

EXHIBIT B

**Declaration under penalty of perjury of
Elizabeth M. Streit pursuant to 28 U.S.C. § 1746**

I, Elizabeth M. Streit, hereby declare as follows:

1. I am an attorney admitted to practice in the State of Illinois and am a Trial Team Leader with the Division of Enforcement of the United States Commodity Futures Trading Commission (“Commission” or “CFTC”), an independent regulatory agency of the United States Government. I have been employed with the Commission’s Division of Enforcement since 1998. I am the Lead Trial Attorney in the matter *Commodity Futures Trading Commission v. Equity Financial Group, LLC, Tech Traders, Inc, Tech Traders, Ltd., Magnum Investments, ltd., Magnum Capital Investments, Ltd., Vincent J. Firth, Robert W. Shimer, Coyt E. Murray and J. Vernon Abernethy*, 04CV 1512, filed in the United States District Court for the District of New Jersey.
2. Sometime during the week of August 16, 2004, Defendant J. Vernon Abernethy, who is representing himself *pro se* in this litigation, called me. In that conversation and a conversation on October 18, 2004, he told me the following: Abernethy made a back-up tape of the information on his computer, which contains information about his work for Tech Traders and Sterling Casualty and Insurance, a day or two after he met with the Receiver and me in Charlotte on April 7, 2004. On or about April 15, 2004, Walter Hannen, the president of Sterling Bank, visited him in his home and reviewed the information on his computer. Defendant Coyt E. Murray was also present at that time. Hannen asked Abernethy for a copy of his files and Abernethy

gave him the back-up tape. On or about April 22, 2004, Abernethy asked Hannen to return the backup tape. Hannen told him that Vernice Woltz had taken it to the Bahamas. Abernethy told me that he has asked Hannen and Vernice for the back-up tape repeatedly but it has not been returned to him.

3. On August 20, 2004, I caused subpoenas to be drafted and sent, via Federal Express and First Class mail, to Walter Hannen and Vernice Woltz. Copies of the subpoenas were also sent via Federal Express to Martin Russo, attorney for the Sterling Entities. These subpoenas commanded production of Abernethy's back-up tape, as well as other documents relevant to this litigation. *See Attachments 1 and 2.*
4. On August 31, 2004, I received a letter from Martin Russo in which he stated that he represented Vernice Woltz and Walter Hannon [sic] and that he objected to the subpoenas because a) they were not personally served, b) they required production of documents in Chicago, Illinois, more than 100 miles from the point of attempted service and c) the substance of the subpoenas was unduly burdensome as it required his clients to move computer equipment located in North Carolina hundreds of miles for inspection. However, he stated his clients likely would have no objection to producing hard copies of files. *See Attachment 3.*
5. On September 1, 2004, I responded to Martin Russo's letter by facsimile and U.S. mail. In my response, I told Russo that we would accept hard copy versions of documents, except for Abernethy's back-up tape, which I stated was subject to the Court's Statutory Restraining Order and Consent Order of Preliminary Injunction Against J. Vernon Abernethy and should be turned

over to me immediately. As to other documents responsive to the subpoena, I stated that I would extend the return date on the subpoena to September 15 if the witnesses would agree to send the documents to our office in Chicago.

Otherwise, I would make arrangements for their immediate production at the U.S. Attorney's office in Charlotte. *See Attachment 4.*

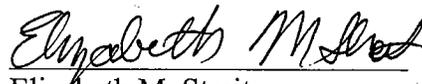
6. Having received no response to my letter of September 1, I sent Russo another letter on September 8, 2004, by facsimile and U.S. mail. In this letter, I stated that I was surprised that I had received no response to my letter of September 1 demanding return of Abernethy's back-up tape. I also stated that having received no response, I would reissue the subpoenas to Vernice Woltz and Hannen, serve them by process server and require production at the U.S. Attorney's office in Charlotte, thus curing any alleged deficiencies in the subpoenas. *See Attachment 5.*
7. On September 9, 2004, I caused to be issued second subpoenas to Vernice Woltz and Walter Hannen and requested personal service by process servers, with production to be made at the U.S. Attorney's office in Charlotte. The September 9 subpoenas requested Abernethy's back-up tape, documents relating to Defendants and Elaine Teague, which could be produced in hard copy form, and documents identifying any beneficial interests in the funds invested directly or indirectly by any of the Sterling Entities, any of the Tech Trader Entities, New Century Trading, LLC or Shasta Capital Associates, LLC. *See Attachments 6 and 7.*
8. On September 15, 2004, I wrote Martin Russo again, by facsimile and U.S. mail. I told him in this letter that our process server had been unable to serve

Vernice Woltz and that Howell Woltz had told the process server that she was out of the country for three weeks. I told him that we are most concerned about obtaining Abernethy's back-up tape and that I knew from my conversations with him that the Woltzs' were aware of what the Commission has subpoenaed. I asked that he let me know as soon as possible if he would accept service of the September 9 subpoenas and told him that continued attempted personal service of the subpoenas would only unnecessarily delay the case. *See Attachment 8.*

9. On September 17, 2004, I again wrote Martin Russo. (The letter is misdated September 15, 2004). I stated that I had not yet received a response to my inquiry whether he would accept service of the September 9 subpoenas on Vernice Woltz and Hannen. I then gave him a very detailed description of the Abernethy back-up tape, which he had acknowledged in an earlier phone conversation that his clients had possession of, but which he claimed they could not distinguish from other tapes they had. *See Attachment 9.*
10. On September 29, 2004, I received a response to my letter from Martin Russo. The letter referenced documents that he was producing that belonged to Abernethy and were copied to "a representative of the Sterling Group" after the lawsuit was filed. The letter also stated that his clients would not accept service of the September 9, 2004 subpoenas because they sought to compel information the production of which would violate Bahamian and Anguillan law. It also stated that his clients had not yet been able to identify the Abernethy tape. *See Attachment 10.*

11. On October 4, 2004, I wrote Russo again and stated that the proper response, if the subpoena called for objectionable material, was to object to those portions of the subpoena that were objectionable, not to refuse service of the entire subpoena. I also stated that the description of the Abernethy tape should have been more than adequate to enable location of the tape and asked once again that it be returned immediately. *See* Attachment 11.
12. On October 11, 2004, I received a response to my October 4 letter from Russo. He again refused to accept service of the September 9 subpoenas. *See* Attachment 12.
13. Although Howell and Vernice Woltz have had actual notice of the Commission's subpoenas for nearly two months, they have produced nothing but a set of work papers of Vernon Abernethy's. The computer back-up tape belonging to Abernethy has yet to be returned.
14. On October 13, 2004, I received a copy of a forwarded email from Howell Woltz, addressed to "Friends and Associates." In the email, Howell Woltz states that he and Vernice Woltz are selling their farm in North Carolina and moving permanently to Nassau, Bahamas, "probably in a few weeks." *See* Attachment 13.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 21st day of October 2004.


