

EXHIBIT

F

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA

COMMODITY FUTURES)
TRADING COMMISSION,)

Plaintiff,)

vs.)

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

Defendants.)

CASE

NO. 1:04CV-01512-RBK-AMD

DEPOSITION OF JAMES SAMUEL GRIMES, JR.
MAY 5, 2005
9:100 A.M.



EXHIBIT F

CERTIFIED COURT REPORTERS

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404-237-1990

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1 Q Like what?

2 A We actually went to court and then they
3 decided, you know, they had all the boxes in there
4 and --

5 Q You were ready to go to trial and you
6 settled right before the trial?

7 A Yes, ma'am, yes.

8 Q And you believe that was filed in
9 Georgia?

10 A Yes, ma'am. That was filed in Georgia.

11 Q Have you ever sued anybody?

12 A No, ma'am.

13 (Whereupon, marked by the
14 court reporter for
15 identification purposes,
Exhibit No. 248.)

16 Q (By Ms. Streit) Mr. Grimes, I've handed
17 you what's been marked as Exhibit 248. It's a one-page
18 E-mail from Dr. J.S. Grimes to Elizabeth Streit dated
19 February 8th, 2005. Did you send this E-mail,
20 Mr. Grimes?

21 A Yes, ma'am.

22 Q And the subject of the E-mail is whether
23 or not you have a medical license; right?

24 A Yes, ma'am.

25 Q And you stated that you do not have a

1 medical license; right?

2 A Yes, ma'am, that's correct.

3 Q You stated you are a holistic medical
4 consultant?

5 A Yes, ma'am.

6 Q What is that?

7 A It's one that consults with people about
8 medicine from a spiritual, soulical and physical
9 standpoint.

10 Q What does that mean?

11 A Dealing with the whole person, the
12 spiritual relationship, that spiritual environment that
13 a person lives in, their relationship with God.
14 Soulical relationship would be mind, emotion and will.

15 Q What is soulical?

16 A Your soul, s-o-u-l-i-c-a-l. Mind, your
17 thinking emotions, the way that we feel about things,
18 and will, our ability to make choices, and then
19 physical.

20 Q Did you get some kind of degree in being
21 a holistic medical consultant?

22 A I'm not sure that you get a degree in
23 being a holistic physician. My degree from Sri Lanka
24 is holistic in that sense, but, you know, my training
25 and my background has been very eclectic, you know,

1 gathering from a lot of different sources.

2 Q What is your training in being a medical
3 holistic consultant?

4 A My training has been in homeopathy,
5 naturopathy and --

6 Q Homeopathy?

7 A Naturopathy, applied kinesiology.

8 Q Anything else?

9 A And in medicine.

10 Q All right. What training did you get in
11 homeopathy?

12 A Homeopathy, specifically.

13 Q What courses did you attend, what schools
14 have you gone to?

15 A Yes. Samuel Hahnenman School.

16 Q Samuel Hahnenman School, where is that?

17 A It's in London.

18 Q How do you spell "Hahnenman"?

19 A Do you have that? H-a-h-n-e-n-m-a-n.

20 Q And that's in London?

21 A Yes, ma'am.

22 Q And when did you go -- and what is that
23 exactly? Is it a school? A university? A college?

24 A Yes, ma'am, a college.

25 Q College?

1 A Yes, ma'am.

2 Q In London?

3 A Yes, ma'am. I did that by correspondence
4 when I was still in the Army.

5 Q So it's a correspondence course?

6 A Yes, ma'am.

7 Q And when did you do that?

8 A It was in the '70s. I think I finished
9 in '77, '78.

10 Q And how long did you do this
11 correspondence course?

12 A Couple of years.

13 Q At the end of it, what did you get?

14 A A degree.

15 Q A degree?

16 A In homeopathy.

17 Q Okay. What about the naturopathy?

18 A Naturopathy I studied through a school in
19 Florida.

20 Q Okay. What's the name of that school?

21 A Bradenton. That was the Hahnenman school
22 also.

23 Q And why was that in Florida as opposed to
24 London?

25 A Well, that's a different school.

1 Hahnenman was a homeopath, so the schools are named
2 after this guy. Actually, it's a medical school in
3 Philadelphia, I believe, are still named -- just
4 regular medical schools are named after Hahnenman.
5 It's a person they're named after, not a group.

6 Q And this was in Florida?

7 A Yes, ma'am, in Bradenton, Florida.

8 Naturopathy is --

9 Q Go ahead.

10 A Is using natural sources, heat, air,
11 light, sun, colors, music, fragrances, detoxification
12 to cleanse the body.

13 Q And what did you do? Was this -- is this
14 a correspondence course as well?

15 A Yes, ma'am.

16 Q And when you say a correspondence course,
17 did you get materials in the mail and then you read
18 them over and took tests?

19 A Yes, ma'am.

20 Q You didn't actually treat anybody?

21 A No, ma'am. In the course?

22 Q Right.

23 A No, ma'am.

24 Q Applied kinesiology; right?

25 A Kinesiology. Kinesiology is the study of

1 muscles and motion. Applied kinesiology is a
2 discipline that's practiced mostly by chiropractors,
3 although dentists, medical doctors, naturopaths use it.
4 That was a -- weekend seminars for a period of, I
5 think, 100 hours.

6 Q Through what organization?

7 A In Roswell.

8 Q Roswell?

9 A Yes. Well, it's the International
10 College of Applied Kinesiology that offers the courses
11 through various diplomats of kinesiology that teach it,
12 and the guy that I attended under was Glenn Hammer, who
13 was teaching in -- at Roswell.

14 Q Is that Roswell?

15 A Roswell, Georgia. That's the north part
16 of Atlanta.

17 Q And how many weekend seminars did you go
18 to?

19 A Well, oh, I think -- I think the
20 certification is designated in hours, so it would
21 probably have been, I'm thinking, 14 weekends.

22 Q And what did you do in these seminars?

23 A Well, you did -- you know, you had
24 lectures and you did hands-on stuff.

25 Q What hands-on stuff?

1 A Applied kinesiology, testing and
2 treatments and -- which covers everything from
3 acupuncture to neurovascular and neurolymphatics
4 points.

5 Q And were you treating patients at these
6 seminars?

7 A You treat each other.

8 Q Have you had any medical training
9 whatsoever?

10 A No, ma'am.

11 Q Do you have any degrees?

12 A Yes, ma'am.

13 Q In what?

14 A Have degrees in homeopathy, naturopathy
15 and alternative medicine.

16 Q Now, are these degrees from the
17 correspondence courses we just talked about?

18 A The two of them are. The medical degree
19 was awarded because of work that I had done in
20 proteolytics enzymes in cancer.

21 Q You said alternative medical degree?

22 A Yes, ma'am.

23 Q Where did you get that from?

24 A From Sri Lanka. M-e-d-i-c-i-n-a,
25 A-l-a-t-t-e-r-n-a-t-i-v-a Institute in Sri Lanka.

1 Q Do you have any kind of degree from them?

2 A Yes, ma'am. You've got copies.

3 Q No, I don't, actually.

4 MS. STREIT: When -- Mr. Ray, when I
5 looked at your letter preparing for this deposition, it
6 said something was attached, some medical information,
7 and it wasn't. So I did not get it.

8 MR. RAY: I sent you all of the diplomas
9 and certificates.

10 MS. STREIT: I didn't get them. I did
11 not get any of them. We looked through our stuff a
12 couple days ago, it wasn't there.

13 THE WITNESS: Let me see if I've got
14 these here.

15 MS. STREIT: Nothing dealing with
16 medical. So if you have them here, I'll see if I can
17 get somebody to make copies for me. Okay?

18 MR. RAY: Okay.

19 MS. STREIT: But we'll move on. And --

20 MR. RAY: Do you have any of those?

21 THE WITNESS: I don't see anything.

22 MS. STREIT: You had said they were
23 attached as Exhibit -- I'd have to retrace it --
24 Exhibit B or D, and what was attached was something
25 relating to --

1 Q They have medical degrees?

2 A Yes, ma'am, and license. This is -- this
3 is a very slippery slope for me, having nothing to do
4 with the CFTC concerns.

5 Q Well, this is the reason -- go ahead.
6 Finish your sentence.

7 A But having to do -- just the fact that
8 licensed guys, Bergeron, Short, have constant
9 challenges and problems with the authorities for doing
10 these kind of alternative things. So my concern is not
11 a regulatory -- a CFTC regulatory agency concern. It's
12 the concern on the other side, is that we're -- you
13 know, we're often the subject of prosecution,
14 regulation as a result of doing things that are outside
15 of the box. So that's our concern.

16 Q Well, the reason that it's even relevant
17 here is because you've claimed this privilege, so I
18 need to probe the basis of that privilege.

19 A I understand that, and -- I understand.

20 Q And that's my focus.

21 A Yes, ma'am.

22 Q If you have other issues, it's not my
23 focus. Let's move on. We have a lot of other things
24 to cover.

25 Have you received any formal religious

1 training?

2 A Yes, ma'am.

3 Q Where?

4 A Institute of Biblical Studies at Air Head
5 Springs.

6 Q Where is Air Head Springs?

7 A California. With Campus Crusade for
8 Christ, in 1970.

9 Q What kind of course was that?

10 A Bible study courses and --

11 Q Is that correspondence?

12 A No, ma'am.

13 Q Did you attend this institute?

14 A Yes, ma'am.

15 Q For how long?

16 A The summer.

17 Q The summer?

18 A And then staff training in 1970. I've
19 done theological training for leaders at Perimeter
20 Presbyterian Church in Duluth, Georgia.

21 Q Anything else?

22 A Nothing else that's concentrated like
23 this, Ms. Streit, just, you know, weekend -- other
24 weekend seminars and studies, you know, for the last
25 30, 35 years.

1 Q When did you do this theological training
2 for ministers at the Presbyterian church?

3 A For leaders?

4 Q Leaders.

5 A I believe that that was in 2000.

6 Q How long was the training?

7 A Fourteen weeks. That's a survey course.
8 You cover everything at that course that you cover in
9 seminary, except this deep (indicating), rather than
10 this deep (indicating). Okay.

11 Q You're gesturing with your fingers --

12 A Yes, ma'am.

13 Q -- to be less deep?

14 A Yes. Shallow. The -- my mentor at
15 Perimeter Presbyterian -- when you go to this course,
16 you have a mentor that -- you have to have a mentor
17 that's on staff. You have to come with a minister
18 that's on staff, a staff member as a mentor. My mentor
19 was a guy named Carroll Wilham, and Carroll had not
20 been to seminary.

21 In the Presbyterian Church of America,
22 that's PCA, you have to be a licensed -- or excuse me,
23 I'm not sure -- ordained Presbyterian minister to hold
24 certain offices. And he had been the head -- I don't
25 know the title -- of the phone mission board for the

1 Presbyterian Church of America. So he had to go
2 through the ordination process, which included an
3 interview by elders in the PCA church, to determine,
4 you know, your knowledge.

