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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.)

**TENTH 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 for services provided from January 1, 2007 through March 31, 2007. In particular, FGMK seeks interim compensation in the amount of \$2,806.00.

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. Based on 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 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 first quarter of 2007, FGМК dealt with tax issues involving Shasta Capital Associates, LLC (“Shasta”), the pool managed by Defendant Equity Financial Group. In addition, Netrix, LLC (“Netrix”), the computer consulting arm of FGМК, assisted the Receiver by serving as webhost for the 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 January 1, 2007 through March 31, 2007, FGMK has provided 10.0 hours of services as the Receiver's accountants and computer consultants. FGMK's services during this quarter were limited to the following two categories:

- A. Addressing the Receivership Defendants' tax-related issues; 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 Twelfth Applications for Interim Compensation and Expense Reimbursement of Equity Receiver, Reed Smith Sachnoff & Weaver, and Pepper Hamilton LLP, and the Tenth 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 April 9, 2007, FGMK filed its ninth fee application with the Court, requesting fees the amount of \$1,147.00 from the receivership estate for services rendered from October 1, 2006 through December 31, 2006. The Court granted FGMK's ninth fee application on May 15, 2007.

7. FGMK files this tenth fee application for professional services provided to the Receiver during the first quarter of 2007.

A. Addressing the Receivership Defendants' Tax-Related Issues

8. FGMK seeks compensation for 8.0 hours of professional services preparing and filing Shasta's 2006 tax return. In addition, FGMK prepared and the Receiver distributed Schedule K-1s to Shasta investors. Finally, FGMK responded to various tax-related inquiries from Shasta and Universe investors.

B. Providing Technology-Related Services

9. During the first quarter of 2007, Netrix continued to provide computer support to the Receiver by serving as webhost for the Shasta website (located at <http://www.shastacapitalassociates.com>). In particular, Netrix spent two hours monitoring the website and changing the content to provide viewers with up-to-date information.

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, Mike Rakers, the principal accountant on this matter, and a junior-level accountant provided accounting services on an hourly basis. A Netrix computer consultant also provided services on an hourly basis. The following table summarizes the total time and fees sought for each accountant and computer specialist:

<u>Timekeeper</u>	<u>Practice Group</u>	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Compensation Requested</u>
Michael Rakers	FGМК	7.00	\$350.00-\$370.00	\$2,472.00
Shana Felman	FGМК	1.0	\$150.00	\$150.00
Webhosting	Netrix, LLC	2.00	\$165.00	+ \$330.00
				<u>\$2,952.00</u>
			5% discount	\$131.10
			Other discount	- \$14.90
			FEE TOTALS	\$2,806.00

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

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

1. Allowing interim compensation in the amount of \$2,806.00 to FGMK for professional services provided from January 1, 2007 through March 31, 2007;
2. Authorizing the Receiver to use the funds held for Shasta to pay interim compensation in the amount of \$2,806.00 to FGMK for these services, all of which relate to Shasta tax work and webhosting; 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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