treasury at any one time to exchange all the Eurodollars for gold, the U S. Treasury would have had to default, thereby effectively bankruptmg the United States government

France, the United Kingdom, Germany and Japan were concerned about their substantial holdings in U.S. dollars. If just one of these countries demanded gold for dollars. Then a meeting between ambassadors to the U.S took place with Connelly ,who was then Secretary of the U.S. Treasury, and Undersecretary of the Treasury, Paul Volker. Connelly listened to the ambassador and said, " I will answer you tomorrow".

Nixon, Connolly and Volker, in an ultra-secret weekend meeting with the brightest of the nation's bankers and economists gathered to ponder "tomorrow's" answer. Honoring the

demand meant certain death to the U.S. as an economic super power. Not meeting the demand would have catastrophic results. Was there a way out? What if the U.S. unilaterally abandoned the gold standard and let its currency float in the market? Nixon and his advisors viewed the dilemma in terms of two mutually-exclusive alternatives: increasing the value of U.S. gold reserves and maintaining a gold-backed economy, or considering the repercussions to the worlds economies if the U.S. dollar were no longer backed by gold.

To resolve the crisis, the U.S. needed to unilaterally abandon efforts to maintain the official price of gold at an artificial level of $35 per ounce the same price that existed in 1933. Gold in 1971 had a market value of approximately $350 to $400 per ounce in the commercial world market, or about 10 times the official price. By letting gold seek its market price, the U.S. Treasury's gold would automatically become worth approximately 10 times its value at the official price. Under these circumstances, any government bank or private investor would have to exchange $350 to $400 U.S. dollars for an ounce of gold at the market price rather than one U.S. dollar to acquire 1/35th of an ounce of gold at the old official price. An ounce of gold would rise in exchange value by a factor of ten, and the U.S. Treasury's gold supply would increase correspondingly.

In addition, once the gold standard established at Bretton Woods at $35 per ounce was abandoned, why reestablish it at $350 an ounce? The same problem would eventually arise again, and Keynes would be right again. Why not adopt Keynes' original idea of a currency being backed by the good faith and credit of its government, its people, the national resources and its production capacity? The United States needed to let its currency "float" in value against all other world currencies and not tie it to gold. Market forces would set the dollar's value through its exchange rate with other foreign currencies. Nixon and his advisors also realized that business world-wide had long ceased conducting international trade through gold and silver exchanges. Therefore, taking the dollar off the gold standard and allowing its value to float in relation to other world currencies would create currency risks for international trade transactions, but it would not preclude or stall international commerce. The world of international business had, in practice, already abandoned the gold standard years before, considering it cumbersome and unworkable. Moreover, the other Western nations had neither the economic nor military power to force the U.S. to honor its commitment to the gold standard and, therefor, could not prevent it from abandoning the standard.

Based upon a clear understanding of these two interrelated realities, Nixon and his advisors determined to abandon the gold standard and allow the U.S. dollar to "float" in relation to other nations' currency. The exchange rate would no longer be determined by an artificially-maintained gold standard, but rather by the value placed on each currency in the foreign exchange market.

NIXON AND KENNEDY:

The system for controlling currency supply, established by the Kennedy Administration, became an indispensable tool to the Nixon administration. The IMF and the Bank of International Settlements insured that the U.S. dollar would hold its value in the international market and was recycled from countries with a positive balance of payments back into the world economy. The illusion of U.S. dollar backed by gold was gone.

The preceding information explains the use of bank instruments as an alternative investment vehicle to United States government notes, and how and why the process of issuing bank instruments used in trading programs began and continues today.

Detailed Overview

RISK FREE CAPITAL ACCUMULATION

by the means of participation in a

BANK DEBENTURE FORFAITING PROGRAM

OR

PROFIT FUNDING (DEPOSIT) LOAN TRANSACTION

In the United Sates of America the supply of money or credit regulated by the Federal Reserve, an independent body which came in to existence by an act of congress in 1913, and in part by means of the recognition and authorization granted by de International Chamber of Commerce and certain key International Money Center Banks. Money Center Banks comprise the top 250 banks worldwide, as ranked by net assets, long term stability and sound management. The Money Center Banks are also referred to a the top 100 or fewer (as for example the Fortune 500 or Fortune 100) and are authorized to issue blocks (aggregate amounts) of Bank Debenture instruments such as Bank Purchase Orders (BPO's), Medium Term Debentures (MTDs) such as Promissory Bank Notes (PBNs Zero Coupon Bonds (Zero's), Documentary Letters of Credit (DLCs), Stand By Letters of Credit (SLC's) or Bank Debenture Instruments (BDI's) issued under the International Chamber Of Commerce (not to be confused with your local Chamber Of Commerce) is the worldwide regulatory body for the International banking community, and sets the policies which governs the activities and procedures of all banks conducting business at international levels.

CAPITAL ACCUMULATION BY BANKS OF BANK DEBENTURE TRADING (FORFAITING) PROGRAMS: (Reference ICC No. 500 revised 1995)

Authority to issue a given allotment of the above described banking instruments: over and above those regularly employed as an accommodation to customers regularly engaged in international trade: is issued quarterly for each issuing bank, according to the Federal Reserve's or Central Bank's review of each bank's portfolio. The prices of these instruments are quoted as a percentage of the face amount of the instrument, with the initial market price being established when first issued. Thereafter, as they are resold to other banks they are sold at escalating higher prices, thus realizing a profit on each transaction, which can take as little as one day to complete.

As these instruments are bought and sold within the banking community the trading cycles generally move to the higher level banks to the lower (smaller) banks. Often they move through as many as seven or eight trading cycles, until they are eventually sold to a previously contracted retail customer or "Exit Buyer" such as a pension fund, trust fund, foundation, insurance company, etc., that is seeking a conservative, reasonable yield instrument in which they "park" or invest, for a certain period of time, the larger sums of cash they regularly hold.

By the time these instruments ultimately reach the "retail" or secondary market level they are of course selling at substantially higher prices than when originally issued. For example, while the original issuing bank might sell a "Zero" at 82 1/2% of its face value, by the time the "Zero" finally reaches the "Retail/exit" buyer it can sell for 93% of it's face value. Since these transactions are intended for use by large financial institutions, they are denominated in face amounts commonly ranging from US $10 million, and up. For currencies other than US Dollars, usually Swiss Francs or German Marks, the Central Bank or other regulatory authority corresponding to the Federal Reserve of the country issuing the currency, uses similar procedures to control the availability of cash and credit in their own particular currencies.

There has been a lot of interest expressed by persons seeking to learn more about risk free Capital Accumulation, by participating in a FORFAITING Program. Essentially we are discussing a Money Center Bank instrument or Bank Debenture Purchase and Resale Program, in which these monetary securities are bought at a beneficial lower price and then sold in the money markets, at a higher price, before, a transaction is committed to the traders, they always ensure that they have a guaranteed EXIT SALE. (another party willing to purchase the bank debentures at an agreed higher price, at the conclusion of a number of trading cycles). If no Exit Sale is available and agreed to before the transaction starts, then no program will take place as the trader must always protect his position, and that of his clients. This is of course is the ultimate safety factor for the client.

This type of transaction is known as a FORFAITING PROGRAM, and is often referred to by insiders as a "trading program", because once a program is started it will normally move through several cycles, accumulating profits at each trading cycle.

The process is made possible because the trader commits to the purchase of many millions of dollars in either Bank Purchase Orders (BPO) or Medium Term Notes (MTN's), at a substantial discount off the face value of the securities. Sight Draft Letters Of Credit are pledged to secure the transaction and the discounted price of the bank instruments or bank debentures made available to the trader by the issuing Money Center Bank might for example, the as low a eighty cents on the dollar or less, depending upon market rates at any given time.