Elizabeth M. Streit
Lead Trial Attorney

ATTACHMENT 1



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

August 20, 2004

Via Federal Express

Followed by Certified U.S. Mail, RRR

Ms. Vernice Woltz

354 Burton Road

PO Box 406

Advance, NC 27006

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoena Duces Tecum dated 8/20/04**

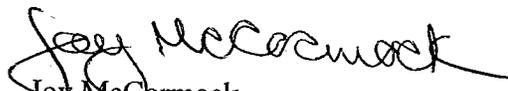
Dear Ms. Woltz:

Enclosed please find a judicial subpoena calling for the production of documents related to any of the names identified in the attached subpoena.

The production must be accompanied by a sworn affidavit authenticating the materials and certifying that the production is complete. For your convenience, we have attached an affidavit form for your use. If the affidavit is incomplete, or additional information is needed, you may be required to appear and testify.

If you have any questions please call me at (312) 596-0527 or Lead Trial Attorney, Elizabeth Streit at (312) 596-0537.

Sincerely,


Joy McCormack
Investigator

Enclosure: Subpoena with Attachment

cc: Elizabeth Streit, Lead Trial Attorney ✓
Martin P. Russo, Esq. (via Federal Express)

ATTACHMENT 1

Issued by the
United States District Court
FOR THE
MIDDLE DISTRICT OF NORTH CAROLINA

**COMMODITY FUTURES
TRADING COMMISSION**

Plaintiff,

VS

**EQUITY FINANCIAL GROUP, LLC
TECH TRADERS, INC.
VINCENT J. FIRTH, and
ROBERT W. SHIMER
Defendants.**

JUDGE ROBERT B. KUGLER
CASE NUMBER:
1:04CV-01512-RBK-AMD
(Currently pending the District of New Jersey)

TO: Ms. Vernice Woltz
354 Burton Road
PO Box 406
Advance, NC 27006

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below to testify in the above case.

| | |
|--------------------|----------------|
| PLACE OF TESTIMONY | COURTROOM: |
| | DATE AND TIME: |

YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

| | |
|---------------------|---------------|
| PLACE OF DEPOSITION | DATE AND TIME |
|---------------------|---------------|

YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects): SEE "SCHEDULE A" ATTACHED HERETO

| | |
|--|--|
| PLACE 525 West Monroe, Suite 1100 Chicago, IL 60661 | DATE AND TIME September 1, 2004, 10:00 a.m. |
|--|--|

YOU ARE COMMANDED to produce and permit inspection of the following premises at the date and time specified below.

| | |
|----------|---------------|
| PREMISES | DATE AND TIME |
|----------|---------------|

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

Issuing Officer Signature and Title (Indicate if attorney for Plaintiff or Defendant)

Date: 8/20/04

Attorney for Plaintiff

Elizabeth M Streit

Issuing Officer's Name, Address, and Phone Number

**Elizabeth Streit, Lead Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, IL 60661
(312) 596-0537**

(See Rule 45, Federal Rules of Civil Procedure Parts C & D on Reverse)

AO 88 (Rev. 1/94) Subpoena in a Civil Case

PROOF OF SERVICE

SERVED: Vernice Woltz

DATE: 8/20/04

PLACE: 354 Burton Road, Advance, NC 27006

SERVED ON (PRINT NAME): **VERNICE WOLTZ**

MANNER OF SERVICE: **Via Federal Express & Certified Mail, return receipt requested**

SERVED BY (PRINT NAME):

TITLE:

Elizabeth Streit

Lead Trial Attorney

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on August 20, 2004
DATE

Elizabeth M Streit

SIGNATURE OF SERVER

CFTC
525 West Monroe Street, Suite 1100
Chicago, IL 60661

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(2)(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection is made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it

(i) fails to allow reasonable time for compliance;

(ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or

(iii) requires disclosure of privileged or other protected matter and no exception or waiver applies, or

(iv) subjects a person to undue burden.

(B) If a subpoena

(i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or

(iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) DUTIES IN RESPONDING TO SUBPOENA.

(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

Attachment A to Subpoena
Issued to Vernice Woltz on August 20, 2004

Definitions and Instructions

A. The term "document" shall include, but not be limited to, any memorialization, whether in writing, in any mechanical or tape recording, or in a computer memory.

Documents to Be Produced

For the listed individuals and entities:

Abernethy, Jack Vernon
Tech Traders, Inc.
Tech Traders, Ltd.
Magnum Investments
Magnum Capital Investments
Murray, Coyt E.
Murray, Coyt A.
Shimer, Robert
Firth, Vincent
Teague, Elaine

1. Any and all documents referencing, relating to or involving any of the names listed above including, but not limited to, correspondence, faxes, email, memoranda, invoices, statements, agreements, contracts, promotional materials, notes, and records evidencing transfers of money.

2. Any and all computers, computer hard drives, back up tapes, or other electronic and/or digital media regarding any of the listed entities.

ATTACHMENT 2



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

August 20, 2004

Via Federal Express

Followed by Certified U.S. Mail, RRR

Mr. Walter Hannen

4762 Trails End Road

Denver, NC 28037

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoena Duces Tecum dated 8/20/04**

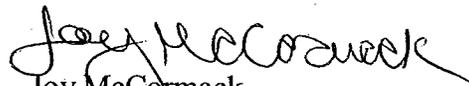
Dear Mr. Hannen:

Enclosed please find a judicial subpoena calling for the production of documents related to any of the names identified in the attached subpoena.

The production must be accompanied by a sworn affidavit authenticating the materials and certifying that the production is complete. For your convenience, we have attached an affidavit form for your use. If the affidavit is incomplete, or additional information is needed, you may be required to appear and testify.

If you have any questions please call me at (312) 596-0527 or Lead Trial Attorney, Elizabeth Streit at (312) 596-0537.

