

UNITED STATES OF AMERICA  
· Before The  
SECURITIES AND EXCHANGE COMMISSION

**HARD COPY**

ADMINISTRATIVE PROCEEDING  
File No. 3-15617



**In the Matter of**

**LARRY C. GROSSMAN and  
GREGORY J. ADAMS,**

**NOTICE OF FILING**

Defendant, Larry Grossman, by and through his undersigned counsel, and pursuant to the November 28, 2014 Posthearing Order, gives notice of filing the following in the above matter:

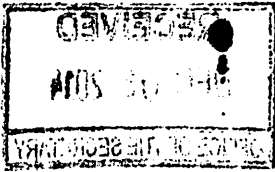
1. American Arbitration Association, Inc. Statement of Claim – DePasquale v. Sovereign International Asset Management, Inc., et al.
2. Details of \$403,385 Wire Transfer to the Complainant.
3. Grossman Exhibit 91.

**CERTIFICATE OF SERVICE**

I hereby certify that on December 5, 2014 an original and three copies of the foregoing were filed with the Securities and Exchange Commission, Office of the Secretary, 100 F. Street, N.E., Washington D.C. 20549-9303, and that a true and correct copy of the foregoing has been served on the following persons entitled to notice as follows:

Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557  
Service via Email: [ALJ@SEC.gov](mailto:ALJ@SEC.gov)

YALOW CLAW



YALOW CLAW

Patrick R. Costello, Esquire

[REDACTED]

Division of Enforcement  
Securities and Exchange Commission

[REDACTED]

[REDACTED]

*Service Via Email and United States Mail*

Mark David Hunter, Esquire

[REDACTED]

[REDACTED], Esquire

[REDACTED]

Hunter Taubman Weiss LLP

[REDACTED]

[REDACTED]

*Service Via Email and United States Mail*

Zachary D. Messa, Esquire

[REDACTED]

Michael T. Cronin, Esquire

[REDACTED]

**JOHNSON POPE BOKOR RUPPEL & BURNS, LLP**

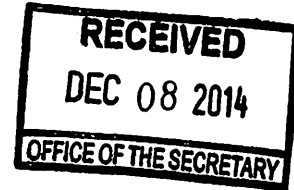
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**HARD COPY**



AMERICAN ARBITRATION ASSOCIATION, INC.

LILLIAN DEPASQUALE,

Claimant,

AAA Claim #:

STATEMENT OF CLAIM

-against-

SOVEREIGN INTERNATIONAL ASSET MANAGEMENT, INC.,  
LAWRENCE GROSSMAN and GREGORY J. ADAMS,

Respondents.

Claimant, Lillian DePasquale (hereinafter "Lillian"), by her attorney, ANTHONY M. ABRAHAM, Esq., complaining of Respondents, Sovereign International Asset Management, Inc., ("Sovereign"), Lawrence Grossman ("Grossman") and Gregory J. Adams ("Adams"), allege joint and several responsibility and liability against Respondents, as follows:

THE PARTIES

1. Lillian was and remains a retired school teacher living in Chappaqua, New York. Lillian is 69 years old as of the date of this Statement of Claim. Lillian is a widow. Lillian was a client of Sovereign which was a registered SEC Investment Advisor. Lillian opened here account with Sovereign in or about August 2007. Lillian has no background or education in investments or the stock market. On opening account forms with the affiliated broker-dealer to Sovereign, Pension Financial Services, Lillian stated that she had "0" years experience in investments of any type.\*

\*Exhibits attached to the Statement of Claim:

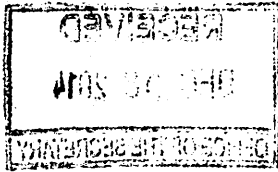
Exhibit A: Investment Advisor's Agreement executed on August 9, 2007.

Exhibit B: Opening Account Form with Pension Financial Services.

Exhibit C: Sovereign letter dated September 25, 2007 as to proposed Investments and December 31, 2008 Statement from Sovereign indicating final holdings prior to redemption requests.

Exhibit D: Letters from Sovereign concerning loss of Anchor Hedge Funds due to actions of "Bernie Madoff."

Exhibit E: Internet Article describing Aksia, LLC research that Madoff was too risky to invest in and first page of report to the SEC from Harry Markopolos, Certified Fraud Examiner, as to warnings to the SEC as far back as 2001, that Madoff was a fraud.