5 And the only thing that he had done was
6 this theological course for leaders, and at the end of
7 the -- what do you call that? -- anyway, at the end of
8 the inquisition, one of the guys said, "I don't know
9 where you went to seminary, but you were really well
10 schooled."

11 The course is very effective in leading
12 you to the material. It's tested and, you know, you
13 take a written test at the completion.

14 Q Now, did you take this course or did you
15 teach this course?

16 A I took it.

17 Q You took the course?

18 A Yes, ma'am.

19 Q Now, have you ever been to seminary?

20 A No, ma'am.

21 Q Have you been ordained as a minister?

22 A Yes, ma'am.

23 Q By whom?

24 A A Universal Life Church by Morningstar
25 Church and by Open Bible Tabernacle in Smyrna, Georgia.

1 Q Now, I believe you provided to us a
2 certificate from the Universal Life Church, which we're
3 going to mark as the next exhibit.

4 A That was my first one, so that's --
5 (Whereupon, marked by the
6 court reporter for
7 identification purposes,
8 Exhibit No. 249.)

9 Q (By Ms. Streit) This is the Exhibit 249.
10 And this is the exhibit -- this is the certificate that
11 you sent to me; right?

12 A Yes, ma'am.

13 Q This is your credentials as a minister at
14 Universal Life Church; correct?

15 A Yes, ma'am.

16 Q Now, what did you do to get the
17 certificate?

18 A You know, I agreed to abide by their
19 criteria, which frankly, I don't remember what that
20 was. That was in 1981.

21 Q Now, I notice that the part that says --
22 it says, "This is to certify that the bearer hereof" --
23 there's a space, then it says "James Samuel Grimes,
24 Jr." in a different font, "Smyrna" in a different font,
25 "Georgia" in a different font. Did you fill that part
in?

A No, ma'am.

1 Q Now, all you had to do was just give them
2 your name and they gave you this credential, didn't
3 they?

4 A Ms. Streit, I really don't remember. I
5 really don't remember. Open Bible Tabernacle was my
6 second ordination.

7 Q Well, hold on. I'm still talking about
8 Universal Life Church now. Have you gone to their
9 website?

10 A No, ma'am.

11 Q Well, do you know that if you go to their
12 website, I can become a minister in less than 25
13 minutes?

14 A Really? No, ma'am, I didn't know.

15 Q What did you do at Morningstar Church
16 now?

17 A That's who I work with in North Carolina.

18 Q Okay. And you said you got ordained by
19 them?

20 A Yes, ma'am.

21 Q What did you do to get ordained by
22 Morningstar Church?

23 A You go through a process. You fill out
24 an application. They call your references and find out
25 about you. And then there was an ordination ceremony.

1 Q And when did you have that ceremony?

2 A With Morningstar was last year, about
3 this time last year.

4 Q How about Open Bible Tabernacle?

5 A Same process. You know, they know you,
6 they find out about what you are and what you're about.
7 And that would have been in the early '80s.

8 Q Any other religious training?

9 A No, ma'am. This -- to put a little light
10 on this --

11 Q You're talking about Exhibit 249?

12 A Yes, 249.

13 -- Universal Life Church was a -- and
14 this Theodore Zinker was a -- had to do with
15 alternative medicine, although it's interesting that
16 there's some -- there's some legal history with this
17 church winning and prevailing in various cases, if
18 you've studied those.

19 Q What kind of cases?

20 A I might even have something referencing
21 that. I may.

22 Monty, do you remember, I sent you
23 something on some case law where Universal Life Church
24 prevailed over some regulators?

25 Q And what was the issue?

1 A I don't remember.

2 Q Was this IRS cases, issues about their
3 taxes and status?

4 A I don't remember. I just remember that
5 there was something. I don't seem to have it.

6 Q Now, have you performed weddings?

7 A I think I have performed a wedding.

8 Q Where?

9 A I'm trying to recall. I can't say for
10 sure.

11 Q Have you presided at funerals?

12 A Yes, ma'am. In Arkansas.

13 Q How many?

14 A Well, I've assisted in several. I've
15 performed one by myself.

16 Q When was that?

17 A In 1996.

18 Q Was this a relative?

19 A Yes, ma'am.

20 Q Who was it?

21 A My father.

22 Q Have you performed christenings?

23 A No, ma'am. We don't do that. I've done
24 a number of baptisms.

25 Q Okay. You've done a number of baptisms?

1 A Yes, ma'am.

2 Q How many?

3 A Oh, hundreds.

4 Q Do you have any registrations in the
5 futures industry?

6 A No, ma'am.

7 Q In the securities industry?

8 A No, ma'am.

9 Q Do you have any current registration with
10 any regulatory body?

11 A Like?

12 Q Any -- like insurance, to sell insurance
13 or sell any kind of investment product?

14 A No, ma'am.

15 Q Now, are you licensed pilot?

16 A Yes, ma'am.

17 Q And do you have your own airplane?

18 A No, ma'am.

19 Q You do not have an airplane?

20 A I'm sorry?

21 Q You do not have an airplane?

22 A I do not any longer.

23 Q Did you once have an airplane?

24 A Yes, ma'am. I've had a lot of airplanes.

25 Q Did you sell your airplane?

1 A Yes, ma'am, in December.

2 Q Of last year?

3 A Of last year.

4 Q And is this airplane -- do you take
5 passengers in your airplane, or did you take passengers
6 in your airplane, or did you just fly solo by yourself
7 or were you able to bring passengers on the airplane?

8 A Oh, sure. I could fly anybody.

9 Q How many people?

10 A That plane would hold seven.

11 Q Are you currently leasing any airplanes?

12 A No, ma'am.

13 Q Do you have any trading -- excuse me,
14 you're handing me --

15 A I'm an airline transport pilot, licensed
16 airline transport pilot.

17 Q And you're showing me your license?

18 A Yes. If you want a copy of it, you can.

19 Q Airline transport pilot. Okay. Maybe we
20 can try to get a copy of it at a break.

21 Prior to getting involved with Tech
22 Traders, had you had any experience trading
23 commodities? Have you had any failed investments --

24 A Yes, ma'am.

25 Q -- besides Tech Traders?

1 A Yes, ma'am.

2 Q When?

3 A In the late '90s. I can't be more
4 specific than that. We invested with Greater
5 Ministries. Were you familiar with that?

6 Q No.

7 A Greater Ministry was a church outreach in
8 Tampa. There was a lot of press about it down there,
9 and they collected millions and millions of dollars and
10 were doing supposedly whatever.

11 Q What did you think they were investing
12 in?

13 A Well, what they -- they're all in jail
14 now. I guess they're still in jail. I thought that
15 they were -- they presented that they were investing in
16 gold and diamonds and various, you know, trading
17 programs with, you know, whatever. I don't know if
18 they were commodities or if they were SEC trading
19 programs or they were these hypothetical, you know,
20 World Bank --

21 Q Bank notes?

22 A Yes. You've heard, I'm sure, of all of
23 those scams where they talk about selling bank notes
24 and the float and -- I don't know. They were
25 supposedly trading in various ways. How, I really

1 For Life as well?

2 A Yes, ma'am.

3 Q And how much did you invest?

4 A I think it was about the same.

5 Q And you lost it all?

6 A Yes, ma'am.

7 Q And what was the nature of that
8 investment supposed to be?

9 A They were buying and selling bank notes.

10 Q Was there an organization name or what
11 was the name of the supposed organization that was
12 selling these bank notes?

13 A This was interesting. There was
14 supposedly a Blanco something in Costa Rico was the
15 bank. A guy named Bob Thompson or Bob Thomas was the
16 guy that he was supposedly going to, and it was again
17 supposedly secured by a CD and --

18 Q Do you remember the organization?

19 A There wasn't an organization. As I
20 recall, there was the people and they were dealing with
21 a bank in Costa Rica.

22 Q So you just dealt with people who were
23 going to invest through this bank in Costa Rica?

24 A Yes, ma'am.

25 Q Are there any other failed investments

1 before Tech Traders?

2 A Yes, ma'am.

3 Q Let me back up. That Bryan Carroll, was
4 that also in the '90s, Bryan Carroll investment?

5 A Yes, ma'am. That would have been the
6 late '90s.

7 Q So are we moving chronologically here?
8 Are you moving up?

9 A Yes, we're moving up.

10 Q Okay. What was the next one?

11 A FIIK, F-I-I-K. It was supposed to be a
12 Mexican oil deal.

13 Q And who did you deal with in that?

14 A A guy named Edgar Biaz.

15 Q And were you investing through Quest For
16 Life again?

17 A Yes, ma'am.

18 Q And how much money did you put into this?

19 A I believe that was a million and a half
20 dollars.

21 Q And how did you meet Edgar Biaz?

22 A Through Bryan Carroll's brothers.

23 Q All right. And when did you invest the
24 \$1.5 million?

25 A Ms. Streit, that was either in '99 or

1 2000.

2 Q And when was the last time you talked
3 with Mr. Biaz?

4 A It's been months.

5 Q How many months?

6 A I think maybe a month and a half.

7 Q And what did you talk to him about then?

8 A Just general things, you know, not about
9 the investment.

10 Q What was the purpose of the meeting then?

11 A Just anything going on.

12 Q Were you talking about your investment?

13 A Yes, ma'am.

14 Q Such as when you were going to get your
15 money back?

16 A Uh-huh.

17 Q Is that "yes"?

18 A Yes, ma'am.

19 Q Have you dealt with anyone else with this
20 FIIK investments?

21 A No, ma'am.

22 Q Now, are you -- let me back up a minute.
23 Are you currently employed?

24 A No, ma'am.

25 Q What is the source of your income?

1 Life self-sustaining?

2 A Well, that's why we had all those failed
3 investments and are involved in the present failed
4 investment.

5 Q So your plan was to invest --

6 A Yes.

7 Q -- the funds that people had given to you
8 and make money that way?

9 A Right, yes.

10 Q And when did you form Quest For Life?

11 A You've got those papers. I think it
12 was -- it was in the '90s.

13 MR. RAY: Did you get those corporation
14 documents?

15 Q (By Ms. Streit) Was it in 1996? I don't
16 think it was exactly clear. There's bylaws --

17 A Yes, ma'am.

18 Q -- that talk about a day of May 21st,
19 1996.

20 A I think that's correct.

21 Q So in 1996?

2 A Yes, ma'am.

3 Q Is Quest For Life incorporated anywhere?

4 A No, ma'am.

5 Q What is its legal structure?

1 A It's a 508C. Is that what you're asking?

2 Q 508C, that's a provision of the IRS code;
3 right?

4 A Yes, ma'am.

5 Q That's not a description of its legal
6 existence? What is its legal existence?

7 A It's a church.

8 Q But it is not a corporation?

9 A No, ma'am.

10 Q It's not a partnership?

11 A No, ma'am.

12 Q It's just you; is that right?

13 A No, ma'am. It's not just me. It's
14 whomever joins, you know, whomever is participating.

15 Q So it's unincorporated?

16 A Yes, ma'am.

17 Q And does it reside in a state?

18 A North Carolina.

19 Q Is it affiliated with any religious
20 organization?

21 A Well, we're a member of the Morningstar
22 fellowship of churches.

23 Q How did you become a member?

24 A We joined.

25 Q And as a member, are there certain

1 things, requirements that you have to follow?

