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

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

**EQUITY FINANCIAL GROUP, LLC,)
et al.,)**

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

**EQUITY RECEIVER’S REPLY TO THE STERLING ENTITIES’
RESPONSE TO OBJECTIONS**

Stephen T. Bobo (the “Receiver”), the Equity Receiver of Defendants Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Vincent J. Firth, and Robert W. Shimer, submits this reply to the Sterling entities’ response to objections filed on April 22, 2005.

As a threshold issue, the Sterling entities’ response addresses only the CFTC’s objections and fails to mention – let alone address – the Receiver’s objections, which primarily focus on the Sterling entities’ failure to provide supporting documentation and to identify all natural persons who provided the funds that the Sterling entities invested with Tech Traders. If, as the Receiver understands Magistrate Judge Donio’s April 8, 2005 Scheduling Order, the Court ordered the Sterling entities to file a written response to the Receiver’s objections on or before

April 22, 2005, then their failure to do so should be deemed a waiver.

Even if the Sterling entities' failure to file a written response to the Receiver's objections by April 22, 2005 is not deemed a waiver, the Receiver stands by those objections and joins in the CFTC's reply regarding the Sterling entities' refusal to identify all natural persons who provided funds that Sterling invested with Tech Traders. Not only has this Court ordered identification of all persons with "a beneficial interest of any kind," but the Receiver also cannot make an equitable distribution of the limited receivership funds without this information. In order to ensure that the ultimate recipients of the distribution are being fairly treated, the Receiver needs to take into account withdrawals previously made by natural persons, whether they made the withdrawals in their own names, as member of pools, or under the umbrella of a trust or corporate entity. Without disclosure of the ultimate beneficial owners of the claimants, the Receiver will not be able to determine a fair and equitable distribution for persons who may have beneficial interests in more than one claim or under more than one umbrella.

DATED: April 29, 2005

Respectfully submitted,
STEPHEN T. BOBO,
Equity Receiver

By: s/ Jeffrey A. Carr
One of his attorneys

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