



and Energy Act of 2008, Pub. L. No. 110-246, Title XIII (the CFTC Reauthorization Act of 2008 (“CRA”)), § 13102, 122 Stat. 1651 (enacted June 18, 2008), and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 1 *et seq.*

On July 14, 2011, the Commission properly served Defendants, pursuant to Fed. R. Civ. P. 4(e)(2) and 4(h)(1)(B) by delivering copies of the summons and Complaint to Lowrance and First Capital by personal service of a copy of the summons and complaint upon its officer, Lowrance. Under Fed. R. Civ. P. 12(a)(1)(A)(i), Defendants’ Answers were, therefore, due on August 4, 2011.<sup>1</sup>

On August 16, 2011, the Court filed a letter it received from Lowrance dated August 2, 2011 in which Lowrance explained he was incarcerated and requested counsel to be appointed. On August 17, 2011, the Court issued a Minute entry denying Lowrance’s request for counsel. The minute entry also extended the Defendants’ time to answer to September 7, 2011 and set a status for September 12, 2011. Lowrance failed to file an answer and failed to appear by telephone for the status hearing. On September 12, 2011, the Court found the Defendants in default. Defendants have each failed to file an answer or otherwise respond, as provided in Fed. R. Civ. P. 12(a)(4).

The Court has carefully considered the Complaint, the factual allegations of which are well-pleaded and hereby taken as true, the memorandum the Commission filed in support of its Default Motion and the declaration and exhibits thereto, and, being fully advised and familiar with the record in this matter, hereby enters findings of fact and conclusions of law, and issues a

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<sup>1</sup> *It appears that the Defendants were served by the U.S. Marshal Service twice and proof of service was filed twice in this matter. (ECF Nos. 9, 10).*

final order of permanent injunction that also provides for restitution, a civil monetary penalty and ancillary equitable relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1 (2006), as set forth herein.

**THE COURT FINDS:**

**II. FINDINGS OF FACT**

**A. Jurisdiction and Venue**

This Court has jurisdiction over this action pursuant to Section 6c(a) of the Act, 7 U.S.C. §13a-1, which authorizes the CFTC to seek injunctive relief against any person whenever it shall appear to the CFTC that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of the Act or any rule, regulation, or order thereunder.

Venue properly lies with the Court pursuant to Section 6c(e) of the Act, in that the Defendants are found in, inhabit, or transact business in this District, and the acts and practices in violation of the Act have occurred, are occurring, or are about to occur within this District.

**B. Summary**

Defendants solicited approximately \$1 million from approximately 36 members of the general public, for the sole purpose of trading off-exchange foreign currency (forex) contracts. Defendants did not deposit any of these investors' funds into forex trading accounts. Instead, Defendants misappropriated most of the investor funds, and used the misappropriated funds, among other things, to pay previous First Capital investors, pay personal expenses and create a religious newspaper.

### C. Defendants

Defendant **First Capital Savings and Loan** was created in approximately February 2007 and is registered in New Zealand as an offshore finance company. The First Capital website stated, "First Capital Savings & Loan is offering financial services as a Finance Company and not as a registered bank under supervision by the Reserve Bank of New Zealand." From at least April 2007 to approximately February 2011, First Capital was in the business of soliciting members of the public to invest in trading forex contracts. Its address was Auckland Compliance Ltd, Level 3, Suite 24, 60 Cook St, Auckland 1010, New Zealand, which is the address of its registered agent. First Capital utilized the web address of [www.firstcapitalsl.com](http://www.firstcapitalsl.com). First Capital has never been registered with the CFTC.

Defendant **Jeffery Alan Lowrance** previously resided in Houston, Texas, and later moved somewhere in the vicinity of Lima, Peru. The United States Attorney for the Northern District of Illinois indicted him on August 5, 2010, and extradited him to the United States in July 2011. Lowrance is currently in the custody of the United States Marshal Service and being held at the Kankakee County Jail in Kankakee, Illinois. The U.S. Attorney's criminal indictment alleges among other things, that from August 2004 to at least June 2009, Lowrance fraudulently obtained at least \$25,000,000 from at least 400 investors to participate in First Capital's forex trading program, sent false account statements to investors, and misappropriated investor funds.<sup>2</sup> *See USA v. Jeffery Lowrance*, 09 CR 00578 (Aug. 5, 2010, N.D. Ill.) (Norgle J.). He has never been registered in any capacity with the CFTC.