2 A Like?

3 Q Other certain practices that you have to
4 engage in?

5 A I don't know that there's practices in
6 that sense. There's -- I think the -- if you violated
7 certain biblical order of living, you would -- you
8 know, you would be excluded, but there's nothing that
9 you have to do --

10 Q There's no tenets you have to follow or
11 commands?

12 A A very comprehensive set of commandments,
13 and the ten commandments and, you know, the doctrines
14 of the Bible, the old testament, new testament.

15 Q Are there specific things to Morningstar
16 that you have to follow?

17 A No, ma'am.

18 Q Does Quest For Life have a physical
19 location?

20 A The corporation, Aviation Drive, would be
21 where my office is.

22 Q But does it have a church building?

23 A A building, no, ma'am, not in this
24 country. Quest For Life is -- it is clearly focused on
25 third world countries, Africa, the Balkans, and hope to

1 be in Vietnam by this year or last year.

2 Q Does Quest For Life have church buildings
3 in other countries?

4 A We sponsor local churches to build.

5 Q Their own buildings?

6 A Yes, ma'am. But Quest For Life is not in
7 the -- it's not a part of our thinking or doctrine or
8 notion to try to take ownership of anybody else's work.
9 Otherwise, if we were to sponsor you in a third world
10 country, we wouldn't say you've got to name your
11 church, you know, Ethiopian Quest For Life Church. We
12 would come alongside you and support you, support you
13 where you are.

14 Q Does Quest For Life hold religious
15 services?

16 A Yes, ma'am.

17 Q Where?

18 A Wherever I travel.

19 Q So when you go to Africa and other
20 places?

21 A Yes, ma'am.

22 Q Do you hold any religious services in
23 North Carolina?

24 A Do I personally? Yes, ma'am.

25 Q Where?

1 A Well, at Morningstar Church or wherever
2 I'm speaking, invited to speak.

3 Q You're invited to speak by that church?

4 A Yes, ma'am.

5 Q Do you have any religious services that
6 Quest For Life has?

7 A No, ma'am, not in this country.

8 Q Do you have parishioners, congregation?

9 A Yes, ma'am.

10 Q Okay. Where is the congregation? Are
11 they in the United States?

12 A They would be everywhere. I mean,
13 they're not -- we're a church without walls, and I
14 think I've defined that as best as I can for you in the
15 documentation that I've provided for you. Our
16 objective, our mission is not to be a location for
17 people to come for a worship service. Our mission is
18 apostolic, to go to those people and to minister to
19 them where they are and to give pastors and
20 congregations in those areas support that otherwise
21 they don't have, spiritually, soulically and
22 physically.

23 Q Do you have any parishioners here in this
24 country?

25 A Yes, ma'am, in the sense of people that

1 come for spiritual, soulical and physical help to our
2 location.

3 Q Do you have a list of these people?

4 A No, ma'am.

5 Q You don't keep a list of your
6 parishioners?

7 A No, ma'am.

8 Q And they don't attend -- these people
9 don't all come together to attend these services?

10 A No, ma'am. The people in the United
11 States, Ms. Streit, are people that come to us with
12 some type of dysfunction, spiritual, soulical, physical
13 dysfunction.

14 Q Does Quest For Life have any established
15 religious tenets?

16 A I'm not sure what you mean by that.

17 Q Established religious tenets, principles
18 or --

19 A Yes, ma'am. You have those defined in
20 the mission statements that I provided for you.

21 Q Okay. The mission statement, this was
22 something that was provided by Mr. Ray to me?

23 A Yes, ma'am.

24 Q The March 7th letter; is that right,
25 Mr. Ray? Some ministry plan, is that what you're

1 referring to?

2 A Yes, ma'am.

3 Q That sets forth your religious tenets?

4 A Yes, ma'am.

5 Q I believe -- I don't have it with me, but
6 I believe it was an Exhibit C to your March 7th letter?

7 MR. RAY: I don't remember.

8 Q (By Ms. Streit) It's called a ministry
9 plan; right?

10 A Yes, ma'am.

11 Q Anything else? Are there any other
12 documents that set forth your religious tenets?

13 A I think that's pretty comprehensive. I
14 think it is Exhibit C.

15 Q Do you mind if I take that copy?

16 A Sure.

17 Q I assume you have other copies at home?

18 A Well, I've got, you know, the file on the
19 computer.

20 (Whereupon, marked by the
21 court reporter for
22 identification purposes,
Exhibit No. 250.)

23 Q (By Ms. Streit) And we just marked as
24 Exhibit 250 this ministry plan that we were referring
25 to; right, Mr. Grimes? And that sets forth Quest For

1 Life's established religious tenets or principles?

2 A Yes, ma'am. Beliefs and purpose and
3 vision.

4 Q Now, does Quest For Life have any other
5 ministers besides you?

6 A Yes, ma'am.

7 Q Who?

8 A Dr. Bergeron is one.

9 Q Now, do you have an address for
10 Dr. Bergeron?

11 A No, ma'am, I don't.

12 Q He's the one in Roswell?

13 A Yes, Ms. Streit. I believe it's Roswell,
14 but it's Northern Atlanta.

15 Q What's his first name?

16 A Rhett, R-h-e-t-t.

17 Q Any other ministers?

18 A My wife would be -- could be considered
19 that.

20 Q Has she been ordained?

21 A No, ma'am.

22 Q Does Quest For Life ordain ministers?

23 A Quest For Life can ordain ministers. We
24 haven't had -- in Africa, they're typically
25 preordained. I didn't mean that as a pun to be

1 foolish, but there's a lot of ministers in Africa, and
2 the challenge is, is getting them trained and equipped
3 to be credible.

4 Q Does Quest For Life provide any religious
5 training to children?

6 A Yes, ma'am. In Africa, we do.

7 Q In the United States?

8 A No, ma'am. In Africa and the Balkans.

9 In the Balkans, we work with gypsy children. They call
10 themselves romanee (phonetically).

11 Q And what is the source of income for
12 Quest For Life?

13 A Well, it -- it was twofold. Our
14 perception was, was that we were receiving money from
15 our TTI investment, and then the objective has been to
16 wean ourself away from providing the medical services
17 that we've done which people donate to Quest For Life
18 for us to use in these works and then to count on the
19 investments.

20 Q So your source other than investments is
21 money that people have given you?

22 A Yes, ma'am, given Quest For Life.

23 Q And you consider these to be donations?

24 A You know, we don't encourage people to
25 take any deduction for those funds and I don't think

1 they do, but --

2 Q And this is for what again? What are you
3 doing for them that they give you this money?

4 A For holistic medical.

5 Q Holistic medical consulting?

6 A Yes, ma'am. Would you like me to define
7 that in an example?

8 Q Okay.

9 A If you came to me and said, "I have
10 breast cancer and I don't want to -- I don't want to go
11 the traditional route," we would do a series of tests
12 for you and determine your complete metabolic state.
13 Okay. Hair, blood, urine.

14 Q What kind of tests do you do?

15 A Hair, blood, urine, feces.

16 Q So you take samples of these things?

17 A Yes, ma'am, of tests, send them to the
18 lab.

19 Q What lab?

20 A A lot of different labs. We use a number
21 of labs. The labs would make analysis of what's going
22 on with you, your entire system, immune system, you
23 know, your general, you know, blood chemistry, your
24 general blood chemistry as well as specific bio markers
25 that are used for breast cancer. And then based on

1 Q Is Life Quest Ministries a separate
2 organization?

3 A It's an association. Yes, ma'am, it is.

4 Q Is it incorporated?

5 A No, ma'am.

6 Q Who belongs to the association?

7 A Anybody that's seeking medical treatment.

8 Q And who runs the association?

9 A I do.

10 Q Does it have a board of governors of
11 anything?

12 A No.

13 Q Any officers?

14 A No. Just my wife and I.

15 Q Okay. Refers to Max Research Foundation
16 as well. What is Max Research Foundation?

17 A Max Research Foundation is the
18 international disbursing agent for funds and receiving
19 agent for funds. Max Research Foundation is able to
20 disburse funds internationally oftentimes -- well,
21 historically a lot faster than a domestic bank account
22 can.

23 Q Why is that?

24 A Don't know. And since '91, I think it's
25 particularly more effective. You know, if you want to

1 A Yes, ma'am.

2 Q And it's a corporation; is that right?

3 A It's an international business

4 corporation, yes, ma'am.

5 Q And what is its business purpose other
6 than what you've already said?

7 A To provide funding for various medical
8 research propositions and to fund humanitarian work
9 abroad.

10 Q And what is its relationship to Quest For
11 Life?

12 A That's its function for Quest For Life.

13 Q And does it have a physical location?

14 A Yes, ma'am. In Nevis.

15 Q It has an address?

16 A No, ma'am. Just at the bank. I mean, is
17 there an office in Nevis?

18 Q Right.

19 A No, ma'am.

20 Q Does it have financial records?

21 A No, ma'am. Just the bank.

22 Q It has a bank account?

23 A Yes, ma'am. Well, you know, it has the
24 bank account.

25 Q The Nevis bank account; right?

1 send money immediately to Tanzania, which we often have
2 done, you know, I can call them and fax them and
3 they'll have it out that day.

4 Q Is that because they don't have any money
5 laundering laws?

6 A I don't know.

7 Q Why was it formed?

8 A For that reason, for international
9 banking. I think that -- I think that if I understand
10 correctly, in American banks they have like a time that
11 wires go out, and if you make it -- if you get in your
12 request by a certain deadline, it will go out at, you
13 know, 2:00 in the afternoon. If you miss that, it's
14 going to be the next day.

15 Q And that's not a problem with the
16 international bank account?

17 A No.

18 Q Who formed Max Research Foundation?

19 A My wife and I.

20 Q And when was it formed?

21 A You'd have to look at those documents
22 that I've provided because I don't really -- I just
23 don't remember.

24 Q And it would be in the Articles of
25 Incorporation?

1 Q And you're sending more information that
2 shows transfers; right?

3 A Yes, ma'am.

4 Q As far as you know, are those all the
5 communications you claim to have had with the receiver?

6 A I know we screwed up a bunch of times, so
7 as far as I know.

8 Q Okay. Now, let's see, maybe it's easier
9 to look at this in connection with your claim form.
10 The one that's marked Exhibit 265, if you would just
11 look at the third page of the exhibit because it lists
12 all of the transfers --

13 A Yes, ma'am.

14 Q -- to Tech Traders.

15 A Third page?

16 Q Right. Third page is numbered. It says
17 No. 2 on the bottom. It's the third page. Now, this
18 was accurate; right? All of your deposits, you had
19 that information correct; right?

