Matthew H. Adler (MA-4720)
Jeffrey A. Carr (JC-1103)
PEPPER HAMILTON LLP
(A Pennsylvania Limited Liability Partnership)
300 Alexander Park
Princeton, NJ 08543-5276
(609) 452-0808

Counsel for Stephen T. Bobo,
Equity Receiver

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	)	**Honorable Robert B. Kugler**
Defendants.	)	

SUBMISSION IN SUPPORT OF MOTION OF EQUITY RECEIVER FOR AUTHORITY TO MAKE INTERIM DISTRIBUTION TO CERTAIN TIER 2 STERLING BANK LTD. INVESTORS

For the reasons stated in his supporting Affidavit attached hereto as Exhibit A, Stephen T. Bobo, as Equity Receiver (the "Receiver") for defendants Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Vincent J. Firth, and Robert W. Shimer, by his attorneys, requests that the Court enter an order authorizing him to make provisional pro rata distributions to Tier 2

Sterling Bank Ltd. CMP Fund and DRL 20 Plus after they have submitted for his review and approval their respective proposed plans for allocating these amounts to their respective Tier 3 investors, consistent with the provisions of this Court's order of October 27, 2005, as follows:

(a) A provisional pro rata distribution of $2,542,248.78 to CMP Fund; and

(b) A provisional pro rata distribution of $337,093.76 to DRL 20 Plus.

DATED: December 6, 2005

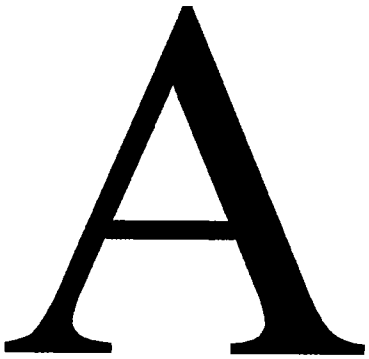
Respectfully submitted,

STEPHEN T. BOBO
Equity Receiver

By: s/ Jeffrey A. Carr
One of his attorneys

Bina Sanghavi
Raven Moore
Sachnoff & Weaver, Ltd.
30 South Wacker Drive, Suite 2900
Chicago, IL 60606
(312) 207-1000

Matthew H. Adler
Jeffrey A. Carr
Pepper Hamilton LLP
300 Alexander Park
CN 5276
Princeton, NJ 08543-5276
Tel: (609) 452-0808
Fax: (609) 452-1147



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Jeffrey A. Carr (JC-1103)
Pepper Hamilton LLP
300 Alexander Park
CN 5276
Princeton, NJ 08543-5276
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UNITED STATES DISTRICT COURT
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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	)	**Honorable Robert B. Kugler**
Defendants.	)	

AFFIDAVIT OF STEPHEN T. BOBO IN SUPPORT OF MOTION OF EQUITY RECEIVER FOR AUTHORITY TO MAKE INTERIM DISTRIBUTION TO CERTAIN TIER 2 STERLING BANK LTD. INVESTORS

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

1. I am submitting this affidavit in support of my motion for authority to make a provisional interim distribution to certain Tier 2 Sterling Bank Ltd. investors for the ultimate benefit of their Tier 3 investors.

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

3. I am serving as Equity Receiver for Defendants Equity Financial Group, LLC, Tech Traders, Inc., Tech Traders, Ltd., Magnum Investments, Ltd., Magnum Capital Investments, Ltd., Vincent J. Firth, and Robert W. Shimer, pursuant to the provisions of the initial restraining order entered on April 1, 2004 and several consent preliminary injunction orders entered in this case.

4. Pursuant to authority from this Court, I have carried out an investor claim process, which requires all persons who invested funds with Tech Traders, Inc. and Shasta Capital Associates LLC to submit proofs of claim, accompanied by documentary proof of all funds invested with and received from the Defendants, in order to receive a distribution from the receivership estate.

I. Sterling Bank Ltd.

5. On January 7, 2005, I moved this Court for authority to make an interim distribution of estate funds on account of allowable investor claims. On March 31, 2005, I filed my objections to certain investor claims and explained my bases for those objections. These included objections to 5 of the 7 claims filed by the Sterling entities. Although I did not specifically object to the claim submitted by Sterling Bank Ltd., I explained why I recommended that the claims of all 7 Sterling claimants should be aggregated for distribution purposes.

6. On September 26, 2005, this Court entered an order authorizing an interim distribution of receivership funds on account of allowable investor claims and ruling on my objections to the other claims. As to Sterling, the Court ruled that Sterling was to be provided a hearing on the issue of aggregation in connection with its 7 claims.

7. Although Sterling Bank asserts that it placed a total of $9,350,000 with Tech Traders on its claim form, $172,500 of that amount actually originated from Sterling

Alliance Ltd. Sterling has since filed a brief in this case in which it agrees that Sterling Bank actually placed $9,177,500 ($9,350,000 less $172,500) with Tech Traders, *not* $9,350,000. (Sterling Entities' Memo. in Opp'n to Mot. of Equity Receiver for Authority to Make Interim Distribution on Account of Investor Claims, attached hereto as Att. 1, at 7.)

II. CMP Fund

8. Of this $9,177,500, CMP Fund placed a total of $9,050,000 with Sterling Bank in March 2004 and two other investors identified as 620 Market Street and Intertrust Anguilla placed a total of $127,500. I have verified that $9,050,000 came from CMP Fund through communications with its managing member and review of the claim form and supporting documents submitted by CMP Fund. The claim form and supporting documents also provide the identities of the ultimate beneficial owners of CMP Fund and the amounts of their respective investments. Neither Sterling Bank nor 620 Market Street or Intertrust Anguilla has provided such information.

9. CMP Fund is distinct from other investors that placed funds with one or more of the Sterling entities for three reasons. First, a review of relevant documents shows that all the funds that CMP Fund invested with Tech Traders through Sterling Bank came from third parties and not from other Sterling entities or insiders, unlike the situation with other Sterling entities. CMP Fund's claim form and supporting documents also show that it transferred funds to Sterling Bank for the sole purpose of investing with Tech Traders and did so shortly before April 1, 2004 when this Court shut down Tech Traders' operations. No other activities of Sterling Bank therefore should affect the amount of CMP Fund's proportionate interest in the receivership distribution to be made to Sterling Bank. Second, CMP Fund has provided the CFTC and me the identities of the ultimate beneficial owners of and the amounts of their respective investments,

again unlike the other Sterling entities. Consistent with the Court's order dated September 26, 2005, CMP Fund thus could readily submit for my review and approval a proposed means of allocating any distribution amounts it receives to its Tier 3 investors. Third, because Sterling Bank made no prior withdrawals from Tech Traders, the amount of Sterling Bank's allowable claim (if it were not aggregated with those of the other Sterling entities) can easily be calculated and CMP Fund's pro rata share of that claim also can be easily calculated.