OFFICE OF THE ADJUTANT GENERAL  
WASHINGTON, D. C.

MEMORANDUM FOR THE ADJUTANT GENERAL  
SUBJECT: [Illegible]

DATE: [Illegible]

1. [Illegible text]

2. [Illegible text]

RECOMMENDATION

It is recommended that [Illegible text]

3. [Illegible text]

2. Sovereign is a Securities and Exchange Commission registered Investment Advisor, with [REDACTED] and [REDACTED]. Sovereign has its principal address and place of business in the United States at [REDACTED].

3. Lawrence Grossman, is also, upon information and belief, a registered investment advisor at Sovereign and participated in management of Lillian's portfolio as an agent of Sovereign.

4. Gregory Adams is also, upon information and belief, a registered Investment Advisor with Sovereign and participated in management of Lillian's portfolio as an agent of Sovereign.

#### FACTUAL BACKGROUND

5. In an effort to protect her retirement funds, and obtain professional advice concerning the management of her IRA account, in 2007 Lillian was approached by Gregory Adams and Lawrence Grossman, both of whom are financial advisors with Sovereign. Grossman and Adams promised safety and proper management of Lillian's funds. Based on Grossman's and Adams' personal assurances, Lillian transferred her IRA funds to Sovereign's management in September 2007. The source of the funds was Lillian's accounts at Dime Savings Bank, Citigroup, Wachovia and UBS. All of her retirement savings, aggregating \$1,443,769 were deposited in the care, trust and control of Respondents.

6. Lillian signed a variety of documents, including an Investment Advisory Agreement, attached hereto as Exhibit A. That Agreement, among other things, permitted Arbitration at the American Arbitration Association, in the event of a dispute.

#### Account Objectives: Preservation of Capital

7. Lillian also made clear her account objectives were to protect the IRA funds. Appended hereto as Exhibit B is Lillian's opening account form with Penson Financial Services. Penson was an affiliated broker dealer to Sovereign and registered with FINRA. In the account form, Lillian was crystal clear as to her Objectives. The Opening Account Form, attached hereto, sets forth arabic numerals: "1", "2" and "3" preceding each Objective, represent the ordering on Lillian's priorities and states as follows:

- "1. Longterm Growth with Safety (longterm capital appreciation with relative safety of principal);*
- 2. Growth and Income (preserve capital as much as possible);*
- 3. Balanced (Diversification of asset classes for equal blend of income and longterm growth)."*

#### What Respondents did With Lillian's \$1,443,769 in IRA Funds:

8. At first, Lillian was taken in by Sovereign's purported professionalism. Sovereign, under Grossman's name, delivered to her the letter attached hereto as Exhibit C, stating the following investment plan:

- 10% Gold (GLD)
- 5% Silver (SLV)
- 15% principal protected notes
- 24% Anchor Hedge Fund Limited, Class C
- 23% Anchor Hedge Fund Limited, Class A
- 23% Anchor Hedge Fund Limited, Class E

9. And, so, all of Lillian's \$1,443,769 was invested in the foregoing. Also attached hereto as part of Exhibit B is the most recent account statement from Sovereign, reflecting substantially the same portfolio.

What Respondent's Did Not Tell Lillian

Bernard Madoff Got the Money

10. What Respondents did not tell Lillian was that the Hedge funds (which were unsuitable for an IRA in the first instance), were invested with Bernard Madoff Securities, LLC through the Anchor Hedge Funds.

11. Lillian was advised by letter from Sovereign that redemptions were suspended for Anchor Hedge Funds, Classes A and C, because these funds were all lost with Bernard Madoff. See Exhibit D for letter from Sovereign concerning "Bernie Madoff" and admissions of Sovereign on connection with same. No statement or admission has been made in connection with Anchor Hedge Fund E, but redemptions have also been refused for that Fund.

12. But Lillian requested redemption of all funds and investments from Sovereign. Lillian received a wire transfer to her Citibank IRA in the sum of \$350,000, representing her interest in her gold and silver holdings.

13. But, Sovereign would not redeem any of Lillian's interests in the Anchor Hedge funds. All is lost, in respect of Lillian's investments as follows:

Anchor Hedge Fund, Class A	IRA	A/C: 0211216	\$325,119
Anchor Hedge Fund, Class C	IRA	A/C: 0211216	\$339,255
Anchor Hedge Fund, Class E	IRA	A/C: 0211216	\$325,119
TOTAL:			<u>\$989,493</u>

**Sovereign did No Due Diligence as Registered Investment  
Advisors. Sovereign Just took Lillian's Money to Re-invest through  
Anchor in Madoff**

14. Sovereign and Respondents just took Lillian's money and reinvested same with the Anchor Hedge Funds, which in turn put their money with Bernard Madoff Securities LLC. Let Madoff do the work!