Lowrance is the Chief Executive Officer of First Capital. Lowrance hired and fired employees and limited employee access to all records of the business. Lowrance had access to

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<sup>2</sup> The CFTC Complaint has a more limited scope than the criminal indictment because it covers only forex transactions that occurred from June 18, 2008 forward, after the enactment of the CRA.

all records and passwords to the First Capital website and Eurowire Clearing Corporation (“Eurowire”) website. Eurowire is a wire transfer clearing and messaging company that Defendants used to process their financial transactions, including customer deposits.

Lowrance’s username indicated that he was the “administrator” of the First Capital website with the only active profile on the website. Lowrance used ceo@firstcapitalsl.com to communicate with First Capital investors and vendors, and was also listed as using the info@firstcapitalsl.com email address.

**D. Background of the Scheme**

Beginning in approximately March 2006, Lowrance ran a company called Mentor Investing Group, Inc. (“Mentor Investing”), which solicited members of the public to invest in forex through the Internet and mass mailings. On September 13, 2006, the State of California Department of Corporations issued a Cease and Desist order against Lowrance and Mentor Investing which ordered them to cease soliciting investors for forex trading. In approximately April 2007, Lowrance ceased doing business through Mentor Investing, and formed First Capital, through which he continued to solicit members of the public to trade forex. Based on records obtained to date, it appears that between April 13, 2007 and June 17, 2008, First Capital received approximately \$20 million from at least 400 investors.

**E. First Capital Savings and Loan After June 18, 2008**

From at least June 18, 2008 until approximately February 2011, First Capital, by and through its sales representatives, including Lowrance, solicited members of the general public to trade forex. Defendants did not tell one or more investors that their funds were being used to fund the creation of a religious newspaper titled “USA Tomorrow.” Since June 18, 2008,

Defendants received more than \$1 million from approximately 36 investors, and misappropriated most of the funds.

**F. Fraudulent Solicitation of First Capital Investors**

Defendants used their employees and agents, mailings, and a website, [www.firstcapitalsl.com](http://www.firstcapitalsl.com), to solicit members of the public to invest in forex through First Capital. First Capital claimed to be extremely successful in forex trading and purportedly generated consistent monthly profits. Through the First Capital website and promotional materials, Defendants promised investors monthly returns ranging from 1.1% to 4.15% on their investment, depending on the amount and size of the investor's investment, generated through profitable forex trading. Specifically, First Capital promotional materials stated, "The way in which we pay our 13.25 to 18.70 % annual returns on our Certificate of Deposits is from the gains that we generate in the FOREX Currency Market. Since the FOREX is the biggest business in the world, it is a great place to generate small, predictable returns for our clients." First Capital included a spreadsheet of forex trading on its website and claimed that the trading was actual forex trading achieved by First Capital, and that the excel spreadsheet "contains all of our trading activity...." First Capital also offered to send the investors emails of "trades live, as they happen...", and stated on its website, "...there is no better way for you to verify our profitability than for you to receive the trades as they happen, live and in real time." Additionally, First Capital promotional materials stated in regard to the Excel spreadsheet, "This is the most honest and transparent way for us to show you that we are making good and steady money trading in the FOREX currency market. Plenty enough to pay our clients 13.25% to 18.70% annually on our Certificate of Deposit program."

These statements are false. In fact, Defendants never achieved those returns and never made any of the trades purported to be actual forex trades. First Capital did not have a forex trading account during the relevant period at any registered futures commission merchant (“FCM”). Lowrance opened a forex trading account at registered FCM Oanda Corporation (“Oanda”) in his own name in approximately November 2005 and funded it with only \$4,000. Lowrance’s forex account never had a balance greater than \$4,002, his trading resulted in net losses, and the account has not had any trading activity since October 2009.

**G. Misappropriation**

Funds that investors sent to First Capital were sent to Asset Strategies International, Inc., a foreign currency exchange service, then converted into Euros, and wired to an account in the name of First Capital at Eurowire.<sup>3</sup> None of the approximate \$1 million received by First Capital after June 18, 2008 from investors was sent to a forex trading account. As of July 31, 2009, approximately €6.75, or \$136.00, remains in the First Capital Eurowire account.

