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**In The 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: 04 CV 1512**

~~Proposed~~ Consent Order of  
Preliminary Injunction Against  
Tech Traders, Inc., Tech  
Traders, Ltd., Magnum  
Investments, Ltd., Magnum  
Capital Investments, Ltd. and  
Coyt E. Murray

Judge Robert B. Kugler

On April 1, 2004, Plaintiff, Commodity Futures Trading Commission ("Commission"), filed a Complaint against Defendants Equity Financial Group, LLC; Tech Traders, Inc.; Vincent J. Firth and Robert W. Shimer seeking injunctive and other equitable relief for violations of the Commodity Exchange Act, ("Act"), 7 U.S.C. §§ 1 et seq. (2002), and Regulations promulgated thereunder, 17 C.F.R. §§ 1 et seq. (2004). On June 25, 2004, the Commission moved to file a First Amended Complaint against the previously named Defendants and, additionally, against Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Coyt E. Murray and J. Vernon Abernethy. [This motion was granted on August 10, 2004.]

The First Amended Complaint alleges that Tech Traders, Inc. ("TTI"), Tech Traders, Ltd. ("TTL"), Magnum Investments, Ltd. ("Magnum"), Magnum Capital Investments, Ltd ("MCI") (which are alleged to be a common enterprise and which are collectively referred to as "Tech Traders" hereinafter) and Coyt E. Murray ("Murray") operated a so-called "super fund" or master pool of one or more commodity pools and that they falsely represented to investors in this super fund that Tech Traders enjoyed extraordinary success trading in selected financial futures contracts using a confidential, proprietary "portfolio" trading system. In addition, the First Amended Complaint alleges that Tech Traders and Murray engaged Abernethy as an allegedly independent CPA to provide a monthly and quarterly performance number based on "reviewed" and "verified" trading results. From at least June 2001 through April 1, 2004, when the Commission initially filed this action (the "relevant time"), Tech Traders solicited and received upwards of \$47 million from others, including Equity Financial Group, LLC ("Equity"), a commodity pool operator and its commodity pool, Shasta Capital Associates, LLC ("Shasta"). Although Tech Traders, Murray and Abernethy reported consistent, high monthly performance

numbers to participants, it is alleged that Tech Traders actually lost, misappropriated and dissipated millions of dollars, leaving a shortfall in excess of \$20 million.

The First Amended Complaint also alleges that Tech Traders acted as a commodity pool operator (“CPO”) and commodity trading advisor (“CTA”), and Murray as an associated person (“AP”) of a CPO and CTA in that they a) it solicited, accepted or received from others funds for the purposes of trading in commodity futures contracts; b) through Murray made trading decisions for the commodity pool and exercised power of attorney over at least one third-party commodity futures trading account and c) utilized means of interstate commerce to manage the Tech Traders commodity pool; yet none of the Tech Trader entities or Murray were registered with the Commission in any capacity, nor did any of them file an exemption from registration. It is also alleged that Tech Traders commingled pool funds with its own, failed to deliver proper Disclosure Documents or Account Statements to pool participants and illegally accepted the pool participants’ funds in its own name and traded those funds in futures trading accounts that Tech Traders maintained in its own name. Tech Traders allegedly misrepresented to the futures commission merchants carrying those accounts that the funds were its own.

Tech Traders and Murray, without admitting or denying the allegations of the First Amended Complaint for the purpose of this Consent Order of Preliminary Injunction and Other Ancillary Relief (“Order”), except as to jurisdiction and venue, which they admit, consent to the entry of this Order and state that their consent is entered into voluntarily and that no promise or threat has been made by the Commission or any member, officer, agent or representative thereof, to induce it to consent to this Order.

THE PARTIES AGREE AND THE COURT FINDS THAT:

1. This Court has jurisdiction over the subject matter of this action and all parties hereto pursuant to Section 6c of the Commodity Exchange Act, ("Act"), 7 U.S.C. § 13a-1 (2002), which authorizes the Commission to seek injunctive relief against any person whenever it shall appear that such person has engaged, is engaging or is about to engage in any act or practice constituting a violation of any provision of the Act or any rule, regulation or order thereunder.

2. Venue properly lies with this Court pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2002), in that the Tech Traders and Murray -are found in, inhabit, or transact business in this district, and the acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this district, among other places.

