

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

| | | |
|------------------------------|---|-----------------------------|
| U.S. COMMODITY FUTURES |) | Civil Action No.: 07 C 3598 |
| TRADING COMMISSION, |) | |
| |) | |
| Plaintiff |) | Honorable Judge Manning |
| vs. |) | Magistrate Judge Mason |
| |) | |
| LAKE SHORE ASSET MANAGEMENT |) | |
| LIMITED, LAKE SHORE GROUP OF |) | |
| COMPANIES INC., LTD., and |) | |
| PHILIP J. BAKER; |) | |
| |) | |
| Defendants. |) | |

SUPPLEMENTAL DECLARATION OF MARY E. SPEAR
PURSUANT TO 28 U.S.C. § 1746

I, Mary Elizabeth Spear, make the following declaration based upon my personal knowledge.

1. I have been employed with the Commodity Futures Trading Commission (“Commission”) for over 20 years as a Futures Trading Investigator in the Division of Enforcement (“Division”) at the agency’s Central Regional offices, located at 525 W. Monroe Street, Suite 1100, Chicago, Illinois 60661. My primary duties consist of investigating possible violations of the Commodity Exchange Act (“Act”) and Commission Regulations, including investigations involving sales and solicitation fraud, among others. I have attended a number of commodity futures-related classes offered by the Commission, the National Futures Association, the Chicago Board of Trade and the Chicago Mercantile Exchange.

2. August 8 and 13, 2007 I testified at the Preliminary Injunction (“PI”) Hearing.

3. Since that time, I have continued the investigation initiated by the Division involving Lake Shore Asset Management Limited (“LSAM Ltd.”), Lake Shore Asset Management Inc. (“LSAM Inc.”), Lake Shore Group of Companies, as well as affiliates and other related entities.

4. On August 28, 2007, I received an email from Robert L. Byman, an attorney with Jenner & Block, LLP, Esquire, attaching various emails he had received from his client, Laurence Rosenberg (“Rosenberg”), a principal of Lake Shore. (Attachment A) I also observed that a “carbon copy” of this email was also sent to William J. Nissen and, therefore, that he had also received the same aforementioned email, with the various emails attached, on the same date that I did.

5. One of the emails attached was an email sent to Rosenberg on August 22, 2007 from Alan M. Rind (“Rind”), who identified himself as the Director of Hadcliffe Properties Limited (“Hadcliffe”), the Company that owns the premises at 37 Upper Brook Street in London (“Upper Brook”). Rind also referred to the premises as “where Lake Shore has its offices”. (Attachment B) This is the same address shown as the main representative office on page 38 of PI Exhibit 4, and the same address shown in PI Exhibit 6 for the Investment Manager, Lake shore Asset Management Limited.

6. Also included was an email from Jeremy Butler which indicates that he is corresponding on behalf of his client, Philip Baker (“Baker”), and refers to the tenant of the 1st Floor, 37 Upper Brook property as Hanford Investment Limited (“Hanford”),

“exiting” or vacating the premises and terminating a 5 year lease that was entered into on February 17, 2006. (Attachment C)

7. Another email dated August 2, 2007 addressed to Baker, with a carbon copy to Rosenberg, describes the first floor offices as “now seemingly vacated by Lakeshore”, refers to that on Baker’s “authority” various objects had been removed from the premises, as well as that on August 1, 2007 all the machines “had been dismantled from the desks and placed on the floor with labels attached as if ready for removal.” (Attachment D)

8. Hadcliffe sent another email to Baker on August 13, 2007, as Managing Partner of the Lakeshore Group of Companies, which states that “we have been given to understand by your Chauffeur/Handyman ...that your company no longer wishes to occupy the First Floor premises at 37 Upper Brook Street. We also understand that you are prepared to sell/dispose of all the furniture, fixtures and fittings presently located within the offices for the sum of £6,000 Sterling.” (Attachment E, page 2 of 2)