Sincerely,


Joy McCormack
Investigator

Enclosure: Subpoena with Attachment

cc: Elizabeth Streit, Lead Trial Attorney
Martin P. Russo, Esq. (via Federal Express)

Issued by the
United States District Court
FOR THE
WESTERN DISTRICT OF NORTH CAROLINA

**COMMODITY FUTURES
TRADING COMMISSION**

Plaintiff,

VS

**EQUITY FINANCIAL GROUP, LLC
TECH TRADERS, INC.
VINCENT J. FIRTH, and
ROBERT W. SHIMER
Defendants.**

JUDGE ROBERT B. KUGLER
CASE NUMBER:
1:04CV-01512-RBK-AMD
(Currently pending the District of New Jersey)

TO: Mr. Walter Hannen
4762 Trails End Road
Denver, NC 28037

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below to testify in the above case.

| | |
|--------------------|----------------|
| PLACE OF TESTIMONY | COURTROOM: |
| | DATE AND TIME: |

YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

| | |
|---------------------|---------------|
| PLACE OF DEPOSITION | DATE AND TIME |
|---------------------|---------------|

YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects): **SEE "SCHEDULE A" ATTACHED HERETO**

| | |
|--|---|
| PLACE 525 West Monroe, Suite 1100 Chicago, IL 60661 | DATE AND TIME September 1, 2004, 10:00 a.m. |
|--|---|

YOU ARE COMMANDED to produce and permit inspection of the following premises at the date and time specified below.

| | |
|----------|---------------|
| PREMISES | DATE AND TIME |
|----------|---------------|

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

Issuing Officer Signature and Title (Indicate if attorney for Plaintiff or Defendant)

Date: 8/20/04

Attorney for Plaintiff

Elizabeth M. Streit

Issuing Officer's Name, Address, and Phone Number

Elizabeth Streit, Lead Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, IL 60661
(312) 596-0537

(See Rule 45, Federal Rules of Civil Procedure Parts C & D on Reverse)

AO 88 (Rev. 1/94) Subpoena in a Civil Case

PROOF OF SERVICE

SERVED: **Walter Hannen**

DATE: 8/20/04

PLACE: 4762 Trails End Road, Denver, NC 28037

SERVED ON (PRINT NAME): **WALTER HANNEN**

MANNER OF SERVICE: **Via Federal Express & Certified Mail, return receipt requested**

SERVED BY (PRINT NAME):

Elizabeth Streit

TITLE:

Lead Trial Attorney

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on August 20, 2004
DATE

Elizabeth M. Streit

SIGNATURE OF SERVER

CFTC
525 West Monroe Street, Suite 1100
Chicago, IL 60661

Rule 45, Federal Rules of Civil Procedure, Parts C & D

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(2)(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection is made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it

(i) fails to allow reasonable time for compliance;

(ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or

(iii) requires disclosure of privileged or other protected matter and no exception or waiver applies, or

(iv) subjects a person to undue burden.

(B) If a subpoena

(i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or

(iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) DUTIES IN RESPONDING TO SUBPOENA.

(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

Attachment A to Subpoena
Issued to Walter Hannen on August 20, 2004

Definitions and Instructions

A. The term "document" shall include, but not be limited to, any memorialization, whether in writing, in any mechanical or tape recording, or in a computer memory.

Documents to Be Produced

For the listed individuals and entities:

Abernethy, Jack Vernon
Tech Traders, Inc.
Tech Traders, Ltd.
Magnum Investments
Magnum Capital Investments
Murray, Coyt E.
Murray, Coyt A.
Shimer, Robert
Firth, Vincent
Teague, Elaine

1. Any and all documents referencing, relating to or involving any of the names listed above including, but not limited to, correspondence, faxes, email, memoranda, invoices, statements, agreements, contracts, promotional materials, notes, and records evidencing transfers of money.

2. Any and all computers, computer hard drives, back up tapes, or other electronic and/or digital media regarding any of the listed entities.

RECORDS AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared _____
who, being by me duly sworn, deposed as follows:

My name is _____, I am over 21 years of age, of sound mind,
capable of making this affidavit, and personally acquainted with the facts herein stated.

Attached hereto is/are (_____) page(s) of records from my files. These records were
kept by me in the regular course of business; and, the memorandum or record was made at or
near the time of the act, event or condition recorded or reasonably soon thereafter. I certify that
the record(s) attached hereto is/are exact duplicates of the originals.

_____, Affiant

SWORN TO AND SUBSCRIBED before me this ___ day of _____, 2004.

Notary Public, State of North Carolina

ATTACHMENT 3

KURZMAN EISENBERG CORBIN LEVER & GOODMAN, LLP

ATTORNEYS AT LAW

675 THIRD AVENUE 18TH FLOOR
NEW YORK, NY 10017
(212) 661-2150

ONE NORTH BROADWAY
WHITE PLAINS, NEW YORK 10601

TEL: (914) 285-9800
FAX: (914) 285-9855

MARTIN P. RUSSO, P.C.
Partner
mrusso@kelaw.com

OTHER LOCATIONS:
FORT LAUDERDALE, FLORIDA
LONDON, ENGLAND
GENEVA, SWITZERLAND

August 31, 2004

By Facsimile and Federal Express

Elizabeth M. Streit, Esq.
Senior Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, IL 60661

Re: U.S. CFTC v. Equity Financial Group, et al.
Case No. 04-CV-1512 (D.N.J.)

Dear Ms. Streit:

We represent Ms. Vernice Woltz and Mr. Walter Hannon in connection with the subpoenas dated August 20, 2004, which you attempted to serve by Federal Express and U.S. Mail. My clients have several objections to the subpoenas (which appear to be identical except for the recipients).

First, the subpoenas were not personally served as required by Federal Rule of Civil Procedure ("FRCP") 45. Since service was improper, the subpoenas are defective.

Second, the subpoenas purport to require production of documents and objects in Chicago, Illinois, notwithstanding the fact that they are issued in the Middle District of North Carolina in a case pending in the District of New Jersey. Since the place of production is more than 100 miles from the point of attempted service, the subpoena is additionally defective. FRCP 45 does not give you the authority as an attorney to require such production.

Third, the substance of the subpoena is unduly burdensome inasmuch as it purports to require my clients to move their computer equipment located in North Carolina hundreds of miles for inspection in the event that a single file contains a reference to the named individuals or entities. It also is overly broad inasmuch as it threatens to compromise unrelated confidential information in the possession of entities which employ my clients and, consequently, implicates

ATTACHMENT 3

KURZMAN EISENBERG CORBIN LEVER & GOODMAN, LLP

Elizabeth M. Streit, Esq.
August 31, 2004
Page 2

the privacy laws of St. Lucia, Anguilla and the Bahamas (which provide for criminal penalties for unauthorized disclosure of certain client information).

For the reasons stated above, my clients object to the subpoenas pursuant to FRCP 45(c)(2)(B) and will not comply at this time. However, my clients do wish to cooperate with the CFTC. Consequently, they may be amenable to accepting service of a subpoena of reasonable scope which does not compromise their professional obligations. By way of example, my clients likely would have no objection to producing files and/or hard copies of files, if any, which reference the listed persons and entities. In the alternative, if an inspection is necessary, such inspection likely would be permitted under the supervision of an IT professional and limited to the subject matter of the subpoenas. While laptops may be produced within 100 miles, desktop computers (if any) would have to be examined on site. If you work with us, production can be accomplished without the need for court intervention. Simply re-serving the subpoenas, however, certainly would result in an application for a protective order.