3. Tech Traders and Murray waive the entry of findings of facts and conclusions of law for purposes of this Order pursuant to Rule 52 of the Federal Rules of Civil Procedure.

IT IS THEREFORE ORDERED THAT:

1. Defendants TTI, TTI., Magnum and MCI and Murray are preliminary enjoined and prohibited, until further order of the Court, from directly or indirectly:
  - A. Cheating or defrauding or attempting to cheat or defraud; or willfully making or causing to be made to other persons any false report or statement, or willfully deceiving or attempting to deceive other persons by any means whatsoever in or in connection with any order to make, or the making of any contract of sale of any commodity for future delivery, made, or to be made, for or on behalf of any other person, in violation of Section 4b(a)(2)(i) - (iii) of the Act, 7 U.S.C. § 6b(a)(2)(i) - (iii);
  - B. In the capacity of a commodity trading advisor or commodity pool operator, or associated person of a commodity trading advisor or commodity pool operator, by use of the mails or any means or instrumentality of interstate commerce, employing any device, scheme or artifice to defraud any client or participant or prospective client or participant or engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant, in violation of Section 4o(1) of the Act, 7 U.S.C. § 6o(1);

- C. In the capacity of a commodity trading advisor or commodity pool operator, using the mails or any means or instrumentality of interstate commerce, in connection with the business of a commodity trading advisor or commodity pool operator, without being registered under the Act in violation of Section 4m of the Act, 7 U.S.C. § 6m;
- D. Associating with a commodity pool operator, as a partner, officer, employee, consultant, or agent (or acting in a similar status or performing similar functions), in a capacity that involves the solicitation of funds, securities or property for participation in a commodity pool or supervising any person so engaged without the benefit of registration in violation of Section 4k(2) of the Act, 7 U.S.C. § 6k(2); and
- E. In the capacity of a commodity pool operator, commingling the property of any pool operated or intended to be operated with the property of any other person, failing to deliver to prospective pool participants in a pool that is operated a Disclosure Document prepared in accordance with Commission Regulations 4.24 and 4.25, failing to distribute to pool participants an Account Statement prepared in accordance with Commission Regulation 4.22, and in the capacity of a commodity trading advisor, accepting from existing or prospective clients funds, securities or other property in the trading advisor's name to purchase, margin, guarantee or secure any commodity interest of the client, in violation of Commission Regulations 4.20, 4.21, 4.22 and 4.30, 17 C.F.R. §§ 4.20, 4.21, 4.22 and 4.30 (2004).

2. Defendants Tech Traders and Murray are further preliminarily enjoined and prohibited, until further order of the Court or upon 5 business days prior notice to the Commission, from directly or indirectly:

- A. Engaging in, controlling, directing or accepting funds for the trading for any commodity futures or options accounts for or on behalf of any other person or entity, whether by power of attorney or otherwise;
- B. As to Tech Traders, entering into any commodity futures or options transactions for their own accounts, for any accounts in which they have a direct or indirect interest and/or having any commodity futures or options traded on their behalf. As to Murray, entering into any commodity futures or options transactions for his account on or subject to the rules of any registered entity unless such personal trading is executed through a registered futures commission merchant ("FCM"), and Murray gives the Commission 5 business days notice before trading in the account each time a new position is entered into or a deposit is made into the account. Nothing herein shall prohibit offsetting or liquidating trades. The source of the funds in the account must be Murray's own funds, or if borrowed, may not be borrowed with the promise of returning trading profits to the lender. The identity of any such lender shall be given to the Commission;

- C. Introducing customers to any other person engaged in the business of trading commodity futures and options without registration, in violation of Section 4d of the Act, 7 U.S.C. § 6d;
- D. Otherwise engaging in any business activities related to commodity futures and options trading that require registration.