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

8/29/07

Dated

Mary E. Spear

Mary E. Spear

Spear, Mary Elizabeth

From: Byman, Robert L [RByman@jenner.com]
Sent: Tuesday, August 28, 2007 5:33 AM
To: james.conway@usdoj.gov; Gould, Ava M.; Romaniuk, Diane M.; Spear, Mary Elizabeth; praleigh@nfa.futures.org
Cc: Nissen, William J.
Subject: FW: London land lord correspondence
Attachments: RE: Offices at 37 Upper Brook Street; Fw: 1st Floor, 37 Upper Brook Street W1 - Subject to Contract; Lease document.; Fw: My solicitor will be contacting Allen regarding the exit form the building; Fw: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K; Fw: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K; Fw: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K; Fw: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K; Fw: 1ST FLOOR, UPPER BROOK STREET; Fw: 1ST FLOOR, UPPER BROOK STREET; Fw: First Floor offices.; Fw: First Floor offices.; Fw: First Floor offices.; Fw: First Floor offices.; Offices at 37 Upper Brook Street

Larry sent these materials to me yesterday relating to the London location. My understanding is that Larry did not request the materials, but rather that Mr. Villars, who thought Larry might be interested, asked the the landlord to send them. I am forwarding them to you in case they are of some interest.

Robert L. Byman
Jenner & Block LLP
330 N. Wabash Avenue
Chicago, IL 60611-7603
Tel (312) 923-2679
Fax (312) 840-7679
RByman@jenner.com
www.jenner.com

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From: Laurence Rosenberg [mailto:larry@lrosenberg.com]
Sent: Monday, August 27, 2007 4:48 PM
To: Byman, Robert L
Subject: London land lord correspondence

Bob,

There is a bit of redundancy in the attached, but I have included everything that was sent to me.

I never received the email addressed to me. It was sent after my Lake Shore email was terminated.

Larry

CFTC 222 09 0001

8/28/2007

Attachment A

Spear, Mary Elizabeth

From: Rindy le Grand [rindylegrand@hadcliffe.com]
Sent: Thursday, August 23, 2007 4:10 AM
To: Laurence Rosenberg
Subject: RE: Offices at 37 Upper Brook Street

Dear Mr. Rosenberg,

Thank you for your prompt response, I stand ready to give further assistance at any time should you require me to do so.

Sincerely,
Alan.
Alan M. Rind.

From: Laurence Rosenberg [mailto:larry@lrosenberg.com]
Sent: 22 August 2007 16:25
To: 'Rindy le Grand'
Subject: RE: Offices at 37 Upper Brook Street

Mr. Rind,

Thank you and Mrs. Clark for the copies of the below mentioned emails. If there is a need for copies of the lease document or Rent Deposit Deed will let you know.

I appreciate your assistance and offer for further help if necessary.

Sincerely,
Laurence M. Rosenberg

From: Rindy le Grand [mailto:rindylegrand@hadcliffe.com]
Sent: Wednesday, August 22, 2007 5:13 AM
To: larry@lrosenberg.com
Subject: Offices at 37 Upper Brook Street

Dear Mr. Rosenberg,

May I introduce myself to you as a Director of the Company that owns the premises at 37 Upper Brook Street, London, where Lake Shore has its offices. At the request of Mr Xavier Vilar, I have been asked to send you copies of recent emails that have been exchanged between this Company (The Landlord Company, Hadcliffe Properties Limited) and Mr. Philip Baker, the Managing Partner of Lake Shore.

All these exchanges exist in the form of emails on the Desk top computer used by my Secretary, Mrs. Kate Clark. Her email address is kate@hadcliffe.com I am aware that your own lap top/desk top computer may have a Spam filter which may block incoming emails with the name of "Kate" as the prefix to any such email address, but I thought I would try to send them to you directly from her computer for a first attempt.

Would you also be good enough to let me have a Postal Address to which a copy of the Lease document may be sent, together with a copy of the Rent Deposit Deed, if you have need of either or both of them, it could be your Private address or an Office address or indeed a P.O.Box, at your choice.