10. In recent months, my counsel and I have received and responded to numerous telephone calls and letters from individual investors in the CMP Fund regarding the financial hardship they face because Sterling Bank's claim is currently disallowed – making them ineligible for interim distributions at this time – and pleading for some interim relief.

11. In the interest of fairness and equity, and because I believe that an interim distribution can be made to CMP Fund without prejudice to other investors, I request authority from this Court to make a provisional interim distribution to CMP Fund consistent with the proposed treatment of Sterling Bank as a Tech Traders Tier 1 investor, as detailed below.

III. DRL 20 Plus Fund

12. In addition to the $9,177,500 amount shown on Sterling Bank's claim form, on January 16, 2004, Sterling Bank transferred $1,200,000 to Tech Traders. Sterling Bank received this entire amount on or about December 31, 2003 from DRL 20 Plus – a fund under the same management as CMP Fund. Although this transfer appears on Sterling Investment Management's claim form and not on Sterling Bank's claim form, DRL 20 Plus invested the funds pursuant to an Investment Advisory Agreement with Sterling Bank (attached hereto as Att. 2) and Tech Traders' bank records clearly indicate that Sterling Bank, *not* Sterling Investment Management, transferred the funds to Tech Traders. (Wire Transfer advice for

$1,200,000 dated 01/16/04, attached hereto as Att. 3). In addition to meeting with the CFTC and me, DRL 20 Plus has submitted its own claim form and supporting documents which verify that it invested $1,200,000 with Sterling Bank and provide the identities of the ultimate beneficial owners of DRL 20 Plus and the amounts of their respective investments. I also have confirmed with the managing member of DRL 20 Plus that it invested $1,200,000 with Tech Traders through Sterling Bank on the dates indicated above.

13. Like CMP Fund, DRL 20 Plus's claim form also shows that it transferred funds to Sterling Bank for the sole purpose of investing with Tech Traders. No other activities of Sterling Bank therefore should affect the amount of its proportionate interest in the distribution to be made to Sterling Bank. Second, DRL 20 Plus also has submitted a claim form and supporting documents that provide the CFTC and me with the identities of the ultimate beneficial owners and the amounts of their respective investments. Consistent with the Court's order dated September 26, 2005, DRL 20 Plus thus could readily submit for my review and approval a proposed means of allocating any distribution amount it receives to its Tier 3 investors. Finally, because Sterling Bank made no prior withdrawals from Tech Traders, DRL 20 Plus's pro rata share as a Tier 2 investor can be easily calculated.

14. As with CMP Fund, in recent months, my counsel and I have received and responded to telephone calls and letters from individual Tier 3 investors in DRL 20 Plus regarding the financial hardship they face because the Sterling claims are currently disallowed – making them ineligible for interim distributions at this time – and pleading for some interim relief. In the interest of fairness and equity, and for the reasons discussed above, I believe a provisional interim distribution can be made to DRL 20 Plus without prejudice to other investors. I therefore request authority from this Court to make a provisional interim distribution to

DRL 20 Plus consistent with the proposed treatment of Sterling Bank as a Tech Traders Tier 1 investor, as detailed below.

IV. Recommended Amounts for Provisional Interim Distribution

15. In accordance with this Court's order dated September 26, 2005, on September 28, 2005, I filed revised schedules detailing the interim distribution amounts to be reserved for each of the investor claimants on my list of objected-to claims. On October 27, 2005, the Court entered an order directing me to reserve amounts in accordance with these schedules. The schedules show that $4,634,410.34 (the "Sterling Reserve") has been reserved for all Sterling claims.

16. I have recommended that the Sterling claims be aggregated for distribution purposes. If this recommendation is ultimately adopted, then the distribution to the Sterling entities would, in effect, be reduced to make up for the $100,000 amount that Sterling Trust (Anguilla) received from Tech Traders in excess of its investment. Until the Court decides that issue, I recommend that the entire $100,000 be withheld from a provisional distribution to CMP Fund and DRL 20 Plus in order to avoid any possible prejudice to any other Sterling entity or its respective investors.

17. I also recommend that the provisional interim distribution to CMP Fund and DRL 20 Plus reflect a conservative approach to the issue of allocating distributions among the Sterling entities. Although neither Sterling Bank nor CMP Fund or DRL 20 Plus ever received a withdrawal of funds from Tech Traders and may well be entitled to a larger share of the Sterling Reserve than other Sterling entities (and their respective investors) which did receive withdrawals from Tech Traders, I propose that the provisional distribution to CMP Fund and

DRL 20 Plus be based on a strict pro rata share of the Sterling Reserve. If it is later determined that they are entitled to additional amounts, those amounts could be distributed at a later time.

18. Accordingly, the provisional distribution to CMP Fund and DRL 20 Plus should be determined by calculating a pro rata amount of the Sterling Reserve for the total of $10,250,000 that CMP Fund and DRL 20 Plus invested through Sterling Bank with Tech Traders, and then subtracting the $100,000 holdback amount. Their combined shares of the Sterling Reserve adjusted for the $100,000 holdback is $2,879,342.54. This $2,879,342.54 amount should then be pro rated between CMP Fund and DRL 20 Plus. Based on its total investment of $9,050,000, CMP Fund's pro rata share would be $2,542,248.78. Likewise, based on a total investment of $1,200,000, DRL 20 Plus's pro rata share would be $337,093.76.

19. I recommend making provisional pro rata distributions of $2,542,248.78 to CMP Fund and $337,093.76 to DRL 20 Plus after they have submitted for my review and approval their respective proposed plans for allocating these amounts to their respective Tier 3 investors, consistent with the provisions of this Court's order of October 27, 2005. In seeking the Court's approval for making such provisional pro rata distributions, I do not intend to preclude or waive the ability to seek approval of similar provisional distributions to other investors in the interest of fairness and equity.

20. I have discussed this proposal with counsel for Sterling and the CFTC who have informed me that their clients have no objection to the relief sought.

STEPHEN T. BOBO

SWORN TO AND SUBSCRIBED before me
this 6th day of December, 2005

NOTARY PUBLIC

"OFFICIAL SEAL"
JENNIFER L. IRACI
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/12/2007

Att. 1

BROWN & CONNERY, LLP
By: Warren W. Faulk, Esquire
360 Haddon Avenue
P.O. Box 539
Westmont, New Jersey 08108
856-854-8900
Attorneys for The Sterling Entities

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

Commodity Futures Trading Commission Plaintiff,	
vs.	**CIVIL ACTION NO. 04CV1512**
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 Abernathy Defendants	

MEMORANDUM IN OPPOSITION TO MOTION OF EQUITY RECEIVER FOR AUTHORITY TO MAKE INTERIM DISTRIBUTION ON ACCOUNT OF INVESTOR CLAIMS

Sterling ACS Ltd., Sterling Alliance Ltd., Sterling Casualty & Insurance Ltd., Sterling Bank Limited, Sterling (Anguilla) Trust Ltd., Sterling Investment Management Ltd and Strategic Investment Portfolio LLC (collectively, the "Sterling Entities"), through their undersigned counsel, submit this memorandum in opposition to the motion of the Equity Receiver to make an interim distribution on account of investor claims.

