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

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

**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)**

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

Hearing Date: August 4, 2006

**REPLY BRIEF IN SUPPORT OF EQUITY RECEIVER’S
MOTION TO COMPEL VINCENT FIRTH TO PRODUCE TAX RETURNS**

For his reply to Mr. Firth’s response to his motion to compel, Stephen T. Bobo, as Equity Receiver (the “Receiver”) for Mr. Firth, states:

- Mr. Firth’s opposition fails even to address the Receiver’s legitimate reasons for requesting his 2004 and 2005 income tax returns let alone undermine those reasons.
- Instead, apparently forgetting that he *consented* to an Order of Preliminary Injunction on June 24, 2004, Mr. Firth stridently argues that he bears no responsibility for the fraud and misappropriation of funds that are at the heart of this case. Pointing the

finger at others who, according to him, do bear that responsibility, Mr. Firth insists he should not be under receivership.

- But the fact remains that Mr. Firth *is* under receivership. Mr. Firth’s response thus suffers from what Senior Judge Aldisert of the Third Circuit Court of Appeals calls “the fallacy of irrelevance” – “an argument asserted to establish a particular conclusion, that logically leads to a different conclusion or no conclusion at all.” Ruggero J. Aldisert. *Logic for Lawyers A Guide to Clear Legal Thinking* 169-170 (1989). In short, Mr. Firth *is* under receivership and the Receiver is entitled to information regarding his assets and liabilities from the inception of the receivership to the present.
- To enable him to fulfill his receivership duties, the Receiver simply needs information that will provide a sufficiently detailed understanding and verification of Mr. Firth’s financial condition, including any potential federal tax liability and ability to make restitution to defrauded investors. Mr. Firth also apparently fails to understand that the Receiver’s duties are neither circumscribed by the substance *nor* the time period of the CFTC’s allegations. His pleas of innocence regarding the CFTC’s allegations have nothing to do with the tax returns at issue. If he truly is innocent, he should have nothing to hide from the Receiver.
- As with Mr. Shimer’s tax returns, the Receiver, moreover, is sensitive to Mr. Firth’s privacy concerns and has agreed – with the CFTC’s cooperation – to treat the returns with appropriate confidentiality. See Receiver’s affidavit, attached as Ex. A to his Motion to Compel, ¶ 15.

CONCLUSION

For the foregoing reasons, the Court should grant the Receiver's motion to compel Mr. Firth to produce his 2004 and 2005 income tax returns.

DATED: July 20, 2006

Respectfully submitted,
STEPHEN T. BOBO
Equity Receiver

By: s/ Jeffrey A. Carr
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