The first transaction might have some other trader willing to pay eighty three cents for the short term use of the funds, which revert back to the first trader often in a matter of hours. Each trading cycle earns profits at a few cents on the dollar, but the transactions are in the millions of dollars, and when one considers the probability of four, five or more trading cycles per month, then it is not difficult to realize the profitability of this type of transaction.

The internal trading of these banking instruments is a privileged and highly lucrative profit source for participating banks, and as a result, these opportunities are not generally shared with even their very wealthiest clients. It would the difficult, at best to entice investors to purchase Certificates of Deposit yielding 2.5% to 6% if they were aware of the availability of other profit opportunities from the same institution, which are yielding much higher rates of return. The banks always employ the strictest Non-Disclosure and Non-Circumvention clause in trading contracts to ensure the confidentiality of the transactions. They are rigidly enforced, and this further accounts for the concealment of these transactions from the general public. Participation is an insider privilege.

As a result, virtually every contract involving the use of these high-yield Bank Instruments contain explicit language forbidding the contracted parties from disclosing any aspect of the transactions for a period for five years. As a result there is difficulty in locating experienced individuals whom are knowledgeable, and willing to candidly discuss these opportunities and the high profitability associated with them, without severely jeopardizing their ability to participate in further transactions.

One needs to have the appropriate banking connections and relationships to control the transactions from the beginning to end.

For this purpose it is not uncommon to have:

A purchasing bank which represents the buyer (trader) on the purchasing side of the transaction and which is also acting as the "holding Bank"

A Fiduciary, or "Pass Through Bank"

An Issuing or "Selling Bank".

In this manner each bank is knowledgeable only with regards to its portion of the overall transaction, and receives a nominal, and reasonable fee for its services, from its respective clients. Further complicating the structuring of profit-oriented programs involving the instruments is the differing tax and banking rules and regulations in various jurisdictions around the world . For example, in those jurisdictions where regulations may not permit banks to directly purchase these instruments from other institutions, or conversely where profitability *may* the actually enhanced through tax incentives, "Profit Funding (Deposit Loan) Programs collateralized by bank instruments, have been developed to structure these transactions as loans, rather than simple "Buy and Sell" transactions. For example, in Germany, where progressive tax rates mitigate against high interest rates, the concept of an Emission Rate lower than the face value of the loan has been widely used to further enhance a lenders profit Suffice it to say that a wide range of methods have been developed to maximize the net after-tax profit for all parties involved in such yields.

THE KEY TO SAFETY AND PROFITS:

As is quite evident from the forgoing, the key to profitability of these Bank Instruments lies in having the contacts, initial resources, and wherewithall to purchase them at the level comparable to the issuing bank, and thus receive the maximum discount while also having the necessary resources and contacts to negotiate the instruments to the most profitable level of the retail or secondary markets. As one might imagine, those contacts are most zealously guarded by those traders regularly and commercially involved with these instruments. As a result, the real secret of successful participation lies in not the how, why and wherefore of these transactions, but and more importantly, in knowing and developing a strong working relationship with the "Insiders", the principals, bankers, lawyers, brokers, and other specialized professionals whom can combine their skills and run these resources into lawful, secure and responsible programs with the maximum potential for safe gain.

As a result of years of successful associated business, our principals have established personal contacts, and sources of information which can provide current, reliable information regarding:

The constantly changing availability of Money Center Bank Instruments from the original issuers.

The sources of information which can provide timely and reliable information regarding the ever changing customers, in the "retail or secondary markets".

The ability to ensure the all-important exit sale.

Armed with this information and the financial capacity to control a purchase and resale of these instruments, a window of opportunity is thus made available to circumvent needless intermediaries, and to profit from the enhanced "spread" between the issuing price and the final retail price.

"TOO GOOD TO BE TRUE"

From time to time a potential American or Canadian Investor, when first presented with the opportunity to participate in a Western European Capital Accumulation Program or Loan Deposit Transaction may be very skeptical about the existence and authenticity of such programs. This is quite understandable, but it invariably means that the potential investor is:

Not familiar with the profit opportunities that qualified European Investors have enjoyed for the past 50 years.

Not at all familiar with the type of program proposed, and not able to ask the right questions.

Thinking he is being offered something for nothing, which as we all know is absolutely impossible.

Saying to himself. "If this is such a good deal why don't the Europeans keep it to themselves, why do they invite me to participate"!

Not really understanding the procedures involved, and the important safeguards which are in place to protect his invested capital at all times, against loss.

AND LAST , BUT NOT LEAST, THE POTENTIAL INVESTOR HAS ALL TOO OFTEN NOT TAKEN THE TIME TO READ AND UNDERSTAND THE VERY COMPREHENSIVE LITERATURE PROVIDED AND AS A RESULT MAY RUSH TO THE WRONG CONCLUSION AND LOSE AN IMPORTANT OPPORTUNITY.

The truth is that there is no smoke and mirrors involved. All of the programs are conducted under the specific guidelines set up by the International Chamber Of Commerce (ICC and your local Chamber Of Commerce is not affiliated), under its rules and regulations generally known as ICC 500. The ICC is the regulatory body for the world's great Money Center Banks in Paris, France. It has existed for more than 100 years, and exerts strict control on world banking procedures.

The U.S. Federal Reserve, is a very important member, but unlike most other central banks, operates independently of the ICC, and as a result the vast majority of U.S. citizens have not been made aware of the money making opportunities already available for fifty

years to qualified European Investors through ICC-affiliated banks. However, it should the pointed out that a few major U.S. banks do participate from within their banking operations based in Switzerland and the Cayman island, but they do not normally make their programs available to Americans living in the United States, and the chances are very great that your local branch manager has absolutely no knowledge of them, and may even deny their existence.

Only the worlds most powerful and stable Money Center Banks take part in these programs. At the end of each year, commencing on December 15th, the West European Money Center Banks engaged in FORFAITING and Deposit-Loan transactions close their counters to new transactions, and make commitments as to the types of programs and the amount of money that they will commit to those programs for the coming years. The first consideration for any participating-banking always:

The preservation of the Investor's capital as the primary and overriding responsibility.

Well secured and managed investment programs, with the potential for high returns to the participating investors.

The constant maintenance of the client's confidentiality and trust against any and all unwarranted intrusion from any unwelcome source.

The ongoing fiscal stability and ethical integrity of the European banking structure. No runaway speculation in stocks or real estate, no inflationary fiat paper money supplies printed by an irresponsible debt-ridden government, and no politically inspired tinkering leading to savings and loan and banking collapses, or economic crashes, so as to endanger the overall investment and business environment, and the life savings of private investors.

Once the banks have defined the programs for the coming year they are made available to qualified individuals through principals, or as they are also known, "providers". The banks themselves are NOT allowed to take part in the management of the programs, this would lead to a massive cartel generating huge unregulated profits. The banks do, however, manage to make substantial profits from the program in the form of fees. Program management is the job of the Providers, and there are only a few of them in all the world-wide banking industry.

The providers themselves is also NOT allowed to trade or do business on their own behalf, so this presents an opportunity for qualified investors to take part and to profit as the initiators of the various transactions. Until recently these privileged opportunities were not offered outside of the Western European markets, but as the world economy has continued to grow, and more real money pours into the safety of West European markets they need to put this capital to work earning profits.

This has allowed for the door to the opened for the first time to American and Canadian Investors and provide them with a unique opportunity to accumulate capital a confidential manner; and to decide for themselves how and where that capital will be disbursed. In the course of a calendar year a number of programs are introduced, by Money Center Banks in London, Antwerp, Amsterdam, Frankfurt, Vienna, Zurich, and other major West European banking centers.

These programs are open only for as long as it takes them to become fully subscribed. Once the committed funds are exhausted then the program closes, and will not the re-opened that year. Each program comes with it's own parameters and requirements, and will not the changed, nor subject to alternate proposals by potential investors. In every transaction your funds are secured by Money Center Bank Guarantees. A Money Center Bank Guarantee is a collateral document, issued by the major West European Bank that is underwriting the transaction. This document absolutely and irrevocably protects the safety of your capital while it is taking part in a capital accumulation program, or FORFAITING transaction.

