

Matthew H. Adler (MA-4720)
Jeffrey A. Carr (JC-1130)
Pepper Hamilton LLP
300 Alexander Park
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Tel: (609) 452-0808

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEW JERSEY**

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

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

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

Motion Date: July 16, 2004

NOTICE OF MOTION

TO: SEE ATTACHED SERVICE LIST

PLEASE TAKE NOTICE that on July 16, 2004 at 1:30 p.m., or as soon thereafter counsel may be heard, I shall appear before the Honorable Robert B. Kugler, or such other Judge as may be sitting in his place and stead, in the Courtroom usually occupied by him in the Mitchell H. Cohen Federal Building, 400 Cooper Street, Camden, New Jersey and then and there present the **Motion of Temporary Equity Receiver to Approve Investor Claim Process**, copies of which are hereby served upon you. Any response or objection regarding the motion shall be filed and served on or before July 6, 2004.

Dated: June 18, 2004

Respectfully submitted,

STEPHEN T. BOBO, Temporary Equity
Receiver

By: 
One of his attorneys

Stephen T. Bobo
Bina Sanghavi
Raven Moore
Sachnoff & Weaver, Ltd.
30 South Wacker Drive, Suite 2900
Chicago, IL 60606
(312) 207-1000

Matthew H. Adler
Jeffrey A. Carr
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300 Alexander Park
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Princeton, NJ 08543-5276
Tel: (609) 452-0808
Fax: (609) 452-1147

CERTIFICATE OF SERVICE

I, Jeffrey A. Carr, on oath hereby certifies that I caused copies of the foregoing **Notice of Motion of the Temporary Equity Receiver to Approve the Investor Claim Process** and the **Motion of Temporary Equity Receiver to Approve the Investor Claim Process**, to be served upon:

Elizabeth M. Streit, Lead Trial Attorney
Scott R. Williamson, Deputy Regional Counsel
Rosemary Hollinger, Regional Counsel
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
Chicago, IL 60661
Fax: (312) 596-0537

Paul Blaine
Assistant United States Attorney for the
District of New Jersey
Camden Federal Building & U.S. Courthouse
401 Market Street, 4th Floor
Camden, NJ 08101
Fax: (856) 757-5412

Samuel F. Abernethy
Menaker & Herrmann LLP
10 East 40th Street
New York, NY 10016-0301
Fax: (212) 545-1656

Melvyn J. Falis
Gusrae, Kaplan & Bruno PLLC
120 Wall Street
New York, NY 10005
Fax: (212) 809-5449

by facsimile transmission on this _____ day of June, 2004.

Jeffrey A. Carr

Matthew H. Adler (MA-4720)
Jeffrey A. Carr (JC-1130)
Pepper Hamilton LLP
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Princeton, NJ 08543-5276
Tel: (609) 452-0808

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEW JERSEY**

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

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

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

Motion Date: July 16, 2004

**MOTION OF TEMPORARY EQUITY RECEIVER
TO APPROVE INVESTOR CLAIM PROCESS**

Stephen T. Bobo, Temporary Equity Receiver (the "Receiver") of Defendants, Equity Financial Group, LLC, Tech Traders, Inc., Vincent J. Firth, and Robert W. Shimer, by his attorneys, requests that the Court enter an order approving a claim process for the various investors with the Defendants. In support of this motion, the Receiver states:

1. By prior order of this Court, the Receiver is directed to gather and review the facts concerning the investors' participation with the Defendants and to develop a proposed plan for distributing the receivership assets.

2. The Receiver believes that a critical part of this fact-gathering includes requiring investors to submit sworn claim forms and documentary proof of all funds invested with and

received from the Defendants. This process is important for several different reasons. First, the accuracy and completeness of the Defendants' records are unproven and the Receiver believes that prudence requires corroboration through information from the investors. Second, it is important to establish the amount and source of the actual cash that flowed into and out of each investor's account in order to ensure an equitable distribution. Third, verifying total receipts and disbursements will help ensure that all of the Defendants' own accounts relating to investor funds at banks and brokerage firms are known and included in the Receiver's overall accounting. Finally, this information will assist the Receiver in determining how the Defendants disbursed funds relating to their investment activities.

3. The Receiver also believes that it is important to understand the identities of the beneficial owners of the investments made with the Defendants. As the evidence presented to date has indicated, some of the accounts maintained with the Defendants are themselves joint or pooled accounts. Others appear to be trust or other custodial arrangements. The Receiver is concerned that certain investors could have already received back all of their investments plus profits in one type of account with the Defendants but still have substantial balances in other types of accounts. It may also be that a person involved with the Defendants' activities has an equitable interest through a pooled account or an account listed in the name of another person. The Receiver may consider the beneficiaries of all such accounts when determining the amounts invested and received by each investor and formulating and proposing an equitable plan of distribution.