PRELIMINARY STATEMENT

The Receiver goes to great lengths to convince the Court that his proposal for an interim distribution is fair and equitable to all claimants. A close examination of his proposal reveals that the opposite is true. As is set forth in greater detail below, the Receiver's proposal is unfair to the Sterling Entities for several reasons.

First, the Receiver groups all seven of the Sterling Entities together and purports to object to their claims in full. By grouping the Sterling Entity's together and calculating their proposed distribution jointly, the Receiver short-changes certain Sterling companies by requiring them to absorb withdrawals made by others. In total, the Receiver deprives the companies of an interim distribution entitlement of $341,970.00. Each Sterling Entity's claim should be considered separately and the distribution amount should be discounted only by withdrawals made by that specific company.

Second, the receiver has treated any question raised about a Sterling Entity's claim as an objection to the entire claim. To the extent the Receiver has only a partial objection to a claim made by a Sterling company, the Receiver should make an distribution on the uncontested portion of the claim. In this case, the uncontested portion is comprised of millions of dollars and the interim distribution would total $5,155, 666.64.

The proposed interim distribution also is inequitable because it fails to propose release of the funds held in Sterling (Anguilla) Trust's name at Man Financial. The account never was in Tech Traders' name and the Receiver did not include the funds in his calculation of the amounts available for distribution. Under the law, and considering that Sterling (Anguilla) Trust is not a defendant, the Receiver should not be allowed to continue to hold the $1.9+ million now frozen

at Man Financial. Indeed, the law mandates that these funds be returned to the control of Sterling (Anguilla) Trust at this time – especially since it was not afforded due process in the form a preliminary injunction hearing.

FACTS

Pursuant to the procedure approved by this Court, the Sterling Entities served proofs of claims upon the Receiver on or about September 21, 2004. Each entity submitted a separate claim form and documentary support detailing its investments (deposits and withdrawal) with defendant Tech Traders, Inc.("Tech Traders"). The Sterling Entities received no notification from the Receiver or his attorneys of any deficiency in their claim forms until October 29, 2004 – several days after Sterling (Anguilla) Trust pointed out to the Court in its reply papers on its pending motion to intervene that no Sterling entity had received notification of any deficiency.[1] In its October 29, 2004 letter, the Receiver's counsel – for the first time – pointed out certain purported "deficiencies" in the claims submitted by some of the Sterling Entities. The letter did not indicate that the Receiver had any objection to the claims submitted by Sterling Bank Limited and Sterling Casualty & Life Insurance Ltd. (Exhibit A to Declaration of Warren Faulk, Esq., dated February 11, 2005) ("Faulk Decl."). After gathering the appropriate information, on December 3, 2004, the Sterling Entities responded to the letter and addressed the so-called deficiencies – most of which were based on nothing more than an erroneous understanding of the facts. (Exhibit B to Faulk Decl.). The Sterling Entities then heard nothing from the Receiver until February 2, 2005, when his counsel articulated several "questions" regarding the beneficial

[1] This assertion was made in response to the Receiver's erroneous (and ultimately false) assertion that he "notified [claimants] of the deficiencies and asked [them] to remedy them".

owners of the deposited funds and withdrawals and deposits made by various Sterling Entities with Tech Traders. (Exhibit C to Faulk Decl.). Since the Receive has never formally articulated any objections, we afford him the benefit of the doubt on this motion and assume that amounts of deposits or withdrawal which he questions are "objections".

ARGUMENT

I.

THE RECEIVER SHOULD BE REQUIRED TO CONSIDER SEPARATELY THE CLAIM MADE BY EACH STERLING ENTITY

The Receiver's distribution plan is flawed and should be rejected by the Court because it incorrectly and inappropriately lumps together all of the Sterling Entities. In doing so, the Receiver deprives Sterling Bank Ltd., Sterling Casualty & Insurance Ltd., Sterling Investment Management, Ltd. and Strategic Investment Portfolio of the full amount of the distribution to which they would be entitled under his proposed formula. Equity requires that the Receiver separately consider the claim made by each entity and calculate the amount of the distribution by considering only the withdrawals made by that entity.[2]

The Sterling Entities are distinct companies, incorporated in different countries, with different licenses, different ownership and different clients whose money they invested with Tech Traders.

- Sterling ACS Ltd. is a financial and corporate services provider organized and licensed pursuant to the laws of The Bahamas.

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[2] It is disconcerting that in the Receiver's original affidavit accompanying his moving papers he chose not to reveal the names of the claimants and only identified the agreed upon and disputed claims by number. The Receiver's reluctance to openly reveal the names of the claimants demonstrates his unwillingness to have claimants call into question the propriety of his choices.

- Sterling Alliance Ltd. is a company organized under the laws of the Bahamas.
- Sterling Bank Limited is a Class One bank licensed in the nation of Saint Lucia.
- Sterling Casualty & Insurance Ltd. is a Class One insurance company licensed under British law in the territory of Anguilla.
- Sterling Investment Management Ltd. is a company organized under the laws of Anguilla.
- Sterling Trust (Anguilla) Ltd. is a Class One trust company licensed under British law in the territory of Anguilla.
- Strategic Investment Portfolio LLC is a Delaware limited liability company.