COMMONLY ASKED QUESTIONS

Some people say they've never found a program that works, how do I respond?

A few people may tell you that in the past, a program they (or one a friend or colleague) have entered did not perform. So the programs available do not perform; the programs presented have the highest likelihood of success.

Other people say these programs do not exist, how can I convince them these programs are real?

Only programs which provide for a meaningful guarantee for principal are considered. If there is no possibility for the loss of principal, why would anyone spend the time and effort to promote a sham that didn't earn any money?

I have a client who is a skeptic, how should I approach them?

Full disclosure is made to the potential joint venture partner upon the receipt of Proof of Funds, Letter of Intent, and Letter of Authority. These three documents do not cost the client anything and do not put funds at risk. The client can then perform their own due diligence, including talking to the parties involved. In this way, the client is then able to convince themselves that the programs operate as stated.

How do I explain my role in this to a prospect?

You are in the role of finding joint venture partners to participate in one or more Bank Debenture Trading programs. Your efforts are directed toward finding these joint venture partners.

Why can't I accept "up-front" fees?

Fees taken in advance lead to a high degree of skepticism and in some states, illegal.

How do I build trust in these programs?

Once funds have been prove to exist the client is encouraged to perform their own due diligence. By doing so, the client is relying on themselves to gather the facts and make a decision.

What about brokers I bring in?

Other brokers under you will receive whatever portion of your commission you designate in the Agreement you sign with them.

Are client references available?

The transactions which a client enters are kept in the strictest confidence by all parties which is consistent with a five-year period of non-disclosure contained in most joint ventures. Joint venture partners expect that since these transactions are not public, their involvement remains confidential. Similarly, a joint venture partner brought in by you would not want to the contacted by others considering becoming a joint venture partner.

What exactly are bank credit instruments?

Bank credit instruments are conditional bank obligations, similar to a check cashable under certain circumstances, issuer credit worthiness being the criteria. In these instances, they are general obligations of the issuing institution, without reserves for repayment being set aside. Stipulation is not as direct liability in the balance sheet but in the Notes to the financial statement a contingent liabilities. While not secured obligations, the implications would the quite serious for the banking industry if a major institution defaulted on any payment due, secured or unsecured.

How is the investment (transaction) risk contractually eliminated?

Prior to purchase, at a known cost effected contractually, there must the a buyer in place for a profitable resale. This buyer must have demonstrated proof of funds, If all these conditions are not met there is no transaction and hence, no loss is possible.

Since the original purchase and resale are contractual, most executions are simultaneous, like a double escrow involving real estate. At all times, the commitment is either (1) 100% in cash. or (2) pre-sold instruments. Hardly any risk in either situation.

Concurrent with the closing (instantaneous in most instances), any debt incurred to finance the purchase is paid off; the loans is on a non-recourse basis with the lender relying solely on the instruments held as collateral for security; a process called FORFAITING.

There's no publicly available instrument even remotely comparable; whey aren't some of the largest institutions (pension funds and insurance companies) major investors? In addition, why have these instruments and programs never been the subject of articles in investment publications?

Most money managers, oriented only toward commonly-known investment are unaware and have not been exposed. Further, they do not realize the differences in (1) the type of investment vehicle. (2) how it is issued, (3) the frequency of the transactions. (4) the requirements for investing, (5) how to perform due diligence, and (6) the lack of knowledge by the general public. Because of this lack of knowledge, the returns sound 'too good to the true' when compared to public-type investments. In addition, reported sources of these types of instruments deny their existence; however, some of these institutions are investors, according to managers contracted personally.

The main reason for this lack of knowledge is that all United States banks deny the existence of these programs or dismiss them as scams. There are only five domestic issuers; all are large money-center banks and their abilities are known only at the highest level within the banking community (meaning that most banks are completely unaware). These issuers cannot acknowledge the existence of such programs because (a) they are concerned that Publicity about raising capital might the deemed a public offering and the subject to regulation by the SEC and (b) disintermediation (the switching by large depositors) from low-paying deposits to those with much larger profits.

In addition, there are several other reasons, including that:

most issuers are European,

the programs are privately offered, not publicly

intermediaries who introduce the programs are not banks

advertising for these Programs is by word of mouth

instruments are not subject to regulations of the SEC (and therefore do not appear in printed materials)

the issuance is irregular with different values

there is no visible exchange media with public quotations

the large size of the offerings would not create public interest

there is no readily available referencing

the investors are anonymous in general be buyers in the secondary markets; however, the Comptroller of the Currency has regularly testified that these instruments do not exist.

For all these reasons, there has never been any media exposure. No responsible journalist would publicize either the instruments or programs when the sources deny their existence and there is no supporting evidence. In fact, chaos would the the end result if the programs or instruments became publicized. There would the the potential of regulatory problems and the disruption of established relationships with substantial depositors.

Who are the most likely investor prospects?

Any qualifying individual or institutions, including the managers of retirement and profit-sharing plans, insurance companies, trust companies, charitable trusts, corporations with surplus funds, savings banks, money managers, portfolio managers, investment bankers, private bankers, and business managers.

What are the major attractions of this type of investment?

The large returns are not even comparable to any other form of investment yet the security and liquidity offered is second only the obligations of the United Sates government.

GLOSSARY OF TERMS

The definition of terms used in the industry is presented below.

Best Efforts: A designation that a certain financial result is not guaranteed, but that a good faith effort will be made to provide the result that is represented.

Bond: Any interest-bearing or discounted government or corporate security that obligates the issuer to pay the holder of the bond a specified sum of money, usually at specific intervals, and to repay the principal amount of the loan at maturity. A secured bond is backed by collateral, whereas as an unsecured bond or debenture, is backed by the full faith and credit of the issuer, but not by any specified collateral.

Collateral Provider: An entity which has the contractual ability to purchase bar instruments directly from the issuer. Also known as Master Collateral Commitment Holders.

Conditional S.W.I.F.T: A method which uses the Society for Worldwide Interbank Financial Telecommunications to transfer funds conditionally between banks subject to the performance of another party.

Contract Exit for Non-performance: A conditions in a financial agreement that enables the investor to take back his funds if the result represented is not achieved.

Debenture: A general debt obligation backed only by the integrity of the borrower, not by collateral. Depository Trust Corporation (DTC): A domestic custodial clearing facility owned by all of the major banks and securities firms which is monitored by various banking regulatory agencies and the Securities and Exchange commission.

Draft: A signed written order by which one party (the drawer) instructs another party (drawee), to pay a specified sum to a third party (payee).

FORFAITING: The process of purchasing at a discount registered bank "paper" which will mature in the future without recourse to any previous holder of the debt-generated bank paper.

Glass-Steagal Act: A portion of the Banking Act of 1933 which prohibits banks from entering into the securities business and prohibits securities firms from accepting deposits. However, any security which is issued or guaranteed by any bank is not subject to the Securities Act of 1933. Therefore bank instruments, by virtue of being issued by a bank, are not considered a form of securities.

International Chamber of Commerce (ICC): An international body which governs the terms and conditions of various financial transactions worldwide, it is headquartered in France and has no affiliation with the local Chamber of Commerce offices.

Key Tested Telex (KTT): An older form of transferring funds between banks using a telex machine on which the messages are verified by use of key code numbers.

Leveraged Programs: Programs which use leased assets (such a United States government obligations) to increase the amount of instruments purchased and resold for a profit. The benefit of leased assets is that such programs generate substantially larger profits.

Medium Term Note (MTN): When discussing bank trading programs, a standard form of debenture with a term of ten years and a annual interest rate of 7.5 %. Also known as Medium Term Debenture (MTD).