15. But Sovereign and Respondents never checked out the Anchor Funds, or the funds in which Anchor Invested. There seemed to be no due diligence or investigation of any kind. Not only were most of Lillian's assets concentrated in three purported hedge funds, domiciled in the Virgin Islands out of reach of United States regulators, but due diligence at the time would have revealed that Madoff was suspect. Appended hereto as Exhibit E are articles describing the research of Aksia, a hedge fund advisory service advising clients that Madoff was likely a fraud, and the first page from the submission to the Securities and Exchange Commission on November 7, 2005 written by Harry Markopolos, a Certified Fraud Examiner, to the SEC stating the "The World's Largest Hedge Fund is a Fraud."

### Overconcentration of Assets and Lack of Suitability

16. Not only was there adequate research to know that the Madoff Funds were suspect, but there were two other problems lethal to the Sovereign investments in Anchor Hedge Funds, which were primarily Madoff feeder funds:

A. Why was 68.53% of all of Lillian's IRA funds invested in three Anchor Hedge Funds, each of which was a Madoff Anchor feeder fund? This is an overconcentration of assets (no doubt Sovereign received handsome trailers and commissions).

B. Why were any hedge funds suitable investments for a person of Lillian's age and financial circumstances as a retired person, or otherwise suitable? They weren't under any reasoned analysis.

### THE INVESTMENT ADVISORS' ACT of 1940

#### The Duties Imposed

17. Sovereign was a registered Investment Advisor under the Investment Advisors Act of 1940. Investment Advisers Act Rule 206(4)-8 prohibits advisers from making false or misleading statements to current or prospective investors in such funds. It only requires a negligence showing to demonstrate breach of the statute. The Act states as follows:

*"Prohibition.* It shall constitute a fraudulent, deceptive, or manipulative act, practice, or course of business within the meaning of section 206(4) of the Act for any investment adviser to a pooled investment vehicle to:

1. Make any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle; or
2. Otherwise engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle."

18. Section 206 of the Investment Advisor's Act also imposes a fiduciary duty on investment advisor's to act in the best interest of their clients only and to perform due diligence on any investment, by operation of law.

19. the SEC maintains that Advisors also have a fiduciary duty to reasonably determine that the investment advise they provide to clients is suitable, taking into account the client's financial situation, investment experience and objectives.



The Legal Claims and Breach of Respondents' Duty

20. Lillian's funds were lost by Respondents. Respondents are liable for:

A. Breach of Fiduciary Duty. Respondents failed to adhere to appropriate Fiduciary standards pursuant to Section 206 of the Investment Advisors' Act because of lack of due diligence, required diversification and overconcentration, and breach of suitability standards;

B. Fraud in sale of unsuitable Investments. Respondents failed to properly adhere to appropriate Suitability standards imposed by Section 206 of the Investment Advisors' Act because the Anchor Funds were unsuitable for an investor of Lillian's age and financial circumstances;

C. Fraud pursuant to the Investment Advisors Act, Section 206. Respondents engaged in misleading and fraudulent statements and actions in investing Lillian's moneys in hedge funds which in turn re-invested with Bernard Madoff. Lillian was never told that (i) ther Anchor Funds involved high risk, (ii) that they were Madoff feeder funds, (iii) that Sovereign would receive extensive trailers and commissions from Madoff and (iv) that the Anchor funds were never truly diversified;

D. Negligence in failing to perform Due Diligence. Respondents recklessly and negligently failed to (i) engage due diligence responsibilities in investigating the Anchor Funds or Madoff funds into which the Anchor Hedge were invested and 9ii) failed to adhere to fiduciary and suitability requirements;

E. Breach of Supervisory Responsibility. Respondents failed to properly Supervise Grossman and Adams;

F. Breach of Contract. Respondents breached their agreement with Lillian in that (i) Lillian's account Objectives were violated, (ii) Lillian's suitability standards were violated and (iii) Lillian's portfolio would be well managed.

G. Breach of Duty to Deal Fairly. Respondents failed to deal fairly with Lillian and breach any and all notions of duty to engage fair trade and practices.

