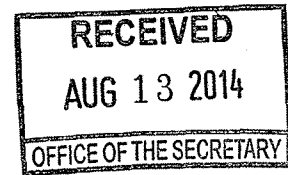


UNITED STATES OF AMERICA  
BEFORE THE SECURITIES AND EXCHANGE COMMISSION

**HARD COPY**



IN THE MATTER OF: : ADMINISTRATIVE PROCEEDING  
MARK FEATHERS : FILE NO.: 3-15755  
: RESPONDENT'S OPENING BRIEF TO PETITION  
RESPONDENT. : FOR REVIEW OF INITIAL DECISION OF ALJ

In late June of 2012 this Respondent's personal assets and his businesses were seized from him by surprise. By way of a **sealed** court filing. And that sealed filing was *prima facie*. And that sealed filing was *ex parte*. And this Respondent is *pro se*.

And that civil lawsuit Complaint made reference to the word "Ponzi" seventeen times.

The problem here, however, is that the Complaint had not a single valid financial illustration. There were scores of false illustrations in SEC's Complaint, in fact, about the operations of the investment funds that this Respondent founded and managed. SEC has now admitted this fact.

What SEC has not admitted is the fact that it is entirely implausible that the highly experienced and trained CPA's of *the United States Securities and Exchange Commission* overstated "in good faith error" the distributions of these investments funds. By an astronomical 54%.

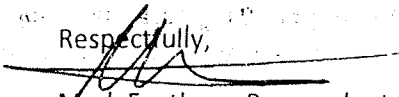
By overstating the distributions of this Respondent's investment funds by 54%, SEC's Enforcement CPAs could tell the court in their **hidden ex parte prima facie** Complaint that these funds needed capital "from new members" to make their distributions. And that's what makes a Ponzi scheme, after all. SEC's Enforcement CPAs lied about the distributions of these investment funds. They did this in order to create a basis to use the very prejudicial word Ponzi many, many times over in their Complaint, thereby helping to gain assurance that the Court would approve their **sealed ex parte prima facie** request to seize these funds and all of the assets and resources of this Respondent. The scheme all along has been that of SEC's Enforcement Division, not of this Respondent.

Any CPA knows that distributions cause a negative adjustment to the equity position of an investment fund. Any CPA knows that reinvestments cause a positive adjustment to equity. So, logic and fact both show it to be implausible that CPAs of SEC's Enforcement Division made "errors" in overstating the distributions of these funds by 54%.

The Los Angeles Regional Office of the SEC has been the subject of numerous OIG investigations over the past decade. **This one takes the take.** This gross misconduct, if not fraud on the Court and on this Respondent and the third party investors in his funds, has caused violations of the 4<sup>th</sup> and 5<sup>th</sup> Amendment to the Bill of Rights of this Respondent and to these investors. **Surprise seizure under false pretense. Due process interference because this Respondent could not engage counsel.** In part, or in whole, on the basis of SEC's manufactured false financial illustrations. Shame on SEC.

The Commissioners should give thought to these matters. If SEC's Enforcement CPAs cannot properly add together basic elements to an income statement and a balance sheet, then SEC has no business overseeing publicly traded companies, or private ones like this Respondent founded and managed. Just who is watching the SEC Enforcement Watchdog? The Supreme Court, Congress, and the Executive Branch need to look closely at this matter.

Respectfully,

  
Mark Feathers, Respondent

Dated: August 5<sup>th</sup>, 2014