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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**

**AFFIDAVIT OF STEPHEN T. BOBO REGARDING  
PROJECTED SIASTA RESTITUTION AMOUNT**

Stephen T. Bobo first being duly sworn, states as follows:

1. I have personal knowledge of the contents of this affidavit and I am competent to testify as to them.

2. I am serving as Equity Receiver for Defendants Equity Financial Group, LLC ("Equity"), Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Robert W. Shimer ("Shimer"), and Vincent J. Firth ("Firth"),

pursuant to the provisions of the initial restraining order entered on April 1, 2004 and the several consent preliminary injunction orders entered in this case. My responsibilities as Equity Receiver include taking control of those Defendants' assets frozen by the Court and determining how they should be distributed.

**General Background**

3. Together with my attorneys and accountants, I have spent considerable time investigating the financial affairs and investment activities of the Defendants. These efforts have included obtaining and reviewing the paper and electronic records of Equity, Shasta Capital Associates, LLC ("Shasta"), the Tech Traders and Magnum entities and Robert W. Shimer and Firth. My accountants have reviewed and summarized the records of nearly 50 bank and trading accounts used by the Defendants in their investment activities. I have interviewed numerous investors, as well as Defendants Coyt E. Murray ("Murray"), Shimer and J. Vernon Abernethy. I have also participated in the depositions taken in the case.

4. Based on the investigatory work done, I have obtained a general understanding of the financial affairs and investment activities of the Defendants.

**Tech Traders Entities**

5. In 2001, Murray formed Tech Traders, Inc. and began using it to pool the funds of other investors for trading commodity futures contracts.

6. The other Tech Traders entity, Tech Traders, Ltd., was established ostensibly to handle foreign transactions in Nassau, Bahamas. However, little or no actual business appears to have been done through that entity, and no financial records or trading accounts have been identified for Tech Traders, Ltd. Therefore, it appears that Tech Traders, Ltd. had no separate

economic existence. No distinction has been made between the two Tech Traders entities for purposes of distributing receivership funds to the investors.

7. A total of \$43,132,522 was invested with Tech Traders from April 12, 2001 through April 1, 2004.

8. The funds frozen in Tech Traders' bank and trading accounts as a result of the initial restraining order entered in this case totaled \$17,500,389.19<sup>1</sup>.

9. In 2005, the Court authorized me to make an interim distribution in which a total of \$9,194,291.20 of Tech Traders funds was to be paid to or reserved for Tech Traders' investors, including Shasta. At this time, \$7,094,289.40 of that amount has been disbursed to Tier 1 investors of Tech Traders<sup>2</sup>, and the remainder is being held subject to further order of the Court.

10. Based on the information now available, I project that Tech Traders will be able to make a final distribution of approximately \$8 million to its investors. The total amount of Tech Traders' investor claims that either have been allowed or whose allowance is pending is \$31,651,738.93. I project that the final Tech Traders distribution will be approximately 25 percent of the allowed claims of those investors, including Shasta. The actual amount of the final distribution will somewhat vary because the projection is based on various assumptions, including approval of the pending motion to approve the treatment of the claims of the Sterling Entities and their investors, projected future interest earnings, and estimates of allowed professional fees.

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<sup>1</sup> This amount of \$17,500,389.19 includes the amount of \$480,277 that Shasta wired to Tech Traders on the morning of April 2, 2004.

<sup>2</sup> The \$7,094,289.40 amount includes \$63,500 withheld from the distribution to Triple C Corporation and transferred to Shasta.

**Shasta And Its Dealings With Tech Traders**

11. Shasta began accepting investor funds at the beginning of 2002 and received a total of \$14,616,498.11 from outside investors through April 1, 2004<sup>3</sup>. Shasta also received \$150,400 primarily from a joint account maintained in the names of Robert and Alison Shimer and \$915.50 from other sources. It pooled the investor funds in an escrow account maintained by Shimer and from the amounts invested, Shasta typically deducted 1 percent for legal and accounting fees. Shasta transferred \$116,500 to its managing member Equity and used another \$13,642.50 to pay various expenses, including professional fees and bank charges. In addition, there was \$854,002.91 in Shasta's bank account when the initial restraining order was entered on April 1, 2004. Shasta sent the balance of the funds received to Tech Traders for commodity trading and did not place any of the funds received from its investors in any other investments.

12. Shasta transferred a total of \$13,883,381.20 to Tech Traders through April 1, 2004. For purposes of determining the distribution of the receivership funds, Shasta has an allowed claim against Tech Traders in that amount.

13. Through April 1, 2004, Shasta received withdrawals totaling \$1,613,858 from its account with Tech Traders and returned \$1,514,100 of that amount to its investors. This figure includes \$7,932 in fictitious profits paid to an investor. Net of those fictitious profits, Shasta returned \$1,506,168 of invested funds back to its investors through April 1, 2004.

14. Shasta's share of the interim distribution from the Tech Traders receivership estate was \$3,725,326.86. Most of this amount plus the funds in the receivership bank account for Shasta were distributed to holders of allowed claims against Shasta and the balance was reserved for holders of disputed claims against Shasta.

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<sup>3</sup> After April 1, 2004, Shasta continued to receive another \$497,000 of investor funds, for total overall investor funds received of \$15,113,498.11. Pursuant to authority of the court, the \$497,000 has been returned to the investors and is not part of the distribution calculations.

15. Shasta's share of a projected 25 percent final distribution from Tech Traders would be \$3,470,845.30. In addition to this amount, I estimate that Shasta will have other funds available to distribute to its investors totaling nearly \$850,000. This additional amount represents funds currently on deposit in the Shasta receivership account, additional interest earned, and the proceeds of the settlement with former accountant Elaine Teague. From these sources, I project that Shasta will have available a total of approximately \$4,318,000 with which to make a final distribution to its outside investors

16. With authority from the court, I caused an interim distribution to be made from Shasta funds to or for the benefit of Shasta investors, with total payments to date totaling \$4,248,426.80<sup>4</sup>. That amount plus the projected amount of \$4,318,000 available for disbursement to Shasta investors in the final distribution would result in Shasta investors recovering approximately \$8,566,426 of the funds they invested with Shasta. Adding this total to the \$1,506,168 amount that Shasta returned to its investors before April 1, 2004 would result in an aggregate recovery by Shasta investors of approximately \$10,072,594.80. This level of recovery would leave outside Shasta investors with a net shortfall of \$4,543,903.31 compared to the total amount of \$14,616,498.11 they invested.

17. The projected distribution discussed above is net of funds reserved for Shasta's share of receivership professional fees as determined by the Court plus the disputed claim of Alison Shimer. If that claim is disallowed, then the funds reserved for it will be made available for disbursement to outside investors.

18. The projected amount shown above for the final distribution to Shasta investors is merely an estimate based on the information known at this time. It will remain subject to

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<sup>4</sup> The total payment amount made to or for the benefit of Shasta investors includes the amounts transferred to Tech Traders in settlement of the objections to certain claims based on transfers that Tech Traders had previously made relating to Kaivalya Holding Group.

variance based on several factors, including the rulings of the Court on pending motions,  
interest earned on estate funds, and the costs of administration.

AFFIANT says nothing further

*Stephen T. Bobo*  
\_\_\_\_\_  
STEPHEN T. BOBO

SWORN TO AND SUBSCRIBED before me  
this 22nd day of August, 2007.

*Lynette M. Kimbrough*  
\_\_\_\_\_  
NOTARY PUBLIC

CHILIB-2100623.5 STBobo