The Damages Requested

A. Compensatory Damages, with interest in the sum of \$989,493, with interest thereon or such greater amount as shall be determined at a Hearing of this matter;

B. Return of all Commissions and Fees paid to Sovereign;

C. Punitive Damages in the sum of \$1 million;

D. Attorneys' fees in a sum to be determined at a Hearing of this matter;

E. The costs of thus arbitration forum, experts' fees, arbitrators' fees and disbursements.

Respectfully submitted,

Dated: New York, N.Y.

1 March 2008

By: \_\_\_\_\_  
ANTHONY M. ABRAHAM, Esq., PC  
Attorney for Claimant  
Centennial Ridge Complex  
[REDACTED]

**EXHIBIT A**

## Investment Advisory Agreement

This Agreement (herein referred to as "Agreement") is entered into by and between Sovereign International Asset Management, Inc. and or the Registered Agents (hereinafter referred to as "Advisor"), a registered investment advisor under the Investment Advisers Act of 1940, and

Lillian DePasquale  
(hereinafter referred to as "Client"). By this Agreement, Client retains Advisor to provide investment management services to Client on the following terms:

- 1. Confidential Relationship** - All information and recommendations furnished by either party to the other shall, at all times, be treated in strict confidence, and shall not be disclosed to third persons except as may be required by law, or except upon the prior written approval of the other party to this Agreement.
- 2. Client Authority** - If Client is an individual, Client represents that he or she is of the age of majority and that there are no reasons, which would affect the Client's authority to enter into this Agreement. If Client is a corporation, the person signing this Agreement for the Client represents that he or she has been authorized to do so by appropriate corporate action. If this Agreement is entered into by a trustee or fiduciary, the trustee or fiduciary represents that Advisor's investment management strategies, allocation procedures, and investment management services are authorized under the applicable plan, trust, or law and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. Client will inform Advisor of any event that might affect this authority or the propriety of this Agreement.
- 3. Non-exclusive Agreement** - It is understood that the Advisor renders investment management services for numerous clients. Nothing contained in this Agreement shall be deemed to impose upon the Advisor any obligation to purchase or sell for, or to recommend the purchase or sale to, any client any security, which the Advisor may purchase or sell for or recommend to the account of any other client. Client recognizes that transactions in a specific security may not be accomplished for all client accounts at the same time or at the same price.
- 4. Retirement or Employee Benefit Plan Accounts** - This section applies if the account is for a (1) pension or other employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974 (ERISA), as amended; (2) tax-qualified retirement plan (including a KEOGH plan) under section 401(a) of the Internal Revenue Code of 1986 (the Code), as amended, and not covered by ERISA; or (3) an Individual Retirement Account (IRA) under Section 408 of the Code. If the account is for a plan subject to ERISA, Client appoints Advisor, and Advisor accepts its appointment, as an "investment manager" for the purposes of ERISA and the Code, and Advisor acknowledges that it is a "fiduciary" within the meaning of Section 3(21) of ERISA and Section 4975(e)(3) of the Code (but only with respect to the provision of services described in Section 3 of this Agreement). Client represents that Advisor has been furnished true and complete copies of all documents establishing and governing the plan and evidencing Client's authority to retain Advisor. Client will furnish promptly to Advisor any amendments to the plan, and Client agrees that, if any amendment affects the rights or obligations of Advisor, such amendment will be binding on Advisor only when agreed to by Advisor in writing. If the account contains only a part of the assets of the plan, Client understands that Advisor will have no responsibility for the diversification of all of the plan's investments, and that Advisor will have no duty, responsibility or liability for Client assets that are not in the account. If ERISA or other applicable law requires bonding with respect to the assets in the account, Client will obtain and maintain at its expense bonding that satisfies this requirement and covers Advisor and its affiliated persons.
- 5. Investment Management Services** - Upon execution of the Investment Planning Worksheet or after a thorough discussion with the Client, Advisor will direct the investment and reinvestment of the assets in Client's account in securities and cash or cash equivalents. Client's financial circumstances, investment objectives and any special instructions or limits that Client wishes Advisor to follow in managing the account are described in the Investment Planning Worksheet or in writing. Client agrees to notify Advisor promptly of any significant change in the information provided by the Client or any other significant change in Client's financial circumstances or investment objectives that might affect the manner in which Client's account should be managed. Client also agrees to provide Advisor with such additional information as Advisor may request from time to time to assist in the management of the account.

