

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

COMMODITY FUTURES TRADING)	
COMMISSION,)	
)	
Plaintiff,)	
)	
vs.)	Civil Action No.: 04CV 1512
)	
EQUITY FINANCIAL GROUP, LLC,)	Honorable Robert B. Kugler
TECH TRADERS, INC., TECH)	
TRADERS, LTD., MAGNUM)	
INVESTMENTS, LTD., VINCENT J.)	
FIRTH, ROBERT W. SHIMER, COYT E.)	
MURRAY, and J. VERNON ABERNETHY)	
)	
Defendants.)	

FOURTH INTERIM REPORT OF EQUITY RECEIVER

Stephen T. Bobo, as Equity Receiver (the “Receiver”) for defendants Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Inc., Magnum Capital Investments, Inc., Vincent J. Firth, and Robert W. Shimer, submits this fourth interim report to apprise the Court of his activities through December 31, 2005. This report: (i) summarizes the status of the distribution process and remaining disputed claims; (ii) provides an update regarding the investigation of potential claims against third parties and the Receiver’s other responsibilities to administer the receivership estate; (iii) updates the analysis of the sources and uses of the Tech Traders’ funds analysis and summarizes the activities of Magnum Investments, Ltd. and Magnum Capital Investments, Ltd.; and (iv) provides an updated summary of the funds held by the receivership estate.

1. Distribution and Claims Status

In the period since submitting the Receiver’s Third Interim Report on June 10, 2005, the major focus of the Receiver and his attorneys and accountants has been dealing with disputed

investor claims and implementing the initial distribution to the investors as approved by this Court. In November and December 2005, the Receiver issued distribution checks totaling \$4,087,710.12 on account of allowed claims and for the return of certain funds invested after April 1, 2004. Another \$7,484,494.34 was transferred to the Tech Traders and Shasta reserve accounts for disputed claims, and this amount includes funds reserved for possible claims by investors in Magnum Investments, Ltd.. The Receiver is prepared to issue checks totaling approximately \$876,482 to investors whose claims have been allowed once allocation issues are finalized.

The Receiver and the CFTC initially objected to nearly one-third of the 91 claims filed by persons who invested directly with either Tech Traders or Shasta. Some of those objections involved discrepancies between the amounts claimed and what is reflected in the Tech Traders and Shasta records. Other objections arose from a lack of supporting documentation or lack of disclosure of the beneficial owners of the claim. The Receiver and his counsel have worked with those investors to resolve claim disputes, and in most cases, those efforts have been successful. Certain claimants who originally failed to respond to the objections were the subject of an order directing them to respond and to appear at a court hearing on November 2, 2005 and show cause why their claims should not be disallowed. The claims of those investors who failed to respond and appear at the hearing are to be disallowed. Two Tier 2 investors appeared and sought for their claims to be treated as Tier 1 claims for purposes of distribution. Magistrate Judge Donio heard evidence on their requests and took the matter under advisement.

The remaining claim objections fall principally into two categories. The first category includes the claims of four investors who had received Tech Traders' funds in repayment of their earlier investments in Kaivalya Holding Group and Edgar Holding Group. Those claim