Thank you for your anticipated cooperation.

Sincerely,



Martin P. Russo

HA720470000\MPR0210.WPD

ATTACHMENT 4



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

September 1, 2004

Via Facsimile: (914) 285-9855

Followed by U.S. Mail

Mr. Martin P. Russo

Kurzman, Eisenberg, Corbin, Lever & Goodman, LLP

One North Broadway

White Plains, NY 10601

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoenas Duces Tecum to Vernice Woltz and Walter Hannen Dated 8/20/04**

Dear Mr. Russo:

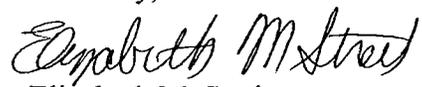
I am in receipt of your letter dated August 31 concerning the above-referenced subpoenas. With one exception, we will accept hard copy versions of documents concerning the persons and entities referenced in the subpoenas if the recipients of the subpoenas will retrieve any documents that exist in electronic form, in addition to documents that exist in hard copy form, and indicate in writing that they have conducted a reasonable search of their electronic files and are producing documents responsive to the subpoena. The one exception to our acceptance of hard copies is the computer backup tape of the information on J. Vernon Abernethy's computer. As I told you in our recent phone conversation, Mr. Abernethy has informed me that he backed up his computer shortly after being informed of this lawsuit and gave the computer backup tape to Walter Hannen. He also told me that he has asked repeatedly for it back and Hannen told him that he gave it to Vernice Woltz, who took it to the Bahamas. It has yet to be returned. This computer backup tape is subject to the Court's Statutory Restraining Order and the Consent Order of Preliminary Injunction Against J. Vernon Abernethy. Both orders prohibit the concealment, alteration or disposal of the property of any of the Defendants or their agents (and before the amendment of the Complaint, Mr. Abernethy was certainly an agent of Tech Traders) by the Defendants or any third parties or the refusal to permit the Commission access to the Defendants' books and records. Thus, under the Orders as well as the subpoenas, this computer backup tape should be turned over to me immediately. Copies of these orders are attached.

As to the documents other than the computer backup tape, I will extend the return date on the subpoena to September 15 if you will agree to send the documents to our office here in Chicago. Otherwise, I will make arrangements for their immediate production at the U.S. Attorney's office in Charlotte. As for the computer backup tape, it does not belong to either Mr. Hannen or Ms. Woltz and it should be sent to me immediately.

ATTACHMENT 4

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth M. Streit". The signature is written in black ink and is positioned above the printed name.

Elizabeth M. Streit
Lead Trial Attorney

ATTACHMENT 5



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

September 8, 2004

Via Facsimile: (914) 285-9855

Followed by U.S. Mail

Mr. Martin P. Russo

Kurzman, Eisenberg, Corbin, Lever & Goodman, LLP

One North Broadway

White Plains, NY 10601

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoenas Duces Tecum to Vernice Woltz and Walter Hannen Dated 8/20/04**

Dear Mr. Russo:

I write with respect to my letter of a week ago (September 1) in which I addressed two issues: 1) production of Defendant J. Vernon Abernethy's backup computer tape and 2) production of documents concerning the persons and entities referenced in the subpoenas to Ms. Woltz and Mr. Hannen. Surprisingly, I have received no response. This is particularly disturbing with respect to the computer backup tape, as it is the Commission's position that Mr. Hannen or Ms. Woltz are in violation of the Court's Statutory Restraining Order and the Consent Order of Preliminary Injunction Against J. Vernon Abernethy (both of which were sent to you with my previous letter) if they are retaining it. It does not belong to Ms. Woltz or Mr. Hannen. As I also stated in that letter, both orders prohibit the concealment, alteration or disposal of the property of any of the Defendants or their agents (and before the amendment of the Complaint, Mr. Abernethy was certainly an agent of Tech Traders) by the Defendants or any third parties or the refusal to permit the Commission access to the Defendants' books and records. Thus, I would have expected that you would have immediately sent me the tape or responded to Mr. Abernethy's assertion that Mr. Hannen or Ms. Woltz have the tape and have refused to return it.

With respect to production of documents, if the reason you are not responding is because of the alleged technical deficiencies with service of the subpoenas that the Commission sent via certified mail and Federal Express to Ms. Woltz, Mr. Hannen and, as a courtesy, you, I will reissue them, using process servers, at taxpayer expense, to require production at the U.S. Attorney's office. These additional steps will only add unnecessary delay to this case as the U.S. Attorney's office will need to send the production to me. I expect that Ms. Woltz and Mr. Hannen will then promptly comply with the subpoenas if, as your *ex parte* August 17, 2004 letter

Letter to Martin P. Russo
September 8, 2004
Page 2

to Judge Kugler asserts, it is true that “[s]ince early April, [your] client has done nothing but cooperate with the CFTC and the Receiver.”

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth M. Streit".

Elizabeth M. Streit
Lead Trial Attorney

cc: Scott R. Williamson

ATTACHMENT 6



COMMODITY FUTURES TRADING COMMISSION
525 West Monroe Street, Suite 1100, Chicago, IL 60661
TEL. 312-596-0700
FAX. 312-596-0714

DIVISION of
ENFORCEMENT

September 9, 2004

Via Process Server
Mr. Walter Hannen
4762 Trails End Road
Denver, NC 28037

Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoena Duces Tecum dated 9/9/04

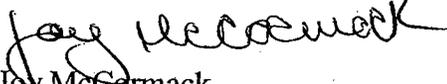
Dear Mr. Hannen:

Enclosed please find a second judicial subpoena calling for the production of the computer back-up tape you obtained from Jack Vernon Abernethy and other documents related to any of the names identified in the attached subpoena. The subpoena makes clear that, except for the computer back-up tape, the Commodity Futures Trading Commission will accept hard copies of any documents existing in electronic form. documents related to any of the names identified in the attached subpoena.

The production must be accompanied by a sworn affidavit authenticating the materials and certifying that the production is complete. For your convenience, we have attached an affidavit form for your use. If the affidavit is incomplete, or additional information is needed, you may be required to appear and testify.

If you have any questions please call me at (312) 596-0527 or Lead Trial Attorney, Elizabeth Streit at (312) 596-0537.

Sincerely,


Joy McCormack
Investigator

Enclosure: Subpoena with Attachment

cc: Elizabeth Streit, Lead Trial Attorney ✓
Martin P. Russo, Esq.