20 A As far as I know.

21 Q There aren't any other deposits that
22 you've missed there?

23 A It's a possibility, but as far as I know,
24 that's correct.

25 Q And the first one, two, three, four, five

1 trying to --

2 Q Who told you that? Did somebody tell you
3 that or did you check it out yourself?

4 A No, ma'am. I didn't check it out myself
5 that I recall.

6 Q Who did you meet -- how did it come about
7 that you started helping your corporate officers with
8 their ailments?

9 A Referrals, just like everybody else that
10 we've treated.

11 Q Referral from who?

12 A From other people that we've treated.

13 Q Who are those people?

14 A Ms. Streit, we've already discussed, I'm
15 not going to tell you those names.

16 Q You're not going to tell me that. Okay.

17 (Whereupon, marked by the
18 court reporter for
19 identification purposes,
20 Exhibit No. 269.)

21 Q (By Ms. Streit) Mr. Grimes, I've handed
22 you Exhibit 269. It's a two-page affidavit from a Glen
23 E. M-a-y-l-e. Did you draft this affidavit,
24 Mr. Grimes?

25 A No, ma'am, I did not.

Q It appears that he uses the same font

1 deposits into Tech Traders, that money you received
2 from Richmond Asset Management; right?

3 A Uh-huh.

4 Q Is that right?

5 A You have the records.

6 Q Now, what is Richmond Asset Management's
7 business?

8 A I don't know. I really don't know.

9 Q And who are its officers and directors?

10 A I think we've discussed that.

11 Q Not on the record. Who are its officers
12 and directors?

13 A The Richmond Asset and Management Company
14 is a company that for the last number of years, we've
15 provided services for. We've helped their corporate
16 officers with various ailments. And what their
17 business is or was, I have no idea. It's my
18 understanding that they're not in business any longer.

19 Q Where do you get that understanding from?

20 A I think you can check with the corporate
21 people that do corporations in Texas and find that
22 they're not a valid corporation any longer.

23 Q But how did you learn that?

24 A I think that either Mr. Ray found it out
25 or someone found it out, and -- in this process of

1 Richmond Asset Management?

2 A He may be.

3 Q In fact, he's the chief managing officer
4 of Richmond Asset Management; isn't he?

5 A He may be. I don't know what title he
6 would hold.

7 Q You don't know -- you don't know what he
8 does for Richmond Asset Management?

9 A No.

10 Q Now, when was the last time you saw Edgar
11 Biaz?

12 A In March.

13 Q March of this year. And why did you see
14 him then?

15 A Well, I have treated this man from time
16 to time over the last several years.

17 Q Who? Edgar Biaz?

18 A Yes, ma'am.

19 Q Are you revealing that now? I thought
20 that it was a big secret.

21 A You've asked me a direct question. I've
22 given you a direct answer.

23 Q So you were treating him in March?

24 A Yes, ma'am.

25 Q For some illness?

1 that you do in a lot of your writings. Is that just a
2 coincidence?

3 A I get a lot of E-mails from people that
4 use this font.

5 Q And how did it come about that you got
6 this affidavit from Mr. Mayle?

7 A I think we requested it, didn't we?

8 Q How did you get in contact with Mr. Mayle
9 if you didn't know who any of the officers were?

10 A I knew that he was the financial officer
11 at the time of the treatments. I believe I was in
12 India during this period. Pretty sure I was. I wasn't
13 in the country when this was written.

14 Q Oh, I thought you didn't have any funds
15 to travel anymore.

16 A Sorry?

17 Q I thought you didn't have any funds to
18 travel anymore?

19 A Well, for my friend's brain surgery, I
20 did, but Ms. Streit, you knew that.

21 Q That's what you said. Is Dennis Cope
22 affiliated with Richmond Asset Management?

23 A Not that I know of, but he may be. I
24 don't know that he is.

25 Q Edgar Biaz, is he affiliated with

1 Q Isn't that payment some way involved with
2 the FIIK investments?

3 A No, ma'am.

4 Q Well, I think you need, Mr. Grimes, to
5 give me the names of the people you supposedly treated
6 that gave you the money, because it looks like that
7 money came from other fraud, and we need to get to the
8 bottom of that. And if you won't give me the names of
9 those people so we can check out that story, we will go
10 to the Court and ask that it be adjudicated whether
11 there is such a privilege, which I don't believe there
12 is, and I think I'll be successful on the point, or you
13 can tell me now where that money came from.

14 A You know, the money came from Richmond
15 Asset Management.

16 Q Right. And why did you get that money
17 from Richmond Asset Management?

18 A For treatments of Mr. Biaz and other
19 people within Richmond Asset Management.

20 Q And who are the other people?

21 A John Stern.

22 Q Where is John Stern?

23 A I believe he's in Houston, but I don't
24 know that for a fact.

25 Q Well, do you have any records to show you

1 A Yes, ma'am.

2 Q And when was the last time you talked to
3 him?

4 A Probably sometime in March.

5 Q And where is he now?

6 A I don't have any idea.

7 Q And Edgar Biaz is one of the mastermind
8 people behind the FIIK investments, isn't he?

9 A Yes, ma'am.

10 Q So have you learned that Biaz and Cope
11 have been indicted for criminal wire fraud?

12 A Yes, ma'am, I --

13 Q Criminal mail fraud and money laundering
14 in connection with a Ponzi scheme?

15 A I'm not familiar with exactly what they
16 were charged with. I'm aware that they've been
17 indicted.

18 Q And you know that Biaz is the managing
19 operator of this Richmond Asset Management that sent
20 you one -- almost \$1.5 million; right?

21 A I don't know what position he holds there
22 or held there.

23 Q And in the FIIK investment, you said you
24 were out \$1.5 million; right?

25 A Yes, ma'am.

1 treated him, records of his address, his phone number?

2 A Ms. Streit, I know that they've moved
3 since that period so they wouldn't be valid, but I
4 would -- I would assume that it's the same address
5 where Mr. Biaz was picked up.

6 Q Is Stern a -- picked up? You mean picked
7 up when he was arrested?

8 A Yes.

9 Q Where was he? At that address the money
10 came from?

11 A I don't know that.

12 Q 1900 Postal Park Drive?

13 A I don't know that. I don't know that.

14 Wherever Mr. Biaz was picked up, that's where Mr. Stern
15 was living at that time, as I understand it.

16 Q Anybody else that you treated for which
17 you got this money?

18 A No, ma'am.

19 Q So for treating Biaz and Stern, they gave
20 you \$1,442,000; right?

21 A Yes, ma'am.

22 Q And that's slightly less than the amount
23 of money that you were owed from the FIIK investment;
24 right?

25 A (Witness nods head affirmatively.)

1 Q Is that right?

2 A Yes, ma'am.

3 Q The Max Research Foundation deposits
4 which we show on the claim form were November 4th,
5 2003, November 8th, 2003. What is the source of those
6 funds?

7 A Treatments.

8 Q Treatments. The medical -- holistic
9 medical consultant treatments?

10 A Yes, ma'am.

11 Q And all of that money came from such
12 work; is that right?

13 A Yes, ma'am.

14 Q And so this was all payments to you for
15 treating patients?

16 A Yes, ma'am.

17 Q And when did you receive this money?

18 A Which money?

19 Q The money -- the money that makes up the
20 two \$850,000 deposits that were made into Tech Traders
21 in November 2003. What is that, \$1.7 million?

22 A When did it come in?

23 Q To you, yes.

24 A Over a period of time. I don't know what
25 time.

1 Q You don't know how long a period of time?

2 A No, ma'am.

3 Q And will you tell me the names of the
4 people who gave you that money for treatments?

5 A No, ma'am.

6 Q Will you produce the bank records that
7 show where that money came from?

8 A Well, that would be the same as telling
9 you who made those deposits.

10 Q Well, you see, Mr. Grimes, because we
11 have an investigation, we've been able to trace -- a
12 good portion of this money came from an account that
13 appears to be involved in the Ponzi scheme. So, you
14 know, it makes our interest in this other money all the
15 more imperative. So are you going to give us the bank
16 records that will show the source of the funds?

17 A Ms. Streit, I just can't do that.

18 MS. STREIT: Okay. I believe that is all
19 the questions I have for you, Mr. Grimes.

20 Do you have anything you want to add on
21 the record?

22 MR. RAY: I have a couple questions of
23 Mr. Grimes.

24 EXAMINATION

25 BY MR. RAY:

EXHIBIT

G

Payer's 1099-MISC Report
G Keep for your records

2003

Payer's Name(s) as Shown on Forms EQUITY FINANCIAL GROUP, LLC	Federal ID Number 52-2335567
---	--

Forms 1099-MISC entered:			
Payee Name	SSN/TIN	Amount	Federal W/H
Robert W. Shimer	[REDACTED]	148,700.00	
Alison E. Shimer	[REDACTED]	12,000.00	
James George Meier-Jensen	[REDACTED]	15,223.71	
Jeff Evans	[REDACTED]	8,473.35	
Totals		\$ 184,397.06	

Information for State reporting:			
State 1	PA	ID number	Number of forms
State 2	CA	ID number	Number of forms
Other states			Number of forms
Total state income			\$
Total state tax withheld			\$

EXHIBIT
#10
4/22/04 MM

EXHIBIT

H

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
O4CV-1512

3	COMMODITY FUTURES TRADING,)	
4	COMMISSION,)	
5	Plaintiff,)	DEPOSITION UPON
6	vs.)	ORAL EXAMINATION
7)	OF
8)	VINCENT FIRTH
9	EQUITY FINANCIAL GROUP, LLC,)	
10	TECH TRADERS, INC.,)	
11	VINCENT J. FIRTH, and)	
12	ROBERT W. SHIMER,)	
13	Defendants.)	

TRANSCRIPT of testimony as taken by and before MARIE DIAB, a Notary Public and Certified Shorthand Reporter of the State of New Jersey, at the United States Attorney's Office, 401 Market Street, Camden, New Jersey, on Thursday, April 22, 2004, commencing at 9:10 o'clock in the morning.

REPORTING SERVICES ARRANGED THROUGH:
WAXMAN & SCHAFFER REPORTING
25B Vreeland Road, Suite 301
Florham Park, New Jersey 07932
Tel: (973) 410-4087 Fax (973) 410-1313

1 report for 2003. The payer's name is Equity
2 Financial Group.

3 Does this list the people Equity
4 Financial Group issued 1099s for 2003?

5 A. Yes.

6 Q. And the list here is Robert Shimer,
7 Alison Shimer, James George Meier-Jensen and
8 Jeff Evans?

9 A. Yes.

10 Q. Why was Equity Financial Group paying
11 Alison Shimer \$12,000?

12 A. I never paid Alison Shimer \$12,000.
13 Bob asked me to deduct \$12,000 from his income
14 and give a 1099 to Alison Shimer.

15 Q. She didn't do any work for Equity?

16 A. Not specifically to Equity, no.

17 Q. What did she do work for?

18 A. She helped work with Bob. She helped
19 work with Bob in working with Coyt.

20 Q. How did she do that?

21 A. Just went down, visits, discussions,
22 you know organization. They do a lot of work
23 together.

24 Q. When you say they, who do you mean?

25 A. Robert and Alison Shimer.

1 Q. The two of them work together?

2 A. Yes.

3 Q. What was she doing with Coyt Murray?

4 A. She would just -- most of the times
5 when Bob went down to visit with Coyt, Alison
6 would go along with him. They appeared to
7 have a very good relationship.