In July of 2008, Defendants suspended all investor withdrawals and informed them that First Capital was not in a position to distribute any funds. Lowrance explained in an emailed “Update” to investors that he had been spending funds that belong to investors on the creation of his lifelong dream, the “USA Tomorrow” newspaper, and stated “I have used more than the newspaper’s share of the trading profits starting in May and continuing through June.” Lowrance sent an “Update” to investors that asked for their patience and continued to stress the profitable forex trading by First Capital.

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<sup>3</sup> Due to the value of the U.S. Dollar during this period and the fees charged by Asset Strategies International, Inc., it appears that by converting all of the funds to Euros at the initial deposit phase and then withdrawing funds in U.S. Dollars, First Capital incurred losses from the mere act of converting the currencies.

The purported 1.1 to 4.15 percent monthly return on investment paid to investors was actually paid from existing investors' original principal and/or from money invested by subsequent investors. Defendants, thus, operated a Ponzi scheme. From June 18, 2008 to the present, Defendants returned approximately \$330,000 to investors, and Lowrance withdrew at least \$177,621, paid his family members at least \$13,176, spent at least \$158,386 on his newspaper, USA Tomorrow, and spent an additional \$649,718 on expenses unrelated to customer trading.

#### **H. False Account Statements**

In order to conceal and perpetuate their fraud, from at least June 18, 2008 through approximately February 2011, Defendants reported consistent monthly profits to their investors. Investors received the false information in the form of, among other things, individual investor account statements that were made available to investors through secured password protected account logins on the First Capital website. For example, Defendants reported to one investor monthly profits of 4.15% percent for July, August, October, November and December 2008. In reality, there was no activity in Lowrance's forex trading account during those months.

### **III. CONCLUSIONS OF LAW**

#### **A. Defendants Violated Section 4b(a)(2)(A)-(C) of the Act**

From at least June 18, 2008 through at least February 2011, in or in connection with forex contracts, made, or to be made, for or on behalf of or with other persons, Defendants cheated or defrauded, or attempted to cheat or defraud, investors or prospective investors and willfully deceived or attempted to deceive investors or prospective investors by, among other things, knowingly: (i) misrepresenting that First Capital investor funds would be and were being used exclusively for forex trading; (ii) misrepresenting that First Capital forex traders are extremely successful and generate consistent monthly profits; (iii) misrepresenting that First

Capital's investors would receive approximately 1.1% to 4.15% per month return on their investment that was generated from the forex trading profits; (iv) misrepresenting that First Capital's consistent profits trading forex enabled First Capital to guarantee a set return of interest each month to its investors; (v) misappropriating investor funds; and (vi) providing investors access to account statements that misrepresented the value of the investors' investments, all in violation of Sections 4b(a)(2)(A)-(C) of the Act as amended, to be codified at 7 U.S.C. §§ 6b(a)(2)(A)-(C). Defendants engaged in the acts and practices described above knowingly or with reckless disregard for the truth.

Lowrance controlled First Capital, directly or indirectly, and knowingly induced, directly or indirectly, First Capital's conduct alleged in this Count. Therefore, pursuant to Section 13(b) of the Act, 7 U.S.C. § 13c(b), Lowrance is liable for First Capital's violations of Sections 4b(a)(2)(A)-(C) of the Act as amended, to be codified at 7 U.S.C. §§ 6b(a)(2)(A)-(C).

The foregoing acts, misrepresentations, omissions, and failures of Lowrance, along with the acts, misrepresentations, omissions, and failures of other First Capital employees and agents, occurred within the scope of their employment with First Capital; therefore, First Capital is liable for these acts pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Regulation 1.2, 17 C.F.R. § 1.2 (2011).

Each misappropriation, misrepresentation or omission of material fact, and false statement or report, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Sections 4b(a)(2)(A)-(C) of the Act as amended, to be codified at 7 U.S.C. §§ 6b(a)(2)(A)-(C).