SO-103-A-2006

See the entire Document and the full text of the terms and conditions of the Investment Advisory Agreement at the end of the document.

Asset Management Investment Advisory Agreement

**6. Custodial Arrangements** - Custody of Client's assets will be maintained with the independent custodian(s) mutually agreed upon by Client and Advisor. At no time will Advisor have custody of any of Client's assets. Client shall continue to have complete, free and clear ownership at all times of all securities and cash properly carried in their account, unless specifically directed otherwise by the Client in writing. Client will be solely responsible for paying all fees or charges of the custodian(s). Client authorizes Advisor to give custodian(s) instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for Client's account. Client will receive monthly account statements directly from custodian(s) showing all transactions occurring in the account and the funds, securities and other property in the account at the end of the period. Client authorizes custodian(s) to provide Advisor with copies of all periodic statements and other reports for the account that custodian(s) send to Client.

**7. Execution of Investment Account Transactions** - Advisor will arrange for the execution of securities transactions for the account through brokers or dealers that Advisor reasonably believes will provide best execution. In selecting a broker or dealer, Advisor may consider, among other things, the broker or dealer's execution capabilities, financial strength and stability, quality of service and access to the markets for the securities being purchased or sold. Advisor generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission rates for the account.

**8. Aggregation** - Transactions for each client account generally will be effected independently, unless Advisor decides to purchase or sell the same securities for several clients at approximately the same time. Advisor may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Advisor's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among Advisor's clients in proportion to the purchase and sale orders placed for each client account on any given day.

**9. Reporting** - On a quarterly basis, Sovereign International Asset Management, Inc. will provide, at a minimum, an itemized statement detailing the current status of my account. Pursuant to Rule 204-3 of the Investment Advisors Act of 1940, Sovereign International Asset Management, Inc. will annually offer to deliver, without charge, Form ADV, Part II, as filed with the Securities and Exchange Commission.

**10. Management Fees** - Client will pay Advisor a fee for its investment management services. Client understands that the fees for the investment supervisory services described herein shall be based on a percentage of the value of the assets managed by Sovereign International Asset Management, Inc. Specifically, the fee will be payable monthly, in arrears, and shall be based on the value of my account, including cash, on the last day of the previous month. The fee schedule is set forth in the Management Fee Schedule (Schedule A). In any partial calendar month, the management fee will be prorated based on the number of days that the account was open during that month. Advisor will not be compensated upon the basis of a share of capital gains, or capital appreciation of any of the portfolio assets. Client understands that account assets invested in shares of mutual funds or other investment companies will be included in calculating the value of the account for purposes of computing Advisor's fees. The same assets may also be subject to additional advisory and/or other fees and expenses, as set forth in the prospectuses of those mutual funds or investment companies paid by the mutual funds or investment companies but ultimately borne by the investor. The Advisor may receive performance-based compensation from certain investment companies. Advisor will notify clients in advance of any investments the nature of any and all fees charged to the client and/or paid to Advisor.

11. **Liability** - Realizing that fluctuations in security prices occur, Client agrees not to hold Advisor liable for losses sustained in the portfolio assets. In addition, Client agrees that, in the absence of fraud, willful misconduct, or willful negligence on the part of the Advisor, the Advisor shall not be liable in any way whatsoever for any recommendations given or actions taken or not taken with respect to the portfolio assets of Client. The Advisor shall not be responsible for any loss incurred by reason of any act or omission of Client, any custodian, or any brokerage firm. Client does not waive any rights under the Investment Advisers Act of 1940. However, Client understands that profits cannot be assured on any transaction, and neither the Advisor's acceptance of a Client's Investment Policy Statement nor any other provision of this Agreement shall be considered a guarantee that the overall investment effort will be profitable or any specific result will be achieved. It is further understood that the Advisor is acting as the agent of the Client and all securities and other assets in the account are held, purchased and sold solely at and for the risk of Client. The Advisor shall not be liable or responsible for any act or failure to act of any broker, bank or similar agent utilized by the Advisor effecting any transaction on Client's behalf, or for the financial solvency of any such broker, bank or agent. The Federal and State securities laws impose liabilities under certain circumstances on persons who act in good faith. Therefore, this does not constitute a waiver of any of Client's legal rights under common law or federal and state securities laws.