MT 100 Field 72: A means of irrevocably transferring funds between banks using computers.

Off-Balance Sheet Financing: The process where the liability is contingent (dependent on certain events), it is not listed as a liability, but typically appears in the Notes to the financial statement of the party.

108% Bank Guarantee: A written guarantee issued and payable by a bank which provides for the return of the principal amount and eight percent interest.

One-year Zeros: An obligation of a bank due in one year and sold at a discount from face value in lieu of an interest coupon.

Par: Equal to the nominal or face value of a security. A bond selling at par is worth the same dollar amount as it was issued for, or at which it will the redeemed at maturity.

Parallel Account: A separate account established at the transactional bank.

Pay Order: Document which instructs a bank to pay a certain sum to a third party. Such orders are normally acknowledged by the bank which provides a guarantee that the payment will be made.

Safekeeping Receipt: A document issued by a bank which obligates the bank to unconditionally hold certain funds separate from other bank assets and return them when requested by the depositor. In this way, the funds are not an asset of the bank nor are they directly or indirectly subject to any of the bank's other obligations or debts.

Sub Account (Segregated account): Where an entity has established a relationship with a bank that includes the bank acting on the entity's behalf a sub account is opened to hold funds in the name of the entity's client. The funds can only the used according to the terms of a written agreement that is given to and approved by the bank. The funds are not considered an asset of the entity or the bank, and are not subject to the debts of either the entity or the bank if a safekeeping receipt is issued by the bank.

Tranche: A specified part of a larger transaction. Each purchase and resale of a separate block of bank instruments in a trading group is known as a tranche. For example, a contract may the signed to buy 10 billion dollars worth of bank paper with an initial tranche (or purchase) of 500 million dollars.

EXHIBITS

A sample of each of the following documents is provided in this section:

Conditional S.W.I.F.T.

Pay Order

Bank Guarantee (principal)

Bank Guarantee (interest)

Safekeeping Receipt

Signature Authorization Form

Proof of Fund

Letter of Iment

Letter of Credit (3039 Format)

These documents are provided when qualified parties have requested formally to move into such programs. Versions of these documents may be reviewed in the standard exhibits.

General information continued

How and where that capital will the disbursed,

In the course of a calendar year, a number of programs are introduced, by Money Center Banks in London, Antwerp. Amsterdam, Frankfurt, Vienna, Zurich, and other mayor West European banking center These programs are open only for as long as it takes them to becomes fully subscribed. Once the committed funds the exhausted then the program closes, and will not be re-opened that year. Each program comes with it's own parameters and requirements, and will not be changed, nor subject to alternate proposals by potential investors. In every transaction your funds the secured by Money Center Bank Guarantees. A Money Center Bank Guarantee is a collateral document, issued by the major West European Bank that is underwriting the transaction. This document absolutely and irrevocably protects the safety of your capital while it is taking part in a capital accumulation program, the it a Deposit-Loan, or FORFAITING transaction.

In many cases first time investors will, after complying with required procedures, and after providing the necessary documentation and proof of funds. They are invited to travel to

meet with the principal at the transacting bank and assure him/herself of the validity of the proposed transaction. This is before any money is placed in a commitment to a program. However, a fair word of warning: frivolous injuries of those seeking to circumvent the system and not follow procedure will not allow the investor to participate. These programs are only for sophisticated and serious investors seeking to increase their wealth in a substantial manner.

EXHIBIT B

Fidelity Alert - Fixed Income Offerings

Thu May 10, 2012 12:09:24 PM EDT

Fidelity Alert - Fixed Income Offerings

Fidelity is pleased to announce a sample of this week's CorporateNote Offering(s):

0-10yrs

Name	Coupon	Maturity	Rating Moody's/S&P	Moody's credit Watchlist (Effective Date)	S&P CreditWatch (Effective Date)	Call Protecte
Credit Suisse **NO Survivor's Option**	1.40%	05/18/2015	Aa1*/NR	Negative (11/14/2011)	Not Rated	Yes**
HSBC USA Inc. **NO Survivor's Option**	2.25%	05/16/2017	A1*/A+	Negative (02/22/2012)	--	Yes**
Barclays Bank PLC	2.70%	05/17/2018	--*/A+	Negative (02/15/2012)	--	Yes**

Goldman Sachs	4.15%	05/15/2020	--*/A-	Negative (02/15/2012)	--	Yes**

10yrs+

Name	Coupon	Maturity	Rating Moody's/S&P	Moody's credit Watchlist (Effective Date)	S&P CreditWatch (Effective Date)	Call Protected
Goldman Sachs	5.15%	05/15/2030	--*/A-	Negative (02/15/2012)	--	Yes**
General Electric	4.05%	05/15/2032	--*/AA+	--	--	Yes**

*Issuer is on negative credit watch by Moody's/S&P Ratings.

**Call Protected "Yes" means the bond is not callable. Call Protected "No" means the bond is callable.

Use caution when placing orders on Corporate Notes as certain of the issuers in the CorporateNotes Program are currently und credit watch from Moody's and/or S&P credit ratings agencies.

Both agencies look at the potential direction of a short- or long-term rating. When the credit quality of a firm's debt has deteriorate downgraded that credit watch will be negative. A negative or positive credit watch is typically removed when the rating is downgrac or affirmed. Rating changes may also occur without the ratings having first appeared on CreditWatch or Watchlist.

To view the prospectuses relating to the CorporateNotes Program℠ securities, please visit: http://www.fidelity.com/corpnotes. No offer to buy the securities can be accepted and no part of the purchase price can be rec registration statement has become effective, and any such offer may be withdrawn or revoked, without obligation or commitment any time prior to notice of its acceptance given after the effective date.

In general, the bond market is volatile, bond prices rise when interest rates fall and vice versa. This effect is usually pronounced f securities. There are risks associated with investing in the offerings, and as such, it may not be appropriate for every investor. As investments through Fidelity, you must make your own determination of whether an investment in this offering is consist investment objectives and risk tolerance. Any fixed income security sold or redeemed prior to maturity may be subject to a subs loss, and is subject to availability and market conditions. Fidelity is not recommending or endorsing the offerings by making a customers the opportunities to participate. The above offerings will generally not represent the universe of outstanding securities a be construed as all-inclusive.

