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

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

Civil Action No.: 04CV 1512

**EQUITY FINANCIAL GROUP, LLC,)
TECH TRADERS, INC., TECH)
TRADERS, LTD., MAGNUM)
CAPITAL INVESTMENTS, LTD.,)
MAGNUM INVESTMENTS, LTD.,)
VINCENT J. FIRTH, ROBERT W.)
SHIMER, COYT E. MURRAY, and J.)
VERNON ABERNETHY,)**

Honorable Robert B. Kugler

Defendants.)

**NINTH APPLICATION OF FGMK, LLC FOR
INTERIM COMPENSATION AND EXPENSE REIMBURSEMENT**

FGMK, LLC (“FGMK”), the accountants for Stephen T. Bobo as Equity Receiver (the “Receiver”) for Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Vincent J. Firth, and Robert W. Shimer, requests an award of interim compensation and expense reimbursement for services provided from October 1, 2006 through December 31, 2006. FGMK seeks interim compensation in the amount of \$1,342.00 and reimbursement of expenses in the amount of \$15.67.

BACKGROUND AND CASE STATUS

1. On April 1, 2004, the Commodity Futures Trading Commission (the “CFTC”) filed its Complaint and Motion for *Ex Parte* Statutory Restraining Order with the Court, seeking injunctive relief and civil monetary penalties against the Defendants Equity Financial Group, LLC, Tech Traders, Inc., Vincent J. Firth, and Robert W. Shimer. On the same day, the Court entered an order granting the CFTC’s motion for the restraining order and appointing Stephen T. Bobo as Temporary Equity Receiver for the Defendants and their assets.

2. In light of additional facts that emerged during its ongoing investigation, on August 12, 2004, the CFTC filed an Amended Complaint, naming five additional Defendants, including Coyt E. Murray, J. Vernon Abernethy, Tech Traders, Ltd., Magnum Investments, Ltd., and Magnum Capital Investments, Ltd. As of August 24, 2004, all named Defendants consented to the Court’s entry of a preliminary injunction. Under these preliminary injunction orders, the Court appointed Mr. Bobo as the Receiver for Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Equity Financial Group, LLC, Vincent Firth, and Robert Shimer (the “Receivership Defendants”).

3. With the Court’s approval, the Receiver continues to employ the accounting firm of FGМК, LLC (“FGМК”), located in Bannockburn, Illinois. From the inception of this engagement, FGМК has been charged with accounting for the Receivership Defendants’ receipt, use, and disposition of investor funds totaling over \$43 million.

4. During the fourth quarter of 2006, FGМК spent time dealing with tax issues involving Tech Traders and Shasta Capital Associates, LLC (“Shasta”), the pool managed by Defendant Equity Financial Group. In addition, Netrix, LLC, the computer consulting arm of FGМК, assisted the Receiver by serving as webhost for the Shasta Capital Associates, LLC (“Shasta”) website. The Receiver continues to use the website to communicate with individuals

who and entities that invested with the Receivership Defendants.

NATURE OF SERVICES RENDERED

5. From October 1, 2006 through December 31, 2006, FGMK has provided 3.40 hours of services as the Receiver's accountants and computer consultants. FGMK's services are divided into 2 categories:

- A. Addressing tax-related issues for Tech Traders and Equity Financial Group; and
- B. Providing technology-related services.

A copy of FGMK's statement of services is attached as Exhibit B to the Declaration of Stephen T. Bobo as Equity Receiver in Support of the Eleventh Applications for Interim Compensation and Expense Reimbursement of Equity Receiver, Reed Smith Sachnoff & Weaver, and Pepper Hamilton LLP, and the Ninth Application for Interim Compensation and Expense Reimbursement of FGMK, LLC.

6. In its April 1, 2004 Order, the Court directed all personnel hired by the Receiver to file fee applications on a quarterly basis. On January 19, 2007, FGMK filed its eighth fee application with the Court, requesting fees the amount of \$3,222.50 from the receivership estate for services rendered from April 1, 2006 through September 30, 2006. The Court has not yet ruled on FGMK's eighth fee application.

7. FGMK files this ninth fee application for professional services provided to the Receiver during fourth quarter of 2006.

A. Addressing the Receivership Defendants' Tax-Related Issues

8. FGMK seeks compensation for 3.4 hours of services working with and advising the Receiver to ensure that he complies with obligations to file tax returns for the Receivership Defendants. Specifically, FGMK prepared an analysis of income for the preparation of Tech Traders, Inc. and Equity Financial Group's tax returns. Based on this analysis, FGMK intends to

file the necessary tax returns for Tech Traders and Equity Financial Group during the first quarter of 2007.

B. Providing Technology-Related Services

9. During the fourth quarter of 2006, Netrix continued to provide computer support to the Receiver by serving as webhost for the Shasta website (located at <http://www.shastacapitalassociates.com>). In addition to monitoring the website, Netrix also renewed the website's domain name for the Receiver. (Netrix therefore is seeking reimbursement for this expense in the amount of \$15.67.) On a quarterly basis, Netrix charges the Receiver \$195.00 for these services.

THE REASONABLENESS OF THE COMPENSATION REQUESTED

10. At this stage in the case, the Receiver looks to FGМК to provide discrete professional services. For example, as discussed in Section A above, FGМК has assisted the Receiver with tax-related issues impacting select Receivership Defendants.

11. FGМК continues to seek compensation for its accountants and computer consultants at their customary hourly rates minus a 5 percent discount for this matter. During this quarter, only Mike Rakers, the principal accountant on this matter, provided services on an hourly basis. In particular, Rakers provided 3.4 hours of professional services at the discounted hourly rate of \$355.00. FGМК therefore requests compensation in the amount of \$1,207.00 for Raker's services.

12. The accountants and computer consultants of FGМК have kept time in tenths of an hour, or six-minute increments. In an effort to avoid charging for services that could be deemed excessive, duplicative or unnecessary, FGМК does not seek compensation for administrative or ministerial tasks.

13. Finally, along with the Receiver and his counsel, FGМК agreed to take on this

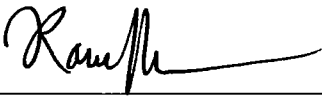
case with no assurance that funds would exist in the Receivership Defendants' estate to compensate FGМК for its professional services. FGМК does not hold a retainer for the services that its accountants continue to provide to the Receivership Defendants. Moreover, FGМК has acted in a prompt and efficient manner in assisting the Receiver in his administration of the estate. For these reasons, FGМК is deserving of the full amount of the compensation requested.

WHEREFORE, FGМК respectfully requests that this Court enter an order:

1. Allowing interim compensation in the amount of \$1,342.00 to FGМК for professional services provided and in the amount of \$15.67 for expenses incurred and advance from October 1, 2006 through December 31, 2006;
2. Authorizing the Receiver to pay FGМК the amount of \$1,342.00 in fees and \$15.67 in expenses from the receivership estate; and
3. Providing such further relief as may be appropriate in these circumstances.

Respectfully submitted,

STEPHEN T. BOBO,
Equity Receiver

By: 

One of his attorneys

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