Since each of these companies is a distinct entity, the Receiver should be required to treat them individually. It is inequitable for the Receiver to deprive a Sterling company (and its clients) which made no withdrawals from its account with Tech Traders of its appropriate distribution because it shares the name "Sterling" with another company which made withdrawals. While the Receiver might properly consolidate multiple accounts related to one entity for purposes of calculating the distribution amount, that is not the case here. The Sterling Entities are discrete companies formed under different laws for specific purposes. They have different licenses and operate in different countries. They are owned by different individuals and entities and have different officers and directors.[3] Most importantly, they each service different clients and only a small percentage of their deposits with Tech Traders is capital belonging to the entity. Thus, when the Receiver short-changes one entity based on the withdrawal of another, he actually is taking money away from the innocent clients of the entity that did not make the withdrawal and redistributing it to other victims of Tech Traders. That result is inequitable and

[3] While some of the owners and/or director of the Sterling Entities overlap, there is not a perfect identity of ownership

the Receiver's attempt to treat the Sterling Entities as one claimant should be rejected. [4]

It is clear the Receiver chooses to consider the Sterling Entities as one company because in doing so the net distribution payable to the companies is significantly less than if a distribution were calculated for each company separately. The basic distribution method proposed by the Receiver is to pay each claimant 38% of the funds invested minus the previous withdrawals. So, for example, the Receiver calculates the distribution he proposes to pay claimant Quest for Life (claim no. 55), by taking the funds invested as per the claim form ($2,850,000), multiplying that amount by 38% to derive a gross pro rata amount ($1,080,000), and subtracting previous withdrawals made from Tech Traders ($870,000) to yield a total distribution of $213, 000. Rather than perform this calculation for each of the Sterling Entities, the Receiver treats them as if they were one company by taking 38% of the total funds invested by each company and subtracting the sum of all withdrawals made by each company. In performing this calculation in bulk rather than separately for each entity, the Receiver short-changes the Sterling Entities by requiring the clients of those entities that had no or relatively small withdrawals in comparison to their claim amounts to make up for larger withdrawals by other entities.

In total, the Receiver determines that if their claims were not disputed, the Sterling Entities would be entitled to a lump sum distribution of $4,819,358.74. However, if the Receiver were to perform this calculation separately for each company, the net distribution to the Sterling Entities would be $5,161,328.70 – a difference of $341,970.66. The following chart illustrates

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[4] To the extent the Receiver feels that based on withdrawals certain of the Sterling Entities should be named as relief defendants, the Receiver should be required to seek out all such relief defendants and attempt to recapture any profits they made. The Sterling Entities have provided the CFTC with the identity of many such relief defendants as well as some documentation of the monies distributed to the third parties.

the interim distribution each Sterling Entity would be entitled to receive under the Receiver's proposed distribution method if it were considered separately.

Name of Claimant	Funds Invested	Previous Withdrawals	Net Cash Balance	Gross Distribution Amount	Net Distribution Amount
Sterling ACS Ltd.	$1,480,000	$724,370	$755,629	$562,400	$0
Sterling Alliance Ltd.	$250,000	$175,000	$75,000	$95,000	$0
Sterling Bank, Ltd.	$9,177,500	$0	$9,177,500	$3,487,450	$3,487,450
Sterling Casualty & Insurance Ltd.	$190,000	$0	$190,000	$72,200	$72,200
Sterling Investment Management, Ltd.	$4,567,845	$240,000	$4,327,845	$1,735,781	$1,495,781
Sterling Trust (Anguilla), Ltd.	$0	$100,000	($100,000)	$0	$0
Strategic Investment Portfolio	$278,678	$0	$278,678	$105,897	$105,897
TOTAL:	$15,944,023	$1,239,370	$14,704,652	$6,058,728	$5,161,328

In short, the Receiver should not be permitted to deprive the individual Sterling companies of their proper distributions by inappropriately grouping them together. His decision to treat these separately formed, owned, licensed and functioning companies which primarily invested funds with Tech Traders on behalf of different clients as a single claimant is without basis in law or fact and should be rejected by the Court.

II.

THE RECEIVER SHOULD BE REQUIRED TO MAKE A DISTRIBUTION ON THE PART OF A CLAIM TO WHICH HE HAS NO OBJECTION

The Receiver's proposed interim distribution plan also should not be approved by the Court because it does not allow for distributions on claims to which the Receiver only objects to in part. It is well settled that "any distribution of assets by . . . a receiver is to be done equitably and fairly - with similarly situated investors or customers treated similarly." Securities and Exchange Commission v. Credit Bancorp, Ltd., 194 F.R.D. 457, 464 (S.D.N.Y. 2000); see also, Securities and Exchange Commission v. Elliot, 953 F.2d 1560, 1569 (2d Cir. 1992) (upholding district court's decision to distribute assets ratably because"[a]ll investors were defrauded.") Securities and Exchange Commission v. Credit Bancorp, Ltd.,2000 WL 1752979 at 28 (S.D.N.Y. 2000) ("the fundamental principle governing adoption of a distribution plan is that it should be equitable and fair, with similarly situated investors treated alike.").

Here, the Receiver's proposed interim distribution plan does not comport with the law. The Receiver's plan must be equitable and fair to all claimants, including those whose claims are not objected to in full. In his moving papers, the Receiver argues that the Court should allow a partial distribution at this time because it would be unfair to "wait until all objection are resolved before making a distribution." (Receiver's Motion, p.8). However, the Receiver's plan does not follow the rule it heralds. He proposes that the Sterling Entities wait until every question he has regarding each Sterling Entities is resolved before any of the companies receives a distribution notwithstanding the fact that he only has "questions" regarding handful of deposits and withdrawals made by a few of the companies. Even if the Court were to temporarily treat the

Receiver's "questions" as "objections" and permit him to hold those amounts, the uncontested portion of the Sterling Entities claims is comprised of millions of dollars and the interim distribution (at 38%) would total $5,155,666. Given the magnitude of the Sterling Entities claims, equity requires that the Receiver make an interim distribution pursuant to his proposed formula on that portion of the funds invested with Tech Traders that he is not questioning. The amounts due to each entity is calculated as follows:

Sterling Management Ltd.

The Receiver's February 2, 2005 letter fails to raise any "questions" with respect to Sterling Investment Management Ltd. which have any bearing on the amount of funds it invested with Tech Traders or its withdrawals. Thus, as set forth in the distribution chart in Point I above, Sterling Management is entitled to an interim distribution calculated as follows: funds invested per claim form ($4,567,845.00), multiplied by 38% ($1,735,781.10), minus previous withdrawals ($240,000) to yield a distribution of $1,495,781.00.

Sterling Bank Limited

Similarly, with respect to Sterling Bank Limited, the Receiver raises no "questions" in his letter which have any bearing on the amount of funds it invested with Tech Traders or its withdrawals. It is therefore entitled to the following interim distribution: funds invested per claim form ($9,177,500.00), multiplied by 38% ($3,487,450.00), minus previous withdrawals ($0) to yield a distribution of $3,487,450.00.[5]

[5] Notably, Sterling Bank Ltd. has been informed that the customer responsible for $9.05 million dollars of the Tech Traders investment amount separately submitted a claim form to the Receiver. As such, the amount is not properly included as a Sterling Bank claim except to the extent that it wishes to preserve the client's claim and preserve its rights. Without the $9.05 million, Sterling Bank Ltd. is entitled to an interim distribution

Sterling Casualty & Insurance Ltd.

