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

**COMMODITY 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 ABERNETHY)
)
Defendants.)**

Honorable Robert B. Kugler

**AFFIDAVIT OF STEPHEN T. BOBO IN SUPPORT OF MOTION OF
EQUITY RECEIVER FOR ENTRY OF ORDER APPROVING SETTLEMENT
REGARDING THE MAN PRO ACCOUNT AND DIRECTING MAN FINANCIAL TO
RELEASE FUNDS IN ACCORDANCE WITH SETTLEMENT**

Stephen T. Bobo first being duly sworn, states as follows:

1. In my capacity as Equity Receiver for Tech Traders, Inc., I am submitting this affidavit in support of my motion for entry of an order: (1) approving the settlement agreement addressing the frozen funds in account no. 37923 held in the name of Sterling Trust (Anguilla) (“Sterling Trust”) at Man Financial (the “Man Pro Account”), attached as Exhibit 1; and

(2) directing Man Financial to release the funds in the Man Pro Account in accordance with the settlement agreement.

2. I have personal knowledge of the contents of this affidavit and am competent to testify as to them.

3. As I have stated in earlier filings, Sterling and I agree that the transfers into the Man Pro Account total \$3,000,580 and Sterling's withdrawals out of the Man Pro Account total \$925,000. Sterling and I also agree to the following with respect to the Man Pro Account:

(a) \$710,580 of the funds in the frozen Man Pro Account originated from Tech Traders, Inc.;

(b) \$383,913 of the funds in the frozen Man Pro Account originated from Sterling ACS, Ltd. because Sterling ACS, Ltd. transferred \$590,000 and incurred trading losses of \$206,087; and

(c) \$775,000 of the funds in the frozen Man Pro Account originated from Sterling Trust.

4. I believe that the settlement agreement I have entered into with Sterling Trust and Sterling ACS Ltd. regarding the Man Pro Account adequately and fairly addresses all the following issues of concern to the CFTC and me:

(a) That the \$710,580 in the Man Pro Account originating from Tech Traders be returned to Tech Traders' estate along with a pro rata share of accrued interest;

(b) That to help defray the receivership costs directly related to the Man Pro Account, an additional \$25,000 be deducted from any distribution to the Sterling entities;

(c) That all trading losses incurred by the Man Pro Account (\$206,087) be recognized as such and be deducted from any distribution to Sterling ACS, Ltd.;

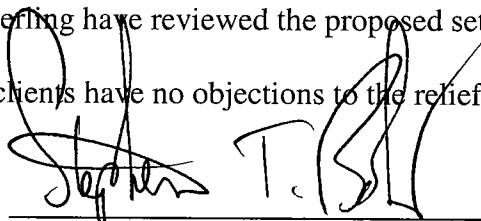
(d) That the remaining \$383,913 in the Man Pro Account originating from Sterling ACS, Ltd. less trading losses be distributed to Sterling ACS along with a pro rata share of the accrued interest less \$10,000;

(e) That the \$775,000 in the Man Pro Account originating from Sterling Trust (Anguilla) Ltd. be distributed to Sterling Trust along with a pro rata share of the accrued interest less \$15,000; and

(f) That, within 45 days of the release of the funds, Sterling ACS, Ltd. and Sterling Trust provide me an affidavit attesting that the funds have been allocated pro rata to the trusts established for the benefit of the persons who hold a beneficial interest in the funds described in (c) and (d) above.

5. Accordingly, I request that this Court enter an order approving the settlement, authorizing me to implement its terms and authorizing and directing Man Financial to liquidate all positions in the Man Pro Account and disburse the proceeds in accordance with the terms of the settlement.

6. Counsel for the CFTC and Sterling have reviewed the proposed settlement agreement and have informed me that their clients have no objections to the relief sought.


STEPHEN T. BOBO

SWORN TO AND SUBSCRIBED before me
this 3rd day of March, 2006

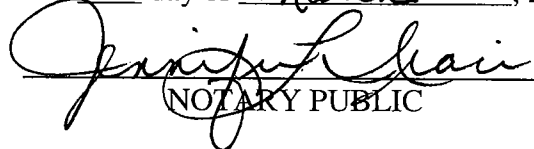

NOTARY PUBLIC



EXHIBIT 1

SETTLEMENT AGREEMENT
Among
STERLING ACS, LTD., STERLING TRUST (ANGUILLA) LTD.,
And
STEPHEN T. BOBO, as Equity Receiver for Tech Traders, Inc.

This settlement agreement (“Agreement”) is entered into as of February 23, 2006 by and among Sterling Trust (Anguilla) Ltd. (“Sterling Trust”), Sterling ACS, Ltd., and Stephen T. Bobo, as Equity Receiver for Tech Traders, Inc. (the “Receiver”) (collectively referred to herein as the “Settling Parties”).