Issued by the
United States District Court
FOR THE
WESTERN DISTRICT OF NORTH CAROLINA

**COMMODITY FUTURES
TRADING COMMISSION**

Plaintiff,

VS

**EQUITY FINANCIAL GROUP, LLC
TECH TRADERS, INC.
VINCENT J. FIRTH, and
ROBERT W. SHIMER
Defendants.**

JUDGE ROBERT B. KUGLER
CASE NUMBER:
1:04CV-01512-RBK-AMD
(Currently pending the District of New Jersey)

TO: Mr. Walter Hannen
4762 Trails End Road
Denver, NC 28037

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below to testify in the above case.

| | |
|--------------------|----------------|
| PLACE OF TESTIMONY | COURTROOM: |
| | DATE AND TIME: |

YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

| | |
|---------------------|---------------|
| PLACE OF DEPOSITION | DATE AND TIME |
|---------------------|---------------|

YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects): **SEE "SCHEDULE A" ATTACHED HERETO**

| | |
|--|---|
| PLACE U.S. Attorney's Office - WDNC Suite 1700, Carillon Building 227 West Trade Street Charlotte, NC 28202 | DATE AND TIME September 23 2004, 10:00 a.m. |
|--|---|

YOU ARE COMMANDED to produce and permit inspection of the following premises at the date and time specified below.

| | |
|----------|---------------|
| PREMISES | DATE AND TIME |
|----------|---------------|

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

Issuing Officer Signature and Title (Indicate if attorney for Plaintiff or Defendant)

Date: 9/9/04

Elizabeth M. Streit
Attorney for Plaintiff

Issuing Officer's Name, Address, and Phone Number

Elizabeth Streit, Lead Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, IL 60661
(312) 596-0537

(See Rule 45, Federal Rules of Civil Procedure Parts C & D on Reverse)

AO 88 (Rev. 1/94) Subpoena in a Civil Case

PROOF OF SERVICE

SERVED: **Walter Hannen** DATE: PLACE: **4762 Trails End Road, Denver, NC 28037**

SERVED ON (PRINT NAME): **WALTER HANNEN** MANNER OF SERVICE: **Via Process Server**

SERVED BY (PRINT NAME): TITLE:

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____
DATE

SIGNATURE OF SERVER

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(2)(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection is made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it

(i) fails to allow reasonable time for compliance;

(ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or

(iii) requires disclosure of privileged or other protected matter and no exception or waiver applies, or

(iv) subjects a person to undue burden.

(B) If a subpoena

(i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or

(iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) DUTIES IN RESPONDING TO SUBPOENA.

(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

Attachment A to Subpoena
Issued to Walter Hannen on September 9, 2004

Definitions and Instructions

A. The term "document" shall include, but not be limited to, any memorialization, whether in writing, in any mechanical or tape recording, or in a computer memory.

Documents to Be Produced

1. The computer back-up tape obtained from Jack Vernon Abernethy
2. For the listed individuals and entities:

Abernethy, Jack Vernon
Tech Traders, Inc.
Tech Traders, Ltd.
Magnum Investments
Magnum Capital Investments
Murray, Coyt E.
Murray, Coyt A.
Shimer, Robert
Firth, Vincent
Teague, Elaine

Any and all documents referencing, relating to or involving any of the names listed above including, but not limited to, correspondence, faxes, email, memoranda, invoices, statements, agreements, contracts, promotional materials, notes, and records evidencing transfers of money. Documents existing in electronic format may be produced in hard copy.

3. Any and all documents identifying beneficial interests in any funds invested, directly or indirectly by Sterling ACS, Ltd, Sterling Casualty & Insurance, Ltd., Sterling (Anguilla) Trust, Ltd. and/or Sterling Investment Management, Ltd, with Tech Traders, Inc., Tech Traders, Ltd. Magnum Investments, Magnum Capital Investments, New Century Trading, LLC or Shasta Capital Associates, LLC or in any accounts managed by any of these entities Documents existing in electronic format may be produced in hard copy.

RECORDS AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared _____
who, being by me duly sworn, deposed as follows:

My name is _____, I am over 21 years of age, of sound mind,
capable of making this affidavit, and personally acquainted with the facts herein stated.

Attached hereto is/are (_____) page(s) of records from my files. These records were
kept by me in the regular course of business; and, the memorandum or record was made at or
near the time of the act, event or condition recorded or reasonably soon thereafter. I certify that
the record(s) attached hereto is/are exact duplicates of the originals.

_____, Affiant

SWORN TO AND SUBSCRIBED before me this ___ day of _____, 2004.

Notary Public, State of North Carolina

ATTACHMENT 7



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

September 9, 2004

VIA PROCESS SERVER

Ms. Vernice Woltz
354 Burton Road
PO Box 406
Advance, NC 27006

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoena Duces Tecum dated 9/9/04**

Dear Ms. Woltz:

Enclosed please find a second judicial subpoena calling for the production of the computer back-up tape you obtained from Jack Vernon Abernethy and other documents related to any of the names identified in the attached subpoena. The subpoena makes clear that, except for the computer back-up tape, the Commodity Futures Trading Commission will accept hard copies of any documents existing in electronic form.

The production must be accompanied by a sworn affidavit authenticating the materials and certifying that the production is complete. For your convenience, we have attached an affidavit form for your use. If the affidavit is incomplete, or additional information is needed, you may be required to appear and testify.

If you have any questions please call me at (312) 596-0527 or Lead Trial Attorney, Elizabeth Streit at (312) 596-0537.

Sincerely,


Joy McCormack
Investigator

Enclosure: Subpoena with Attachment

cc: Elizabeth Streit, Lead Trial Attorney ✓
Martin P. Russo, Esq.

ATTACHMENT 7

Issued by the
United States District Court
FOR THE
MIDDLE DISTRICT OF NORTH CAROLINA

**COMMODITY FUTURES
TRADING COMMISSION**

Plaintiff,

VS

**EQUITY FINANCIAL GROUP, LLC
TECH TRADERS, INC.
VINCENT J. FIRTH, and
ROBERT W. SHIMER
Defendants.**

JUDGE ROBERT B. KUGLER
CASE NUMBER:
1:04CV-01512-RBK-AMD
(Currently pending the District of New Jersey)

TO: Ms. Vernice Woltz
354 Burton Road
PO Box 406
Advance, NC 27006

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below to testify in the above case.

| | |
|--------------------|----------------|
| PLACE OF TESTIMONY | COURTROOM: |
| | DATE AND TIME: |

YOU ARE COMMANDED to appear at the place, date, and time specified below to testify at the taking of a deposition in the above case.

| | |
|---------------------|---------------|
| PLACE OF DEPOSITION | DATE AND TIME |
|---------------------|---------------|