**B. Need for a Permanent Injunction and Other Ancillary Equitable Relief**

Plaintiff has made a showing that Defendants have engaged, are engaging, or are about to engage in acts or practices in violation of the Act. Notwithstanding their default, the totality of the circumstances establish that, unless permanently restrained and enjoined by this Court, there is a reasonable likelihood that Defendants will continue to engage in the acts and practices alleged in the Complaint and in similar acts and practices in violation of the Act.

Plaintiff has made a showing that Defendants should be held jointly and severally liable for the losses incurred by First Capital investors as a result of Defendants' fraud in the amount of \$1,098,775.13. Plaintiff has made a showing that joint and several civil monetary penalties should be assessed against Defendants in the amount of \$3,296,325.39, the equivalent of triple the monetary benefit to Defendants.

**IV. ORDER OF PERMANENT INJUNCTION AND OTHER ANCILLARY RELIEF**

It is HEREBY ORDERED THAT:

1. The Commission's Motion for Default Judgment Against Defendants Jeffery A. Lowrance and First Capital Savings and Loan is GRANTED.

PERMANENT INJUNCTION

2. Defendants and all persons insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, or attorneys of Defendants, and all persons insofar as they are acting in active concert or participation with Defendants who receive actual notice of this Order by personal service or otherwise, are permanently restrained, enjoined and prohibited from cheating or defrauding or attempting to cheat or defraud others; willfully making or causing to be made to such other person any false report or statement thereof; or willfully deceiving or attempting to deceive other persons by any means whatsoever in regard to any such

order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such persons; in violation of Sections 4b(a)(2)(A) – (C) of the Act, as amended, to be codified at §§ 6b(a)(2)(A)-(C);

3. IT IS FURTHER ORDERED THAT Defendants and all persons insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, or attorneys of Defendants, and all persons insofar as they are acting in active concert or participation with Defendants who receive actual notice of this Order by personal service or otherwise, are permanently restrained, enjoined and prohibited from directly or indirectly:

- a. trading on or subject to the rules of any registered entity, as that term is defined in Section 1a of the Act, as amended, 7 U.S.C. § 1a, for their own personal or corporate account, for any account in which they have a direct interest or indirect interest, or for any other account for or on behalf of any other person or entity, whether by power of attorney or otherwise;
- b. entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 32.1(b)(1), 17 C.F.R. § 32.1(b)(1) (2011)) (“commodity options”), swaps, and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended) (“forex contracts”) for their own personal account or for any account in which they have a direct or indirect interest;
- c. having any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts traded on their behalf;
- d. controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account involving commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;
- e. soliciting, receiving, or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, swaps, and/or forex contracts;
- f. applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission, except

as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011); and

- g. acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)(2011)), agent or any other officer or employee of any person registered, exempted from registration or required to be registered with the Commission, except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9) (2011);

4. The Defendants, or any person or entity providing web-hosting or domain name registration services, shall remove or cause to be removed from the Internet all websites posted or authorized by them to be posted in which they solicit or accept orders or accounts from customers in connection with the purchase or sale of any commodity interest or forex contract, accounts for the purchase or sale of commodity interests or forex contracts and/or any system related to the purchase or sale of commodity interest or forex contracts, including but not limited to the website [www.firstcapitalsl.com](http://www.firstcapitalsl.com), the Uniform Resource Locator (“URL”) associated with such domain name, and/or any other such domain name or URL created, operated, hosted and/or authorized by any of the Defendants, in whole or in part within 10 days of the entry of this Order. This includes, but is not limited to, submitting a removal request of the domain name(s) associated with the aforementioned conduct and URL to the appropriate web-host provider and/or domain name registration company.

#### RESTITUTION

5. IT IS FURTHER ORDERED THAT Defendants shall pay, jointly and severally, restitution in the amount of \$1,098,775.13, plus pre-judgment interest in the amount of \$112,984.15 for a pre-judgment total of \$1,211,759.28, plus post-judgment interest (the “Restitution Obligation”). Post-judgment interest on the Restitution Obligation shall accrue commencing on the date of the entry of this Order and shall be determined using the Treasury Bill rate prevailing on the date of the entry of this Order pursuant to 28 U.S.C. § 1961.

6. The Defendants' Restitution Obligation shall not limit the ability of any customer to prove that a greater amount is owed, and nothing herein shall be construed in any way to limit or abridge the rights of any customers whose funds were given to the Defendants that exist under state or common law.