12. **Limited Trading Discretion** allows the Advisor, to inquire on, trade, buy, sell, exchange, convert, tender, trade, or otherwise acquire or dispose of stocks, bonds, securities, and other investments, on margin or otherwise, including the purchase and/or sale of option contracts if the account is approved to trade options, for and at the risk in the Client's accounts. The Advisor may open new option positions or close existing positions, and exercise options contracts or sell options contracts as either a covered or uncovered writer; however, if the Advisor engages in either margin or option transactions, the Client recognizes the inherent risks involved and is fully prepared financially to undertake such risks.

**Limited Trading Discretion does not permit the Advisor to redeem or withdraw assets from the Client's account including the delivery of securities from the account.**

**It is understood and agreed that this Trading Discretion gives someone other than the Client authorization to trade in the account and to perform such functions as described herein. This agreement authorizes the Advisor to act as the agent on behalf of the Client. This authorization will be applicable to all assets the Client holds in the accounts participating in our proprietary investment model trading account.**

**This trading discretion is an ongoing and shall remain in full force and effect until the Advisor is notified in writing of death, disability or incapacity of the Clients or unless revoked through written notice delivered the Advisor.**

**I hereby acknowledge that I have read, understood, and agreed to the terms and conditions set forth in this Limited Trading Discretion agreement. I, the Advisor, understand the investment objectives and trading plans of the account owner and will design my trading strategies to meet those objectives.**

*Luis Delacruz*      8/9/07      \_\_\_\_\_      \_\_\_\_\_  
Account Owner/Trustee      Date      Advisor      Date

**\*Limited Trading Discretion must be granted to the Advisor if the Client wishes to invest in our proprietary investment model trading account.**

**EXHIBIT B**



Penson Financial Services  
New Account Approval Form

Account Number: \_\_\_\_\_

**PENSON**

Cash \_\_\_\_\_ Mgn. \_\_\_\_\_ Short \_\_\_\_\_ Optn. \_\_\_\_\_ IRA \_\_\_\_\_ Office Code: PR RR# 00 Acct. Open Date: \_\_\_\_\_

Is this account for a Foreign Bank?  YES /  NO. If yes, please list U.S. agent for service of process: \_\_\_\_\_

Name of Primary Account Holder or Title of Account: OCBB Custodian FBO: Lillian DePasquale  
(Write name exactly as it appears on Social Security Card or Fed ID Registration)

Name of Secondary Acct. Holder: \_\_\_\_\_

**Primary Account Holder Information:**

SSN, Fed ID, Cedula, NIT#:	██████████	Home Telephone:	
Residential Address: (No PO Boxes)	██		
City, State, Zip:	██████ ████████ ████████		
Mailing Address (if different):			
City, State, Zip:		Drivers License # :	
Employer's Name:		Occupation:	
Employer's Address		Employer's Telephone:	
City, State, Zip:			
Email Address:		Date of Birth:	
Associated person of a Broker?	Yes <input type="checkbox"/> / No <input type="checkbox"/> (If Yes, please name):		

**Secondary Account Holder Information (If Joint Acct.):**  YES /  NO - Is Secondary Account holder the Spouse of Primary Account Holder?

SSN, Fed ID, Cedula, NIT#:	██████████	Home Telephone:	██████████
Residential Address: (No PO Boxes)	██		
City, State, Zip:	██		
Mailing Address (if different):			
City, State, Zip:		Drivers License # :	
Employer's Name:		Occupation:	
Employer's Address		Employer's Telephone:	
City, State, Zip:			
Email Address:		Date of Birth:	██████████
Associated person of a Broker?	Yes <input type="checkbox"/> / No <input checked="" type="checkbox"/> (If Yes, please name):		

**Citizenship Information:**

Primary:

Are you a U.S. Citizen? Yes  / No   
 Resident Alien? Yes  / No  Country of Birth U.S.A  
 Non-Resident Alien? Yes  / No  Country Residing In: \_\_\_\_\_

Secondary:

Are you a U.S. Citizen? Yes  / No   
 Resident Alien? Yes  / No  Country of Birth \_\_\_\_\_  
 Non-Resident Alien? Yes  / No  Country Residing In: \_\_\_\_\_

