

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

<b>COMMODITY FUTURES TRADING</b>	)	
<b>COMMISSION,</b>	)	
	)	
<b>Plaintiff,</b>	)	
	)	
<b>vs.</b>	)	<b>Civil Action No.: 04CV 1512</b>
	)	
<b>EQUITY FINANCIAL GROUP, LLC,</b>	)	<b>Honorable Robert B. Kugler</b>
<b>TECH TRADERS, INC., TECH</b>	)	
<b>TRADERS, LTD., MAGNUM</b>	)	
<b>INVESTMENTS, LTD., VINCENT J.</b>	)	
<b>FIRTH, ROBERT W. SHIMER, COYT E.</b>	)	
<b>MURRAY, and J. VERNON ABERNETHY</b>	)	
	)	
<b>Defendants.</b>	)	

**THIRD INTERIM REPORT OF EQUITY RECEIVER**

Stephen T. Bobo, as Equity Receiver (the “Receiver”) for defendants Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Inc., Magnum Capital Investments, Inc., Vincent J. Firth, and Robert W. Shimer, submits this third interim report to apprise the Court of his activities through May 31, 2005. This report summarizes the status of the distribution process. In addition, the report details the efforts made in carrying out Receiver’s responsibilities to administer the receivership estate and provides an updated summary of the funds held by the receivership estate.

In the period since submitting the Receiver’s Second Interim Report on November 16, 2004, the major focus on the Receiver has been completing the claims process and formulating and seeking approval of an initial distribution to the investors. After considering a wide variety of distribution-related factors, the Receiver filed his motion to approve the plan of interim distribution on January 7, 2005. Certain investors have objected to various aspects of the proposed distribution, and the Receiver has responded to those objections. Apparent factual

issues raised in several of the objections have been resolved by stipulations of fact worked out with the investors and filed with the Court. The distribution issues are briefed and awaiting determination by the Court.

There are a variety of outstanding issues regarding the objections and claims filed by the Sterling group of companies. The Receiver has been attempting to narrow the range of issues as much as possible. Many of the issues are set for resolution on a separate track from the other objections to the proposed interim distribution.

The Receiver has also filed objections to 28 of the 91 claims filed by persons who invested directly with either Tech Traders or Shasta. Some of the objections appear to involve disputed issues of fact which may require evidentiary hearings to resolve. When claim objections are resolved, those investors with allowed claims will be able to participate in whatever form of interim distribution is ultimately approved by the court.

The Receiver is investigating potential claims against certain investors who withdrew more funds from Tech Traders than they put in. Related areas of inquiry includes potential claims to recover commissions or finders fees paid by Tech Traders, as well as Tech Traders' funds received by investors in repayment of prior investments with other entities that did not involve Tech Traders. The Receiver has also investigated potential claims involving the former accounting firm for Shasta. The Receiver has also subpoenaed records from law firms that formerly represented Tech Traders, Shasta and Equity.

The Receiver has participated in depositions taken in the case on a selective basis. The Receiver has elected not to attend depositions that did not appear to involve substantial receivership interests. The deposition testimony generally has been useful in gaining a better understanding of the factual background and the relationships between the defendants, affiliates

and investors. Some of the information will be useful in pursuing claim objections and causes of action on behalf of the receivership estate.

The Receiver's accountants, FGMK, LLC, have completed the bulk of their analyses of the transactions of Tech Traders, Inc., Shasta and Shasta's affiliates. Most of the requested bank records for Tech Traders and Shasta have been obtained and analyzed. Although there remain some unidentified transactions, the proportion of such transactions is steadily shrinking. Fewer details regarding Magnum Investments, Ltd. and Magnum Capital Investments, Ltd. are currently available although the overall flows of funds through their accounts has been analyzed and understood. Then Receiver expects additional information will become available through the Receiver's investigation as well as the ongoing discovery efforts of the CFTC.

Although the Receiver received authority from this court to accept the offer of Marshall LaFar to purchase the Tech Traders' computers and other equipment, that transaction has not yet closed. Mr. LaFar has claimed that he now lacks the agreed price of \$22,000 in order to consummate the transaction. The Receiver has begun to explore other options in an effort to mitigate damages, although it is not yet certain that Mr. LaFar will not voluntarily close the transaction. The Receiver believes that it may be necessary to institute a separate action against Mr. LaFar to enforce the sale contract.

The Receiver caused W-2 forms to be sent out to former Tech Traders' employees and had FGMK prepare the necessary employment tax returns for Tech Traders. FGMK plans to prepare K-1 forms for Shasta investors for distribution during the summer or early fall of 2005. FGMK is also determining what federal and state income tax returns are needed to be filed or amended for the various receivership defendants.

The Receiver holds a total of \$17,555,742.46 in the receivership bank accounts, including interest accrued through May 31, 2005. Copies of the most recent statements for those bank

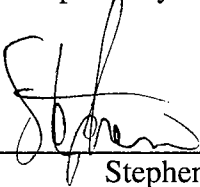
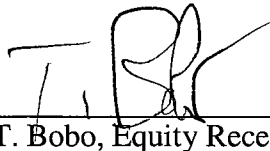
accounts are attached to this report. In addition, the Receiver continues to maintain the status quo with respect to Account No. 37923 at Man Financial. The funds in this account are primarily invested in 10 year U.S. Treasury Notes. According to the most recent account statement, the nominal value of those funds is \$1,731,913. The Receiver is advised that the actual value of those U.S. Treasury Notes is significantly greater.