7. Pre-judgment interest was determined by a quarterly calculation using the underpayment rate established quarterly by the Internal Revenue Service pursuant to 26 U.S.C. § 6621(a)(2) from March 1, 2009 through August 30, 2011 for a total amount of \$112,984.15.

CIVIL MONETARY PENALTY

8. IT IS FURTHER ORDERED THAT Defendants shall pay, ~~jointly and severally~~, a civil monetary penalty of \$3,296,325.39, plus post-judgment interest, which represents triple the monetary benefit to Defendants ("CMP Obligation"). Post-judgment interest on the CMP Obligation shall accrue commencing on the date of the entry of this Order and shall be determined using the Treasury Bill rate prevailing on the date of the entry of this Order pursuant to 28 U.S.C. § 1961.

9. Defendants shall pay the CMP Obligation by electronic funds transfer, or U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made by other than electronic funds transfer, Defendants shall make payment payable to the Commodity Futures Trading Commission and deliver it the following address:

Commodity Futures Trading Commission  
Division of Enforcement  
ATTN: Accounts Receivables - AMZ 340  
E-mail Box: 9-AMC-AMZ-AR-CFTC  
DOT/FAA/MMAC  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169  
Telephone: (405) 954-5644

10. If payment is to be made by electronic funds transfer, Defendants shall contact Linda Zurhorst or her successor at the above address to receive payment instructions and shall comply fully with those instructions. Defendants shall accompany the payment of the penalty with a cover letter that identifies the paying Defendants and the name and docket number of the proceeding. Defendants shall simultaneously transmit copies of the cover letter and the form of payment to: (a) Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581; and (b) Chief, Office of Cooperative Enforcement, at the same address.

APPOINTMENT OF MONITOR AND OTHER MATTERS RELATED TO  
RESTITUTION AND CIVIL MONETARY PENALTIES

11. IT IS FURTHER ORDERED THAT the National Futures Association (“NFA”) is appointed as Monitor to effect payment by Defendants and the distribution of restitution. The Monitor shall collect restitution payments from Defendants and make distributions to Defendants’ customers identified in the McCormack Declaration, Exhibit 16 to the Commission’s Memorandum filed in support of its Default Motion, an excerpt of which is attached to this Order (the “Customer List”). Because the Monitor is not being specially compensated for these services, and these services are outside the normal duties of the Monitor, it shall not be liable for any action or inaction arising from its appointment as Monitor, other than actions involving fraud.

12. Defendants shall make their required restitution payments under this Order in the name of the “First Capital Settlement Fund” and shall send such payments by electronic funds transfer, or U.S. postal money order, certified check, bank cashier’s check, or bank money order to the Office of Administration, National Futures Association, 300 South Riverside Plaza, Suite

1800, Chicago, Illinois 60606, under a cover letter that identifies the paying Defendant and the name and docket number of the proceeding. The paying Defendant shall simultaneously transmit copies of the cover letter and the form of payment to: (a) Director, Division of Enforcement, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581; and (b) Chief, Office of Cooperative Enforcement, at the same address.

13. The Monitor shall oversee Defendants' Restitution, and shall have the discretion to determine the manner and timing of distribution of funds to Defendants' customers. The Monitor shall distribute funds to the persons and entities on the Customer List on a pro rata basis, or in another appropriate equitable manner. Further, the Monitor may, in its discretion, defer distribution until such time as it may deem appropriate. In the event the amount of restitution payments to the Monitor are of a *de minimus* nature such that the Monitor determines that the cost of making a distribution to customers is impractical, the Monitor may, in its discretion, treat such restitution payments as civil monetary penalty payments, which the Monitor shall forward to the Commission following the instructions for civil monetary penalties as set forth in paragraphs 9, 10 and 11 of this Order.

14. To the extent that funds accrue to the U.S. Treasury as a result of the Restitution Obligation, such funds shall be transferred to the Monitor for disbursement in accordance with the procedures set forth in paragraphs 12 and 13 of this Order.

15. Any acceptance by the Commission or the Monitor of partial payment from Defendants of the Restitution Obligation and/or CMP Obligation shall not be deemed a waiver of Defendants' obligations to make further payments pursuant to this Order, or a waiver of the

Commission's and/or Monitor's right to seek to compel payment from Defendants of any remaining balance.