8 Q. Was she trading for Coyt Murray?

9 A. No. Discussions, you know. There
10 was never any physical work. It was more
11 meetings and discussions.

12 Q. Did Bob Shimer tell you why he wants
13 you to give \$12,000 to Alison Shimer out of
14 his income?

15 A. No, not really.

16 Q. Did you pay her \$12,000 in previous
17 years as well?

18 A. I believe I did the year before. I
19 don't know if it was 12,000. I believe I did
20 a 1099 the year before.

21 Q. Did you do the 1099 in 2001 for --

22 A. No.

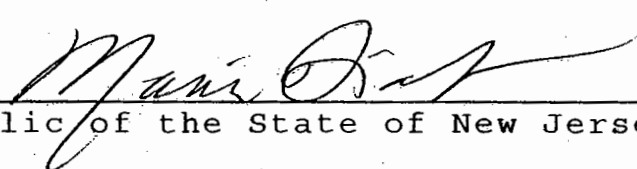
23 MR. ABERNETHY: Is this a
24 good time to take a break. We have been going
25 for about an hour.

1 C E R T I F I C A T E

2
3 I, MARIE DIAB, a Certified Shorthand
4 Reporter and Notary Public for the State of New
5 Jersey, do hereby certify that prior to the
6 commencement of the examination the witness was
7 sworn by me to testify the truth, the whole truth
8 and nothing but the truth.

9 I DO FURTHER CERTIFY that the foregoing is
10 a true and accurate transcript of the testimony as
11 taken stenographically by and before me at the
12 time, place and on the date hereinbefore set
13 forth.

14 I DO FURTHER CERTIFY that I am neither of
15 counsel nor attorney for any party in this action
16 and that I am not interested in the event nor
17 outcome of this litigation.

18
19
20
21 
22 _____
Notary Public of the State of New Jersey

23 My commission expires 4-5-07
24 New Jersey Certification No. 30XI00182100
25 New Jersey Notary No. 2286269

EXHIBIT

I

11/23/04

TO: STEVEN BOBO

FROM: DON DI IENNO, M.D.

[REDACTED]
[REDACTED]
[REDACTED]

TOTAL PAGES: (11) WITH THIS

RE: Private Placement Loans with
Bally Lines, Ltd.

Steve,

Just to reiterate, my position is with
Bally Lines, LTD only, with private
placement loans, premiums totalling
\$ 790,000.00.

I have no account with Tech Traders
or any of the defendants.

If anything else is needed, please call
me. Thank you.

Don DiIenno MD

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, INC.,)
VINCENT J. FIRTH, ROBERT W.)
SHIMER, COYT E. MURRAY, and J.)
VERNON ABERNETHY,)

Honorable Robert B. Kugler

11/23/04
Sph = Stone Bello

Defendants.

CLAIM FORM FOR INVESTORS
WITH TECH TRADERS

Please complete the following statements, make any changes necessary to ensure accuracy, sign and return it to the address shown on the bottom of this form.

- 1. I invested funds for commodity trading with Tech Traders, Ltd. or Tech Traders, Inc. ("Tech Traders"). *No* - PRIVATE PLACEMENT LOANS TO BALLY LINES LTD. - ALL LOAN MONEY ACCOUNTED FOR IN BALLY LINES, LTD. ACCOUNTING.
- 2. My investment with Tech Traders is recorded under the following account name _____

and account number, if available: _____

3. I originally learned about Tech Traders from _____

and was solicited to invest in Tech Traders by _____

4. According to the most recent information provided to me as of _____

(date), I understand that the amount of the account balance shown for my interest in Tech Traders is \$ _____

5. I received information regarding the amount of my equity with Tech Traders

from: _____

6. On the dates listed, the following amounts were transferred to fund my ^{LOAN} investment

with Tech Traders: BALLY LINES

Date	Amount	Source of Funds Used to Invest	Person Making Transfer	Recipient of Transfer
10/1/01	\$1,030,000.00	MERRILL LYNCH	Don DiIenno	BALLY LINES, LTD.
5/22/02	\$290,000.00	MERRILL LYNCH	Don DiIenno	BALLY LINES LTD.
1/30/03	\$124,360.54	MERRILL LYNCH	Don DiIenno	TECH TRADERS
1/30/03	\$23,178.24	MERRILL LYNCH	Don DiIenno	TECH TRADERS
1/30/03	\$252,461.22	GOW TRUST	Don DiIenno	TECH TRADERS
<p>Please note: I do not have an account with TECH TRADERS. I have an account only with Bally Lines, LTD, for the private placement loans. I have received no money or compensation from Tech Traders or Bally Lines, LTD. The above transfers to TECH TRADERS was done only to facilitate the transfer of monies. All of the above monies are accounted for in Bally Lines, LTD.</p>				

LOAN

7. The following distributions of funds were made on account of my investment with

Tech Traders: *BALLY LINES, LTD* :

Date	Amount	Source of Payment	Recipient of Transfer
	<i><u>NONE</u></i>		<i><u>NONE</u></i>

8. Check and complete all statements below that are accurate:

- a. No other person has an interest of any kind in my investment with Tech Traders; ^{LOAN} BALLY LINES, LTD.
- b. The following persons have a share of my investment with Tech Traders (list such persons names and addresses): _____
- c. I act as trustee or representative of one or more other persons who hold a beneficial interest in my investment with Tech Traders (list names and addresses of all persons holding such beneficial interests): _____
- d. I am a representative or agent of the following entity which invested funds with Tech Traders (list name and address of entity and your relationship to the entity): _____

9. I have enclosed with this form copies of all available statements received regarding my investment with Tech Traders.

10. I have also enclosed with this form copies of all checks, wire transfer advices and all other records of transfer relating to the funds deposited in or withdrawn from Tech Traders.

11. I have enclosed copies of all other documents in my possession or control in connection with my investment with Tech Traders, including correspondence, e-mails, K-1 or other tax forms, subscription agreements, independent verification agreements, and private placement memoranda.

12. I am aware of the following persons who also had an investment with Tech

Traders (list names and addresses of such persons):

I aver and affirm that the above information is true and correct under penalty of perjury.

[Handwritten Signature]

Signature

Name: Don DiIenno
(Please type or print)

Address: [Redacted]

State of _____

CELL
Home Phone: [Redacted]

County of _____

WORK
Daytime Phone: [Redacted]

Subscribed to before me
this ____ day of _____,
2004.

Fax: [Redacted]

Email Address: _____

Notary Public

Please return to:

Cheryl Baran
Sachnoff & Weaver, Ltd.
30 South Wacker Drive
Suite 2900
Chicago, Illinois 60606

10/01

Date 10/1/2001

Account: [REDACTED]

Stencil Name: Donald A. DiIenno, MD

Amount: \$100,000.00

To Bank: Banc Caribe Ltd
ABN: AMRO, NY, NY

ABA #: 026009580

Banc Caribe Ltd

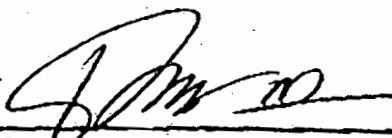
Acct #: [REDACTED] 17-41

Final Credit: Acct # [REDACTED] 0811

Acct Name: Bally Lines Ltd.

Please accept this as my/our letter of authorization to wire transfer the sum above to the above referenced institution.

Thank you for your attention in this matter.


Signature

N/A
Signature (if joint account)

5/02

MERRILL LYNCH
ONE PROGRESS PLAZA, SUITE 1400
ST. PETERSBURG, FL 33701

RE: ACCOUNT# [REDACTED]

GENTLEMEN:

PLEASE CONSIDER THIS LETTER AS AUTHORIZATION TO WIRE TRANSFER
FUNDS FROM THE ABOVE-MENTIONED MERRILL LYNCH ACCOUNT IN THE
AMOUNT OF \$ 290,000⁰⁰ AS FOLLOWS:

BANK NAME: ABN AMRO BANK NY, NY *New York, NY*

BANK ADDRESS: 335 madison Ave

ABA ROUTING#: 026009580

TITLE OF BANK ACCOUNT: Banc Caribe, Ltd
[REDACTED] 17-41

For Further Credit to: Bally Lines, Ltd

ACCOUNT#: [REDACTED] 6811

A FEE IN THE AMOUNT OF \$ 20.00 IS TO BE CHARGED TO
THE ABOVE-MENTIONED MERRILL LYNCH ACCOUNT NUMBER.

THANK YOU FOR YOUR COOPERATION IN THIS MATTER.

X [Signature]
SIGNATURE

X 5/21/02
DATE

SIGNATURE

DATE

SUNTRUST

Funds Transfer Authorization

1/03

Outgoing Incoming

Wire Type <input checked="" type="checkbox"/> Domestic <input type="checkbox"/> International	Date 30 JAN 03	Branch/Department Name ECW 0216
--	-------------------	------------------------------------

Client Information

Client/Business Name DONALD A DIENNO MD PA
Authorized Representative Name (if applicable) DONALD A DIENNO
Source of Request (*Callback to Client required.) <input checked="" type="checkbox"/> Walk-In <input type="checkbox"/> Phone <input type="checkbox"/> Fax <input type="checkbox"/> Other

SunTrust Client

Method of Identification and Verification (*Note all that apply)

Signature Card Certificate of Authority Schedule A

ID Type and Number [REDACTED] 0240

Other

Source of Funding

Non-SunTrust Client (Exception Wires Only)

Address

City, State, Country

Identification Type and Number

Taxpayer Identification Number

Transfer Information

Account Type <input checked="" type="checkbox"/> DEP <input type="checkbox"/> GL	OBID Bank Number 175	Dobbing Account Number [REDACTED] 7370
Account Name DONALD A DIENNO MD PA		Cost Center Number 656218
In Bank Cashier Repeat Number (if applicable)	Transfer Amount 252,406.22	<input checked="" type="checkbox"/> U.S. Dollars <input type="checkbox"/> Foreign Currency
Beneficiary Bank Information		Beneficiary Information
ABA or Swift Code [REDACTED] 4483	Name TECH TRADERS	
Name/Branch BANK of AMERICA	Account Number [REDACTED] 7961	
Address PO Box 65094	Address (required if an account number is not specified)	
City Charlotte	State NC	City State
Country USA	Telephone Number	Country Telephone Number
Special Instructions Conf # 03013001128		

(Complete this section for International Wire Transfers Only)

Type of Currency	Foreign Currency Amount
Contract Number (if applicable)	Exchange Rate
Handling Charges	U.S. Dollar Equivalent

White copy - Branch Canary copy - Client

1/103

MERRILL LYNCH
ONE PROGRESS PLAZA, SUITE 1400
ST. PETERSBURG, FL 33701

RE: ACCOUNT# [REDACTED]

GENTLEMEN:

PLEASE CONSIDER THIS LETTER AS AUTHORIZATION TO WIRE TRANSFER
FUNDS FROM THE ABOVE-MENTIONED MERRILL LYNCH ACCOUNT IN THE
AMOUNT OF \$ 23,178.24 AS FOLLOWS:

BANK NAME: Bank of America

BANK ADDRESS: P.O. Box 65094
Charlotte, NC 28265

ABA ROUTING#: 053904483

TITLE OF BANK ACCOUNT: Tech Trader

BANK ACCOUNT#: [REDACTED] 7961

A FEE IN THE AMOUNT OF \$ 20.00 IS TO BE CHARGED TO
THE ABOVE-MENTIONED MERRILL LYNCH ACCOUNT NUMBER.