The Receiver's letter also raises no "questions" with respect to the claim submitted on behalf of Sterling Casualty & Insurance Ltd. Accordingly, it is entitled to an interim distribution calculated as follows: funds invested per claim form ($190,000.00), multiplied by 38% ($72,200.00), minus previous withdrawals ($0) to yield a distribution of $72, 200.00.

Strategic Investment Portfolio

As to Strategic Investment Portfolio, the Receiver's letter asks for proof of a $14,900 deposit (question # 32 (a)). Assuming for the sake of argument that this deposit was not made and should be discounted against the funds invested with Tech Traders, then Strategic Investment Portfolio is entitled to an interim distribution calculated as follows: funds invested ($263,778), multiplied by 38% ($100,235.64), minus previous withdrawals ($0) to yield a distribution of $100,235.64.

In sum, the law requires the Receiver's distribution plan to be equitable and fair to all claimants. His failure to allow for distributions on that part of a claim which he does not find objectionable does not comply with the law – especially where the "objection" is to an insignificant portion of the claim. Accordingly, if the Receiver has a partial objection to a claim, equity requires that he make an interim distribution on the part of the claim to which he has no objection.

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calculated as follows: funds invested per claim form ($127,500), multiplied by 38% ($48,450), minus previous withdrawals ($0) to yield a distribution of $48,450. Of course, the client should get the balance of $3,439,000.

III.

THE RECEIVER SHOULD BE REQUIRED TO RELEASE THE FUNDS IN THE MAN FINANCIAL ACCOUNT TO STERLING TRUST(ANGUILLA)

The Receiver's proposed interim distribution plan is flawed because it does not allow for the return of the nearly $2 million belonging to Sterling Trust (Anguilla) held at Man Financial. From the outset of this action this Court has recognized that these funds are distinguishable from the other funds held by the Receiver. In denying the Sterling Entities first motion to intervene seeking the release of their funds, the Court distinguished the funds held in the Man account as different because "the money in that account or the large portion of the money in that account . . . apparently did not go through the Tech Traders bank account" (Exhibit D to Faulk Decl.).

The Receiver has now had over 10 months to conduct his investigation. During this time he has not moved to amend his complaint to name any of the Sterling companies as defendants. As the Receiver has not alleged any wrongdoing on the part of the Sterling Entities, he has no legal authority to continue to hold the funds in the Man Financial account. Accordingly the Court must require the Receiver release the funds to Sterling (Anguilla) Trust.

Courts uniformly have held that the assets of a non-party against whom no wrongdoing is alleged cannot be frozen by a trustee. See, e.g., SEC v. Black, 163 F.3d 188, 197 (3r Cir. 1998) (lifting freeze of certain investor funds because no wrong doing alleged against the investors); see also SEC v. O. Cherif, 933 F.2d 403, 413 (7th Cir. 1991) (lifting freeze of assets of non-party against whom no wrongdoing was alleged).

In Black, the SEC filed an action against an investment advisor alleging that it was carrying assets on its books at materially inflated values, had incurred massive trading losses

which it was concealing from its clients and was continuing to accept funds from new clients (without disclosing information regarding these losses) and using those funds to fulfill its obligations to existing clients. Id. at 191. Immediately after filing the action, the SEC obtained an order freezing all of the defendants' assets and appointing a trustee.

The trustee identified four general categories of investment relationships between defendants and their investor clients – A, B, C and D – and reported on their activities. Id. at 192. The injunction initially issued by the court was overbroad and, after a hearing, the district court issued an order releasing all funds of the A, B and D clients from the freeze. Id. at193. On appeal, the Third Circuit affirmed the district court's release of the funds holding that "[i]mplicit in the District Court's ruling was a finding that the Trustee's investigation had not adduced any proof either that the Category A, B or D funds were, or could be deemed, assets of the defendants, or that the investors themselves were implicated as 'wrongdoers' . . ." Id. at 196. The Third Circuit also rejected the SEC's argument that the court had the authority to continue to impose the asset freeze over the A, B and D accounts pursuant to Federal Rule of Civil Procedure 66 since the freeze was part of an ongoing receivership governed by the jurisdictional provisions of the federal securities laws. It held that there is no statute or case law which authorizes a court to freeze the assets of the investors against whom no wrongdoing is alleged. Id. at196 -197.[6]

Similarly, in SEC v. O. Cherif, 933 F.2d 403 (7th Cir. 1991), the SEC brought an action

[6] The court also noted that although the Trustee's report discussed the existence of evidence showing commingling and transfers between pooled and non-pooled accounts, "there [was] no evidence that this was done by anyone other than defendants. Transfers or invasion of the pooled account for the benefit of others accomplished by [the defendants] do not implicate the A, B and D investors in such a way as to make their assets the proper subject of a freeze based on defendants's wrongdoing."Id.

against Cherif for violations of the anti-fraud provisions of the federal securities laws. Cherif used his identification card to enter a bank after hours and obtain confidential information about tender offers and leveraged buyouts being financed by the bank. Id. at 406. He then made trades using at least one brokerage account in the name of his cousin, Sanchou, who lived overseas. The SEC obtained a TRO and ultimately a preliminary injunction against Cherif and Sanchou enjoining them from transferring or disposing of their assets. Id. at 407. Sanchou subsequently moved to vacate the preliminary injunction on several grounds including that in the absence of any alleged securities violations on his part, the court lacks subject matter jurisdiction over him. Id. The district court denied the motion.

On appeal, the Seventh Circuit found that the district court did not have subject matter jurisdiction over Sanchou sufficient to justify divesting him of the funds now in his account. Id. at 413. The court ruled that nothing in 15 U.S.C. ¶¶ 78u or the case laws "authorizes a court to freeze the assets of a non-party, one against whom no wrongdoing is alleged." Id. at 414.[7]

Here, like in Black and Cherif, there is no allegation of wrongdoing against Sterling Trust (Anguilla) and, consequently, no authority to restrain its assets. Moreover, the assets themselves clearly do not belong to Tech Traders and were not part of the Shasta private placement. In his moving papers the Receiver acknowledges that the nearly $2 million in frozen account number

[7] In determining whether an injunction was properly granted for violations of the Commodity Exchange Act, the case law developed under the Securities and Exchange Act is pertinent because the injunction provisions under these two acts are the same "in all material respects. Commodity Futures Trading Commission v. J.S. Love & Associates Options, Ltd., 422 F.Supp. 652, 660 (S.D.N.Y. 1976); See, also, Commodity Futures Trading Commission v. British American Commodity Options, 560 F.2d 135 (2nd Cir. 1977) and J. Kelley v. A. Carr, 442 F.Supp. 346, 356 (W.D.M.I. 1977), revd. on other grounds.

37923 at Man Financial in the name of Sterling Trust (Anguilla) are distinct from the approximate $17,750,000 he is holding in accounts transferred from Tech Traders and the Shimmer escrow account (Receiver's Moving Papers, p.8 and 19).