RECITALS

WHEREAS, the Commodity Futures Trading Commission (the “CFTC”) filed a complaint in the United States District Court For the District of New Jersey, Camden Vicinage (the “Court”), entitled Commodity Futures Trading Commission v. Equity Financial Group, LLC. et al., Civil Action No. 04 CV 1512 (the “Litigation”) which did not name Sterling Trust as a defendant;

WHEREAS, on the day that the CFTC filed the complaint, the Court entered a Statutory Restraining Order and Order Appointing Receiver, giving the Receiver the power to take control of funds and property traceable to customers as well as under the control of the defendants;

WHEREAS, certain financial institutions, including Man Financial, were served with copies of the Statutory Restraining Order and Order Appointing Receiver and, as a result, the funds in account no. 37923 held in the name of Sterling Trust at Man Financial (the “Man Pro Account”) were frozen;

WHEREAS, Sterling Trust has sought to have the funds in the Man Pro Account returned and the Receiver has opposed the request on the basis that he disputes Sterling Trust’s claim of ownership to a portion of the funds;

WHEREAS, the Court subsequently incorporated the Statutory Restraining Order and Order Appointing Receiver into the Consent Order of Preliminary Injunction Against Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd. and Coyt E. Murray entered on August 24, 2004 and the funds in the Man Pro Account remain frozen;

WHEREAS, \$383,913 of the funds in the frozen Man Pro Account originated from Sterling ACS, Ltd. because Sterling ACS, Ltd. transferred \$590,000 and incurred trading losses of \$206,087;

WHEREAS, \$710,580 of the funds in the frozen Man Pro Account originated from Tech Traders, Inc.;

WHEREAS, \$775,000 in the frozen Man Pro Account originated from Sterling Trust;

WHEREAS, the Settling Parties have agreed to settle all claims relating to or arising out of the frozen Man Pro Account;

WHEREAS, the Settling Parties agree that nothing contained in this Agreement is to be construed as an admission of liability or fault on the part of any of the Settling Parties; and

WHEREAS, the Settling Parties acknowledge that nothing in this Agreement shall be effective until the Court in the Litigation approves its terms;

AGREEMENT

NOW THEREFORE, the Settling Parties, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Settling Parties, hereby agree as follows:

- I. The Receiver shall retain \$710,580 from the Man Pro Account, plus a pro rata share of the accrued interest based on a gross principal amount of \$1,869,493, plus \$25,000 and

aggregate those funds with the funds that currently constitute the Tech Traders, Inc. receivership estate.

II. The Receiver shall return \$383,913 of the funds in the Man Pro Account, plus a pro rata share of the accrued interest based on a gross principal amount of \$1,869,493 minus \$10,000 (the “ACS funds”), to Sterling ACS, Ltd. under the following conditions:

- a) Sterling ACS, Ltd. must represent and warrant in writing to the Receiver and the CFTC: (i) the respective interests of the persons who are entitled to a share of the ACS funds; and (ii) the identities of the natural persons who hold a beneficial interest in the ACS funds;
- b) The persons identified in Section II(a)(ii) must provide the Receiver a signed Disclosure and Release in the form attached hereto as Exhibit A; and
- c) Within 45 days of the release of the ACS funds, Sterling ACS, Ltd. must provide the Receiver an affidavit attesting that the funds have been allocated pro rata to the trusts established for the benefit of the persons identified in Section II(a)(ii).

III. The Receiver shall return \$775,000 of the funds in the Man Pro Account, plus a pro rata share of the accrued interest based on a gross principal amount of \$1,869,493 minus \$15,000 (the “Sterling Trust funds”) to Sterling Trust under the following conditions:

- a) Sterling Trust must represent and warrant in writing to the Receiver and the CFTC: (i) the respective interests of the persons or trusts who are entitled to a share of the Sterling Trust funds; and (ii) the identities of the

natural persons who hold a beneficial interest in the trusts to which the funds will be allocated;

- b) The persons identified in Section III(a)(ii) or their legal guardians must provide the Receiver a signed Disclosure and Release in the form attached hereto as Exhibit B; and
- c) Within of 45 days of the release of the Sterling Trust funds, Sterling Trust must provide the Receiver an affidavit attesting that the funds have been allocated pro rata to the trusts established for the benefit of the persons identified in Section III(a)(ii).

IV. The Settling Parties shall bear their respective attorneys' fees.

V. The Receiver hereby releases and forever discharges Sterling Trust and Sterling ACS, Ltd., their members, directors, officers, executives, employees, former employees, agents, affiliates, successors and assigns from all actions, causes of action, suits, debts, dues, damages, liabilities, sums of money, accounts, costs, expenses, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, extents, executions, claims and demands whatsoever in law or equity, the Receiver, his agents or assigns ever had, now have or hereafter may have arising out of or relating to the Man Pro Account, whether known or unknown from the beginning of time to the date of this Agreement but, this release does not include any claim for breach of obligations owed by, and representations and warranties made by, Sterling Trust and Sterling ACS, Ltd. under this Agreement.