For more information or to place an order, please visit http://www.fidelity.com

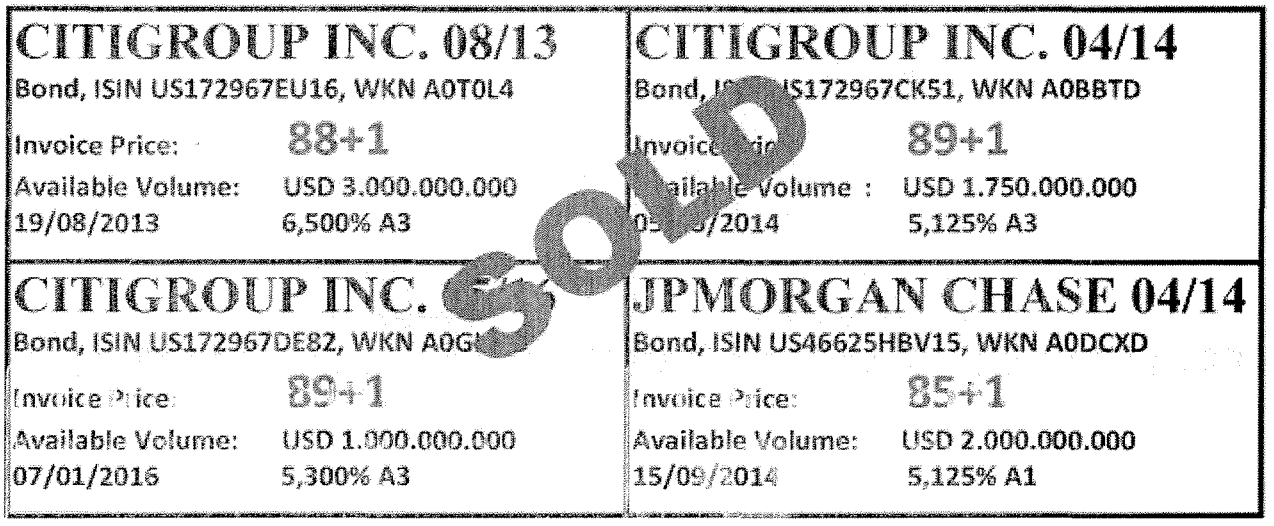
EXHIBIT C

EXHIBIT D

TRADE

SOLD MTN SPOTS PRIVATE SOLD

28/03/2012Leave a comment



SOLD MTN SPOTS FOR PRIVATE SALE SOLD

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SOLD MTN SPOTS PRIVATE SOLD

28/03/2012Leave a comment

ISSUER: **CITIGROUP** ISSIN: US172967DE82 (CUSIP) 172967DE8 RATING: A3 COUPON: 5.3% SEMI ANNUAL FIXED ISSUE DATE: 8/19/2008 MATURITY DATE: 6/19/2013 AMOUNT: $3 B PRICE 88+1 LAST TRADE PRICE (BOERSE): 104.84 LAST BID/ASK 105.574/106973	ISSUER: **CITIGROUP** ISIN: US172967CK51 - CUSIP: 172967CK5 RATING: A3 COUPON: 5.125% SEMI-ANNUAL FIXED ISSUE DATE: 5/5/2004 MATURITY DATE: 5/5/2014 AMOUNT: $1.75 B PRICE LAST TRADE PRICE (BOERSE) 102.73
ISSUER: **CITIGROUP** ISIN: US172967DE82 CUSIP: 172967DE8 RATING A3 COUPON: 5.3% SEMI-ANNUAL FIXED ISSUE DATE: 12/8/2005 MATURITY DATE: 1/7/2016 AMOUNT: $1 B PRICE: 89+1 LAST TRADE PRICE (BOERSE): 104	ISSUER: **JP MORGAN CHASE** ISIN: US46625HBV15 RATING: A1 COUPON: 5.125% FIXED SEMI-ANNUAL ISSUE DATE: 9/8/2004 MATURITY DATE: 9/15/2014 AMOUNT: $2 B PRICE: 85+1 LAST TRADE PRICE: 105.52

SOLD

SOLD MTN SPOTS FOR PRIVATE SALE SOLD

[redacted]

EXHIBIT E

Exam History: Series 7

Practice Exam History

Statistics

Keep up the great work!Your overall score is 95.2%.

Breakdown Per Topic Category:	**Skipped**	**Correct**	**Incorrect**	**% Correct**
Providing information and recommendations to clients Drill Down	**0**	**131**	**12**	**91.6%**
	Skipped	Correct	Incorrect	% Correct
Currency trading.	**0**	**0**	**1**	**0.0%**
Hedging	**0**	**0**	**1**	**0.0%**
Indexes	**0**	**0**	**1**	**0.0%**
Nasdaq	**0**	**0**	**1**	**0.0%**
Government Bond	**0**	**1**	**1**	**50.0%**
Non-negotiable instruments	**0**	**0**	**1**	**0.0%**
Treasury STRIPS	**0**	**1**	**0**	**100.0%**

Direct Participation Program - DPP	0	2	1	66.7%
Government Assisted Housing partnerships	0	0	1	0.0%
DPP types	0	1	0	100.0%
Subscription Agreements	0	1	0	100.0%
Corporate Bonds.	0	5	1	83.3%
Equipment Trust Certificates	0	0	1	0.0%
Calculating returns	0	1	0	100.0%
Safety	0	1	0	100.0%
Source of information	0	2	0	100.0%
Yield relationship	0	1	0	100.0%
Stocks	0	16	3	84.2%
Risk Arbitrage	0	0	1	0.0%
Trading Theory	0	0	1	0.0%
Dividend payment cycle	0	1	1	50.0%
Countercyclical Stock	0	1	0	100.0%
Functions of the registrar	0	1	0	100.0%
IPO	0	1	0	100.0%
Penny Stock	0	1	0	100.0%
Private Placements	0	1	0	100.0%
Protective trading strategies	0	1	0	100.0%
Ratio Analysis	0	2	0	100.0%
Rights Offering	0	1	0	100.0%
Stock Splits	0	1	0	100.0%
Trading Strategies	0	1	0	100.0%
Voting Rights	0	2	0	100.0%
Wash Sales Rule	0	1	0	100.0%
Yield analysis	0	1	0	100.0%
Options	0	23	3	88.5%
Types of spread option strategies	0	1	1	50.0%
Option Strategies	0	4	1	80.0%
Straddles	0	5	1	83.3%
Adjustments to stock splits	0	1	0	100.0%
Closing open positions.	0	1	0	100.0%
Cost Basis	0	1	0	100.0%
Covered calls	0	1	0	100.0%
Dividend Adjustments	0	1	0	100.0%
European Options	0	1	0	100.0%
Gains and losses on spreads	0	1	0	100.0%
Margin requirements	0	1	0	100.0%

Naked Calls	0	1	0	100.0%
Options Pricing	0	1	0	100.0%
Position Limits	0	1	0	100.0%
Terminology	0	2	0	100.0%
Municipal Bonds	0	18	1	94.7%
Industrial Revenue Bond (IBR)	0	0	1	0.0%
"Bond Buyer"	0	4	0	100.0%
Block sizes	0	1	0	100.0%
Bond Anticipation Notes - source of funds	0	1	0	100.0%
Bond indenture provisions	0	1	0	100.0%
Bond Ratings	0	1	0	100.0%
Information services	0	1	0	100.0%
New Issues	0	1	0	100.0%
Original Issue Discount municipal bonds	0	1	0	100.0%
Protective covenants	0	1	0	100.0%
Revenue Bond Analysis	0	1	0	100.0%
Risks and taxation	0	1	0	100.0%
Taxable Equivalent Yield	0	1	0	100.0%
Terminology	0	2	0	100.0%
Underwriting	0	1	0	100.0%
American Depository Receipts (ADRs)	0	1	0	100.0%
Dividend payments.	0	1	0	100.0%
Analysis	0	1	0	100.0%
Alpha Coefficient.	0	1	0	100.0%
Annuity	0	3	0	100.0%
Life Annuity	0	1	0	100.0%
Variable Annuity	0	1	0	100.0%
Withdraws and Penalties	0	1	0	100.0%
Bonds	0	5	0	100.0%
Bond Ratings	0	1	0	100.0%
Bond Refunding	0	1	0	100.0%
Municipal vs Corporate	0	1	0	100.0%
Put Bonds	0	1	0	100.0%
STRIPS	0	1	0	100.0%
Bonds	0	1	0	100.0%
Callable Bonds	0	1	0	100.0%
Bonds	0	5	0	100.0%
Collateralized Mortgage Obligations	0	1	0	100.0%

