

EXHIBIT C

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SIGNATURE <i>Pamela A. Wegner</i>	
NAME PAMELA A. WEGNER	DATE 10-17-05
TITLE DIRECTOR, RECORDS CENTER OPERATIONS	
NAME AND ADDRESS OF DEPOSITORY NARA-GREAT LAKES REGION (CHICAGO) 7358 SOUTH PULASKI ROAD CHICAGO, ILLINOIS 60629	

you

NA FORM 13040 (10-88)

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AUGUSTINE D. MALVINO
U. S. Commodity Futures
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233 So. Wacker Drive Rm. 4600
Chicago, IL. 60654

PLEASE TAKE NOTICE that on the 27th day of October, 1982, the attached "findings of fact and conclusions of law, proposed draft order" was filed with the Clerk of the U. S. District Court for the Northern District of Illinois, Eastern Division, at the U. S. Courthouse, 219 S. Dearborn Street, Chicago, Illinois.

Robert H. McFarland
Robert H. McFarland
Assistant Attorney General
160 N. LaSalle St., Room 800
Chicago, IL. 60601
312/793-2527

CERTIFICATE OF SERVICE

The undersigned being duly sworn upon oath states that a copy of the foregoing was served upon the above named parties at the above addresses by hand delivery.

Subscribed and sworn to before me this 27th day of October, 1982.

William J. ...
Notary

Henry W. Fahn
Timothy C. O'Brien

FILED

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

~~OCT 26 1982~~
OCT 27 1982

H. Stuart G. ... Clerk
U.S. District Court
United States District Court

COMMODITY FUTURE TRADING)
COMMISSION, et al.,)
)
Plaintiffs,)
)
v.)
)
HERITAGE CAPITAL ADVISORY)
SERVICES, LTD., et al.,)
)
Defendants.)

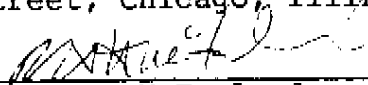
No. 82 C 5955
Honorable Stanley J. Roszkowski,
Judge Presiding

NOTICE OF FILING

TO: Herbert L. Zarov, Esq.
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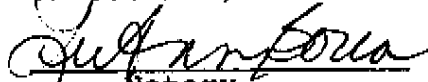
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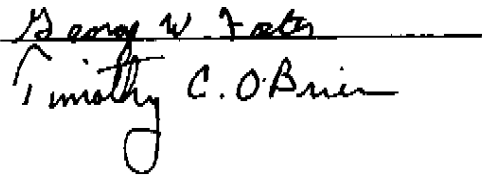

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before me this 27th day
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Notary


Timothy C. O'Brien

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

Commodity Future Trading)	
Commission, et al.,)	
)	
Plaintiffs,)	
)	No. 82 C 5955
vs.)	
)	Honorable Stanley J.
Heritage Capital Advisory)	Roszkowski,
Services, Ltd., et al.,)	Judge Presiding.
)	
Defendants.)	

FINDINGS OF FACTS AND
CONCLUSIONS OF LAW

This cause comes to be heard on the Motions of the plaintiff, Commodity Futures Trading Commission ("CFTC" or "Commission") and the State of Illinois ex rel. TYRONE C. FAHNER, Attorney General of Illinois, and JIM EDGAR, Illinois Secretary of State, for orders of preliminary injunction and other equitable relief.

The Court makes the following findings of fact and conclusions of law based on the competent evidence presented to it after a full evidentiary hearing at which all parties were afforded an opportunity to be heard. The evidence which the Court has considered in arriving at its findings of fact and conclusions of law include (1) the record of the hearing on the preliminary injunction, specifically the testimony of Patricia Smith, Robert Udell, William Fleter, Frank Zimmerle, Fred Kozlowski and Charlotte Phlmiller; (2) the CFTC's Exhibits 1 through 49 and State's Exhibits 1 through 10, 15 and 16; (3) the stipulation of fact between the State of Illinois and defendants

that was reduced to writing; (4) other stipulations and admissions of fact extant in the record; and (5) all pleadings filed by the parties and memorandums of law in support of and in opposition to the motions for preliminary injunction and other equitable relief.

FINDINGS OF FACT

1. The Commodity Future Trading Commission is an independent federal regulatory agency which, since April 21, 1975, has been charged with the responsibility for administering and enforcing the provisions of the Act, 7 U.S.C. Sec. 1 et seq., and the Regulations promulgated thereunder, 17 C.F.R. Sec. 1.0 et seq.

2. Tyrone C. Fahner is the Attorney General of Illinois and exercises such powers and prerogatives granted him by virtue of his Office as created under article 5, section 15 of the 1970 Illinois Constitution. Fahner brings this action for the benefit and on behalf of those residents of the State of Illinois, whose interests have been or may be adversely affected by the acts and practices of the defendants as set forth herein.

3. Jim Edgar is the Illinois Secretary of State and exercises such powers and prerogatives granted him by virtue of his office as created under article 5, section 16 of the 1970 Illinois Constitution, including therein the statutory duty to enforce the provisions of the Securities Law. Edgar brings this action through the office of the Attorney General in the name and

represented to those investors that the investor's funds would be combined with the funds of other investors for the purpose of investment in the futures market. The defendants did in fact combine the funds of such investors in bank and other accounts. Further, defendants transmitted those funds to FPB and Serhant in blocks with no distinction between investors. Those funds were transmitted to FPB and Serhant for the purpose, at least in part, of investment in the futures market. The defendants distributed profits to investors based on the investors' pro rata share of the pooled money just as the defendants had informed the investors that those profits would be distributed. Therefore, defendants were commodity pool operators within the meaning of the Act.

84. Defendants were never registered with the Commission as commodity pool operators. Therefore, their operation of the business of a commodity pool operator was entirely illegal.

85. The individual defendants were not entitled to operate a commodity pool by reason of their registrations as associated persons which only permitted them to solicit or accept customer orders while associated with a futures commission merchant. 7 U.S.C. Sec. 6k.

86. The defendants contend that they are not commodity pool operators because they transferred the funds received to FPB and Serhant who controlled the trading. However, the statute defining a commodity pool operator includes "any person ... who solicits, accepts, or receives from others, funds ... for the

purpose of trading in any commodity for future delivery." 7 U.S.C. Sec. 2(a)(1). See also 17 C.F.R. Sec. 4.1 et seq. Clearly, the evidence establishes that the defendants solicited, accepted and received funds for that purpose. Thus, under the terms of the statute, the defendants' transfer of funds to Serhant and his trading control does not remove them from the coverage of the statute.

STATE VIOLATIONS

87. All securities, except those exempt under Section 3 of the Illinois Securities Law of 1953, Ill. Rev. Stat., 1981, ch. 121 1/2, par. 137.3, or those sold in transactions exempt under Section 4 of the Illinois Securities Law of 1953, Ill. Rev. Stat., ch. 121 1/2, par. 137.4, must be registered prior to sale in the State of Illinois either by notification, description or qualification. Ill. Rev. Stat., ch. 121 1/2, par. 137.5 (1981).

88. The importance of this pre-sale registration requirement has been noted by the Illinois court decisions which have discussed the sale of unregistered securities under the Illinois Securities Act of 1953, Ill. Rev. Stat., 1981, ch. 121 1/2, par. 137.1 et seq. (Securities Law), in the following terms:

The legislative intent in enacting the Securities Law has for its object the protection of the public from unscrupulous stock promoters. Registration with, and approval by, the Secretary of State is the primary safeguard, and comprehensive action against all participants in an unauthorized sale is the primary remedy. (citations omitted.) The Act is paternalistic in character and should be liberally construed to better