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U.S. DISTRICT COURT

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

**COMMODITIES FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

Civil Action No.: 04CV 1512

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

Honorable Robert B. Kugler

Defendants.

**RESPONSE TO
REPLY OF STEPHEN T. BOBO, EQUITY RECEIVER, TO
OBJECTIONS TO MOTION FOR AUTHORITY TO MAKE INTERIM DISTRIBUTION**

**TO: THE HONORABLE ROBERT B. KUGLER AND THE UNITED STATES
DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY**

This response has been submitted due to omissions and inconsistencies as to content and philosophy as purported by Stephen T. Bobo, the Equity Receiver, in his above titled Reply.

INCONSISTENCIES:

The Receiver's arguments are bound to the structure of the original complaint and therefore restricted in scope, which preferentially benefits some individual investors and arbitrarily excludes Dr. DiIenno. Mr. Bobo's hands are tied in arguing for Dr. DiIenno's individual status because the Receiver can only work within the confines of the original complaint and can only make recommendations of disbursements as the original complaint permits him to do. Herein Dr. DiIenno asks the Court's indulgence and appeals again to the Court to recognize Dr. DiIenno as an individual who deposited funds into Tech Traders through a "conduit" company (Bally Lines) just as the individual investors of Shasta deposited monies into Tech Traders through a "conduit" company (Shasta). The deposition of the funds are on the same level and not distinct as the original complaint and the Receiver propose.

OMISSIONS:

Mr. Bobo entirely omits from his Reply titled above that a complete accounting of Dr. DiIenno's \$790,00.00 deposited into Tech Traders, was asked for, and given to the Receiver's office. The Receiver also omits in his reply that his office acknowledges full satisfaction with that accounting concerning Dr. DiIenno's account. And so that the Court is aware: \$400,000.00 was wired directly to Tech Traders from Dr. DiIenno on 2/12/03; and the remaining funds (\$390,00.00) were wired through Bally Lines with direct further wiring of those funds to Tech Traders, \$100,00.00 on 10/1/01 and

\$290,00.00 on 5/22/02. Bally lines "served as a mere conduit- automatically transferring funds to Tech Traders, without discretion over the use of those funds" (page 7, lines 4-5 of Stephen T. Bobo's Reply, titled above). All of the above funds were transferred directly to Tech Traders or through Bally Lines "for one purpose alone: to invest with Tech Traders" (page 7, line 6, same title). Mr. Bobo does admit on page 12, lines 10-11, in his above Reply, that Dr. DiIenno has not received any compensation or pay back of any sort from Tech Traders or Bally Lines.

There are many issues here for the Court to consider in untangling this intricate picture, Dr. DiIenno is suggesting consistency even though the original complaint suggests otherwise. It is how the original complaint was structured that selectively omits Dr. DiIenno as an individual. However the reality is the deposition of funds into Tech Traders was indeed on the same level for the individual investors as it was for Dr. DiIenno and therefore Dr. DiIenno asks the Court to recognize this as a consistency between Dr. DiIenno and the individual investors of Shasta and grant him the same percentage (38%) of return offered the other individuals.

In support of the above, would the Court please further consider this:

The Receiver refers to the individual investors of Shasta being "treated on par with the other Shasta investors" (page 12, line 3, of Bobo's Reply). However when considering Dr. DiIenno, Mr. Bobo repeatedly states to the contrary that Dr. DiIenno should not be on par with the other individual investors. This is a selective and arbitrary determination. Mr. Bobo also mistakenly infers that because Bally Lines received funds (of which Dr. DiIenno received nothing) that Dr. DiIenno should have his funds reduced, completely side stepping the issue of Dr. DiIenno's individual status (the same reasoning should

also rightfully apply to the individual investors of Shasta). Also Mr. Bobo states on page 12, lines 11-13 of his Reply, "Any proposed distribution to Bally Lines would be reduced by the amount of those withdrawals, thereby reducing the amount of funds available for Bally Lines in turn to distribute to him". First, Mr. Bobo specifically does not use this argument in regard to the individuals of Shasta, but yet he is trying to undermine Dr. DiIenno's position as an individual with this argument. The focus should be on the individual and protection of the individual's funds. The Receiver's arguments fall short in excluding Dr DiIenno's individual status.

Then on page 13, diagram, Mr. Bobo clearly identifies Dr. DiIenno as being on the same level "Tier" as the other individuals of Shasta. The only difference to the Receiver is that Shasta (to the benefit of the individual investors of Shasta) has been named as a defendant.

Also on page 13, last sentence, "The Receiver also does not know whether, like Shasta, each of the other Tier One entities acted as mere conduits to Tech Traders, or whether some or all of them also engaged in other economic activities." This is shot gunning and tossing the baby out with the bathwater. Even though there may be questions as to the economic activities of other's entities, that is not the case with Dr. DiIenno. It is exactly clear that all of Dr. DiIenno's funds were transferred to Tech Traders without any other economic activity or return of any sort either from Tech Traders or Bally Lines, and the Receiver has all the records to verify Dr. DiIenno's account and all the above statements. To lump Dr. DiIenno with those other questions of "other economic activities" is spurious and attempts to distract the Court as well as subterfuge Dr. DiIenno's status as an individual.

Page 14, 2nd paragraph, Mr Bobo's argument again tries to deflect the Court away from considering Dr. DiIenno as an individual. Here the Receiver can only state that the

distribution of funds would effect the the total distribution of funds available. Indeed that is obvious, and the same reasoning should apply to each individual investor of Shasta as well, in how a distribution to each one of them would obviously effect the total distribution of funds available. The above is not a reason to exclude Dr. DiIenno as an individual.

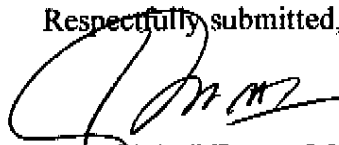
On page 14, last sentence of Mr Bobo's Reply, he states "In theory, DiIenno is correct that the distribution motion treats Shasta investors somewhat differently than other Tier Two investors for the reasons outlined above". The practical way to deal with Dr. DiIenno's particular individual case has been defined above by Dr. DiIenno and is evident in the clear cut records of Dr. DiIenno's account, which the Receiver can attest to if asked by the Court.

In conclusion, the Receiver fails to demonstrate why Dr. DiIenno should not be considered an individual. The Receiver's arguments are restrictive and limited, and bounded by the confines of the original complaint in regards to Dr. DiIenno. Dr. DiIenno asks the Court to recognize that the scope of the individual and the protected funds goes beyond what is delineated in the Receiver's arguments, that Dr. DiIenno is on the same "par" as the other individual investors and merits the same protection given those other individuals and to grant him, as the Court so deems, the same (38%) percentage of distribution of funds offered those other individuals.

March 1, 2005

Respectfully submitted,

Helen D. Quinn



Donald A. DiIenno, M.D.

HELEN D QUINN
Notary Public, State of Florida
My Comm. Expires Apr. 29, 2007
No. DD206710

Donald A. DiIenno is personally known to me