YOU ARE COMMANDED to produce and permit inspection and copying of the following documents or objects at the place, date, and time specified below (list documents or objects): SEE "SCHEDULE A" ATTACHED HERETO

| | |
|--|--|
| PLACE U.S. Attorney's Office - WDNC Suite 1700, Carillon Building 227 West Trade Street Charlotte, NC 28202 | DATE AND TIME September 23, 2004, 10:00 a.m. |
|--|--|

YOU ARE COMMANDED to produce and permit inspection of the following premises at the date and time specified below.

| | |
|----------|---------------|
| PREMISES | DATE AND TIME |
|----------|---------------|

Any organization not a party to this suit that is subpoenaed for the taking of a deposition shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth, for each person designated, the matters on which the person will testify. Federal Rules of Civil Procedure, 30(b)(6).

| | |
|--|--------------|
| Issuing Officer Signature and Title (Indicate if attorney for Plaintiff or Defendant) <i>Elizabeth M Streit</i> Attorney for Plaintiff | Date: 9/9/04 |
| Issuing Officer's Name, Address, and Phone Number Elizabeth Streit, Lead Trial Attorney Commodity Futures Trading Commission 525 West Monroe Street, Suite 1100 Chicago, IL 60661 (312) 596-0537 | |

(See Rule 45, Federal Rules of Civil Procedure Parts C & D on Reverse)

AO 88 (Rev. 1/94) Subpoena in a Civil Case

PROOF OF SERVICE

SERVED: **Vernice Woltz** DATE: PLACE: **354 Burton Road, Advance, NC 27006**

SERVED ON (PRINT NAME): **VERNICE WOLTZ** MANNER OF SERVICE: **Process Server**

SERVED BY (PRINT NAME): TITLE:

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____

DATE

SIGNATURE OF SERVER

(c) PROTECTION OF PERSONS SUBJECT TO SUBPOENAS.

(1) A party or an attorney responsible for the issuance and service of a subpoena shall take reasonable steps to avoid imposing undue burden or expense on a person subject to that subpoena. The court on behalf of which the subpoena was issued shall enforce this duty and impose upon the party or attorney in breach of this duty an appropriate sanction which may include, but is not limited to, lost earnings and a reasonable attorney's fee.

(2)(A) A person commanded to produce and permit inspection and copying of designated books, papers, documents or tangible things or inspection of premises need not appear in person at the place of production or inspection unless commanded to appear for deposition, hearing or trial.

(2)(B) Subject to paragraph (d)(2) of this rule, a person commanded to produce and permit inspection and copying may, within 14 days after service of the subpoena or before the time specified for compliance if such time is less than 14 days after service, serve upon the party or attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials or of the premises. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials or inspect the premises except pursuant to an order of the court by which the subpoena was issued. If objection is made, the party serving the subpoena may, upon notice to the person commanded to produce, move at any time for an order to compel the production. Such an order to compel production shall protect any person who is not a party or an officer of a party from significant expense resulting from the inspection and copying commanded.

(3)(A) On timely motion, the court by which a subpoena was issued shall quash or modify the subpoena if it

(i) fails to allow reasonable time for compliance;

(ii) requires a person who is not a party or an officer of a party to travel to a place more than 100 miles from the place where that person resides, is employed or regularly transacts business in person, except that, subject to the provisions of clause (c)(3)(B)(iii) of this rule, such a person may in order to attend trial be commanded to travel from any such place within the state in which the trial is held, or

(iii) requires disclosure of privileged or other protected matter and no exception or waiver applies, or

(iv) subjects a person to undue burden.

(B) If a subpoena

(i) requires disclosure of a trade secret or other confidential research, development, or commercial information, or

(ii) requires disclosure of an unretained expert's opinion or information not describing specific events or occurrences in dispute and resulting from the expert's study made not at the request of any party, or

(iii) requires a person who is not a party or an officer of a party to incur substantial expense to travel more than 100 miles to attend trial, the court may, to protect a person subject to or affected by the subpoena, quash or modify the subpoena or, if the party in whose behalf the subpoena is issued shows a substantial need for the testimony or material that cannot be otherwise met without undue hardship and assures that the person to whom the subpoena is addressed will be reasonably compensated, the court may order appearance or production only upon specified conditions.

(d) DUTIES IN RESPONDING TO SUBPOENA.

(1) A person responding to a subpoena to produce documents shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the demand.

(2) When information subject to a subpoena is withheld on a claim that it is privileged or subject to protection as trial preparation materials, the claim shall be made expressly and shall be supported by a description of the nature of the documents, communications, or things not produced that is sufficient to enable the demanding party to contest the claim.

Attachment A to Subpoena
Issued to Vernice Woltz on September 9, 2004

Definitions and Instructions

A. The term "document" shall include, but not be limited to, any memorialization, whether in writing, in any mechanical or tape recording, or in a computer memory.

Documents to Be Produced

1. The computer back-up tape obtained from Jack Vernon Abernethy
2. For the listed individuals and entities:

Abernethy, Jack Vernon
Tech Traders, Inc.
Tech Traders, Ltd.
Magnum Investments
Magnum Capital Investments
Murray, Coyt E.
Murray, Coyt A.
Shimer, Robert
Firth, Vincent
Teague, Elaine

Any and all documents referencing, relating to or involving any of the names listed above including, but not limited to, correspondence, faxes, email, memoranda, invoices, statements, agreements, contracts, promotional materials, notes, and records evidencing transfers of money. Documents existing in electronic format may be produced in hard copy.

3. Any and all documents identifying beneficial interests in any funds invested, directly or indirectly by Sterling ACS, Ltd, Sterling Casualty & Insurance, Ltd., Sterling (Anguilla) Trust, Ltd. and/or Sterling Investment Management, Ltd, with Tech Traders, Inc., Tech Traders, Ltd. Magnum Investments, Magnum Capital Investments, New Century Trading, LLC or Shasta Capital Associates, LLC or in any accounts managed by any of these entities Documents existing in electronic format may be produced in hard copy.

RECORDS AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared _____
who, being by me duly sworn, deposed as follows:

My name is _____, I am over 21 years of age, of sound mind,
capable of making this affidavit, and personally acquainted with the facts herein stated.

Attached hereto is/are (_____) page(s) of records from my files. These records were
kept by me in the regular course of business; and, the memorandum or record was made at or
near the time of the act, event or condition recorded or reasonably soon thereafter. I certify that
the record(s) attached hereto is/are exact duplicates of the originals.

_____, Affiant

SWORN TO AND SUBSCRIBED before me this ___ day of _____, 2004.