4. The Receiver has prepared proposed claim forms to be distributed to all investors who may have invested funds in or with the Defendants: (i) through Shasta Capital Associates, LLC, (ii) through New Century Trading, LLC, (another pool apparently operated by Defendants

Shimer and Firth which placed its investors' funds with Tech Traders) and (iii) directly with Tech Traders. This last category includes the Sterling-related entities. Copies of the proposed claim forms are attached hereto as Exhibit A.

5. The Receiver intends to distribute the claim forms to the respective groups of investors with an accompanying letter explaining the overall status of this case and, in particular, the investor claim process. A copy of the proposed letter is attached hereto as Exhibit B.

6. To participate in the claim process, the Receiver recommends that all investors be required to complete and return the claim form within thirty (30) days from the date of sending out the claim forms. Investors must also submit copies of documents showing all funds invested with and received back from Defendants. Any investor who fails to return a completed claim form and the supporting documentation within this time period should be barred from participating in the distribution of the receivership assets unless the investor can demonstrate good cause for the delay, the exercise of all reasonable diligence in submitting the information at the earliest possible date thereafter, and absence of prejudice to the receivership estate.

7. It may be necessary for the Receiver to send out a supplemental round of claim forms to learn of or confirm the identities of the beneficial owners of joint, trust, pooled or similar accounts with the Defendants.

8. Following receipt and review of the claim information, the Receiver intends to propose a plan of distribution upon notice to all investors. The Receiver recommends that the Court require that any objections to the proposed distribution plan must be placed in writing, filed with this Court, and served upon the Receiver and the parties in the case no later than seven (7) days before the hearing date.

9. The Receiver respectfully requests that the Court authorize the Receiver to distribute claim forms to all investors who may have invested funds with the Defendants through Shasta Capital Associates, LLC, through New Century Trading, LLC, and directly with Tech Traders and to approve the claims process described above.

WHEREFORE, the Receiver requests entry of an order granting the relief set forth herein.

DATED: June 18, 2004

Respectfully submitted,

STEPHEN T. BOBO
Temporary Equity Receiver

By: Raven Moore
One of his attorneys

Stephen T. Bobo
Bina Sanghavi
Raven Moore
Sachnoff & Weaver, Ltd.
30 South Wacker Drive, Suite 2900
Chicago, IL 60606
(312) 207-1000

Matthew H. Adler
Jeffrey A. Carr
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Exhibit A

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEW JERSEY**

**COMMODITY FUTURES TRADING)
COMMISSION,)
)
Plaintiff,)
)
vs.)
)
**EQUITY FINANCIAL GROUP, LLC,)
TECH TRADERS, INC., VINCENT J.)
FIRTH, and ROBERT W. SHIMER,)
)
Defendants.)****

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

CLAIM FORM FOR INVESTORS IN SHASTA CAPITAL ASSOCIATES, LLC

Please complete the following statements, make any changes necessary to ensure accuracy, sign and return it to the address shown on the bottom of this form.

1. I invested funds for commodity trading with the Shasta Capital Associates, LLC (“Shasta”) commodity pool operated by Equity Financial Group, LLC.

2. My interest in Shasta is recorded under the following account name and account number, if available: _____.

3. I originally learned about Shasta from _____ and was solicited to invest in Shasta by _____.

4. According to the most recent information provided to me as of _____ (date), I understand that the amount of the account balance shown for my interest in Shasta is \$_____.

5. I received information regarding the amount of my equity in Shasta from:
_____.

8. Check and complete all statements below that are accurate:

- _____ a. No other person has an interest of any kind in my investment in Shasta;
- _____ b. The following persons have a share of my investment in Shasta (list such persons' names and addresses): _____

_____;
- _____ c. I act as trustee or representative of one or more other persons who hold a beneficial interest in my investment in Shasta (list names and addresses of all persons holding such beneficial interests):

_____;
- _____ d. I am a representative or agent of the following entity which invested funds in Shasta (list name and address of entity and your relationship to the entity): _____
_____.

9. I have enclosed with this form copies of all available statements received regarding my participation in Shasta.

10. I have also enclosed with this form copies of all checks, wire transfer advices and all other records of transfer relating to the funds deposited in or withdrawn from Shasta.