THANK YOU FOR YOUR COOPERATION IN THIS MATTER.

[Signature]
SIGNATURE

1/30/03
DATE

SIGNATURE

DATE

1/31/03 Ref # 5145
Kathy @ Dave Nelson's office

1/03

MERRILL LYNCH
ONE PROGRESS PLAZA, SUITE 1400
ST. PETERSBURG, FL 33701

RE: ACCOUNT# [REDACTED]

GENTLEMEN:

PLEASE CONSIDER THIS LETTER AS AUTHORIZATION TO WIRE TRANSFER
FUNDS FROM THE ABOVE-MENTIONED MERRILL LYNCH ACCOUNT IN THE
AMOUNT OF \$ 124,360.54 AS FOLLOWS:

BANK NAME: Bank of America
BANK ADDRESS: P.O. Box 65094
Charlotte, NC 28265
ABA ROUTING#: 053904483
TITLE OF BANK ACCOUNT: Tech Traders

BANK ACCOUNT#: [REDACTED] 7961

A FEE IN THE AMOUNT OF \$ 20.00 IS TO BE CHARGED TO
THE ABOVE-MENTIONED MERRILL LYNCH ACCOUNT NUMBER.

THANK YOU FOR YOUR COOPERATION IN THIS MATTER.

[Signature]
SIGNATURE 1/20/03

1/20/03
DATE

SIGNATURE _____

DATE _____

1/21/03 Conf # 5094
Kathy @ Dave Nelson's office

EXHIBIT

J

Response to communication of March 9, 2005

Dear Ms. Moore,

I have tried to give you data as I can assemble with limited information, as I have no access to Tech Traders banking records. The \$ 50,000.00 in question is eluding me at present. I don't understand why an accounting statement and a promissory note are not acceptable? On further review the statement provided by Tech traders indicates a deposit of \$50k was in July not JUNE. I still cannot find what source it came from. So, I assume your firm will make a determination to accept or deny this claim.

Dr. DiInneo has made several private placement loans to Bally Lines. His first loan of \$100k was placed in a different program as Bally lines did not have a contract with Tech traders until MAY 30, 2002. His original loan was to Bally for Tech was the \$290K, his \$100 k was liquidated in another program then placed with Tech as the provided results appeared better. There was a \$ 60k and a \$40k subsequently loaned to Tech on his behalf. Bally lines agrees with Dr. DiInneo's claim for a total of \$790K. We have both asked to have him separated from Bally's claim and be dealt with as a separate entity to ease the return of funding he provided to Bally Lines, Ltd.

Enclosed is a copy of Bally/Tech contract for private placement loan

I respectfully request to be informed of the next hearing date as to make arrangements to attend .I have questions and concerns as to WHAT amount was ACTUALLY confiscated from Tech Traders as the numbers are not accurate.

The receiver states in documents that APPRXIMATELY 10.4 M may be a 38% distribution of 27M. The latest amount is being stated, as APPROXIMATELY \$20m is available. WHAT is correct? Also ,I assume these funds are drawing interest, how much will be distrib uted to each claimant?

I have asked several questions before and not received answers.

Finally, is there any date that this might get to resolution?

Thank you for consideration in this matter.


Dr. Edward J. Byers

EXHIBIT J

EXHIBIT

K



U.S. COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street
Suite 1100
Chicago, Illinois 60661
Telephone: (312) 596-0700
Facsimile: (312) 596-0714

Division of
Enforcement

November 16, 2004

Snyder Financial
6280 N. Shadeland Ave., Suite A
Indianapolis, IN 46220-4323

Dear Sir or Madam:

On April 1, 2004 the Commodity Futures Trading Commission filed a lawsuit in United States District Court for the District of New Jersey against Equity Financial Group LLC; Tech Traders, Inc.; Vincent Firth and Robert W. Shimer (Civil Action No. 04-1512). The complaint was amended on August 12, 2004 to add as Defendants Tech Traders, Ltd. Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Coyt E. Murray and J. Vernon Abernethy. The Commodity Futures Trading Commission is an independent agency of the United States of America that regulates futures, options and other derivative trading. We are charged with the responsibility of protecting investors and markets.

We have obtained records that indicate Snyder Financial invested funds with one of the Defendants listed above. At this time, we are seeking information and documents about Snyder Financial concerning its investing activities. We request that you provide the following documents and information listed below on or before December 1, 2004.


Information and Documents Requested

- 1) Principal Business
- 2) Business Organization (Sole Proprietorship, Corporation, LLC, etc)
 - a. State or other place of incorporation
- 3) Names and addresses of officers and directors
- 4) Names and addresses of Investors or Owners
- 5) Location where business records are maintained
- 6) A copy of the controlling disclosure document, prospectus or operating agreement that sets out the purpose and strategies of the investment
- 7) A copy of any letter, email or other notice whereby you provided notice to your investors/owners concerning the lawsuit described above.

- 8) Copy of Snyder Financial's most recent financial statements including balance sheet and statement of income.
- 9) Any information that indicates registration or exemption from registration by the Commodity Futures Trading Commission.
- 10) Any information that indicates registration or exemption from registration by the Securities and Exchange Commission.
- 11) Any information that indicates registration or exemption from registration by any State or State agency.

I have enclosed the "Statement to Persons Directed to Provide Information Pursuant to a Commission Subpoena or Requested to Provide Information Voluntarily." The statement explains your rights and sets forth the routine uses that can be made of information provided in response to this request. If you have any questions feel free to call me at (312) 596-0525.

Sincerely yours,


Hugh J. Rooney
Investigator

enclosures: Notice to Persons



U.S. COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street
Suite 1100
Chicago, Illinois 60661
Telephone: (312) 596-0700
Facsimile: (312) 596-0714

Division of
Enforcement

January 5, 2005

VIA FEDERAL EXPRESS

Snyder Financial
6820 North Shadeland Avenue, Suite A
Indianapolis, IN 46220

Dear Sir or Madam:

On November 16, 2004 the attached letter was sent to you requesting information by December 1, 2004. According to our records you did not reply. The information we requested is vital to our ability to successfully resolve the litigation and fully protect the interests of all investors.

We are reiterating our previous request for information and requesting that you telephone us upon the receipt of this letter so that we can work out a mutually agreeable schedule for the production of the information. Please call Hugh Rooney at (312) 596-0525 from 7:30 to 5:00 pm CST.

Sincerely yours,

Hugh J. Rooney
Investigator

Enclosure



U.S. COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street
Suite 1100
Chicago, Illinois 60661
Telephone: (312) 596-0700
Facsimile: (312) 596-0714

Division of
Enforcement

March 31, 2005

VIA FEDERAL EXPRESS

Steven Snyder
Snyder Financial
6790 Covington Creek Trail
Fort Wayne, IN 46804

Dear Mr. Snyder:

On November 16, 2004 and January 5, 2005 the attached letters were sent to you requesting information by December 1, 2004. According to our records you did not reply. The information we requested is vital to our ability to successfully resolve the litigation and fully protect the interests of all investors.

We are reiterating our previous request for information and requesting that you telephone us upon the receipt of this letter so that we can work out a mutually agreeable schedule for the production of the information. Please call Hugh Rooney no later than April 6, 2005 at (312) 596-0525 or Elizabeth M. Streit at (312) 596-0537 from 7:30 to 5:00 pm CST. If we do not hear from you by that time we may file an objection to any distribution of funds for your benefit.

Sincerely yours,

Hugh J. Rooney
Investigator

Enclosure

EXHIBIT

L

THE CASH MANAGEMENT TRUST OF AMERICA[®] 1021
 JANELLE A. WAGNER
 11441 LONGWATER CHASE CT.
 FORT MYER FL 33508-4650

Date Sept 20, 2001

Pay to the order of Karum Fines Corp 20,000.00

TWENTY THOUSAND & 00/100 Dollars

American Funds Service Company
 payable through
 The Chase Manhattan Bank, Syracuse, NY

NOT VALID FOR CASH WITH SIGNATURE

Janelle A. Wagner

MANAGED STOCK FUND ACCOUNT
 7063 93790 1500-1021

Account 1500 Serial 669187063 Amount 20000.00
 Sequence 6052910 TR 21309379 Trancode 1021 Date 09-28-2001

53 16 80000000 20 09 09 28 2001 1021 1500 20000.00

SHOPS HERE
 I have been
 over my

DO NOT SIGN, STAMP, OR WRITE IN THESE SPACES
 THIS IS THE ONLY PLACE TO SIGN

EXHIBIT L

EXHIBIT

M



U.S. COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street
Suite 1100
Chicago, Illinois 60661
Telephone: (312) 596-0700
Facsimile: (312) 596-0714

Division of
Enforcement

April 18, 2005

Via Fedex
Janelle Wagner
Janelle Wagner Family Trust
11441 Longwater Chase Court
Fort Myers, FL

Dear Ms. Wagner:

On April 1, 2004 the Commodity Futures Trading Commission filed a lawsuit in United States District Court for the District of New Jersey against Equity Financial Group LLC; Tech Traders, Inc.; Vincent Firth and Robert W. Shimer (Civil Action No. 04-1512). The complaint was amended on August 12, 2004 to add as Defendants Tech Traders, Ltd. Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Coyt E. Murray and J. Vernon Abernethy. The Commodity Futures Trading Commission is an independent agency of the United States of America that regulates futures, options and other derivative trading. We are charged with the responsibility of protecting investors and markets.

We have obtained records that indicate that the Janelle Wagner Family Trust invested funds with one of the Defendants listed above, Karum Funds Corporation and Snyder Financial Services. At this time, we are seeking information and documents about Snyder Financial concerning its investing activities. We request that you provide the following documents and information listed below with respect to the Janelle Wagner Trust on or before **April 26, 2005**.

Information and Documents Requested

- 1) Principal Business.
- 2) Business Organization (Trust, Sole Proprietorship, Corporation, LLC, etc)
 - a. State or other place of incorporation.
- 3) Names and addresses of trustees, officers and directors
- 4) Names and addresses of Investors or Owners or Beneficiaries.
- 5) Location where business records are maintained
- 6) A copy of the controlling trust agreement, disclosure document, prospectus or operating agreement that sets out the purpose and strategies of the investment
- 7) A copy of any letter, email or other notice whereby you provided notice to your investors/owners concerning the lawsuit described above.
- 8) A summary of all deposits and withdrawals made to Tech Traders
- 9) A summary of all deposits and withdrawals made to Karum Funds Corporation

EXHIBIT M

10) A summary of all deposits and withdrawals made to Snyder Financial Services

I have enclosed the "Statement to Persons Directed to Provide Information Pursuant to a Commission Subpoena or Requested to Provide Information Voluntarily." The statement explains your rights and sets forth the routine uses that can be made of information provided in response to this request. If you have any questions feel free to call me at (312) 596-0525.

