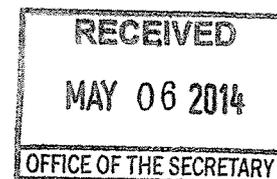


UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION



IN THE MATTER OF: : ADMINISTRATIVE PROCEEDING
MARK FEATHERS : FILE NO.: 3-15755
: RESPONDENT MARK FEATHERS RESPONSE TO
RESPONDENT. : SEC'S ENFORCEMENT DIVISION REQUEST FOR
SUMMARY DISPOSITION

INTRODUCTION

Respondent holds his position that within months the U.S. 9th Circuit Court of Appeals will agree that SEC violated Respondent's 4th Amendment rights with a seizure of Respondent's assets under false pretense, and Respondent's 5th Amendment rights with interference to due process. Those same violations to Respondent's constitutional rights now interfere with due process in SEC's Order Instituting Administrative Proceedings against Respondent, in which SEC seeks a lifetime ban against Respondent to sell securities. Respondent is not looking to re-litigate the civil lawsuit now on appeal with the U.S. 9th Circuit. However, certain facts are information germane to both the civil lawsuit and admin proceedings.

FACTS

Fact No. 1: SEC's Enforcement Division created and used their own "pro forma" financial illustrations to describe Respondent's investment funds that he founded and managed within their federal lawsuit complaint. SEC, by design in this Admin Proceeding and in its motion for summary disposition, *does not make reference* to the outside CPA prepared financial records of Respondent's investment funds. SEC's financial illustrations were not accurate, nor could they ever be. The relevant issue here is that SEC's Enforcement CPAs, those persons who should be the very bastions of "accuracy", in other words, themselves created and used a corrupt formula to derive "pro forma" financial illustrations in the Complaint. A federal agency CPA could never accidentally create the following formula, which is the formula used as part of SEC's Enforcement Division's grave misconduct against Respondent:

Fund Distributions = Fund Distributions + Member Reinvestments

By using this formula, to which SEC admitted only when there was no other choice when presented with evidence of such by Respondent, and by using the formula within a sealed *ex parte prima facie* complaint, SEC overstated the distributions of Respondent's investment funds by up to a stupendous 54%. SEC then, on that very inflated basis of distributions in its Complaint, laid false claim they needed "new member capital" for member distributions, and hence they were a "Ponzi-like scheme". Respondent holds, in all due respect, that SEC's Administrative Law Judge should not now accept any financial representations from SEC's same Enforcement Division who initiated these administrative proceedings, as they have clearly self-impeached their own credibility. This entire matter of the employment of this formula, in fact, should be turned over to the U.S. Attorney General, and to SEC's Offices of Inspector General. Illustrations now produced by SEC's Enforcement Division in a request for summary disposition can only be self-serving. No persons cannot rightfully argue against this matter.

Fact No. 2: This same SEC Enforcement Division twice falsely labeled a particular federal equity receiver, who is almost continuously engaged in SEC receiverships for the better part of the past decade, Mr. Thomas A. Seaman, as a "licensed CPA", in order that he be assigned as receiver. SEC's senior trial counsel, when confronted on this matter of his false licensing representations about Seaman, in his further misconduct made a false representation to the California State Bar that Seaman is a "licensed CFA". There is no such title or license in the United States. Who watches the SEC Enforcement watchdog? SEC has asked for Seaman's repeated engagement as an SEC referred federal equity receiver despite ongoing recommendations of the U.S. General Accountability Office against such appointments due to conflicts of interest which may occur, or which may appear to occur. Respondent has now in front of the civil court request for leave to initiate legal proceedings against Seaman in California Superior Court for fraud of deceit, with intentions to ask that Seaman's counsel and John Bulgozdy, Esq., be enjoined in this lawsuit, all for their violations of California conspiracy laws.

Fact No. 3: SEC submitted its Complaint, upon which a summary judgment was made against Respondent with no benefit of counsel afforded to him, and by way of a Complaint replete with false financial illustrations, prejudicial labeling, and severe material omissions in its sealed *ex parte prima facie* submission. The SEC Administrative Law Judge should make note of the fact that Respondent essentially lost all of his own personal and business resources at that time, and any ability to effectively defend himself, particularly against what appears to very much have been a rigged pre-trial proceeding, including authorization for an asset seizure, initiated under seal. SEC, by design in these summary disposition proceedings, does not make reference to the arrived upon conclusions which are to be gained from reading the whole of the offering documents of the funds, which would objectively show the falsity of SEC's allegations in its Order Instituting Administrative Proceedings.

On the matter of SEC's motion for summary disposition which represents that Feathers has not denied SEC's "broker-dealer" allegation, SEC is well-served to look again at this Respondent's Answer to the OIAP, and will see that Respondent in no way acknowledges himself to have violated law in this regards.

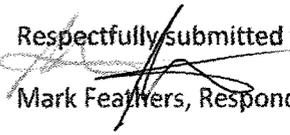
THE SO-CALLED "HARMED" INVESTORS OF RESPONDENT'S INVESTMENT FUNDS REJECT THE LAWSUIT

SEC, at the highest level of the Commissioner and on-down from there, would be well-served to ask itself why, even two years into this lawsuit, a Respondent who ran a so-called "Ponzi-like scheme" has scores and scores of so-called "harmed" investors who have lined up behind Respondent's motion to reorganize these investment funds which he founded and managed through the date of injunction? There is not even a single filed opposition statement from these investors to Respondent's motion for reorganization. Yet, the Receiver's motion (the Receiver appointed as SEC's bequest) to sell the assets of these fund investors has scores of opposition filings, but not even a single member statement of support for the Receiver's motion. Additionally, scores of investors have provided the Court with letters and sworn statements as to their belief in the fraud and misconduct of SEC's Enforcement Division and Seaman.

CONCLUSION

SEC's Administrative Law Judge should deny the summary disposition request of SEC's Enforcement Division, and there should be opportunity for a full hearing on these matters.

Respectfully submitted this 13th, day of April, 2014.


Mark Feathers, Respondent