If there is anything further that I can do to assist you in this matter, please let me know.

Yours sincerely,
Alan.
Alan M. Rind.

OFTC 222 00 0002

Attachment B

8/28/2007

Spear, Mary Elizabeth

From: Kate@hadcliffe.com
Sent: Wednesday, August 22, 2007 9:23 AM
To: larry rosenberg
Subject: Fw: 1st Floor, 37 Upper Brook Street W1 - Subject to Contract

Dear Mr. Rosenberg,,

Further to the various copy emails sent to you to-day, please find herewith a copy of an email received this afternoon from a London Lawyer who says he is acting for Mr. Philip Baker (see first paragraph, last six words). Should you have any comments, please let me know.

Alan.

----- Original Message -----

From: Jeremy Butler
To: kate@hadcliffe.com
Sent: Wednesday, August 22, 2007 2:51 PM
Subject: 1st Floor, 37 Upper Brook Street W1 - Subject to Contract

Dear Kate,

**1st Floor, 37 Upper Brook Street W1 -
Subject to Contract**

I have been instructed by your tenant of the above property (namely Hanford Investments Limited) and passed copies of some recent emails you have exchanged with my instructing client (Philip Baker).

I should be grateful if you would give me a ring so we can discuss this matter and, in particular, the "exit" route for my clients and, also, I would like to know what (if anything) has been agreed as between the landlord and the tenant in respect of this property?

As I am sure you are aware, my clients paid a rent deposit to the landlords of £50,000.00 under a rent deposit deed completed on 17th February 2006 and there is also a lease completed on the same date in existence which is for a term of 5 years starting on 16th January 2006 at an annual exclusive rent of £63,085.00.

Our client is a man of substance but my understanding is that what is proposed here is a Deed of Surrender of our client's lease with consequential financial calculations and adjustments to reflect the deposit sum held by the landlords and any dilapidations etc, and that the landlords are prepared to accept a surrender on the basis that, as I understand it, they can relet these most marvellous office premises (which I have seen) which are superbly decorated to other tenants fairly quickly and no doubt at a substantially increased rent?

Anyway, as I say, perhaps you could give me a ring at your earliest convenience so we can discuss this matter further.

I look forward to hearing from you.

Regards,

Jeremy Butler

8/28/2007

CFTC 222 03 0003

Attachment C

Partner
Howard Kennedy, Solicitors

email: J.Butler@howardkennedy.com
tel: +44(0)20 7546 8883
fax: +44(0)20 7664 4483
url: <http://www.howardkennedy.com>

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Please note that this email has been created in the knowledge that Internet email is not a 100% secure communications medium. We advise that you understand and accept this lack of security when emailing us.

A list of our partners can be obtained from our offices at 19 Cavendish Square, London, W1A 2AW or by e-mailing enquiries@howardkennedy.com and requesting a copy.

This message has been scanned for viruses by Mimecast.

CFTC 222 03 0004

8/28/2007

Spear, Mary Elizabeth

From: Kate@hadcliffe.com
Sent: Wednesday, August 22, 2007 5:43 AM
To: larry rosenberg
Subject: Fw: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

eventh Group.

lan

--- Original Message -----

From: Kate@hadcliffe.com

To: Philip Baker

Cc: lrosenberg@lakeshorefunds.com

Sent: Thursday, August 02, 2007 2:21 PM

Subject: Re: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

Dear Philip

Thank you for your email, which I consider to be a rather intemperate response to my enquiry.

As I said in my email which was addressed to Mr Rosenberg, we here are becoming increasingly concerned about the first floor offices now seemingly vacated by Lakeshore. I have no doubt you appreciate the fact that we are responsible for the security of this building and the contents of each floor of offices. Should computers, screens, items of furniture or objets d'art be removed from the premises, then it might be thought that we have neglected our duty of care.

You will no doubt recall my email to you of 10th July when I informed you that various objects had been removed from the premises. You informed me by return email that some objects had been removed on your authority and that no theft had taken place. In that same email you informed me that the position was serious, that was the last comment I received from you concerning Lakeshore.

