

IN THE UNITED STATES DISTRICT COURT
FOR THE
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

SEP 27 2006
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WESTERN DISTRICT MICH.
MIS

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

Steven G. Schroeder

Defendant.

CIVIL ACTION NO. _____

1:06 CV 0705

Gordon J. Quist
U.S. District Judge

STATUTORY RESTRAINING ORDER

The Court having read the Complaint for Injunctive and Other Equitable Relief and for Civil Monetary Penalties Under the Commodity Exchange Act, the Plaintiff's Motion for a Statutory Restraining Order ("SRO"), the Brief in Support of Plaintiff's Motions for a Statutory Restraining Order, Preliminary Injunction and Expedited Discovery, the declaration of William W. Heitner, Jr., and all of the attachments thereto, the Certification issued by Sandra A. Guard, a Deputy Record Custodian of the National Futures Association, the declarations of managed account customers, Gary Schubert and James Lembeck, the declaration of Matt Bowen, who was solicited to be a managed account customer, and the declaration of Jon Marcus, Principal of Lakefront Futures, and all other papers filed herein by the Plaintiff, Commodity Futures Trading Commission ("Commission"); it appearing that the Court has jurisdiction over the subject matter of

this action and that Section 6c of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. § 13a-1 (2002), permits this Court to grant a statutory restraining order; it further appearing to the satisfaction of the Court that there is good cause to believe that defendant Steven G. Schroeder has engaged in, is engaging in or is about to engage in violations of Sections 4b(a)(2)(i) through (iii), 4m(1), and 4o(1) of the Act, 7 U.S.C. §§ 6b(a)(2)(i) through (iii), 6(m)(1), and 6o(1) (2002), and Commission Regulation 4.31 thereunder, 17 C.F.R. § 4.31 (2006), and it further appearing to the satisfaction of the Court that this is a proper case for granting a statutory restraining order to preserve the *status quo* and to protect public customers from further loss and damage and to prevent Defendant's assets from being further dissipated;

IT IS HEREBY ORDERED:

1. That the Defendant, and all persons insofar as they are acting in the capacity of agents, servants, employees, successors, assigns, nominees or attorneys of the Defendant and all persons insofar as they are acting in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise, shall be prohibited from directly or indirectly:

- a) Dissipating, withdrawing, transferring, removing, concealing or disposing of cash, cashier's checks, funds, assets or other property of, or within the custody, control or possession of defendant Steven G. Schroeder, including funds or property of commodity pool participants, wherever located, whether held in the name of Steven G. Schroeder, or any of his aliases or nominees. The assets affected by this paragraph shall include both existing assets and assets acquired after the effective date of this Order, wherever located, including assets located outside the United States.
- b) Destroying, mutilating, concealing, altering or disposing of, in any manner, any of the books and records, documents, correspondence, brochures, manuals, electronically stored data, tape records or other

property of the Defendant, wherever located, including all such records concerning his business operations, until further order of the Court.

2. IT IS FURTHER ORDERED that each firm, corporation or other person or entity with notice which holds, or which is a depository of, funds, securities, property, or other assets of or under the control of defendant Steven G. Schroeder, whether held in the name of Steven G. Schroeder or any of his aliases, or otherwise, is prohibited from transferring, withdrawing, removing or disposing of any such funds, securities, property, or other assets until further order of the Court. Upon request by the Commission, they shall promptly provide the Commission with copies of all records or other documentation pertaining to such accounts or assets, including, but not limited to, originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, all other debit and credit statements or slips, currency transaction reports, 1099 forms and safe deposit box logs.

3. IT IS FURTHER ORDERED that representatives of the plaintiff Commission be allowed to immediately inspect the books, records and other electronically stored data, tape recording, and other documents of the Defendant and his agents, including all such records of Defendant's business operations, wherever they are situated and whether they are in the hands of the Defendant, or others and to copy said documents, data, and records either on or off the premises wherever they may be situated.

4. IT IS FURTHER ORDERED that the plaintiff shall immediately notify (by telephone or other means) each of the Defendant's current commodity futures trading managed account clients of this pending litigation and of the entry of this statutory restraining order.

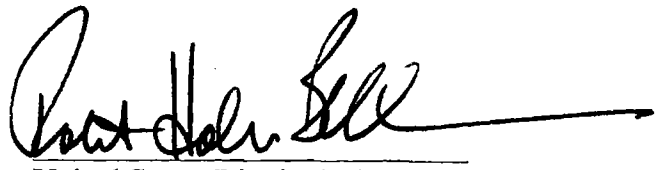
5. IT IS FURTHER ORDERED that this Order may be served by facsimile transmissions.

6. IT IS FURTHER ORDERED that this Statutory Restraining Order shall remain in full force and effect until further Order of this Court, upon application, notice and an opportunity to be heard.

7. IT IS FURTHER ORDERED that this matter is set for hearing on October 5, 2006, at 1:15 pm o'clock at the U.S. Courthouse located at Courtroom 401, Ford Federal Bldg, 110 Michigan, NW, Grand Rapids, MICHIGAN without further notice, at which time ~~it is anticipated that~~ Plaintiff's Motion for Preliminary Injunction ~~will be set for hearing.~~ shall be heard.

8. IT IS FURTHER ORDERED that William W. Heitner, Jr., an employee of the Commission, is hereby specially appointed to serve process, including the summons and complaint, and all other papers in this cause.

Date: September 27, 2006


United States District Judge

Time: 2:45 pm