- VI. Sterling Trust and Sterling ACS, Ltd. release and forever discharge the Receiver, his agent or assigns from all actions, causes of action, suits, debts, dues, damages, liabilities, sums of money, accounts, costs, expenses, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, extents, executions, claims and demands whatsoever, Sterling Trust and Sterling ACS, Ltd., their successors and assigns ever had, now have or hereafter may have arising out of or relating to the Man Pro Account, whether known or unknown from the beginning of time to the date of this Agreement but, this release does not include any claim for breach of obligations owed by, and representations and warranties made by, the Receiver under this Agreement.
- VII. The terms of this Agreement may not be modified except by a writing signed by all Settling Parties. The Settling Parties agree that any dispute arising under this Agreement shall be resolved by the Court and consent to the jurisdiction and venue of the Court for any action arising out of this Agreement.
- VIII. The terms of this Agreement shall be construed under and governed by the laws of the State of Illinois.
- IX. This Agreement constitutes the entire agreement and understanding between the Settling Parties. In the event that a provision of this Agreement is deemed to be illegal or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions of this Agreement, all of which shall remain in full force and effect.
- X. The terms of this Agreement are binding upon and inure to the benefit of each of the Settling Parties hereto.

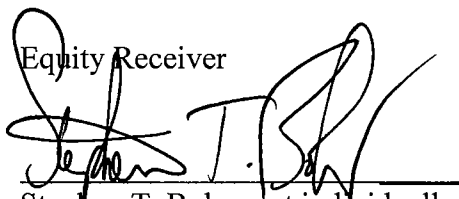
- XI. The Settling Parties agree that the terms of this Settlement Agreement shall remain confidential and shall not be disclosed by either party unless compelled to do so by a court of competent jurisdiction, statute, regulatory agency, or as may be required in connection with an obligation under applicable securities laws. This confidentiality provision is a material term of this agreement. In the event of any breach against this agreement, either party may obtain injunctive relief in addition to damages.
- XII. Each of the Settling Parties hereto represents that they have read and fully understand each of the provisions contained herein, and has been afforded the opportunity to review the same with each Settling Party's attorney of choice; and further that each of the Settling Parties hereto represents that each and every one of the provisions contained in this Agreement is fair and not unconscionable to the Settling Parties.
- XIII. This Agreement may be executed in one or more counterparts, each of which shall together constitute and be one and the same instrument.

Sterling Trust (Anguilla) Ltd.

By: 
Print name: HOWELL W. WOLFE

Sterling ACS, Ltd.

By: 
Print name: HOWELL W. WOLFE

Equity Receiver


Stephen T. Bobo, not individually but as Equity Receiver for Tech Traders, Inc.

EXHIBIT A
DISCLOSURE AND RELEASE
for
PERSONS ENTITLED TO SHARE OF STERLING ACS FUNDS

Name:

Address:

Telephone Number:

I, _____, as trustee for _____, represent that _____ holds a beneficial interest in the “ACS funds,” as that term is defined in the Settlement Agreement Among Sterling ACS, Ltd., Sterling Trust (Anguilla) Ltd., and Stephen T. Bobo, Equity Receiver For Tech Traders, Inc. (“Settlement Agreement”). I understand that, under the Settlement Agreement, _____ is to receive the “ACS funds” upon the release of the funds by the Receiver.

In exchange for _____’s receipt of the “ACS funds,” _____ releases and forever discharges the Receiver, his agent or assigns from all actions, causes of action, suits, debts, dues, damages, liabilities, sums of money, accounts, costs, expenses, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, extents, executions, claims and demands whatsoever, his successors and assigns ever had, now have or hereafter may have arising out of or relating to the Man Pro Account, whether known or unknown from the beginning of time to the date of this Agreement.

By: _____
[to be supplied by Sterling ACS]

EXHIBIT B
DISCLOSURE AND RELEASE
for
PERSONS ENTITLED TO SHARE OF STERLING TRUST FUNDS

Name:

Address:

Telephone Number:

I, _____, as trustee for _____, represent that _____ holds a beneficial interest in the “Sterling Trust funds,” as that term is defined in the Settlement Agreement Among Sterling ACS, Ltd., Sterling Trust (Anguilla) Ltd., and Stephen T. Bobo, Equity Receiver For Tech Traders, Inc. (“Settlement Agreement”). I understand that, under the Settlement Agreement, the “Sterling Trust funds” will be allocated to _____ upon the release of the funds by the Receiver.

In exchange for _____’s receipt of the “Sterling Trust funds,” _____ releases and forever discharges the Receiver, his agent or assigns from all actions, causes of action, suits, debts, dues, damages, liabilities, sums of money, accounts, costs, expenses, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, judgments, extents, executions, claims and demands whatsoever, his successors and assigns ever had, now have or hereafter may have arising out of or relating to the Man Pro Account, whether known or unknown from the beginning of time to the date of this Agreement.

By: _____
[to be supplied by Sterling Trust]