Notary Public, State of North Carolina

ATTACHMENT 8



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

September 15, 2004

Via Facsimile: (914) 285-9855

Followed by U.S. Mail

Mr. Martin P. Russo

Kurzman, Eisenberg, Corbin, Lever & Goodman, LLP

One North Broadway

White Plains, NY 10601

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)
Subpoenas Duces Tecum to Vernice Woltz and Walter Hannen Dated 9/9/04**

Dear Mr. Russo:

Our process server was unable to serve Vernice Woltz today. Howell Woltz told her that Vernice Woltz is out of the country for three weeks. As you know, we are most concerned with getting that backup tape that belongs to J. Vernon Abernethy, although we of course want the other documents covered by our subpoenas. From my conversations with you, I know the Woltz's are aware of what the Commission has subpoenaed. Therefore, please let me know as soon as possible whether you will accept service of the September 9 subpoenas on Ms. Woltz and Mr. Hannen. If we need to keep spending time and money attempting personal services of these subpoenas, it is going to unnecessarily delay this case

Sincerely,

Elizabeth M. Streit

Lead Trial Attorney

cc: Scott R. Williamson

ATTACHMENT 9

COMMODITY FUTURES

| | DATE | TIME | TO/FROM | MODE | MIN/SEC | PGS | JOB# | STATUS |
|----|-------|-------|--------------|-------|---------|-----|------|--------|
| 23 | 09/17 | 16:34 | 919142859855 | EC--S | 00'14" | 002 | 077 | OK |



U.S. COMMODITY FUTURES TRADING COMMISSION
 525 West Monroe Street
 Suite 1100
 Chicago, Illinois 60661
 Telephone: (312) 596-0700

Facsimile

| | | | |
|---------------|---|---------------|---|
| To: | Martin P. Russo Kurzman Eisenberg Corbin Lever & Goodman, LLP | From: | Elizabeth Streit Lead Trial Attorney |
| Fax: | 914-285-9855 | Phone: | 312-596-0537 |
| Phone: | | Pages: | 2 (Including Cover) |
| Re: | U.S.CFTC v. Equity Financial Group, et al | Date: | September 17, 2004 |

Urgent For Review Please Comment Please Reply

Comments:



U.S. COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street
Suite 1100
Chicago, Illinois 60661
Telephone: (312) 596-0700

Facsimile

To: Martin P. Russo
Kurzman Eisenberg Corbin Lever
& Goodman, LLP

From: Elizabeth Streit
Lead Trial Attorney

Fax: 914-285-9855

Phone: 312-596-0537

Phone:

Pages: 2 (Including Cover)

Re: U.S.CFTC v. Equity Financial
Group, et al

Date: September 17, 2004

Urgent

For Review

Please Comment

Please Reply

Comments:



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

September 15, 2004

Via Facsimile: (914) 285-9855

Followed by U.S. Mail

Mr. Martin P. Russo

Kurzman, Eisenberg, Corbin, Lever & Goodman, LLP

One North Broadway

White Plains, NY 10601

**Re: U.S. CFTC v. Equity Financial Group, et al. Case No: 04-CV-1512 (D.N.J.)
Subpoenas Duces Tecum to Vernice Woltz and Walter Hannen Dated 9/9/04**

Dear Mr. Russo:

I have not received a response from you to my letter of September 15 concerning whether you will accept service of the September 9 subpoenas on Vernice Woltz and Walter Hannen. Please let me know as soon as possible if I have to keep sending out process servers although you and your clients are well aware of our requests for documents. In that regard, I have the further descriptive information you requested on the backup tape that Walter Hannen took from defendant J. Vernon Abernethy. The tape is described as a "Colorado tape backup." It was probably manufactured by "Travan Technologies." It is referred to as an "hptravan 20GB data cartridge C4435A. It is 9 centimeters wide, 1 ½ centimeters deep and 7 centimeters long. The width tapers to 8 centimeters at the taping head. There is a red shift-tab that allows for "locking" or "unlocking." I trust this very detailed description to sufficient to enable your clients to locate the tape. Please let me know when I can expect to receive it.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth M. Streit".

Elizabeth M. Streit
Lead Trial Attorney

cc: Scott R. Williamson

ATTACHMENT 10

KURZMAN EISENBERG CORBIN LEVER & GOODMAN, LLP

ATTORNEYS AT LAW

675 THIRD AVENUE 18TH FLOOR
NEW YORK, NY 10017
(212) 661-2150

OTHER LOCATIONS:
FORT LAUDERDALE, FLORIDA
LONDON, ENGLAND
GENEVA, SWITZERLAND

ONE NORTH BROADWAY
WHITE PLAINS, NEW YORK 10601

TEL: (914) 285-9800
FAX: (914) 285-9855

MARTIN P. RUSSO, P.C.
Partner
mrusso@kelaw.com

September 29, 2004

By FedEx

Elizabeth Streit
Lead Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 110
Chicago IL 60661

Re: CFTC v. Equity Financial Group, LLC et al..Civil Action No. 04-1512 (RBK)

Dear Ms. Streit:

Enclosed please find documents bearing the Bates stamp numbers STERLING 00001 through STERLING 00463 which voluntarily are being produced to assist the CFTC with its investigation. We are informed that the original of these documents belonged to Vernon Abernethy and were copied to a representative of the Sterling Group of Companies after the CFTC filed its lawsuit. Based upon our review, we believe that these documents will, among other things, aid the CFTC in identifying numerous relief defendants (e.g., Quest for Life, F.D., Mike Pruitt, Avenal, Brad R. Ormand Trust, Habitation, Fitz, Dream Venture, Karum Corp., SWS World Concepts, Shadetree, Edgar, Bally, ICC, Snyder, Strickland, A.V., and Jerry Pettus).

I also write to address your request that Venice Woltz and Walter Hannen consent to service of subpoenas in the above-referenced case. When we initially discussed the possibility of accepting service, your subpoena was very different than the one you are now trying to serve. In its current form, the subpoena seeks to compel my clients to produce information and documents in violation of Bahamian and Anguillan law. As I previously have explained to you, the act of producing such information would be the equivalent of a felony under the laws of those foreign jurisdictions (where both my clients work), and are punishable by fines up to \$500,000 and imprisonment for as many

Elizabeth Streit, Esq.
September 29, 2004
Page 2

as 10 years for each violation. My clients can not and do not consent to service under such circumstances. Please note, however, that they would be willing consider consenting to a subpoena that respects the laws of the foreign countries in which they work.

I am informed that my clients have not yet been able to identify the computer back-up tape you seek. While your description was helpful, it apparently could only narrow their search to a large number of tapes. Since it is possible that none of the tapes relate to Vernon Abernathy, further investigation must be made. I understand that my clients are in the process of locating a service that can read the tapes and will further attempt to identify the one you seek. In the interim, it would be helpful if you can provide the label information (i.e., what did Mr. Abernathy allegedly write on the label?). If the tape is identified and it contains matters relating to Tech Traders, it voluntarily will be produced.