We have not been informed who is authorised (or not as the case may be) to enter and leave the premises which are still leased to Lakeshore. But we are disturbed to learn that the office cleaner, Richard Wright, has not been paid for some 6 months and is now owed £1,410 including VAT. Now this may not seem a lot of money to you and to me, but it is important to Richard. In addition, Hadcliffe is owed £1,432.41 for sundries due for the month of June, this remains unpaid together with the sum due for July of £1,004.92.

Yesterday morning, I saw James Taylor and Eric Robin in the office and took an opportunity of asking Eric if he was able to let me know the status of the Company. He was unable to assist but I noted that all the machines had been dismantled from the desks and placed on the floor with labels attached as if ready for removal.

All of this leads me to assume that Lakeshore is unable to conduct its business in a normal fashion and I feel that this is an assumption that I am entitled to make, given all the circumstances. If my assumption is correct, then I have to look to Hadcliffe's interests here as well and indeed to the future of that floor of offices. We have a fiduciary duty to minimise any losses for and on behalf of the Landlord Company and Lakeshore. Rents have been paid, as you have correctly said, and another quarter's rent will be due in September. Expenses are mounting up at the rate of about £1,250 a month on average.

We are uncomfortable for the reasons stated above, and in our previous email, with the present situation and would be pleased if you could keep us advised as to the continuation of your lease of the floor in this building.

Yours sincerely
Alan M Rind

OFTC 222 09 0012

Attachment D

8/28/2007

----- Original Message -----

From: Philip Baker

To: Kate@hadcliffe.com

Sent: Wednesday, August 01, 2007 6:47 PM

Subject: FW: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

Dear Sir

I find your email to my associate rather offensive as I have been in regular contact with you.

Your rent has been paid fully please sir refrain from ever doing that kind of email around my back again.

I find absolutely offensive you will be notified when I want to notify either by myself or my lawyers in London

I do not consider this to be gentlemanly.

I am not required to give legal details on my company or my private or public legal matters.

Regards.

From: Kate@hadcliffe.com [<mailto:kate@hadcliffe.com>]

Sent: Wednesday, August 01, 2007 5:23 AM

To: Larry Rosenberg

Subject: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

Dear Mr Rosenberg

With mounting concern, we have noted adverse comment in the Press concerning Lakeshore and we have seen documents, equipment and assorted objects, including objets d'art, removed from the premises over the last week or so. For reasons of security, we would like to know who has authority to enter the premises and remove things.

We have tried to elicit information from 2 employees, Mr James Taylor and Mr Eric Robin, who seem still to be in attendance at the offices on occasion, as to the status of the Corporation, but with no success. We have considered writing to the Commodity Futures Trading Commission in Chicago to find out whether the company has a future since we have been unable to ascertain the outcome of the meeting with the CFTC held recently. We have written to Mr Philip Baker by email only to receive cryptic responses to our request for information.

Are you able to give us any guidance, at this time, as to the future of the Company? We would be most grateful for any information you are able to give us.

You will no doubt be aware that our Company, Hadcliffe Properties Ltd, granted a Lease to Hanford Investments Ltd for a period of 5 years from 16th January 2006. Hadcliffe holds a deposit of some £50,000 Sterling. The Landlord is entitled to draw upon the deposit or any part of the deposit or any interest earned, in order to make good any failure by the Tenant to pay any rents or other money due under the Lease together with any costs or expenses incurred by the Landlord arising out of a breach of covenant or condition on the part of the Tenant.

If the offices are to be vacated, we would like to be forewarned in order that Hadcliffe can make every effort to minimise losses and offer the premises for Lease. Who is in a position to sign a document or Deed of Surrender? Any indications you can give us

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would be most helpful. If you are not in a position to assist us in our enquiries, would you please be good enough, if you are able to do so, to pass to us the name and address of the gentleman who is in authority to deal with this matter on behalf of Lakeshore. Alternatively, if you are unable to respond to this email, could you please pass a copy of this email on to that person.