11. I have enclosed copies of all other documents in my possession or control in connection with my investment in Shasta, including correspondence, e-mails, K-1 or other tax forms, subscription agreements, independent verification agreements, and private placement memoranda.

12. I am aware of the following persons who also had an investment in Shasta (list names and addresses of such persons):

I aver and affirm that the above information is true and correct under penalty of perjury.

Signature

Name: _____
(Please type or print)

Address: _____

State of _____

Home Phone: _____

County of _____

Daytime Phone: _____

Subscribed to before me
this ____ day of _____,
2004.

Fax: _____

Email Address: _____

Notary Public

Please return to:

Cheryl Baran
Sachnoff & Weaver, Ltd.
30 South Wacker Drive
Suite 2900
Chicago, Illinois 60606

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEW JERSEY**

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

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

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

CLAIM FORM FOR INVESTORS IN NEW CENTURY TRADING LLC

Please complete the following statements, make any changes necessary to ensure accuracy, sign and return it to the address shown on the bottom of this form.

1. I invested funds for commodity trading with the New Century Trading LLC (“New Century”) commodity pool operated by _____.

2. My interest in New Century is recorded under the following account name and account number, if available: _____.

3. I originally learned about New Century from _____ and was solicited to invest in New Century by _____.

4. According to the most recent information provided to me as of _____ (date), I understand that the amount of the account balance shown for my interest in New Century is \$_____.

5. I received information regarding the amount of my equity in New Century from :
_____.

8. Check and complete all statements below that are accurate:

- _____ a. No other person has an interest of any kind in my investment in New Century;
- _____ b. The following persons have a share of my investment in New Century (list such persons' names and addresses): _____

_____;
- _____ c. I act as trustee or representative of one or more other persons who hold a beneficial interest in my investment in New Century (list names and addresses of all persons holding such beneficial interests): _____

_____;
- _____ d. I am a representative or agent of the following entity which invested funds in New Century (list name and address of entity and your relationship to the entity): _____

9. I have enclosed with this form copies of all available statements received regarding my participation in New Century.

10. I have also enclosed with this form copies of all checks, wire transfer advices and all other records of transfer relating to the funds deposited in or withdrawn from New Century.

11. I have enclosed copies of all other documents in my possession or control in connection with my investment in New Century, including correspondence, e-mails, K-1 or other tax forms, subscription agreements, independent verification agreements, and private placement memoranda.

12. I am aware of the following persons who also had an investment in New Century
(list names and addresses of such persons):

I aver and affirm that the above information is true and correct under penalty of perjury.

Signature

Name: _____
(Please type or print)

Address: _____

State of _____

Home Phone: _____

County of _____

Daytime Phone: _____

Subscribed to before me
this ____ day of _____,
2004.

Fax: _____

Email Address: _____

Notary Public

Please return to:

Cheryl Baran
Sachnoff & Weaver, Ltd.
30 South Wacker Drive
Suite 2900
Chicago, Illinois 60606

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEW JERSEY**

**COMMODITY FUTURES TRADING)
COMMISSION,)
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Plaintiff,)
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EQUITY FINANCIAL GROUP, LLC,)
TECH TRADERS, INC., VINCENT J.)
FIRTH, and ROBERT W. SHIMER,)
)
Defendants.)**

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

**CLAIM FORM FOR INVESTORS
WITH TECH TRADERS**

Please complete the following statements, make any changes necessary to ensure accuracy, sign and return it to the address shown on the bottom of this form.

1. I invested funds for commodity trading with Tech Traders, Ltd. or Tech Traders, Inc. ("Tech Traders").
2. My investment with Tech Traders is recorded under the following account name and account number, if available: _____.
3. I originally learned about Tech Traders from _____ and was solicited to invest in Tech Traders by _____.
4. According to the most recent information provided to me as of _____ (date), I understand that the amount of the account balance shown for my interest in Tech Traders is \$_____.
5. I received information regarding the amount of my equity with Tech Traders from: _____.

8. Check and complete all statements below that are accurate:

_____ a. No other person has an interest of any kind in my investment with Tech Traders;

_____ b. The following persons have a share of my investment with Tech Traders (list such persons names and addresses): _____

_____;

_____ c. I act as trustee or representative of one or more other persons who hold a beneficial interest in my investment with Tech Traders (list names and addresses of all persons holding such beneficial interests): _____

_____;

_____ d. I am a representative or agent of the following entity which invested funds with Tech Traders (list name and address of entity and your relationship to the entity): _____

_____.

9. I have enclosed with this form copies of all available statements received regarding my investment with Tech Traders.

10. I have also enclosed with this form copies of all checks, wire transfer advices and all other records of transfer relating to the funds deposited in or withdrawn from Tech Traders.