(CMOs)				
Types of investment instruments.	0	1	0	100.0%
Derivative Products	0	1	0	100.0%
Listed Options	0	1	0	100.0%
Economic Indicators	0	1	0	100.0%
Leading Indicators	0	1	0	100.0%
Economic theory.	0	1	0	100.0%
Famous Economists	0	1	0	100.0%
Exchange transactions	0	2	0	100.0%
Transaction reporting on the ticker	0	1	0	100.0%
Types of orders	0	1	0	100.0%
Federal Agency Securities	0	1	0	100.0%
Federal Farm Credit System	0	1	0	100.0%
Federal securities laws	0	1	0	100.0%
New issues	0	1	0	100.0%
Financial Statement	0	2	0	100.0%
Balance Sheet	0	1	0	100.0%
Liquidity Ratios	0	1	0	100.0%
Fundamental Analysis	0	1	0	100.0%
Liquidity Ratios	0	1	0	100.0%
General Finance	0	2	0	100.0%
Depreciation	0	1	0	100.0%
Government Securities.	0	1	0	100.0%
T-Bills	0	1	0	100.0%
Hedging	0	1	0	100.0%
Option strategies	0	1	0	100.0%
International currency exchange rates.	0	1	0	100.0%
Exchange-rate risk	0	1	0	100.0%
Investment Companies.	0	1	0	100.0%
IPO	0	1	0	100.0%
Limited Partnerships.	0	6	0	100.0%
Advantages of real estate partnerships.	0	3	0	100.0%
Depreciation	0	1	0	100.0%
Public vs Private Partnerships	0	1	0	100.0%
Subscription Agreement	0	1	0	100.0%

Long Margin accounts.	0	1	0	**100.0%**
Minimum Current market value (CMV) calculation.	0	1	0	**100.0%**
Margin Accounts	0	7	0	**100.0%**
Rehypothecation	0	1	0	**100.0%**
Required deposit on options	0	1	0	**100.0%**
Short Margin	0	1	0	**100.0%**
SMA's	0	4	0	**100.0%**
Money Market Securities	0	1	0	**100.0%**
Banker's Acceptances	0	1	0	**100.0%**
Municipal offerings	0	1	0	**100.0%**
Qualified Opinion	0	1	0	**100.0%**
Mutual Fund	0	2	0	**100.0%**
Classes of Funds	0	1	0	**100.0%**
Share identification	0	1	0	**100.0%**
New securities offerings	0	3	0	**100.0%**
Intrastate offerings	0	1	0	**100.0%**
Regulation A	0	1	0	**100.0%**
Unregistered securities offerings	0	1	0	**100.0%**
Package Securities	0	1	0	**100.0%**
Investment Companies	0	1	0	**100.0%**
Regulation D	0	1	0	**100.0%**
Private placement offerings	0	1	0	**100.0%**
Retirement Plans	0	4	0	**100.0%**
403b	0	1	0	**100.0%**
Federal laws regarding retirement plans	0	1	0	**100.0%**
Self-employed persons	0	1	0	**100.0%**
Stock exchanges	0	1	0	**100.0%**
Nasdaq OTC market	0	1	0	**100.0%**
Taxation of municipal bonds.	0	1	0	**100.0%**
Accretion of market municipal bonds.	0	1	0	**100.0%**
The bond and interest rate markets.	0	1	0	**100.0%**
Yield analysis.	0	1	0	**100.0%**
Trading rules	0	6	0	**100.0%**
Insider Trading	0	1	0	**100.0%**
Seller's Option	0	1	0	**100.0%**

Stock trading	0	2	0	100.0%
Wash Sale	0	1	0	100.0%
Type of CMO tranches	0	1	0	100.0%
PACs and TACs	0	1	0	100.0%
Uniform Gifts (Transfer) to Minors Accou	0	1	0	100.0%
Taxation on earnings	0	1	0	100.0%

	Skipped	Correct	Incorrect	% Correct
Security market organizations, participants and functions.	0	48	2	96.0%

Drill Down

	Skipped	Correct	Incorrect	% Correct
US Government	0	0	1	0.0%
Fiscal policy	0	0	1	0.0%
Municipal Securities Rulemaking Board	0	2	1	66.7%
Definition of customer	0	0	1	0.0%
Advertising definitions	0	1	0	100.0%
Enforcement of MSRB Rules	0	1	0	100.0%
Bonds	0	1	0	100.0%
Discount Bonds	0	1	0	100.0%
Corporate Bonds	0	1	0	100.0%
Bond indenture requirements	0	1	0	100.0%
Customer information regarding margin accounts	0	2	0	100.0%
Which regulatory organizations may grant extensions?	0	2	0	100.0%
Customer Relations	0	3	0	100.0%
Arbitration	0	1	0	100.0%
Delivery of stock	0	1	0	100.0%
Protection of investors	0	1	0	100.0%
Direct Participation Program - DPP	0	1	0	100.0%
Available corporate characteristics	0	1	0	100.0%
Federal Laws.	0	1	0	100.0%
Act of 1934	0	1	0	100.0%
Good delivery of stock certificates	0	1	0	100.0%
Reclamation procedures	0	1	0	100.0%
Government Securities	0	1	0	100.0%
Securities trades between member firms	0	1	0	100.0%

Institutional markets	0	1	0	**100.0%**
Fourth Market	0	1	0	**100.0%**
Institutional Trading	0	1	0	**100.0%**
Settlement	0	1	0	**100.0%**
Municipal securities rules.	0	2	0	**100.0%**
Bond Offerings	0	1	0	**100.0%**
Settlement	0	1	0	**100.0%**
Mutual Funds	0	1	0	**100.0%**
Expense Ratio	0	1	0	**100.0%**
NASD	0	4	0	**100.0%**
Code of Arbitration	0	1	0	**100.0%**
NASD Rules	0	3	0	**100.0%**
NASDAQ	0	2	0	**100.0%**
OTC	0	1	0	**100.0%**
Three levels	0	1	0	**100.0%**
NYSE	0	1	0	**100.0%**
Outside business activities	0	1	0	**100.0%**
Options	0	1	0	**100.0%**
Philadelphia Stock Exchange - PHLX	0	1	0	**100.0%**
Over the Counter Market - OTC	0	2	0	**100.0%**
Elements of the market	0	1	0	**100.0%**
OTC securities	0	1	0	**100.0%**
Primary Market	0	8	0	**100.0%**
IPO	0	2	0	**100.0%**
Stabilization	0	2	0	**100.0%**
Underwriting	0	3	0	**100.0%**
Underwriting syndicate operations	0	2	0	**100.0%**
Principle factors affecting securities and market prices	0	2	0	**100.0%**
Business Cycle	0	1	0	**100.0%**
Principal economic theories	0	1	0	**100.0%**
Restricted Stock	0	1	0	**100.0%**
Qualified Institutional Buyers	0	1	0	**100.0%**
SEC	0	2	0	**100.0%**
Interpositioning	0	1	0	**100.0%**
Rule 144	0	1	0	**100.0%**

Securities Act of 1933	0	2	0	100.0%
Exemptions	0	2	0	100.0%
Stock Exchanges	0	4	0	100.0%
New York Stock Exchange (NYSE)	0	1	0	100.0%
Plus, minus and zero ticks	0	1	0	100.0%
Specialist's book	0	2	0	100.0%
Stocks	0	1	0	100.0%
Trading Rules	0	1	0	100.0%

	Skipped	Correct	Incorrect	% Correct
Receiving, verifying, entering and following up customer orders	0	**25**	1	96.2%

Drill Down

	Skipped	Correct	Incorrect	% Correct
Flow of a customer's order	0	0	1	0.0%
Where R your Peanuts, Mr. Carter?	0	0	1	0.0%
Delivery and settlement of transactions	0	4	0	100.0%
Good Delivery	0	1	0	100.0%
Primary market: when, as, and if issued	0	1	0	100.0%
Secondary market	0	1	0	100.0%
Settlement of Securities Transactions	0	1	0	100.0%
Investment company transactions	0	2	0	100.0%
Forward Pricing	0	1	0	100.0%
Margin Accounts	0	3	0	100.0%
Restricted account transactions	0	3	0	100.0%
Private placement stock	0	1	0	100.0%
Volume limitations on restricted stock	0	1	0	100.0%
Providing information and recommendations to clients.	0	2	0	100.0%
Types of orders.	0	2	0	100.0%
Recordkeeping	0	1	0	100.0%
Firm's recordkeeping responsibilities	0	1	0	100.0%
Securities orders and confirmations	0	8	0	100.0%
Delivery and Settlement Transactions	0	2	0	100.0%
Filling out the order ticket	0	1	0	100.0%
Order execution qualifiers	0	1	0	100.0%
Purposes of and restrictions on automated execution systems	0	1	0	100.0%