Finally, please return the Sterling computer which Mr. Abernathy turned over to the government. You have had more than sufficient time to copy the hard drives and the computer rightfully belongs to Sterling Casualty & Insurance, Ltd. At this time the company is missing numerous corporate records which we believe are stored in electronic form on the computer.

Thank you for you prompt attention.

Sincerely,



Martin P. Russo

Enclosures

cc: Stephen T. Bobo, Esq.
Vernice Woltz (without enclosures)
Walter Hannen (without enclosures)

ATTACHMENT 11



COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street, Suite 1100, Chicago, IL 60661

TEL. 312-596-0700

FAX. 312-596-0714

DIVISION of
ENFORCEMENT

October 4, 2004

Via Facsimile: (914) 285-9855

Followed by U.S. Mail

Mr. Martin P. Russo

Kurzman, Eisenberg, Corbin, Lever & Goodman, LLP

One North Broadway

White Plains, NY 10601

Re: **U.S. CFTC v. Equity Financial Group, et al. Case No. 04-CV-1512 (D.N.J.)**
Subpoenas Duces Tecum to Vernice Woltz and Walter Hannen Dated 9/9/04

Dear Mr. Russo:

I am in receipt of your letter dated September 29, 2004. If your clients have objections to the subpoena dated September 9, the proper response is to object to the portion of the subpoenas that they find objectionable, not to continue to refuse service of a subpoena they have actual notice of. Your client professes to be cooperating with us in this case, but I have seen little evidence of that to date. If you actually want to expedite the discovery and eventual resolution of this case, I suggest that your clients respond to the subpoena, objecting to those parts of it that they do not believe they have to respond to under the Federal Rules of Civil Procedure. In doing so, please cite the provisions of foreign law that you believe prohibit them from responding to the subpoena.

I have given you quite a detailed description of Vernon Abernethy's backup tape. He did not write anything on the label. Nonetheless, the detailed description is more than adequate to enable location of the tape. Please return it as soon as possible.

The laptop computer held by Mr. Abernethy was only very recently removed. It is at the Chicago Regional Computer Forensics Lab now and will be returned as soon as they have completed their work on it.

Sincerely,

Elizabeth M. Streit
Lead Trial Attorney

cc: Scott R. Williamson

ATTACHMENT 11

ATTACHMENT 12

KURZMAN EISENBERG CORBIN LEVER & GOODMAN, LLP

ATTORNEYS AT LAW

675 THIRD AVENUE 18TH FLOOR
NEW YORK, NY 10017
(212) 661-2150ONE NORTH BROADWAY
WHITE PLAINS, NEW YORK 10601TEL: (914) 285-9800
FAX: (914) 285-9855MARTIN P. RUSSO, P.C.
Partner
mrusso@kelaw.comOTHER LOCATIONS:
PORT LAUDERDALE, FLORIDA
LONDON, ENGLAND
GENEVA, SWITZERLAND

October 11, 2004

By Facsimile and U.S. MailElizabeth Streit, Esq.
Lead Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 110
Chicago IL 60661Re: CFTC v. Equity Financial Group, LLC et al., Civil Action No. 04-1512 (RBK)

Dear Ms. Streit:

We received your letter dated October 4, 2004. Unfortunately, it does nothing to advance your espoused "common" goal of returning funds to the victims of Tech Traders' fraud. The Federal Rules of Civil Procedure require that the CFTC (as a party) serve a subpoena before a non-party is required to object. You admit that the CFTC never has served a subpoena on my non-party clients (Ms. Woltz and Mr. Hannen) and, consequently, they have no obligation to respond. Your suggestion that the "proper" practice would be to advise my clients to consent to service of the subpoena with the intention of later filing an objection is rejected inasmuch as it would not be good advice. As you are aware, the subpoena at issue seeks information that only can be provided in violation of foreign laws at the risk of criminal penalties.

When the Sterling Group of Companies (the "Sterling Group") sought to intervene in the above-referenced action, the CFTC opposed the motion and the Court denied it. You have not named any company within the Sterling Group as a defendant. Put simply, you have chosen not to make the Sterling Group a party. If you agree to limit the subpoena to areas that properly are the subject of the above-referenced action, and which would not expose my clients to prosecution by foreign governments, they will consider consenting to service. If not, I suggest you follow your own advice and adhere to the Federal Rules of Civil Procedures.

ATTACHMENT 12

KURZMAN EISENBERG CORBIN LEVER & GOODMAN, LLP

Elizabeth Streit, Esq.
October 11, 2004
Page 2

As for my clients' cooperation, your letter fails to mention that last week the Sterling Group voluntarily produced hundreds of pages of documents containing information which might assist the CFTC in identifying relief defendants. Also conspicuously absent from your letter is any reference to the plethora of documents voluntarily provided by the Sterling Group in April of 2004. You should not permit the frustration caused by your lack of facility with the Federal Rules of Civil Procedure to cloud your judgment as to the level of Sterling Group's cooperation - especially since they remain the largest victim of the fraud you claim to be investigating. I suggest you work with us to get the information my clients legally can provide.

Thank you for your anticipated cooperation.

Sincerely,



Martin P. Russo

cc: Stephen T. Bobo, Esq.
Howell Woltz
Warren Faulk, Esq.

ATTACHMENT 13

Streit, Elizabeth M.

From: [REDACTED]
Sent: Wednesday, October 13, 2004 3:17 PM
To: estreit@cftc.gov
Subject: FW: Woltz's email which I was forwarded

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, October 13, 2004 2:00 PM
To: [REDACTED]
Subject: Woltz's email which I was forwarded

"Dear Friends & Associates,

Please be advised that Vernice and I have listed the farm in North Carolina for sale, and will be moving to Nassau. We planned to do so a few years ago, but the kids "revolted". We're weary of "commuting", and now that they all are off to school except our "little" one, we're going to make the move. We've been approved for permanent residence, and have located a house.

We have some prospects on our property already, and will be deleting our U.S. numbers at that time (probably within a few weeks).

The contact information for our office in Nassau is :

Sterling ACS, Ltd. T. 242.325.7573
Ground Floor, British American House F. 242.325.8030
Marlborough & Navy Lyon Road
Nassau, Bahamas

or P.O. Box CR-56766, Suite #1202

My cell phone is 242.525.0339

E-mail remains the same: hwoltz@sterlinggroup.bs
vwoltz@sterlinggroup.bs

We hope to better serve your needs by being on site in the office.

Best regards,

Howell W. Woltz, TEP"

[REDACTED]
[REDACTED]

10/18/2004

ATTACHMENT 13