



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

OFFICE OF THE
GENERAL COUNSEL

November 29, 2011

VIA FACSIMILE AND EMAIL

Mr. Phillip J. Cannella
First Senior Financial Group LLC
2700 Horizon Drive
Suite 300
King of Prussia, PA 19406

Dear Mr. Cannella:

We are writing to follow-up on our earlier correspondence dated October 3, 2011, regarding the use of your interview with SEC Inspector General, H. David Kotz.

The current use of the video footage and audio track from the interview you conducted with Mr. Kotz is inconsistent with Mr. Kotz's understanding of the purpose and planned use of the interview, and presents an unacceptable risk that members of the public could misconstrue the interview as endorsing or supporting First Senior Financial Group LLC, CrashProofRetirement.com, Retirement Media Inc., or the Crash Proof Retirement Show (collectively, the "Crash Proof Retirement entities"), or the financial products and strategies they promote. Accordingly, we request that you remove all instances of the video footage and audio tracks from the websites associated with the Crash Proof Retirement entities, and that you cease using the interview material to promote or advertise for these or other commercial ventures.

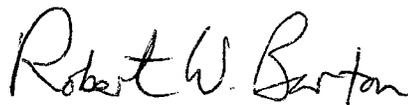
Your initial invitation to Mr. Kotz stressed the educational nature of your radio show and contemplated a "short phone interview." We are concerned that the manner in which you have linked the interview to your commercial enterprises has the potential to be misconstrued by the public as an endorsement by Mr. Kotz or the Securities and Exchange Commission. The interview is featured prominently on the main webpage of crashproofretirement.com (which contains significant content and promotional material unrelated to the radio show), and it is our understanding that excerpts of the interview have also been featured in radio commercials and in live seminars to promote your commercial products and services. There is no clear or meaningful distinction on your webpages or elsewhere between the Crash Proof Retirement

Radio Show for which the interview was requested, and your for-profit ventures that have made significant use of the interview material.

We are also troubled by the fact that Mr. Kotz's answers have been edited in a way that excludes important information, including caveats and related points; this prevents his statements from being received and understood in their original context. For example, in segment number 15 of 16 of the interview (entitled "Should retirees even be in the market") on the crashproofretirement.com website, you have deleted the preliminary portion of Mr. Kotz's answer in which he makes important caveats. Without these introductory remarks, there is a risk his answers could be understood differently than he intended. Further, notwithstanding the request in our October 3, 2011 letter, and your subsequent agreement, we note that some of the Kotz interview segments available on the crashproofretirement.com website still do not contain any disclaimer to the effect that the views expressed by Mr. Kotz are his only, and do not necessarily reflect the views of the Commission, individual Commissioners, or the staff. We understand Mr. Kotz provided such a disclaimer at the beginning of his interview, but it appears nowhere in the clips you have featured on your website. Moreover, the SEC seal continues to appear on the crashproofretirement.com website at the start of each interview clip, contrary to the demand in our October 3, 2011 letter that you remove the seal from the site.

Accordingly, we request that the Crash Proof Retirement entities remove from their websites (including YouTube and Facebook, as applicable) and other marketing materials all uses of the interview of Mr. Kotz and that you cease using Mr. Kotz's statements in any way that could give the incorrect impression that Mr. Kotz or the SEC endorses the Crash Proof Retirement entities. We also reiterate our demand that you immediately cease displaying the seal of the SEC on the websites of the Crash Proof Retirement entities.

Sincerely,

A handwritten signature in black ink that reads "Robert W. Barton". The signature is written in a cursive, slightly slanted style.

Robert W. Barton
Special Trial Counsel

December 8, 2011

Mr. Robert Barton
Special Trial Counsel
United States Securities and Exchange Commission
Washington, DC 20549

Dear Mr. Barton:

Your letter dated November 29, 2011, is a pyramid of mistaken assumptions built on one flawed “fact” after another.

Upon receiving it, I asked our in-house media director, the former 30-year independent business journalist Steve Salerno, to reconstruct the email exchanges that led up to the controversial July 28th interview, which Mr. Salerno had personally arranged. That reconstruction accompanies this letter in reverse chronological order, with the oldest email, Mr. Salerno's original contact with Inspector General Kotz (July 8, 2011, 1:14 p.m.) at the end.

Moving forward through that document, in each case where our documentation undeniably contradicts your version of events, we have highlighted the key passages in the emails between Inspector General Kotz and Mr. Salerno and have identified these passages by points (e.g. **Point 2, Point 9a**). As you will see, we use those points to refute all of the flawed facts and assumptions in your letter. Keep in mind that there are also phone records of calls made on recorded lines at our King of Prussia main office both before and after the interview in question; these unedited recordings unambiguously substantiate our version of events. (Parties to those conversations are always informed that they are on a recorded line.)

Taken as a whole, this official record leaves the contentions in your letter of November 29 without any credibility whatsoever.