Types of securities orders	0	3	0	100.0%
Trading	0	3	0	100.0%
Order Types	0	3	0	100.0%
Type of customer account	0	1	0	100.0%
Joint Account	0	1	0	100.0%

	Skipped	Correct	Incorrect	% Correct
Opening, transferring and closing customer accounts and maintaining account records. Drill Down	0	46	1	97.9%

	Skipped	Correct	Incorrect	% Correct
Margin Accounts	0	13	1	92.9%
Short selling	0	1	1	50.0%
Calculations in Equity Margin Accounts	0	3	0	100.0%
Hypothecation	0	1	0	100.0%
Ineligible accounts	0	1	0	100.0%
Key terms	0	4	0	100.0%
Requirements and characteristics	0	3	0	100.0%
Blue Sky Laws	0	1	0	100.0%
State Registration	0	1	0	100.0%
Corporate Accounts	0	3	0	100.0%
Margin Accounts	0	3	0	100.0%
Custodial Accounts	0	2	0	100.0%
Uniform Gift to Minors Act	1	2	0	100.0%
Customer account opening procedures and requirements	0	12	0	100.0%
Discretionary Authority	0	2	0	100.0%
New Accounts	0	4	0	100.0%
Signature requirements	0	2	0	100.0%
Telephone Consumer Act of 1991	0	1	0	100.0%
Types of accounts	0	3	0	100.0%
JTWROS accounts	0	1	0	100.0%
Actions taken by the RR when one of the account holders passes away	0	1	0	100.0%
Providing information and recommendations to clients.	0	1	0	100.0%
Evaluating customers	0	1	0	100.0%
Retains copies of all correspondence	0	1	0	100.0%
Rules governing the conduct of accounts	0	5	0	100.0%

Account rules	0	2	0	100.0%
Discretionary accounts	0	2	0	100.0%
Procedures the RR must follow upon receiving notice of the death of a customer	0	1	0	100.0%
Shareholder rights	0	1	0	100.0%
Telemarketing and the TCPA of 1991	0	1	0	100.0%
Disclosure requirements	0	1	0	100.0%
Types of Accounts	0	5	0	100.0%
Options account	0	3	0	100.0%
Pension plans	0	1	0	100.0%
Tenants in Common	0	1	0	100.0%

	Skipped	Correct	Incorrect	% Correct
Evaluates customers and helps them identify investment objectives.	0	7	0	100.0%

Drill Down

	Skipped	Correct	Incorrect	% Correct
Investment objective	0	3	0	100.0%
Preservation of capital	0	2	0	100.0%
Tax Advantages	0	1	0	100.0%
Investment profile of a customer	0	4	0	100.0%
Financial profile	0	2	0	100.0%
Income statement	0	1	0	100.0%
Investment Objectives	0	1	0	100.0%

	Skipped	Correct	Incorrect	% Correct
Monitoring the customer's portfolio, providing new recommendations consistent with economic, financial changes and client needs and objectives.	0	44	0	100.0%

Drill Down

	Skipped	Correct	Incorrect	% Correct
Business Cycle	0	1	0	100.0%
Phases	0	1	0	100.0%
Convertible bonds	0	1	0	100.0%
Forced Conversion	0	1	0	100.0%
Derivatives	0	1	0	100.0%
Options contracts	0	1	0	100.0%
Economics	0	3	0	100.0%
Economic Indicators	0	3	0	100.0%

Evaluating customers.	0	3	0	100.0%
Investment objectives.	0	3	0	100.0%
Interest Rate changes	0	1	0	100.0%
Prime Rate	0	1	0	100.0%
Investment Companies	0	1	0	100.0%
Unit Investment Trusts	0	1	0	100.0%
Long margin accounts.	0	1	0	100.0%
Restriction	0	1	0	100.0%
Margin accounts.	0	4	0	100.0%
Combined equity.	0	1	0	100.0%
Dividends	0	1	0	100.0%
Excess equity	0	1	0	100.0%
Restricted Account	0	1	0	100.0%
Municipal Securities Analysis	0	1	0	100.0%
Analysis of Revenue Bonds	0	1	0	100.0%
Mutual Funds	0	2	0	100.0%
Dividence	0	2	0	100.0%
Options	0	1	0	100.0%
Option Strategies	0	1	0	100.0%
Portfolio analysis	0	5	0	100.0%
Capital asset pricing theory	0	1	0	100.0%
Portfolio management policies	0	1	0	100.0%
Portfolio theory and its application to security selection	0	2	0	100.0%
Providing information and recommendations to clients.	0	8	0	100.0%
Bonds	0	1	0	100.0%
Bonds and interest payments.	0	1	0	100.0%
Investment objectives.	0	2	0	100.0%
Quarterly reports	0	1	0	100.0%
Taxation	0	1	0	100.0%
Technical Analysis.	0	1	0	100.0%
Volatility	0	1	0	100.0%
Securities analysis	0	7	0	100.0%
Factors in Comparison of Mutual Funds	0	1	0	100.0%
Fundamental analysis	0	3	0	100.0%
Principle theories of equity market	0	2	0	100.0%

behavior				
Use of Market Indexes and Averages	0	1	0	100.0%
Sources of Price and Securities Information	0	1	0	100.0%
Municipal Securities	0	1	0	100.0%
Stock prices and dividends.	0	1	0	100.0%
Current yield.	0	1	0	100.0%
Technical Indicators.	0	1	0	100.0%
Short sales.	0	1	0	100.0%
TOD Accounts	0	1	0	100.0%
Benefits of the TOD account	0	1	0	100.0%

	Skipped	Correct	Incorrect	% Correct
Seeks business for the broker-dealer through customers and potential customers	0	16	0	100.0%

Drill Down

	Skipped	Correct	Incorrect	% Correct
Requirements for Registration	0	7	0	100.0%
Investment Advisors	0	2	0	100.0%
Registered Representatives	0	5	0	100.0%
Standards for public communications	0	9	0	100.0%
Definition and Approval of Options-Related Advertisements	0	1	0	100.0%
Definition and approval of public communications	0	7	0	100.0%
Regulation of Telephone Solicitation	0	1	0	100.0%

Total Questions Attempted: 333

Answered Correctly: 317

Answered Incorrectly: 16

Skipped Answers: 0

EXHIBIT F

SEC Staff Accounting Bulletin: No. 101 – Revenue Recognition in Financial Statements: Securities and Exchange Commission 17 CFR Part 211 [Release No. SAB 101]

Staff Accounting Bulletin No. 101 Agency: Securities and Exchange Commission

Action: Publication of Staff Accounting Bulletin:

A. Selected Revenue Recognition Issues

1. Revenue Recognition - General

The accounting literature on revenue recognition includes both broad conceptual discussions as well as certain industry-specific guidance. Examples of existing literature on revenue recognition include Financial Accounting Standards Board (FASB) Statements of Financial Accounting Standards (SFAS) No. 13, Accounting for Leases, No. 45, Accounting for Franchise Fee Revenue, No. 48, Revenue Recognition When Right of Return Exists, No. 49, Accounting for Product Financing Arrangements, No. 50, Financial Reporting in the Record and Music Industry, No. 51, Financial Reporting by Cable Television Companies, and No. 66, Accounting for Sales of Real Estate ; Accounting Principles Board (APB) Opinion No. 10, Omnibus Opinion - 1966 ; Accounting Research Bulletin (ARB) Nos. 43 (Chapter 1a) and 45, Long-Term Construction-Type Contracts ; American Institute of Certified Public Accountants (AICPA) Statements of Position (SOP) No. 81-1, Accounting for Performance of Construction-Type and Certain Production-Type Contracts, and No. 97-2, Software Revenue Recognition ; Emerging Issues Task Force (EITF)

Issue No. 88-18, Sales of Future Revenues, No. 91-9, Revenue and Expense Recognition for Freight Services in Process, No. 95-1, Revenue Recognition on Sales with a Guaranteed Minimum Resale Value, and No. 95-4, Revenue Recognition on Equipment Sold and Subsequently Repurchased Subject to an Operating Lease ; and FASB Statement of Financial Accounting Concepts (SFAC) No. 5, Recognition and Measurement in Financial Statements of Business Enterprises .1 If a transaction is within the scope of specific authoritative literature that provides revenue recognition guidance, that literature should be applied. However, in the absence of authoritative literature addressing a specific arrangement or a specific industry, the staff will consider the existing authoritative accounting standards as well as the broad revenue recognition criteria specified in the FASB's conceptual framework that contain basic guidelines for revenue recognition.