11. I have enclosed copies of all other documents in my possession or control in connection with my investment with Tech Traders, including correspondence, e-mails, K-1 or other tax forms, subscription agreements, independent verification agreements, and private placement memoranda.

12. I am aware of the following persons who also had an investment with Tech Traders (list names and addresses of such persons):

I aver and affirm that the above information is true and correct under penalty of perjury.

Signature

Name: _____
(Please type or print)

Address: _____

State of _____

Home Phone: _____

County of _____

Daytime Phone: _____

Subscribed to before me
this ____ day of _____,
2004.

Fax: _____

Email Address: _____

Notary Public

Please return to:

Cheryl Baran
Sachnoff & Weaver, Ltd.
30 South Wacker Drive
Suite 2900
Chicago, Illinois 60606

Exhibit B

Stephen T. Bobo
sbobo@sachnoff.com

Investors

**Re: Commodity Futures Trading Commission v.
Equity Financial Group LLC, et al.
District of New Jersey : Case No. 04 CV 1512**

Dear Investor:

I am serving as the court-appointed Temporary Equity Receiver for defendants Equity Financial Group LLC, Tech Traders, Inc., Vincent Firth and Robert Shimer (the "Defendants") in the above-captioned case recently filed in the United States District Court for the District of New Jersey. The records of the Defendants indicate that you may have invested funds with one or more of them through [name of entity].

As you may be aware, the CFTC has alleged that the commodity trading investments operated by the Defendants were unlawful. Based on the evidence available, the court froze the activities and funds of the Defendants. The frozen funds amount to approximately \$20 million. The court has directed me to gather and review the facts concerning each investor's participation with the Defendants and develop a proposed plan for distributing the frozen funds.

On July ___, 2004, the court entered an order requiring all investors to complete and return the enclosed claim form within 30 days from the date of this letter. The claim form must be accompanied by copies of the documents showing all funds invested with and received back from the Defendants. Should you fail to return the completed form in a timely fashion, you may be barred from participating in the distribution of the funds that are frozen. If you invested with any of the Defendants in more than one way or through more than one account, please make a copy of the claim form and complete one for each account in which you have an interest.

Once the information requested on the claim forms has been received and reviewed, I will be formulating a proposal for distributing funds back to the investors. The court will ultimately have to determine whether to accept this proposal. I would appreciate your assistance in providing all of the information requested in a timely fashion so that we can move forward towards making an interim distribution of funds.

Investors

Page 2

If you have any questions regarding the claim form, please contact Ms. Raven Moore, one of my attorneys. Ms. Moore's e-mail address is rmoore@sachnoff.com, her phone number is (312) 207-6457 and her fax number is (312) 207-6400.

Very truly yours,

Stephen T. Bobo
Temporary Equity Receiver

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF NEW JERSEY**

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

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

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

ORDER

This matter coming to be heard on the Motion of Stephen T. Bobo, Temporary Equity Receiver (the “Receiver”), to Approve Investor Claim Process and the Court having considered the contents of the motion and the evidence previously presented in this matter, and being fully advised in the premises,

IT IS HEREBY ORDERED THAT:

1. The Receiver is authorized and directed to distribute the claim forms and accompanying letter in the form attached hereto to all investors who may have invested funds with one or more of the Defendants through Shasta Capital Associates, LLC, through New Century Trading, LLC, and directly with Tech Traders.
2. In order to submit a valid claim to the funds held by the Receiver, investors must identify to the Receiver the nature and extent of their interest in the receivership assets, as well the identity of all persons having a beneficial interest of any kind in their account with the Defendants.
3. To participate in the claim process, investors must complete and return the claim form to the Receiver within thirty (30) days from the date of mailing out of the claim forms. Investors must also submit to the Receiver copies of the documents showing all funds invested with and received back from Defendants. Investors who fail to return these forms and the supporting documentation within this time

period will be barred from participating in the distribution of the receivership assets unless they can demonstrate to this Court good cause for the delay, all reasonable diligence in submitting the information at the earliest possible date thereafter, and absence of any prejudice to the receivership estate.

4. The Receiver will propose a plan of distribution to the Court upon notice to all investors. Any objections to the proposed distribution plan must be placed in writing, filed with this Court, and served upon the Receiver and the parties in the case no later than seven (7) days before the scheduled hearing on the proposed plan of distribution.

DATED: July ____, 2004

BY THE COURT

United States District Judge