16. Pursuant to Fed. R. Civ. P. 71, customers of Defendants, as identified on the attached Customer List, are explicitly made intended third-party beneficiaries of this Order and may seek to enforce obedience with this Order to obtain satisfaction of any portion of the restitution and/or disgorgement that Defendants have not paid. Nothing in this Order shall be construed in any way to limit or abridge the rights of any customer that exist under state or common law.

#### MISCELLANEOUS PROVISIONS

17. Prohibition on Transfer of Funds: Defendants shall not transfer or cause others to transfer funds or other property to the custody, possession or control of any other person or entity for the purpose of concealing such funds or property from the Court, the Commission, the Monitor, or any officer that may be appointed by the Court until the Restitution Obligation and the CMP Obligation have been satisfied under this Order.

18. Notices: All notices required to be given by any provision in this Order shall be sent by certified mail, return receipt requested, as follows:

Notice to Commission:	Director Division of Enforcement Commodity Futures Trading Commission Three Lafayette Centre 1155 21st Street, NW Washington, DC 20581
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All such notices to the Commission shall reference the name and docket number of this proceeding.

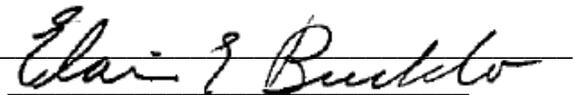
19. Invalidation: If any provision of this Order or the application of any provision or circumstance is held invalid, the remainder of this Order, and the application of the provision to any other person or circumstance, shall not be affected by the holding.

20. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction of this case to assure compliance with this Order and for all other purposes related to this action.

## V. CONCLUSION

For the reasons above, the CFTC's motion for entry of a default judgment against Defendants Jeffery A. Lowrance and First Capital Savings and Loan and for a permanent injunction against Defendants is granted.

SO ORDERED, on this 28th day of October, 2011.

A handwritten signature in cursive script, reading "Elaine E. Bucklo", is written over a horizontal line.

Elaine E. Bucklo  
United States District Judge  
Northern District of Illinois

CUSTOMER LIST

# **EXHIBIT 16**

**Customer Restitution Schedule for Investments From June 18, 2008 Forward**

Customer Name	Aggregate Amount Deposited	Aggregate Amount Withdrawn	Total Principal Due	Pro Rata Share of Principal Due	Pro Rata Share of Prejudgment Interest	Total Restitution & Prejudgment Interest Due to Customers
					<b>\$112,984.15</b>	
BASTIAN, C.	\$9,948.37	\$0.00	\$9,948.37	0.91%	\$1,022.96	\$10,971.34
BRADLEY, C. R.	\$29,923.18	\$0.00	\$29,923.18	2.72%	\$3,076.92	\$33,000.10
BROCKMANN, T.	\$9,409.07	\$0.00	\$9,409.07	0.86%	\$967.51	\$10,376.58
BROWN, R.	\$9,412.05	\$0.00	\$9,412.05	0.86%	\$967.82	\$10,379.87
DIXON, P.	\$37,044.68	\$0.00	\$37,044.68	3.37%	\$3,809.21	\$40,853.88
ESKANDER, B. & S.	\$101,106.40	\$0.00	\$101,106.40	9.20%	\$10,396.50	\$111,502.90
FRANCIS, C. M.	\$74,533.46	\$0.00	\$74,533.46	6.78%	\$7,664.08	\$82,197.54
GOYETCHE, S.	\$9,215.22	\$0.00	\$9,215.22	0.84%	\$947.58	\$10,162.80
GUILLORY, E.	\$28,981.84	\$0.00	\$28,981.84	2.64%	\$2,980.13	\$31,961.96
HENDRICKS, E.	\$68,234.69	-\$2,925.74	\$65,308.96	5.94%	\$6,715.55	\$72,024.51
HEROLD, F.	\$10,138.86	\$0.00	\$10,138.86	0.92%	\$1,042.55	\$11,181.41
HOPES, E. M.	\$39,265.24	\$0.00	\$39,265.24	3.57%	\$4,037.54	\$43,302.79
HUGHES, W. A.	\$9,727.19	\$0.00	\$9,727.19	0.89%	\$1,000.22	\$10,727.41
HURLEY, R.	\$9,215.22	\$0.00	\$9,215.22	0.84%	\$947.58	\$10,162.80
JOHNSON, D.	\$9,604.26	\$0.00	\$9,604.26	0.87%	\$987.58	\$10,591.84
JOHNSON, E. H.	\$18,932.46	\$0.00	\$18,932.46	1.72%	\$1,946.78	\$20,879.24