Since the prior interim report was submitted through November 16, 2004, the Receiver has made the following disbursements of funds from the receivership bank accounts pursuant to order of court:

Date	Payee	Amount
12/30/04	Pepper Hamilton, LLP	\$2,466.34
12/30/04	FGMK, LLC	\$141,635.70
12/30/04	Sachnoff & Weaver, Ltd.	\$111,092.42
5/19/05	Sachnoff & Weaver, Ltd.	\$213,933.4
5/19/05	FGMK, LLC	\$112,197.12
5/19/05	Pepper Hamilton, LLP	\$1,004.13

Dated: June 8, 2005

Respectfully submitted,

By:    
 Stephen T. Bobo, Equity Receiver



**LaSalle Bank N.A.**

135 South LaSalle Street  
 Chicago, Illinois 60603  
 Member FDIC  
 (312) 904-7272

**MONTHLY CLIENT UPDATE**

096 NA  
 TECH TRADERS INC  
 SACHNOFF & WEAVER  
 CLIENT ESCROW ACCOUNT  
 10 S WACKER DR  
 CHICAGO IL 60606-7453

Enclosure(s) 0  
 Statement Date: 05/31/05  
 Page 1 of 1  
 Account Number 8601311106



**LAWYER'S ESCROW MONEY MARKET: 8601311106**  
 Number of Days This Period: 31 Days  
 Avg. Available Balance: 16,851,005.85  
 Interest Earned This Year: 101,641.73

Beginning Balance: 16,977,638.64  
 Deposits and Additions: .00  
 Interest Paid: 24,646.73  
 Checks/Debits/Fees: 327,134.69  
 Ending Balance: 16,675,150.68

**Other Withdrawals and Deposits**

Date	Description	Withdrawals	Deposits
05/20/05	TRANSFER WITHDRAWAL	327,134.69	
05/31/05	INTEREST PAID		24,646.73

**Daily Account Summary**

Date	Withdrawals	Deposits	Balance
04/30/05			16,977,638.64
05/20/05	327,134.69		16,650,503.95
05/31/05		24,646.73	16,675,150.68

**IMPORTANT INFORMATION**



**LaSalle Bank N.A.**

135 South LaSalle Street  
 Chicago, Illinois 60603  
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 (312) 904-7272

**MONTHLY CLIENT UPDATE**

096 NA  
 SHASTA CAPITAL ASSOCIATES  
 SACHNOFF & WEAVER  
 CLIENT ESCROW ACCOUNT  
 10 S WACKER DR  
 CHICAGO IL 60606-7453

Enclosure(s) 0  
 Statement Date: 05/31/05  
 Page 1 of 1  
 Account Number 8601310983



**LAWYER'S ESCROW MONEY MARKET: 8601310983**  
 Number of Days This Period: 31 Days  
 Avg. Available Balance: 879,305.58  
 Interest Earned This Year: 5,273.87

Beginning Balance: 879,305.58  
 Deposits and Additions: .00  
 Interest Paid: 1,286.20  
 Checks/Debits/Fees: .00  
 Ending Balance: 880,591.78

Other Withdrawals and Deposits		Withdrawals	Deposits	
Date	Description			
05/31/05	INTEREST PAID		1,286.20	
Daily Account Summary		Withdrawals	Deposits	Balance
Date				
04/30/05				879,305.58
05/31/05			1,286.20	880,591.78

**IMPORTANT INFORMATION**

ACCOUNT NUMBER E G20 LOCAL 37923  
 DATE MAY 31, 2005

STERLING TRUST ANGUILLA LTD\*\*\*  
 PO BOX CR-56766  
 SUITE 1202  
 MASSAU BAHAMAS  
 FREEZE ORDER\*\*\*\*\*

\*\*\*\*\* POSITIONS IN YOUR ACCOUNT \*\*\*\*\*

DATE	AT	LONG/BUY	SHRT/SELL	DESCRIPTION	PRICE/LEQND	CC	DEBIT	CREDIT
F1		1600,000	0	US TNOTE 3 7/8 DUE 02/15/13	85.00	US		1,360,000.00*
F1		150,000	0	US TREASURY NOTE DUE 8/15/2013	85.00	US		127,500.00*

	*** U.S. DOLLARS ***	* N-SEG US DOLLARS *	** CONVERTED TOTAL *
BEGINNING BALANCE	1,255,587.00-	1,500,000.00	244,413.00
THIS MONTH'S ACTIVITY	.00	.00	.00
ENDING BALANCE	1,255,587.00-	1,500,000.00	244,413.00
SECURITIES MARKET VALUE	1,487,500.00	.00	1,487,500.00
ACCOUNT VALUE AT MARKET	231,913.00	1,500,000.00	1,731,913.00
CONVERTED MARKET VALUE	231,913.00	1,500,000.00	1,731,913.00