The Receiver has had ample time to conduct his investigation with respect to these funds. On or about April 1, 2004, simultaneous with the filing of this action, the CFTC filed a motion for an *ex parte* statutory restraining order and preliminary injunction. In support of that motion, the CFTC submitted a memorandum of fact and law as well as exhibits which contained affidavits and other documents. Nothing in the CFTC's submissions made reference to culpable conduct by the Sterling Entities and they were not named as defendants. On or about April 30, 2004, the Sterling Entities moved to intervene in this action in an effort to obtain the release of their funds. The CFTC and the Receiver opposed this motion, primarily on the ground that it had only been one month since the freeze was put in place and that they had not had ample time to conduct an investigation. Specifically, in distinguishing SEC v. Black, the CFTC noted that in Black "the movant sought modification of the freeze eight months after its institution" while in this case "one month has passed since the institution of the freeze, which is hardly enough time for the Receiver to make a proper investigation into the nature, amount and ownership of the funds sought by the Sterling Entities or to explore their connection to the fraud." (Plaintiff's Opposition to Motion to Intervene, p.18). On May 14, 2004 this Court held a hearing on the Sterling Entities motion to intervene and at the conclusion of the hearing stated its reasons for denying the motion. Significantly, in refusing to release any funds to the Sterling Entities at that time the Court noted as follows:

> Now there may be a different consideration regarding 37923, the Man Pro account. The money in that account or

> the large portion of the money in the account… apparently … did not go through the Tech Traders bank account.

(Exhibit D to Faulk Decl.). The Court, however, determined that even the funds in the Man Pro account should not be released at that time because "the connection between Tech Traders and these Sterling Entities at the very least requires further inquiry and investigation." After months of discovery, the CFTC amended its complaint to include additional parties and conduct. Sterling (Anguila) Trust – and none of the other Sterling companies for that matter – is named as a defendant or wrongdoer.

The Receiver can no longer argue that he has not had sufficient time to investigate the fraud conducted by Tech Traders and the other defendants. He has had over 10 months to conduct his investigation. In SEC v. Black the Court lifted the freeze and returned the movants' funds after only 8 months. Sterling Trust (Anguilla) is not accused of any wrongdoing, holds the account at Man Financial in its own name and has provided proof that it funded the account. Consequently, its assets must be released.

CONCLUSION

For the reasons set forth above, the Court should reject the Receiver's proposed interim distribution plan and require the Receiver to pay distributions to the Sterling Entities as follows: 1) Sterling Management Ltd. - $1,495,781.00; 2) Sterling Bank Limited - $3,487,450.00; 3) Sterling Casualty & Insurance Ltd. - $72,200.00; 4) Strategic Investment Portfolio - $100,235.64; and 5) the Sterling (Anguilla) Trust account at Man Financial.

Dated: February 11, 2005
Westmont, New Jersey

Respectfully submitted,

/s/ Warren W. Faulk

Warren W. Faulk
Brown & Connery, LLP
360 Haddon Avenue
P.O. Box 539
Westmont, New Jersey 08108
Attorneys for the Sterling Entities

Of Counsel:

Martin P. Russo, Esq.
Marie V. Russo, Esq.
Kurzman Eisenberg Corbin Lever & Goodman LLP
One North Broadway
White Plains, New York 10601

Att. 2

DRL TWENTY PLUS FUND

and

DRL INTERNATIONAL CORPORATION

and

STERLING BANK LIMITED

INVESTMENT ADVISORY AGREEMENT

Dated the 29th day of December 2003

THIS INVESTMENT ADVISORY AGREEMENT is made the 29th day of December 2003.

AMONGST

(1) **DRL TWENTY PLUS FUND LIMITED,** a company incorporated under the laws of the Bahamas whose registered office is located The British Colonial Centre of Commerce, 4th Floor, 1 Bay Street, Nassau, Bahamas (the "Company");

AND

(2) **DRL INTERNATIONAL CORPORATION,** a company incorporated under the laws of the Bahamas whose registered office is located at 1st Floor, Norfolk House Annex, Nassau, Bahamas (the "Manager"); and

AND

(3) **Sterling Bank Limited,** a company incorporated under the laws of Saint Lucia whose registered office is located at The Mutual Building, Choc Bay, Saint Lucia, West Indies (the "Advisor").

WHEREAS

The Manager has selected the Advisor to act as investment Advisor of the Company pursuant to Clause 13 of the Investment Advisory Agreement (the "Investment Advisory Agreement") dated December 29th, 2003, herewith between the Company and the Manager.

NOW THE PARTIES HERETO AGREE as follows:

INTERPRETATION

1. Save where the context requires otherwise, the following expressions shall have the following meanings:-

"Administrator"	Cardinal International Fund Services Limited or such other mutual fund administrator for the time being appointed by the Company as its administrator.
"Articles"	The Articles of Association of the Company for the time being in force and any reference herein to an Article shall be taken to refer to the Articles unless otherwise specified.
"Directors"	The Board of Directors appointed by the Company whose identities shall be notified to the Manager from time to time.
"Offering Memorandum"	The Offering Memorandum approved by the Directors and dated September 1, 1997, and any further Information Memoranda, Supplemental or Addendum thereto.
"Investments"	The investments of the Company comprising all the assets of the Company in respect of which the Advisor will render advice under the terms of this Agreement.
"Participating Shares"	The Participating Shares of US$0.01 each par value in the Company.

Unless the context otherwise requires and except as varied or otherwise specified in this Agreement words and expressions contained in this Agreement shall bear the same meaning as in the Articles PROVIDED THAT any alteration or amendment of the Articles shall not be effective for the purposes of this Agreement unless the Manager shall by endorsement hereon or otherwise have assented thereto.

APPOINTMENT AND CONTROL

2. The Company and the Manager hereby appoint the Advisor to provide the services set out below in accordance with the Articles and subject to the provisions hereof.

3. All activities engaged in under the provisions of this Agreement by the Advisor on behalf of the Company shall be subject to the overall policies, directions and control of the Directors.

