September 16th, 2006

NFA Case No. 06-BCC-023
NFA ID #340309

To Whom It May Concern,

Thank you for giving me the opportunity to respond to the complaints filed against me regarding sales practice while I was in the commodity industry and conducting business under NFA guidelines. The complaints are troublesome, especially coming years after the occurrence of such charges.

I am going to disagree with ALL the charges against me, and therefore deny ALL (3) violations contained in the letter. I have been in the financial industry since 1998 and have never had one single complaint regarding high pressure sales, or misleading the public with my solicitations. I have never had a single complaint for that matter. I am no longer using my series 3 license, or engaging in business under the National Futures Association. After moving across the country in October of 2003, I began as an AP with Mercer Capital in January of 2004 and only spent a short time in that particular field leaving in March 2005. Partly because of the speculative nature of the business and partly because of the unrealistic expectations clients had regarding the workings of the markets as a whole. I have no knowledge of what had taken place before of after my term there.

With that said, I had always made it clear that options and futures trading was high risk and speculative in nature. I always made sure my presentations were balanced in nature weighing equally the risks and returns. More times than not, clients have had many years of futures and option trading under their belt, and therefore, had a general feel for the markets they would enter. For the clients with little experience, I would educate them as much as possible. Sometimes as elementary to me as what is a call or put option was. Most clients never did business and only wanted educational materials, which was fine also. I mostly avoided future trading, and always tried to put the client in a trade that they were comfortable with and that made sense. I was as thorough as possible and would even say "there is a chance you can lose ALL your money in these markets buying option contracts" & "buying futures can open you up to losses greater than what you invest." I want to be clear on that. For these particular clients, we only purchased options. In addition, I never forced anyone to send money into the company, or placed trades without their knowledge. I always had the client on tape when recording the trade and made sure that time stamps were placed on the tickets and that the proper trade was executed. (Feel free to look back at the records) I also made sure they were financially suitable for this type of investment. My conduct and ethics have always been something I'm proud of, not at all how the letter before me states.

I feel Mr. Trey is mostly upset because he wanted his commissions refunded, not that he lost money. At least that's what he had said. I told him I did not have the authority to do that. I feel this is the single biggest reason he is upset. He was actually someone I though I had a good working relationship with. I may have called him several times, but most of the time, we would spend talking about the markets, sports, family life and work. In addition, Mr. Trey had said he had a significant net worth and that a small investment would be no problem and that he had traded commodities before. He sent in 2500$ and we were able to buy a 3 bean meal spread positions close to the current prices. Mr. Trey knew what intrinsic value was and the scenarios of the trade. I even explained the benefits of buying close to the money contracts which we did. Moreover, he had said he knew some bean farmers being from the Midwest and was in complete agreement with bean meal moving higher. It did move higher before going down, and we were in fact in profit. I tried to touch base with Mr. Trey, but wasn't able to reach him. Again, I did not have authority to sell him out without his knowledge. I did my best for Mr. Trey, I enjoyed our conversations also. We had talked plenty of times, and by no means were my calls forceful. He would typically say he was sending in the funds therefore, I would call to check in and see if he was still interested.

Mr. Rice and I had talked a few times here and there. We went over the oil markets and talked about a few trades. I never heard back from him after that and in fact had stopped calling Mr. Rice, until he called out of the blue one day to say he felt bad he missed a trade we had discussed. It was crude oil calls that had gone up substantially. He asked me if I liked anything else. We went over a few ideas and WE decided on bean meal. We had bought some puts to offset his bean meal bull call spreads. I did try to shield him from declines in that market by purchasing puts, but did tell him that is would only help in an extreme decline. We had actually sold them back when prices declined from what I recall. In fact I believe he purchased something additional with the proceeds from the puts. Therefore, he had not lost all his principle in one shot. Again, I did my best for Mr. Rice. We were in communication throughout the entire timeframe and he was involved in all the decisions we made. There was no urgency from me, as he called me back to see what we needed to do to get started.

I am DENYING all of the charges listed below.

C.R.2-29(a)(1) - FRAUDULENT COMM. TO PUBLIC PROHIBITED
C.R.2-29(a)(2) - HIGH PRESSURE COMM. PROHIBITED
C.R.2-2(a) - CHEAT, FRAUD DECEIVE CUSTOMERS

I am curious why the complaints are listed on the NFA website when they are only in complaint status. I am also wondering if the clients called in to complain or if they were contacted?

Again, I wanted to thank you for the opportunity to discuss my side of the story. I know it can be upsetting when people lose money and an even worse feeling when you feel that you were misinformed. I can assure you that I took all the necessary steps to inform all my clients of the risks and rewards of trading in these markets. I've always conducted

business with high ethics and morals. If you have any further questions, please submit correspondence to:

Arthur Viera

Sincerely,

Arthur Viera