Yours sincerely
Alan M Rind
Director
Hadcliffe Properties Ltd
37 Upper Brook Street
LONDON
W1K 7PR

Philip Baker
Managing Partner
Lake Shore Group of Companies Inc. Limited
UK: +(44) 207.993.2935 x 200
Fax: +(1) 416.850.5831
www.lakeshorefunds.com
pbaker@lakeshorefunds.com

OFTC 222 09 0014

8/28/2007

Spear, Mary Elizabeth

From: Kate@hadcliffe.com
Sent: Wednesday, August 22, 2007 5:48 AM
To: larry rosenberg
Subject: Fw: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

Tenth Group.

Alan

----- Original Message -----

From: Kate@hadcliffe.com

To: Philip Baker

Sent: Wednesday, August 15, 2007 11:33 AM

Subject: Re: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

0207 499 7242

Regards

Kate Clark

Hadcliffe Properties Ltd

37 Upper Brook Street

----- Original Message -----

From: Philip Baker

To: Kate@hadcliffe.com

Sent: Wednesday, August 15, 2007 11:08 AM

Subject: RE: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

Can you give me Allans phone number please.

From: Kate@hadcliffe.com [mailto:kate@hadcliffe.com]

Sent: Wednesday, August 15, 2007 12:07 PM

To: Philip Baker

Subject: Re: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

Thank you for your email. Please confirm that we have the Authority of Hanford and/or Lakeshore to proceed with the works of internal decoration and repair in the interim so that we may offer the premises on the market as soon as possible.

Yours etc

Alan M Rind

----- Original Message -----

From: Philip Baker

To: Kate@hadcliffe.com

Sent: Tuesday, August 14, 2007 1:49 PM

Subject: RE: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

These are accurate.

Provide Deed and I will have executed for you and sent original and copy via email

Noted to all

From: Kate@hadcliffe.com [mailto:kate@hadcliffe.com]

Sent: Monday, August 13, 2007 11:14 AM

To: Philip Baker

Cc: Larry Rosenberg

Subject: Re: FIRST FLOOR OFFICES, 37 UPPER BROOK STREET, LONDON W1K

CFTC 222 09 0007

Attachment E

8/28/2007

Dear Mr Baker

We have been given to understand by your Chauffeur/Handyman, Mr Husein Rahman, that your Company no longer wishes to continue to occupy the First Floor premises at 37 Upper Brook Street. We also understand that you are prepared to sell/dispose of all the furniture, fixtures and fittings presently located within the offices for the sum of £6,000 Sterling.

As Managing Partner of the Lakeshore Group of Companies, could you please inform us if this is an accurate reflexion of your wishes. At the same time, would you be good enough to inform us which of the Officers of the Company known as Hanford Investments Ltd (who are the actual Lessees according to the documentation of the office floor) is able to sign a Deed of Surrender?

The premises will have to be redecorated in part so as to make the floor presentable to an incoming tenant, there are holes in walls and in wall paper which have been made by screws and nails placed for fixtures and fittings, such as cabinets and clocks which have now been removed. Of course, the carpets will have to be cleaned. Your Company will also be responsible for Agents' Letting Fees.

You will no doubt be aware that there are 2 months of outstanding Sundry Expenses and you will also be aware that Richard, the Office Cleaner, has not been paid for some 6 months. You may also be aware that the exterior of 37 Upper Brook Street is undergoing its three yearly paint and polish, at the request of the Grosvenor Estate. Your Company is of course responsible for its fair proportion of this expense.

Your Company has paid rents up to and including 28th September 2007 and is responsible for further rents and sundries until the Premises are re-let, if that is the course of action you would like us to follow. Please let us have your response to the questions that we have posed at your earliest convenience.

Yours etc
A M Rind
Director
Hadcliffe Properties Ltd

Philip Baker
Managing Partner
Lake Shore Group of Companies Inc. Limited
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8/28/2007