DUTIES AS INVESTMENT ADVISOR

4. During the continuance of its appointment, the Advisor shall render such advice to the Company and the Manager as the Company or the Manager may from time to time require, in connection with the investment of the moneys and assets of the Company, and in particular, without limiting the generality of the foregoing, and PROVIDED ALWAYS THAT they are kept fully informed of the sums available for investments, the Advisor shall:-

   (a) recommend to the Company and the Manager the manner in which any moneys of the Company might be invested;

   (b) carry out any reviews of the investments of the Company whenever the Advisor shall deem necessary or the Company or the Manager shall reasonably require;

   (c) obtain for the Company monthly valuations of such investments or other assets of the Company as the Company or the Manager may reasonably require;

   (d) recommend to the Company and the Manager the manner in which monies required for the purposes of the Company should be realised;

   (e) advise the Company concerning all actions which it appears to the Advisor the Company and the Manager should consider taking to carry into effect such purchase and sale programmes;

   (f) prepare material other than accounts for inclusion in annual or other reports of the Company whenever the Company or the Manager may reasonably require;

   (g) execute and carry out the investment strategy as agreed from time to time by the Directors and notified to the Advisor;

   (h) have sole authority and responsibility for causing the investment and reinvestment of the investments placed or held in any Broker account of which the Advisor has a properly executed power of attorney and authority;

   (i) to provide to the Administrator on a timely basis such full and comprehensive details of all trading and investment transacted effected on behalf of the Company as may be reasonably required to enable the Administrator to compute the periodic net asset value of the Company in accordance with the Articles and the Information Memorandum; and

   (j) to promptly review and approve or disapprove the periodic net asset value of the Company computed by and provided to the Advisor by the Administrator on such occasions as the Administrator shall in writing request.

   For the avoidance of doubt the Advisor shall have no authority to open accounts on behalf of the Company or in its name with any bank, broker or other financial institution without the express written authorisation of the Company.

INVESTMENT POLICY

5. In carrying out their duties hereunder, the Advisor shall have regard to:-

   (a) the primary purpose of the Company's investment policy from time to time communicated in writing by the Company;

   (b) any restrictions for the time being contained in the Memorandum and Articles of Association of the Company with regard to investment or borrowings;

   (c) the entitlement of the holders of Participating Shares of the Company to require redemption of such Participating Shares;

   (d) the terms of any exchange control requirements and any other present or future governmental requirements; and

   (e) any other matter to which a prudent Advisor to any investment portfolio should reasonably pay regard in the proper discharge of his duties.

AGENTS AND ADVICE

6. The Advisor shall be at liberty in the performance of their duties and in the exercise of any of the powers and discretion vested in them hereunder to act by responsible officers or a responsible officer for the time being and to employ and pay an agent to perform or assist in performing any or all of the services, duties and obligations required to be performed hereunder by the Advisor. Further the Advisor may act or rely upon the opinion or advice of or any information obtained from any broker, lawyer, valuer or other expert whether reporting the Company or to the Advisor or not and the Advisor shall not be responsible for any loss occasioned by their so acting.

7. The Advisor may refer any legal question to the legal advisors of the Company for the time being (whose name shall from time to time be notified by the Company to the Advisor) or to legal advisors selected by the Advisor and may authorise any such legal advisors to take opinion of counsel on any matter or difficulty and may act on any opinion given by such legal advisors or counsel without being responsible for the correctness thereof or for any result which may follow from so doing.

DEALINGS WITH OTHER PERSONS

8. The Advisor is an independent contractor whose duties hereunder shall not preclude the Advisor from providing services of a like nature to any other person firm or corporation.

REMUNERATION OF THE ADVISOR

9. In consideration of the services performed by the Advisor hereunder, the Advisor shall be entitled to receive from the Manager the following fee:

   - 0.3333% per month of Funds Under Management calculated at the close of trading on the last day of a given month. Advisor will deduct such fee from the gross trading gains of Funds Under Management for the given month. Advisor will provide to Manager by the 20th day of the following month an audited report, showing gross gains for the given month, the fee paid to the Advisor, and the total net gain for the given month. Other than the Advisor fee that is deducted by the Advisor from gross gains, no fee will be paid directly to the Advisor. Advisor expects positive monthly gains on the Funds Under Management in excess of 1.5% per month, so that, net of fee to the Advisor, gains to the Fund are equal to or greater than 1% per month.

   In the case of such dispute as is mentioned in clause 11 the Investment Manager shall pay the fees payable on the due date, if any, as shall not be disputed and the balance forthwith after the decision of an independent firm of auditors chosen by the auditors of the Company in their absolute discretion.

10. All fees and charges payable to the Advisor pursuant to this Agreement shall be paid in USD.

11. In the event of any dispute arising as to the amount of the Advisor's fees hereunder the same shall be referred to the independent auditors chosen by the auditors of the Company for such settlement who shall be entitled to make such further or other adjustments as may in the circumstances appear to them to be appropriate and whose decision shall be regarded as a decision of an expert and not of an arbitrator and shall accordingly be final and binding upon the parties hereto.

DELEGATION

12. The Advisor shall be entitled to delegate the whole or any part or parts of their functions, powers, discretion, duties and obligations hereunder or any of them to any person, firm or corporation approved by the Company in writing (which consent shall not be unreasonably withheld) and any such delegation may be on such terms and conditions as the Advisor think fit PROVIDED ALWAYS THAT the Advisor shall remain liable hereunder for any act or omission of any such person, firm or corporation as if such act or omission were their own AND THAT any such delegation shall be notified by the Advisor in writing to the Administrator.

TERMINATION

13. The Advisor shall be entitled to resign their appointment hereunder after an initial period of three years:-

   (a) by giving not less that ninety days' notice in writing to the Company;

   (b) forthwith upon giving notice in writing if the Company shall commit any breach of its obligations under this Agreement and shall fail within thirty days of receipt of written notice served by the Advisor requiring it so to do, to make good such breach; and

(c) forthwith, upon giving notice in writing to the Company if the Company shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Advisor) or if a receiver of any of the assets of the Company is appointed;

14. The Company or the Manager may terminate the appointment of the Advisor:-

(a) by giving not less than thirty days' notice in writing to the Advisor;

(b) forthwith, upon giving notice in writing if the Advisor shall commit any breach of their obligations under this Agreement and shall fail within thirty days of receipt of notice served by the Company requiring it so to do, to make good such breach;

(c) forthwith, upon giving notice in writing to the Advisor if the Advisor goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Company) or if a receiver is appointed of any of the assets of the Advisor; or

(d) forthwith upon giving notice in writing if, in the opinion of the Directors, the Advisor causes the Company or its Directors to be in breach of any obligation arising under the Mutual Funds Act, 1999 of The Bahamas, or any subsequent amendment or reenactment thereof.

15. On termination of the appointment of the Advisor under the provisions of the preceding Clauses, such termination shall be without prejudice to any antecedent liability of the Advisor. The Advisor shall be entitled to receive all fees and other monies accrued due up to the date of such termination but shall not be entitled to compensation in respect of such termination.

16. The Advisor shall, on the termination of their appointment under the provisions of the preceding Clauses, deliver to such persons as the Company shall direct all books of account, registers, correspondence and records of all and every description relating to the affairs of the Company which are in their possession.