Let's take your unfounded letter line by line. You mistakenly contend that the “current use of the video footage and audio track”... “is inconsistent with Mr. Kotz's understanding of the purposes and planned use of the interview.”

- You will note in **Point 2** from our email exchanges that we clearly identify ourselves as “*paid programming*,” and we emphasize that “*we strive as much as possible to present our audience with the best thinking in the realm.*” I also direct your attention to **Point 3**, where Mr. Salerno informs Inspector General Kotz that “*We are in the process of installing a complete, state-of-the-art TV studio, and we thus have all of the usual high-quality film/ sound equipment that any first-rate news networks would have. How do you feel about having us come down to SEC HQ and film the interview at your convenience? In addition to playing the audio portion on our radio shows, we could then stream the video on our web site.*”
- Inspector General Kotz replies (**Point 4**), “*You can come down to our offices if you wish. We can set up a conference room where we can conduct the interview.*”
- Further, on the day of the interview itself, prior to the first actual question but with the cameras already rolling, Inspector General Kotz asks, “This is going to be streamed on the web or....?”, to which I responded, “We’re hoping to do Crash Proof Minutes on the networks and we’re hoping to stream this on our website and I would love to give you a copy of the DVD when it is done.” Inspector General Kotz immediately replies “Great, yeah. I’d love to have it.”

In response to your contention that, “The interview is featured prominently on the main web page of CrashproofRetirement.com (which contains significant content and promotional material unrelated to the radio show), and it is our understanding that excerpts of the interview have also been featured in radio commercials and in live seminars to promote your commercial products and services.” The web site speaks for itself. The message and mission is to get educated on safe retirement alternatives, which is the guiding principle of Retirement Media, Inc. (or as you mistakenly identified it, “Crash Proof Retirement Entities”). These interviews were conducted with the understanding of the Inspector General and myself for the purpose of educating consumers through Crash Proof minutes on network television, radio and educational events (which you referred to as “live seminars”). All of this was explained to Inspector General Kotz as noted above. In his very first email to Inspector General Kotz, Mr. Salerno wrote (**Point 1**), “*We are a tri-state (PA, DE, NJ) firm that specializes in educating*

retirees and pre-retirees about their best options for nest egg protection. Our primary goal is to help them understand the true, endemic risks of the stock market.”

As to the length and direction of the interview:

- Our initial overture to Inspector General Kotz did contemplate a “*short phone interview,*” as we were being considerate of Inspector General Kotz's schedule and didn't want to presume to take too much of his time. You will note that in **Points 6, 7 and 8,** as we are trying to fix a date for the videotaped interview, Inspector General Kotz asks, “*How long do you think it will take?*”, and Mr. Salerno replies, “*That depends how much time you have to give us, but ordinarily I wouldn't think more than 30-40 minutes, once we're set up.*” To which Inspector General Kotz replies, “*How about July 28th in the morning, perhaps at 10 a.m.? I think I can give you as much time as you need.*”
- On the day of the interview, Inspector General Kotz made no attempt to break away or defer any questions for time reasons. He was gracious and patient throughout, even as the interview neared the one-hour mark. Even after the interview, he entertained us for a few moments in his office, where he permitted us to take some of the still photos we now use on our site.

The question of editing. You accuse us of editing Inspector General Kotz's answers unfairly. As you well know, all media organizations reserve the right to edit raw footage for brevity, clarity and impact—as long as the final footage remains faithful to the speaker's intended meanings. My staff and I resent the implication that we tried in any way to twist Inspector General Kotz's words to our own presumed commercial benefit. That is simply false. Even Inspector General Kotz said himself in an email on September 2, 2011 (**Point 11**) that he “*was pleased with*” the way the interviews came out.

The SEC seal. Insofar as our use of the SEC seal, Mr. Salerno asks Inspector General Kotz (please see **Point 9**), “*For the purposes of ‘scene-setting’, will we be able to shoot so that the SEC logo or some other key identifier is in the background? Can we be free to pick a background that is best suited for our purposes, within reason?*” Inspector General Kotz replies (**Point 10**), “*Sure, sounds good.*” In a follow-up phone conversation that took place on one of our recorded lines, Mr. Salerno emphasizes the importance of “staging” the interview in a venue where inspector General Kotz and Mr. Cannella could be “framed” by the SEC seal. Inspector General Kotz voiced no objection, and at one point even walked

down the hall to do a quick visual survey of the room for Mr. Salerno.

The disclaimer. In response to your mistaken assumptions about the alleged missing disclaimers, you write that you “understand” that “Mr. Kotz” provided “a disclaimer at the beginning of the interview to the effect that “the views expressed by Mr. Kotz are his only, and do not necessarily reflect the views of the Commission, individual Commissioners, or the Staff.” I can assure you that Inspector General Kotz gave no such blanket disclaimer of any kind. Even though we were under no obligation to provide such disclaimers after the fact, we were respectful enough to accommodate you immediately by supplying our own graphic disclaimer on all interview segments after receiving your letter of October 3, 2011, without exception. Had Inspector General Kotz wanted to issue a disclaimer to cover the entire interview he certainly could have on the day of or anytime throughout the interview; however, he did not.