Based on these guidelines, revenue should not be recognized until it is realized or realizable and earned.2 SFAC No. 5, paragraph 83(b) states that "an entity's revenue-earning activities involve delivering or producing goods, rendering services, or other activities that constitute its ongoing major or central operations, and revenues are considered to have been earned when the entity has substantially accomplished what it must do to be entitled to the benefits represented by the revenues" [footnote reference omitted]. Paragraph 84(a) continues "the two conditions (being realized or realizable and being earned) are usually met by the time product or merchandise is delivered or services are rendered to customers, and revenues from manufacturing and selling activities and gains and losses from sales of other assets are commonly recognized at time of sale (usually meaning delivery)" [footnote reference omitted]. In addition, paragraph 84(d) states that "If services are rendered or rights to use assets extend continuously over time (for example, interest or rent), reliable measures based on contractual prices established in advance are commonly available, and revenues may be recognized as earned as time passes."

The staff believes that revenue generally is realized or realizable and earned when all of the following criteria are met:

Persuasive evidence of an arrangement exists

Delivery has occurred or services have been rendered,

The seller's price to the buyer is fixed or determinable,

And Collectability is reasonably assured.

EXHIBIT G

39. Brief Overview of Corporate Activity: *investment of projects:*

EXHIBIT H

From: Anthony Fields
Sent: Wednesday, November 17, 2010 8:22 PM
[redacted]m Morris ; Rene Depmer ; Steve Dills
Subject: Re: Stand Down

Andreas:
I believe that you have spoken to William and he informed you that Westminster deal did not close. Below is a brief reason from Rene' to William. I hope that you can understand brecause it is not in German.

"""[11/16/2010 10:42:12] - William Morris - Trading PPP Compliance Manager / Buy and Sell Prgm:
"We decided with John not selling the contract to Westminster, because the CEO was not cooperativ to set up the conditional forwarded payment commitment, like he has signed for under full acceptance with a better bank than Laiki Bank Cyprus.
RD"
In other words, Andreas, "The DEAL DID NOT CLOSE" So Please understand that if you persist with your threatening gesture I will be forced to defend myself. I hope you can understand that.
Professionally,
Anthony Fields, CPA

EXHIBIT I

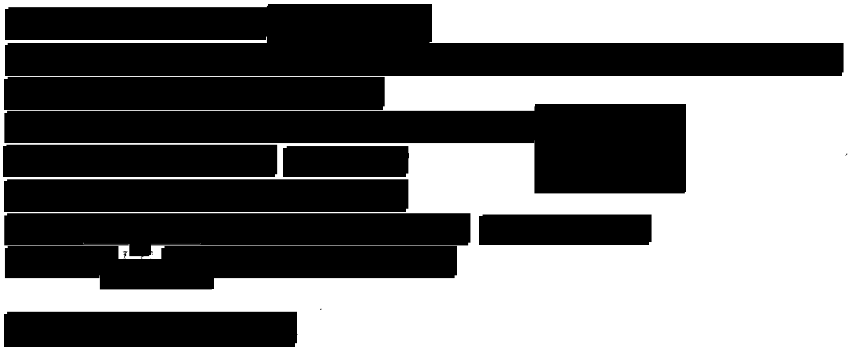
This Agreement is entered into effective as of January 5, 2010, by and between EAST WEST TRADING, LLC, a limited liability company (purchaser), and ANTHONY FIELDS & ASSOCIATES, INC., an Illinois Corporation (Seller) for the
private placement transaction for U.S. Treasury Strips.

1. Agreement: Seller agrees to sell to Purchaser and Purchaser agrees to buy from Seller on the terms and conditions contained in this Agreement the u.S. Treasury Strips described as follows:

Instrument: U.S. Treasury Strips
Currency: United States Dollars (USD)
Term: 30 years.
Age: Seasoned
Interest Rate: Zero Percent Coupons
Cusip 912833KDI
Isin: US912834KDI

MATURITY DATE: *11115/2014*
ISSUE DATE:
Amount available Five Hundred Million loaded on a sell ticketspot, seller will load the sell ticket, first come first serve)
Amount requested Fifty (50) Billion United-States-Dollars, with possible rolls and extension.
Tranching: Minimum Test Tranche: $IM X 4 then $500 Million tranche or by mutual agreement.
Subsequent Tranches: By Mutual Agreement or an agreeable amount.
Invoice Price: 22 + 1, as agreed, with no restrictions. Buyer to pay fees.
Consulting Fee: One (1 %) percent of Total Face Value per tranche, 100% buyer side
Delivery: Electronic bank to bank immediately and Original Hard Copies bonded Couriered bank-to-bank within Seven (7) banking days per instruction.
Closing: Desk to Desk
Mode of Payment: *DVP/DTCC*

Buyers Banking Information:



TRANCHINGSCHEDULE

DAY
TRANCHE
SEQUENCE
VALUE
RUNNING
TOTAL
REMARKS
1 Tuesday 1 $1,000,000.00 $1,000,000.00 Morning Tranche
2 Wednesday 2 $1,000,000.00 $2,000,000.00
3 Thursday 3 $1,000,000.00 $3,000,000.00
4 Friday 4 $1,000,000.00 $4,000,000.00
5 Monday 5 $500,000,000.00 $504,000,000.00
6 Tuesday 6 $500,000,000.00 $1,004,000,000.00 Morning Tranche
7 Wednesday 7 $500,000,000.00 $1,504,000,000.00
8 Thursday 8 $500,000,000.00 $2,004,000,000.00
9 Friday 9 $500,000,000.00 $2,504,000,000.00

2. Purchaser shall provide Seller with executed attestation letter upon signing and delivery of this document.

3. Reconfirmation:
Tranching: Minimum Test Tranche: $lM X 4 then $500 Million tranche or by mutual agreement.
Subsequent Tranches: By Mutual Agreement or an agreeable amount.
Invoice Price: 22 + 1, as agreed, with no restrictions. Buyer to pay fees.
Consulting Fee: One (1 %) percent of Total Face Value per tranche, 100% buyer side
Delivery: Electronic bank to bank immediately and Original Hard Copies bonded Couriered bank-to-bank within Seven (7) banking days per instruction.
Closing: Desk to Desk
Mode of Payment: DVPIDTCC

4. Reconfirmation:

I, Vincent Bach, hereby acknowledge with full responsibility and liability, under the penalty of perjury, that I have full signatory authority over the transaction account and the funds contained within.

5. Private Placement

The transaction described herein is for the purchase of negotiable instruments as described above to be sold by the Seller to the Buyer, and is to be conducted as a Private and Confidential transaction between the parties hereto. This transaction constitutes a Private Placement for the purchase ofthe instruments specified, is conducted between the parties identified herein, and shall not be interpreted as a securities transaction as interpreted or described in the United States Securities Act of *1933/1934,* as amended, or by the laws of any Nation.

EXHIBIT J