**Customer Restitution Schedule for Investments From June 18, 2008 Forward**

<b>Customer Name</b>	<b>Aggregate Amount Deposited</b>	<b>Aggregate Amount Withdrawn</b>	<b>Total Principal Due</b>	<b>Pro Rata Share of Principal Due</b>	<b>Pro Rata Share of Prejudgment Interest</b>	<b>Total Restitution &amp; Prejudgment Interest Due to Customers</b>
KELLER, G.	\$143,285.85	\$0.00	\$143,285.85	13.04%	\$14,733.71	\$158,019.55
KLUMPP, K.	\$14,633.02	\$0.00	\$14,633.02	1.33%	\$1,504.67	\$16,137.69
LOU, C. B.	\$9,666.53	\$0.00	\$9,666.53	0.88%	\$993.98	\$10,660.51
MARTIN, H. D.	\$49,068.78	\$0.00	\$49,068.78	4.47%	\$5,045.61	\$54,114.39
MONTERO, C.	\$29,144.48	\$0.00	\$29,144.48	2.65%	\$2,996.85	\$32,141.33
MOREHOUSE, A. & D.	\$9,859.55	\$0.00	\$9,859.55	0.90%	\$1,013.83	\$10,873.38
PECK, D.	\$9,286.54	\$0.00	\$9,286.54	0.85%	\$954.91	\$10,241.45
PENNERS, A.	\$118,517.67	\$0.00	\$118,517.67	10.79%	\$12,186.86	\$130,704.52
PERRY, D.	\$19,710.47	\$0.00	\$19,710.47	1.79%	\$2,026.78	\$21,737.25
PURSER, M.	\$9,788.38	\$0.00	\$9,788.38	0.89%	\$1,006.51	\$10,794.89
RAMOS, A. & J.	\$15,762.76	\$0.00	\$15,762.76	1.43%	\$1,620.84	\$17,383.60
RED HILLS MANAGEMENT	\$51,605.03	\$0.00	\$51,605.03	4.70%	\$5,306.41	\$56,911.44
REIMERS, F. & A.	\$9,859.55	\$0.00	\$9,859.55	0.90%	\$1,013.83	\$10,873.38
SARGENT, C. T.	\$9,788.38	\$0.00	\$9,788.38	0.89%	\$1,006.51	\$10,794.89
SMITH, R.	\$23,547.28	\$0.00	\$23,547.28	2.14%	\$2,421.30	\$25,968.58
STIRKINS, S. [BUDGET DEMOLITION, LLC]	\$9,639.85	\$0.00	\$9,639.85	0.88%	\$991.24	\$10,631.09

**Customer Restitution Schedule for Investments From June 18, 2008 Forward**

<b>Customer Name</b>	<b>Aggregate Amount Deposited</b>	<b>Aggregate Amount Withdrawn</b>	<b>Total Principal Due</b>	<b>Pro Rata Share of Principal Due</b>	<b>Pro Rata Share of Prejudgment Interest</b>	<b>Total Restitution &amp; Prejudgment Interest Due to Customers</b>
STOLZE, J. L.	\$34,586.47	\$0.00	\$34,586.47	3.15%	\$3,556.44	\$38,142.90
TWG CAPITAL	\$29,779.37	\$0.00	\$29,779.37	2.71%	\$3,062.13	\$32,841.50
VETTE, G. A.	\$9,900.00	\$0.00	\$9,900.00	0.90%	\$1,017.99	\$10,918.00
WAHL, J.	\$19,578.71	\$0.00	\$19,578.71	1.78%	\$2,013.23	\$21,591.94
<b>TOTALS:</b>	<b>\$1,101,700.86</b>	<b>-\$2,925.74</b>	<b>\$1,098,775.13</b>	<b>100.00%</b>	<b>\$112,984.15</b>	<b>\$1,211,759.28</b>