ASSIGNMENT

17. Without prejudice to Clause 14 neither the benefit nor the burden of this Agreement shall be assigned by either party save with the consent of the other party.

INSTRUCTIONS

18. The Advisor shall not be under any liability on account of anything done or suffered by them in good faith on the written instruction of any one or more of the Directors of the Company.

NOTICES

19. Any notice to be given hereunder shall be in writing and may be served by being left at or posted to the address set out above of the party for which it is intended or such other address as such party may from time to time notify in writing. A notice so posted shall be deemed to be served at the expiration of seven days after posting and in proving service by post it shall be sufficient to prove that an envelope containing the notice was duly addressed, stamped and posted.

INDEMNITIES

20. The Advisor (which in this Clause shall include all directors, officers and employees of the Advisor and any agent, sub-contractor or delegate appointed by the Advisor) shall not be liable for any loss or damage suffered by the Company or any Shareholder arising directly or indirectly out of any error of judgement or oversight or mistake of law on the part of the Advisor, made or committed in good faith in the performance of their duties hereunder, and the Advisor shall not in the absence of negligence or wilful default, be responsible for any loss or damage which the Company may sustain or suffer as the result of or in the course of the discharge of their duties hereunder and the Company shall indemnify and hold harmless the Advisor against all claims and demands (including costs and expenses arising there from or incidental thereto) which may be made against the Advisor in respect of any loss or damage sustained or suffered by any third party, otherwise than by reason of the negligence or wilful default of the Advisor as aforesaid.

21. The Advisor shall send to the Directors as soon as possible all notices of claims, summonses or writs which they receive from third parties in relation to the affairs of the Company and no liability of any sort shall be admitted and no undertaking given nor shall any offer, promise or payment be made or legal expenses incurred by the Advisor in relation to any such claim summons or writ without the written consent of the Company who shall be entitled, if they do desire, to take over and conduct the defence of any action or to prosecute any claim for indemnity or damages or otherwise against any third party.

22. The Advisor shall not be required to take any legal action on behalf of the Company unless fully indemnified to their reasonable satisfaction for costs and liabilities. If the Company requires the Advisor in any capacity to take any action, which in their opinion might make them or their nominees liable for the payment of money or liable in any other way, the Advisor shall be kept indemnified in any reasonable amount and form satisfactory to them as a prerequisite to taking such action.

MISCELLANEOUS

25. No failure on the part of either party to exercise, and no delay on its part in exercising, any right or remedy under this Agreement will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

26. The illegality, invalidity or unenforceability of any provision of the Agreement will not affect the legality, validity or enforceability of any of the remaining provisions of the Agreement.

GOVERNING LAW

27. The validity and construction of this Agreement shall be governed by the laws of the Bahamas and/or the laws of Saint Lucia. All disputes claims or proceedings between the parties relating to validity, construction or performance of this Agreement shall be subject to the non-exclusive jurisdiction of the Courts of the Bahamas and/or the Courts of Saint Lucia to which the parties hereto irrevocably submit.

COUNTERPARTS

28. This Agreement may be executed in counterpart and if so shall be executed in at least two counterparts and all of such counterparts taken together shall be deemed to constitute one and the same agreement.

CLAUSE HEADINGS

29. It is hereby agreed that the clause headings are included in this Agreement for the purpose of convenience only and shall not affect the construction or interpretation hereof.

IN WITNESS WHEREOF the parties hereto have executed this Investment Advisory Agreement the day and year first hereinbefore written

Signed for and on behalf of
DRL TWENTY PLUS FUND LIMITED

Date Jan 9, 2004

In the presence of

Witness

Signed for and on behalf of
DRL INTERNATIONAL CORPORATION

Date Jan 9, 2004

in the presence of

Witness

Signed for and on behalf of
STERLING BANK LIMITED

Date DEC. 30, 2003

In the presence of

Witness

Att. 3

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Account Reference Information
Account Number:0007 7559 7361
K 0 0 C Enclosures 65
Statement Period
01/01/04 through 01/31/04

TECH TRADERS, INC.

Full Analysis Business Checking

Deposits and Credits - Continued

Date Posted	Customer Reference	Amount	Description	Bank Reference
01/16		1,200,000.00	Wire Type:Wire IN Date: 011604 Time:1607 Et Trn:0401160027455 Ffref/Seq:040116005008/001455 Orig:Sterling Bank Limited ID:5198216207 Snd Bk:Bk Of North Carolina ID:053101121 Pmt Det:Sterling IN Vestment Management Ltd #007	903701160027455
01/20		1,400.00	Reverse Of Transaction Posted 01/16/04	
01/20		252,850.00	Wire Type:Wire IN Date: 012004 Time:1043 Et Trn:0401200067061 Ffref/Seq:C00402012116101/003476 Orig:Robert W. Shimer, Esq ID:0000058236303 Snd Bk: Citibank N.A. ID:021000089 Pmt Det:Fbo Shasta Capi Tal Associates	939801200008120
01/21		200,000.00	Wire Type:Wire IN Date: 012104 Time:1311 Et Trn:0401210140858 Ffref/Seq:040121003213/000669 Orig:Sterling Bank Ltd TD:5198214312 Snd Bk:Bk. Of North Carolina ID:053101121 Pmt Det:Sterling Investm Ent #007	903701210014000
01/23		96,695.00	Wire Type:Wire IN Date: 012308 Time:1650 Et Trn:0401230036336 Ffref/Seq:C00402323008201/005012 Orig:Robert W. Shimer, Esq ID:0000058236303 Snd Bk: Citibank N.A. ID:021000089 Pmt Det:Fbo Shasta Capi Tal Associates	903701230026336
01/28		110,225.00	Deposit	
01/29		178,200.00	Wire Type:Wire IN Date: 012904 Time:0832 Et Trn:0401290037068 Ffref/Seq:C00402910465801/001628 Orig:Robert W. Shimer, Esq ID:0000058236303 Snd Bk: Citibank N.A. ID:021000089 Pmt Det:Fbo Shasta Capi Tal Associates	813006500054976 903701290037068
01/29		30,000.00	Wire Type:Wire IN Date: 012904 Time:1546 Et Trn:0401290026013 Ffref/Seq:040129005100/001100 Orig:Strategic Investment Portf ID:5198215084 Snd Bk:Bb&t North Carolina ID:053101121	903701290026013
01/29		50,000.00	Funds Transfer Credit Ffmr Nga 01012924 Mbk6Rrk	945001292260009
01/29		30,000.00	Funds Transfer Credit Fbos Nga 01012924 Mbk6Rrk	945001292260011

Withdrawals and Debits

Checks

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1633	20,000.00	01/09	813007401135615	1634	30,000.00	01/08	813007401137693

CFTC-500-02-0008

DRL1137