Frankly, it insults people’s intelligence for the SEC to imply, as you almost seem to, that Inspector General Kotz’s views on the agency should carry no more weight with listeners than those of some random bystander we might have interviewed in front of Union Station. As the Inspector General of the SEC, H. David Kotz has spent the last four years intimately auditing its practices and procedures. If the SEC Inspector General himself has concluded that the SEC is “unable to compete with the fraudsters,” then that is a major piece of news that the investing public is entitled to know. Wouldn’t you agree?

As Judge Jed S. Rakoff noted in his refusal to approve last week’s proposed settlement between the SEC and Citigroup, “In any case like this that touches on the transparency of financial markets whose gyrations have so depressed our economy and debilitated our lives, there is an overriding interest in knowing the truth... The SEC of all agencies has a duty inherent to its statutory mission, to see that the truth emerges.” In my opinion, it’s not just in any case; it’s in many cases that the SEC allows this unacceptable “business as usual” fleecing of the public investor.

Unfortunately, history shows too often that the SEC not only fails to give the truth, the agency actively spreads deception. As an example, in February 2002, in the wake of the fall of Enron, then SEC chairman Harvey Pitt reassured Congress as follows: “The commission as an institution, and I both as its chairman and personally, are committed to doing everything in our power to prevent other abuses of our systems like Enron from happening againTo reassure investors and restore their confidence we must address flaws in our current disclosure and accounting systems and languished too long. The Federal government, and in particular the SEC, can and will police business.” And how

did Chairman Pitt's prophecy turn out? Within a few short years, the glamor financial firms themselves were creating and packaging dozens of Enrons that they then dumped on unwitting investors.

This tragedy, which devastated hundreds of thousands of innocent, hard-working Americans, was preventable, had there just been wider knowledge of a new class of safe retirement alternatives. These safe alternatives from outside the security industry have now been validated by a real-world, two-year, in-depth study at the prestigious University of Pennsylvania, Wharton School of Business. This newsworthy study offered the first empirical exploration of these safe alternatives. As reported by the Wharton School of Business, since their inception in 1995, many of these safe, non-security alternatives have outperformed the market without market risk or fees.

Certainly the SEC knew about them. Indeed, in December 2008 the SEC attempted an ill-fated power grab in the form of Rule 151a, which would've brought this new class of investment accounts under SEC jurisdiction. A series of wise legal and legislative countermeasures ultimately defeated Rule 151a in mid-year 2010. In my opinion, based on the pattern of the SEC's cozy working relationship with Wall Street through the years, SEC bureaucrats sought to regulate these vehicles for the true purpose of suppressing them and limiting their usage. This would keep as much money as possible on the market (rather than having consumers take refuge in safer alternatives). This would also please the SEC's good pals at major investment banks (so many of whom, as we now know, used to work for the SEC before they took high-paying jobs in the financial private sector). You see, this unholy alliance between Wall Street and the SEC wants to regulate anything and everything that can impact the profitability of their system. They make the rules, they make the money—and the little guy foots the bill.

In closing, I'm compelled to say that I find your letter suspect, disturbing and appalling. Instead of focusing on the corruption, the bankruptcies, and the fleecing of the everyday investor, the SEC indulges in a consistent pattern of ineffective investigations and accusations, such as your letter to me, dated November 29th, 2011.

One week the SEC is shredding 10,000 documents, destroying evidence on financial firms that are fleecing investors and the next week the SEC is shredding newsworthy interviews that bring light to a dark industry that obviously won't stop bilking investors.

I think you know in your heart that all of the clips that we have uploaded to our site and elsewhere accurately represent Inspector General Kotz's assessment of the SEC. Rather than trying to shut him up or intimidate us, why doesn't the SEC turn its energies

to fixing the root problems!

The SEC has been in business for 77 years and remains largely ineffective. On the basis of my 37 years as a financial advocate, I have developed effective real-world solutions for the corruption within our financial markets and the regulatory agencies that police them. I look forward to cooperating with you in the future and jointly working with the SEC to introduce and implement these desperately needed remedies and cures; they are nothing less than a foundation of financial compliance that can inject some much-needed confidence into today's financial markets and restore the public's lost faith in its regulatory agencies as well.

On behalf of Retirement Media, Inc., I respectfully decline your request to remove the newsworthy interviews with Inspector General Kotz. We will follow the guiding light of our principles and mission by bringing the truth to the American retiree.

“In life, strength lies in standing on a foundation of truth, not a platform of lies.”

With all truth,

Phillip J. Cannella III

CEO and Founder of Retirement Media, Inc.

“TRUTH for the American Retiree©”