3. Defendants Tech Traders and Murray are further restrained, enjoined and prohibited, until further order of the Court, from directly or indirectly:

- A. Dissipating, withdrawing, transferring, removing, concealing or disposing of cash, cashiers checks, funds, assets or other property of, or within the custody, control or possession of the Tech Traders and Murray, including, but not limited to, all funds, personal property, money or securities held in safes, safety deposit boxes and all funds on deposit in any financial institution, bank or savings and loan account, (herein referenced to as funds or property) including funds or property of investors, wherever located, whether held in the name of the Tech Traders and Murray or otherwise, provided, however, that except for funds or property of investors or any funds or property traceable to Tech Traders, upon a showing to the Commission that funds or property is earned or received from sources unrelated to the transactions underlying the claims in this action, Murray may use funds or property for ordinary and necessary personal, business, education and legal expenses. The Commission and Murray agree that Murray may use Social Security benefits, unemployment benefits and draw down on credit lines on credit cards held in his name to pay ordinary and necessary personal, business, education and legal expenses. Any funds or property restrained and enjoined from dissipation shall be held in a conservative interest bearing account approved by the Commission;
- B. Subject to constitutional rights, denying Commission representatives access to their books and records; and
- C. Destroying, mutilating, concealing, altering or disposing of, in any manner, any of the books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other property of Tech Traders, wherever located, including all such records concerning Tech Traders and Murray's business operations and assets, until further order of the Court.

4. Except as modified by paragraph 3 above, until further order of this Court, Tech Traders and Murray and each firm, corporation, partnership, association or other person or entity which holds or is a depository of their funds, securities, assets or other property of any kind, are prohibited from directly or indirectly transferring, withdrawing, removing or disposing of any such funds, securities, assets or other property. Any firm, corporation, partnership, association

or other person or entity which holds or is a depository of their funds, securities, assets or other property of any kind is also required to expeditiously comply with subpoenas or requests for production of documents for accounts in the name of the Tech Traders and Murray.

5. The preliminary injunctive provisions of this Order shall be binding on Defendants Tech Traders and Murray, upon any person insofar as he or she is acting in the capacity of officer, agent, servant, employee or attorney of Defendants Tech Traders or Murray and upon any person who receives actual notice of this Order by personal service, facsimile or otherwise insofar as he or she is acting in active concert or participation with Defendants Tech Traders and Murray.

6. All passwords to any of Tech Traders' electronic records, all codes and keys to information and property of Tech Traders not previously provided shall be provided to the Receiver.

7. Section II "Appointment of Receiver" of the Statutory Restraining Order and Order Appointing Receiver entered April 1, 2004 is modified as follows: Stephen T. Bobo is additionally appointed as equity Receiver for TTI, TTL, Magnum and MCI and granted full powers as equity Receiver under the law.

8. Section III "Powers of the Receiver", of the Statutory Restraining Order and Order Appointing Receiver entered April 1, 2004 is modified as follows: the Receiver is directed and authorized to: a) immediately take possession and control over the assets and business affairs of Tech Traders, including but not limited to, redirecting all Tech Traders' mail and other communications to the Receiver, and b) take all steps necessary to wind up the affairs of Tech Traders and to liquidate the assets of Tech Traders.

9. Section III "Powers of the Receiver", paragraph I of the Statutory Restraining Order and Order Appointing Receiver entered April 1, 2004 is modified as follows: the Receiver is directed and authorized to open one or more accounts at banks or other financial institutions as designated depositories for funds of Tech Traders. The Receiver shall deposit all funds of Tech Traders in such designated accounts and shall make all payments and disbursements from the receivership estate from such accounts. The Receiver is authorized to purchase U. S. Treasury securities with some or all of the funds in such designated accounts.

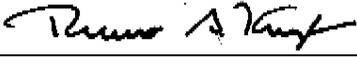
10. The terms of the Statutory Restraining Order and Order Appointing Receiver entered April 1, 2004, as modified, shall remain in full force and effect until further order of the Court, except that to the extent they are inconsistent with this Consent Order of Preliminary Injunction and Other Ancillary Relief, this order shall control.

11. It is further ordered that Joy McCormack and Hugh Rooney, employees of the Commission, are specially appointed to serve this Order and all other papers in this cause. This Order may be served by facsimile transmission or by email with the Order attached as a pdf file.

12. This Order shall remain in effect until further order of the Court and the Court shall retain jurisdiction over this action to ensure compliance with this Order and for all other purposes related to this action.

IT IS SO ORDERED

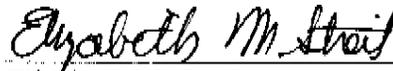
Dated: August 24<sup>th</sup>, 2004

  
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Hon. Robert B. Kugler  
United States District Court Judge



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