Sincerely yours,

Hugh J. Rooney
Investigator

enclosures: Notice to Persons

EXHIBIT

N

Declaration of Hugh J. Rooney Pursuant to 28 U.S.C. § 1746

1) My name is Hugh J. Rooney. I am a senior investigator with the Commodity Futures Trading Commission ("CFTC").

2) On April 18, 2005 I sent a letter via FedEx Overnight to Janelle Wagner requesting general information about the Janelle Wagner Family Trust and investments in Snyder Financial Services and Karum. We requested a response by April 26, 2005. On May 3, 2005, I called Janelle Wagner. She acknowledged receipt of our request and said she referred it to her attorney, Lance Wonderlin. Later that day, Wonderlin called and said he mailed a response. The response was nothing more than copies of the previously filed claim forms and did not address in any way Wagner or Snyder's investments with Karum.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 18th day of May 2005.

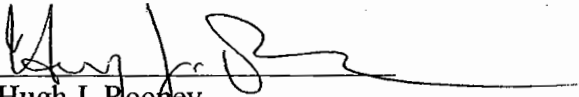

Hugh J. Rooney
Senior Investigator

EXHIBIT N

EXHIBIT

0



U.S. COMMODITY FUTURES TRADING COMMISSION

525 West Monroe Street
Suite 1100
Chicago, Illinois 60661
Telephone: (312) 596-0700
Facsimile: (312) 596-0714

Division of
Enforcement

May 16, 2005

Via Fedex
Lance W. Wonderlin
8710 North Meridian Street
Indianapolis, IN 46260

Dear Mr Wonderlin:

It is our understanding that you represent Brian Snyder of Snyder Financial Services and Janelle Wagner of the Janelle Wagner Family Trust. We have requested information from Mr. Snyder on November 16, 2004, January 15, 2005 and March 31, 2005. We requested information from Janelle Wagner on April 18, 2005. In a letter dated May 3, 2005 you responded on behalf of both clients. Unfortunately, your response was to simply provide us with information previously provided to the Receiver. Your response failed to address most of the information we are seeking.

At this time, we will oppose any distribution to either of your clients until such time as you provide the requested information. Attachment A to this letter is the information we seek from Brain Snyder and Attachment B is the information we seek from Janelle Wagner.

Please notify us by **3:00 pm. on May 18, 2005** if you intend to provide the information. Please telephone Elizabeth M. Streit, Senior Trial Attorney at (312) 596-0537.

I have enclosed the "Statement to Persons Directed to Provide Information Pursuant to a Commission Subpoena or Requested to Provide Information Voluntarily." The statement explains your rights and sets forth the routine uses that can be made of information provided in response to this request. If you have any questions feel free to call me at (312) 596-0525.

Sincerely yours,

Hugh J. Rooney
Investigator

enclosures: Notice to Persons

EXHIBIT O

Attachment A

Brian Snyder Financial Services

Information and Documents Requested

- 1) Principal Business
- 2) Business Organization (Sole Proprietorship, Corporation, LLC, etc)
 - a. State or other place of incorporation
- 3) Names and addresses of officers and directors
- 4) Names and addresses of Investors or Owners
- 5) Location where business records are maintained
- 6) A copy of the controlling disclosure document, prospectus or operating agreement that sets out the purpose and strategies of the investment
- 7) A copy of any letter, email or other notice whereby you provided notice to your investors/owners concerning the lawsuit described above.
- 8) Copy of Snyder Financial's most recent financial statements including balance sheet and statement of income.
- 9) Any information that indicates registration or exemption from registration by the Commodity Futures Trading Commission.
- 10) Any information that indicates registration or exemption from registration by the Securities and Exchange Commission.
- 11) Any information that indicates registration or exemption from registration by any State or State agency.

Attachment B

Janelle Wagner Family Trust

Information and Documents Requested

1. Principal Business.
2. Business Organization (Trust, Sole Proprietorship, Corporation, LLC, etc)
 - a. State or other place of incorporation.
3. Names and addresses of trustees, officers and directors
4. Names and addresses of Investors or Owners or Beneficiaries.
5. Location where business records are maintained
6. A copy of the controlling trust agreement, disclosure document, prospectus or operating agreement that sets out the purpose and strategies of the investment
7. A copy of any letter, email or other notice whereby you provided notice to your investors/owners concerning the lawsuit described above.
8. A summary of all deposits and withdrawals made to Tech Traders
9. A summary of all deposits and withdrawals made to Karum Funds Corporation
10. A summary of all deposits and withdrawals made to Snyder Financial Services

EXHIBIT

P

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

COMMODITY FUTURES TRADING)
COMMISSION,)
)
Plaintiff,)
)
vs.) Civil Action No.
) 04 CV1512-RBK
EQUITY FINANCIAL GROUP LLC,)
VINCENT J. FIRTH,)
ROBERT W. SHIMER,)
J. VERNON ABERNETHY,)
COYT E. MURRAY, TECH)
TRADERS, INC., TECH TRADERS,)
LTD., MAGNUM INVESTMENTS,)
LTD., AND MAGNUM CAPITAL)
INVESTMENTS,)
)
Defendants.)
)

DEPOSITION OF WILLIAM DAVID PERKINS

Taken on Tuesday, February 8, 2005.

At 9:06 a.m.

2320 Paseo Del Prado

Building B-106

Las Vegas, Nevada

EXHIBIT P

REPORTED BY: Cynthia K. DuRivage, CSR No. 451

1 about statements of return on investment or
2 whatever the CPA was supposedly doing, that is
3 not only extremely important, but it's
4 everything.

5 Q. When you say it's everything, why
6 would you think that an investor would deem
7 that as a piece of important information?

8 A. Because without it, you wouldn't
9 invest.

10 Q. And I want to direct your attention
11 now, Mr. Perkins, to Kaivalya Holding Group.

12 A. Uh-huh.

13 Q. When was it incorporated?

14 A. Probably in 1999.

15 Q. Mr. Perkins, I'm getting ready to
16 show you -- before I show you exhibit No. 171,
17 where was it incorporated?

18 A. Nevada. I just saw that. I don't
19 know if it -- it's Nevada.

20 Q. Who was involved in forming
21 Kaivalya?

22 A. Bob Shimer did the articles of
23 incorporation and all the paperwork.

24 Q. When you say, "all the paperwork,"
25 what do you mean?

1 A. Well, the articles of
2 incorporation, the initial list. I think
3 that's all there was. He might have prepared
4 the bylaws.

5 Q. And what was your participation in
6 forming Kaivalya?

7 A. He basically set it up and asked me
8 to be the president. And to do the books.

9 Q. Could you please tell me, what is
10 the organizational structure of the company?

11 A. I believe it's a C corporation.

12 Q. Who are its principals, directors,
13 and officers?

14 A. I think I was named president, and
15 Bob Shimer was named director, at least, or
16 secretary-treasurer. I can't remember who --

17 Q. Why were you the named the
18 president of Kaivalya?

19 A. I guess he just asked me to, and I
20 volunteered.

21 Q. Was there something he offered you,
22 or was there a reason he asked you to be the
23 president?

24 A. I don't know. I mean, he was the
25 attorney, so I guess I was going to be the

1 so-called president or CEO, whatever.

2 Q. Was there anyone else involved in
3 the formation of Kaivalya?

4 A. William Pfaltz. I don't know if he
5 was on the original paperwork.

6 Q. What role was Mr. Pfaltz to play in
7 the forming of Kaivalya?

8 A. I don't know if he was named in the
9 paperwork or not, but he was one of our
10 so-called partners.

11 William Pfaltz introduced me to Bob
12 Shimer.

13 Q. Could you spell Mr. Pfaltz' last
14 name?

15 A. It's P-f-a-l-t-z.

16 Q. And you say Mr. Pfaltz introduced
17 you to Mr. Shimer?

18 A. Yes.

19 Q. And how long ago was that?

20 A. It must have been in '97 or '98.
21 Probably '98.

22 Q. I will speak about Mr. Shimer and
23 Mr. Pfaltz at a later time.

24 A. Okay.

25 Q. However, getting back to Kaivalya,

1 of the attorney's account, so it's an
2 attorney's trust account. I think it was
3 titled Shasta Capital Associates, and I believe
4 that's where all investor funds went before
5 they went to Coyt Murray or Tech Traders.

6 Q. And can you tell me, what is
7 Universe Capital Appreciation?

8 A. It is a limited liability company.

9 Q. And who created Universe Capital
10 Appreciation?

11 A. Bob Shimer did all the paperwork
12 and articles of organization, itself.

13 Q. When you say articles of
14 organization, you mean articles of
15 incorporation?

16 A. Well, no. For a limited liability
17 company, they're called articles of
18 organization.

19 Q. And where was it incorporated?

20 A. Utah.

21 Q. And the reason it was incorporated
22 in Utah?

23 A. Because that's where I live.

24 Q. And you were the main principal of
25 Universe Capital Appreciation?

1 A. Co-manager.

2 Q. When you say you were a co-manager,
3 who was the other manager?

4 A. Bob Richardson.

5 Q. And the reason Bob Richardson was a
6 co-manager of the company?

7 A. He was the first one to come in as
8 a member, and at first, he was going to help
9 manage it. He came up with the name,
10 actually.

11 Q. He created the name --

12 A. Yeah.

13 Q. -- Universe Capital Appreciation?

14 A. Yeah. And that's the extent of his
15 involvement as manager. He didn't do anything
16 beyond that.

17 Q. Is there a reason why he didn't do
18 anything beyond that?

19 A. There was really nothing to do
20 except maintain the books and -- that's
21 basically all there was to do was maintain the
22 books and prepare the tax returns.

23 Q. Whose idea was it to create
24 Universe Capital?

25 A. Bob Shimer's.

1 Q. And the reason Bob Shimer came up
2 with the idea?

3 A. He said that I should set that up
4 so I that could make some management fees and
5 to bring in my people.

6 I think Shasta had a minimum of
7 \$100,000, and he knew a lot of people wouldn't
8 have that kind of money to come up with.

9 Q. So the reason you created Universe
10 was in hopes of collecting beyond the
11 hundred-thousand-dollar threshold point to
12 invest with Shasta?

13 A. To allow people to come in for less
14 than a hundred thousand, yeah.

15 Q. And the collection of investors
16 with Universe would, in turn, invest all of
17 their moneys to Shasta?

18 A. Correct.

19 Q. Is that something that you and
20 Mr. Shimer had agreed upon?

21 A. Yes. That's the only thing that
22 Universe would do.

23 Q. And when was Universe Capital
24 Appreciation created?

25 A. That would have been probably 1-1

1 of 2002. Or maybe shortly before that.

