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

**COMMODITY FUTURES TRADING)
COMMISSION,)**

Plaintiff,)

vs.)

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

Defendants.)

Civil Action No.: 04CV 1512

Honorable Robert B. Kugler

Hearing Date: 10/20/06

**MEMORANDUM OF EQUITY RECEIVER IN SUPPORT OF MOTION FOR
AUTHORITY TO SETTLE DISPUTES WITH MCDERMOTT, WILL & EMERY**

Stephen T. Bobo (the "Receiver"), the Equity Receiver for Defendants Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Robert W. Shimer and Vincent J. Firth, requests authority to compromise the receivership estate's disputes with McDermott, Will & Emery ("MWE"). In support of his motion, the Receiver states as follows:

1. Beginning in January 2004 through April 8, 2004, Tech Traders, Inc., Tech Traders, Ltd. and Coyt Murray individually were formerly represented by the law firm of MWE in matters related to the CFTC's investigation and the early stages of this litigation. Tech Traders, Inc. paid a total of \$246,000 to MWE in retainer payments. At the time of the commencement of this case on April 1, 2004, MWE had withdrawn a total of \$81,637.57 from the Tech Traders' retainer funds to pay its invoices, leaving a balance of \$164,362.43 in the retainer account.

2. The Receiver demanded turnover of the retainer funds. MWE refused to comply unless it was first paid for all of its outstanding bills for services rendered during March and April 2004. Those bills totaled \$78,651.26.

3. The Receiver has challenged the amounts sought by MWE, both because of the magnitude of the charges in total and also because most of the charges were billed to Tech Traders, Ltd. and Coyt E. Murray, whereas the retainer came only from Tech Traders, Inc. The Receiver believes that the use of funds of Tech Traders to pay obligations of its owner and sister corporation would likely be avoidable under fraudulent conveyance law.

4. MWE's explanation is that the work it did for the three clients was closely related and that the charges for nearly all of the work it did for Tech Traders was split evenly between Tech Traders, Inc. and Tech Traders, Ltd. MWE contends that if Tech Traders, Ltd. had not been a client, then its charges to Tech Traders, Inc. would have included the amount billed to Tech Traders, Inc.

5. The Receiver and MWE have negotiated a resolution of the fee issues. MWE has agreed to return total of \$132,587.16 from the retainer funds to the Tech Traders receivership estate and apply the other \$31,775.27 to its outstanding invoices. In addition, the Receiver and MWE would exchange mutual general releases.

6. The Receiver believes that this settlement is advantageous for the receivership estate because it has a favorable result without any further expense to the estate. The settlement amount is well within the range of reasonable results if the Receiver litigated the issues to judgment instead of entering into this settlement.

7. The Receiver has discussed this motion with the attorney for the Plaintiff, Commodity Futures Trading Commission, who indicated that she did not object to the relief sought.

WHEREFORE, the Receiver requests the court to enter an order authorizing him to resolve the receivership estate's disputes with MWE on the terms set forth above and such other relief as is appropriate in the circumstances.

DATED: October 17, 2006

Respectfully submitted,

STEPHEN T. BOBO
Equity Receiver

By: s/ Jeffrey A. Carr
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