2 Q. And could you please explain to me
3 the organizational structure of Universe
4 Capital Appreciation?

5 A. It's simply an LLC with two
6 managers and members.

7 Q. And are there any other principals
8 who were involved?

9 You indicated that Mr. Shimer had
10 created all the paperwork?

11 A. He did all the legal work and
12 paperwork, yeah, including articles of
13 organization, subscription agreements,
14 operating agreement.

15 Q. And had he also done the very same
16 thing for Shasta?

17 A. Yes. I presume they were
18 practically duplicates.

19 Q. And when you say you presume they
20 were practically duplicates, had you seen both
21 sets of documents?

22 A. Yes.

23 Q. And were both sets of documents
24 similar in nature?

25 A. I believe so.

1 results of Mr. Coyt Murray?

2 A. Yes.

3 Q. At that point, Elaine Teague would
4 step in and verify Mr. Abernathy's?

5 A. I don't know that she would
6 confirm, but she would send a letter every
7 month showing the rate of return, and I can't
8 remember the verbiage, but something to the
9 effect that she had received a letter or
10 statement from -- I'd have to read it again.
11 Letter or statement from Abernathy that the
12 return on investment was such-and-such and that
13 she was verifying that, and it was all based on
14 their agreed-upon standards.

15 Q. When you say, "their agreed-upon
16 standards," the standards set by?

17 A. Elaine Teague and Vernon Abernathy
18 had agreed on standards of certification.

19 Q. She was an accountant as well?

20 A. Yes, a partner in Puttman & Teague,
21 CPA firm.

22 Q. And this is information that you
23 told the investors of Universe?

24 A. Yes.

25 Q. And as a result of you telling them

1 this information, people agreed to actually
2 invest their money?

3 A. Yeah. Well, it was on the website
4 too, of course. I mean, that's the primary
5 source for information.

6 Q. And you, in fact, directed all of
7 the investors to review that website?

8 A. Yes.

9 Q. And how many investors did actually
10 participate with Universe Capital
11 Appreciation?

12 A. I think the total figure eventually
13 was 44, 45, 46. Can't remember.

14 Q. And in turn, all of those people
15 decided to open up accounts through Shasta and
16 participate in trading Coyt Murray's system?

17 A. Yes, ma'am.

18 Q. And what were your responsibilities
19 to Universe?

20 A. Communicate with the members, do
21 the monthly bookkeeping and accounting, bank
22 reconciliation. Receive funds, send
23 subscription agreements, operating agreements.
24 All or any withdrawal requests.

25 Prepare tax returns and K-1s.

1 A. It was the owner of his business.

2 Q. Trinidad Investment Services was
3 the owner?

4 A. Was the owner of Pinnacle, which is
5 the company that does business here, his main
6 company.

7 Q. Do you know what Trinidad created
8 for or what type of business it was
9 conducting?

10 A. I think it was just to do
11 investments and to act as the beneficiary for
12 his main company.

13 I think it was just Trinidad
14 Investments, it was to do investments.

15 Q. So you solicited 44 to 46 people.
16 They, in turn, invested their money?

17 A. No. Only about half of those were
18 people that I knew. The other half were
19 William Pfaltz' friends and associates in
20 New York.

21 Q. After you gathered this 44 to 46
22 people, you and William Pfaltz, they, in turn,
23 had their money sent directly to Shasta?

24 A. They all came in through Universe
25 Capital.

1 A. Yeah. I believed him. I believed
2 that they were telling the truth, yeah.

3 (Exhibit 93 was marked for
4 identification.)

5 BY MS. CYRUS:

6 Q. I'm going to show you what has
7 previously been marked as Commission's Exhibit
8 No. 93.

9 Could you take a moment to review
10 it. It's the confidential private placement
11 memorandum --

12 A. Okay.

13 Q. -- for Shasta Capital Associates.

14 A. Yes.

15 Q. You've seen this document before?

16 A. Yes.

17 Q. And is this a document that you
18 also passed on to investors?

19 A. Yes.

20 Q. And did you explain this document
21 to the investors?

22 A. Only if there were specific
23 questions. See, they spelled out everything
24 from A to Z.

25 Q. And when you say it spelled out

1 everything from A to Z, the investment
2 mechanism that they would be --

3 A. Yeah, what they would -- exactly
4 what they were doing.

5 Q. Was there ever a private placement
6 memorandum for Universe Capital Appreciation or
7 Kaivalya Holding Group?

8 A. Not that I know of.

9 Q. Why wasn't there?

10 A. I don't know. I was never supplied
11 one.

12 Q. Who prepared Shasta's private
13 placement memorandum, if you know?

14 A. Robert Shimer.

15 Q. He prepared this?

16 A. Yes.

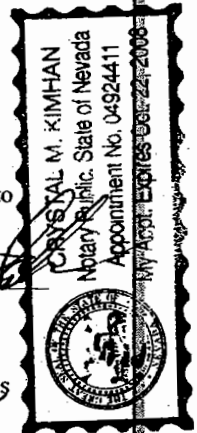
17 Q. And Robert Shimer is the same
18 Robert Shimer that also told you to create
19 Universe Capital Appreciation and prepared the
20 paperwork for Universe?

21 A. Yes.

22 Q. And he is also the actual
23 individual who also started Kaivalya Holding
24 Group and prepared the paperwork for Kaivalya
25 Holding Group?

1 A. Well, I'm not a very vengeful
 2 person, especially the CPA and Mr. Murray.
 3 Q. When you say, "the CPA," do you
 4 mean --
 5 A. Vernon Abernethy.
 6 Q. Okay.
 7 A. I'm more disgusted than anything.
 8 It's pointless at this point. It's sort of
 9 ridiculous.
 10 Q. And if we may need to speak with
 11 you at a later time in the future, can we count
 12 on you providing testimony further regarding
 13 Universe and Kaivalya?
 14 A. Absolutely. Whatever you --
 15 whatever you need. Anytime.
 16 MS. CYRUS: At this time, we will
 17 now conclude today's testimony.
 18 We want to thank you once again for
 19 coming in and for all of your assistance,
 20 Mr. Perkins, and we will be in touch with you,
 21 and we would hope that in the near future we
 22 could retrieve those documents from you.
 23 In regards to today's testimony, of
 24 course, I can't tell you who not to talk to,
 25 but this testimony we elicited from you, other

1 CERTIFICATE OF DEPONENT
 2 PAGE LINE CHANGE REASON
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 15 * * * * *
 16 I, William David Perkins, deponent
 17 herein, do hereby certify and declare the
 18 within and foregoing transcription to be my
 19 deposition in said action; that I have read,
 20 corrected and do hereby affix my signature to
 21 said deposition.
 22
 23 *William David Perkins*
 24 William David Perkins, Deponent
 25
 Subscribed and sworn to before me this
 18th day of March, 2005
Cynthia K. DuRivage
 NOTARY PUBLIC



1 parties were notified of today's testimony, and
 2 no one has appeared.
 3 THE WITNESS: That's true.
 4 MS. CYRUS: So at the close of
 5 this, we will contact you in the future, and we
 6 will just -- if we need to contact you or
 7 elicit any more testimony, we will do so.
 8 And we will close the record at
 9 5:43 p.m.
 10 Thank you, sir, for coming in
 11 today. We appreciate your assistance.
 12 (The deposition was concluded.)
 13 * * * * *
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1 CERTIFICATE OF REPORTER
 2
 3 STATE OF NEVADA)
 4 SS:
 5 COUNTY OF CLARK)
 6
 7 I, Cynthia K. DuRivage, a duly
 8 commissioned Notary Public, Clark County, State
 9 of Nevada, do hereby certify:
 10 That I reported the taking of the
 11 deposition of the witness, William David
 12 Perkins, commencing on Tuesday, February 8,
 13 2005, at 9:06 a.m.
 14 That prior to being examined the
 15 witness was by me duly sworn to testify to the
 16 truth, the whole truth, and nothing but the
 17 truth.
 18 That I thereafter transcribed my
 19 said shorthand notes into typewriting and that
 20 the typewritten transcript of said deposition
 21 is a complete, true and accurate transcription
 22 of my said shorthand notes taken down at said
 23 time.
 24 I further certify that I am not a
 25 relative or employee of an attorney or counsel
 of any of the parties, nor a relative or
 employee of an attorney or counsel involved in
 said action, nor a person financially
 interested in the action.
 IN WITNESS WHEREOF, I have hereunto
 set my hand and affixed my official seal in my
 office in the County of Clark, State of Nevada,
 this ____ day of _____, 2004.
 Cynthia K. DuRivage, CCR 451

EXHIBIT

Q

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March 14, 2005

By Facsimile and U.S. Mail

Elizabeth M. Streit, Esq.
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1100
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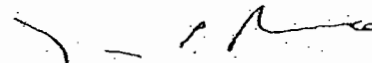
Re: U.S. CFTC v. Equity Financial Group, et al.
Case No. 04-CV-1512 (D.N.J.)

Dear Ms. Streit:

Please be advised that your subpoena to Vernice Woltz is defective. Ms. Woltz objects to the subpoena on the ground that it violates Federal Rule of Civil Procedure ("FRCP") 45. Specifically, FRCP 45(a)(2) requires that "[a] subpoena for attendance at a deposition shall issue from the court for the district designated by the notice of deposition as the district in which the deposition is to be taken. If separate from a subpoena commanding the attendance of a person, a subpoena for production or inspection shall issue from the court for the district in which the production or inspection is to be made." Your subpoena purports to issue from the U.S. District Court for the Middle District of North Carolina, but is returnable for production of documents and deposition in the Western District of North Carolina (or Chicago, IL for the documents). Nothing in FRCP 45 permits you to place such a burden on a third-party. For this reason, Ms. Woltz objects to the subpoenas and will not comply at this time.

Thank you for your time.

Sincerely,



Martin P. Russo

cc: V. Woltz
Warren Faulk, Esq.
Bina Singhavi, Esq.
Jeremy Frye, Esq.

EXHIBIT

R

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Partner
mrusso@kclaw.com

May 16, 2005

By Facsimile and U.S. Mail

Elizabeth Streit, Esq.
Lead Trial Attorney
Commodity Futures Trading Commission
525 West Monroe Street, Suite 1110
Chicago, IL 60661


Re: CFTC v. Equity Financial Group, LLC et al., Civil Action No. 04-1512 (RBK)

Dear Ms. Streit:

Please be advised that your subpoena dated April 19, 2005 to Vernice Woltz is defective. Ms. Woltz objects to the subpoena on the ground that it violates Federal Rule of Civil Procedure ("FRCP") 45.

As you know, Ms. Woltz works abroad and no longer resides in North Carolina. Consequently, your subpoena served in Charlotte, North Carolina violates FRCP 45(c)(3)(A)(ii), which requires that a deposition take place within 100 miles from the place where the person to be deposed resides or regularly transacts business in person. The United States Code sets forth the proper procedure for service of a subpoena upon an individual who resides outside of the United States. Additionally, your subpoena is defective because it purports to serve Ms. Woltz as agent of a number of the Sterling Group of Companies which had not authorized her to accept service on their behalf and do not have sufficient contacts with the Western District of North Carolina to justify jurisdiction.

Sincerely,



Martin P. Russo

cc: Vernice Woltz