**Investment Objectives: (\* If more than one, please rank 1-8)**

<input checked="" type="checkbox"/> Long term growth with safety (long term capital appreciation with relative safety of principal)	A
<input type="checkbox"/> Short term growth with high risk (Appreciation with acceptance of high risk)	B
<input type="checkbox"/> Speculative (want increase in value of investments - High Risk)	C
<input type="checkbox"/> Income (want to use proceeds of the acct. as a source of income)	H
<input checked="" type="checkbox"/> Growth and Income (preserve capital as much as possible)	I
<input type="checkbox"/> Long term growth with greater risk - Aggressive Growth (trade volatile securities that have wide changes in price)	J
<input checked="" type="checkbox"/> Balanced (Diversification of asset classes for equal blend of income and long-term growth)	M
<input type="checkbox"/> Capital Appreciation (High Risk, capital growth invested primarily in stocks and options)	N

**Tax Information:**

# Of Dependents:	<u>0</u>
Tax Status:	<u>Upper 25 %</u>
Initial Deposit:	<u>\$</u>
Initial Transaction:	

Marital Status:  S /  M /  D /  W

Signature: Primary Lillian DePasquale Secondary \_\_\_\_\_



Penson Financial Services
New Account Approval Form

Account Number: \_\_\_\_\_

Cash \_\_\_\_\_ Mgn. \_\_\_\_\_ Short \_\_\_\_\_ Optn. \_\_\_\_\_ IRA \_\_\_\_\_ Office Code: PR RR# 00 Acct. Open Date: \_\_\_\_\_

Client Information:

How long has account holder known the Broker? Recent
Who were you introduced by? Friend
Is account holder a control person? (Officer, Director or 10% stock owner) Yes/No
If Yes, Please list the company(s) controlled & position:
Is client an employee of Insurance Co., Bank, Fund, Securities firm or Investment Advisor? Yes/No

Income: Net Worth: Liquid Net Worth: Payment Instructions:
Grid with income brackets, net worth brackets, and payment options for securities, money, and dividends.

Investment Experience:

Table with columns: Options, Stocks, Bonds, Commodities, Other (specify); Yrs.; Ave. Size; Ave. # P/Yr.

Type of Registrations:

Registration options: Individual / Joint Community Property / Payable on Death (Individual), Joint Tenants in Entirety, Joint with Rights of Survivorship, etc.

Credit References:

Bank:
Branch:
Type of Acct.:
Broker:

Duplicate Confirmations:

Please send Duplicate confirms to the following address:

Authorized Person:

If a person, other than the primary and/or secondary account holder will be operating this account, list Name, Address, ID# & Employer.
Is this a Discretionary account? Yes No (Circle One)

Customer and Authorized Person's Signature:

Primary Account Holder: Lillian DePasquale Date: Sept 26, 2007
Secondary Account Holder:
Authorized Person (if Applicable):

Broker Use Only:

Registered Rep Signature:
Branch Manager Signature:
Designated Officer Signature:

Daytrading:

Approved for Day Trading Strategy? YES / NO
Was Daytrading Risk Disclosure Statement Delivered? YES / NO
Date Daytrading Disclosure was delivered:



**EXHIBIT C**



Tuesday, September 25, 2007

Lillian DePasquale  
[REDACTED]  
[REDACTED]

Dear Lillian:

Thank you for the opportunity to work together with you in developing a strategy to achieve your financial goals. Based on our conversation and detailed analysis, please review the summary of the portfolio allocation to be implemented on your behalf.

If you would like to further discuss these investments, please contact me as soon as possible.

Regards,

Larry C. Grossman, CFP®, CIMA®  
Managing Director

New Investments

Investments that will be made on your behalf included in the following:

- 10% GLD
- 5% SLV
- 15 % Principal Protected Notes (GBI, AFO, ECN)
- 24% Anchor Hedge Fund Limited, Class C
- 23% Anchor Hedge Fund Limited, Class A
- 23% Anchor Hedge Fund Limited, Class E

Signature: \_\_\_\_\_

Print: \_\_\_\_\_

Lillian DePasquale  
[REDACTED]  
[REDACTED]

# QUARTERLY REPORT

Lillian DePasquale  
Traditional IRA  
Self Directed

07/01/2008 to 09/30/2008

Prepared by:

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

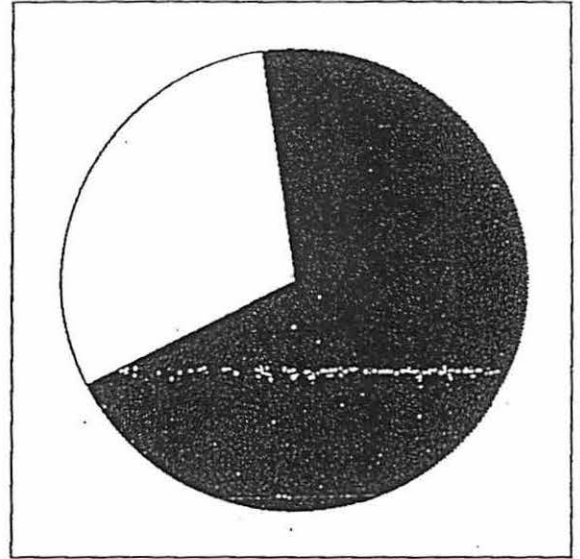
# ACCOUNT SUMMARY

Lillian DePasquale  
Traditional IRA  
Self Directed

ACCOUNT 0211216 AS OF 09/30/2008

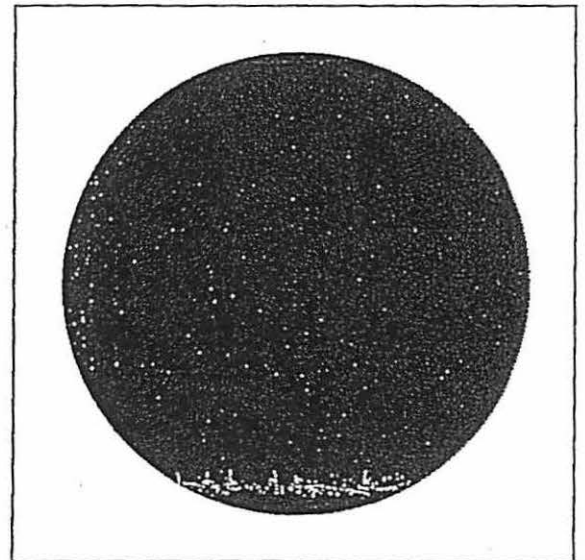
## Market Value as of 09/30/2008

■ 67% MISCELLANEOUS	803,165.49
□ 30% STOCKS	360,501.78
■ 2% BANK ACCOUNTS	<u>27,540.02</u>
<b>Total Market Value</b>	<u><u>1,191,207.29</u></u>



## Equity Sector Allocation

■ 100% Mutual Funds	<u>360,501.78</u>
<b>Total Equities</b>	<u><u>360,501.78</u></u>



# REPORT OF ASSETS

Lillian DePasquale  
Traditional IRA  
Self Directed

ACCOUNT 0211216 AS OF 09/30/2008

	Units	Price	Market Value 09/30/2008	Book Value
<b>STOCKS</b>				
<b>MUTUAL FUNDS</b>				
1. PENSON FINANCIAL SERVICES, INC.	360,501.78	1.0000	360,501.78	360,501.78
<b>TOTAL STOCKS</b>			<b>360,501.78</b>	<b>360,501.78</b>
 <b>MISCELLANEOUS</b>				
<b>OTHER INVESTMENTS</b>				
2. Anchor Hedge Fund Limited Class C	227.91	1,307.0400	297,883.57	323,988.85
3. Anchor Hedge Fund Limited Class E	145.18	1,278.3300	185,582.96	214,901.27
4. Anchor Hedge Fund Limited Class A	201.36	1,587.7300	319,698.96	310,489.31
<b>TOTAL MISCELLANEOUS</b>			<b>803,165.49</b>	<b>849,379.43</b>
<b>TOTAL INVESTMENTS</b>			<b>1,163,667.27</b>	<b>1,209,881.21</b>
<b>*CASH ON HAND</b>			<b>27,540.02</b>	<b>27,540.02</b>
<b>TOTAL ASSETS</b>			<b>1,191,207.29</b>	<b>1,237,421.23</b>

\* Income and principal cash are held in  
OCBB CASH ACCOUNT SIPS HOLDING  
Interest rate as of 09/30/08 is .7706%.

Fees have been charged to your account. If you wish to pay fees in cash, please remit total fees within 15 days of receipt of this statement. Thank You.

Minimum cash balance of \$1,000 required at all times.

The reconciliation and process of the quarterly statements begin on the 15th day after the quarter ends. We must allow time for the receipt of share prices, brokerage statements ect..

Information received after 15th will be reflected on next statement.

REPORT OF CASH ACCOUNT

Lillian DePasquale  
Traditional IRA  
Self Directed

ACCOUNT [REDACTED] FOR DATES 07/01/2008 TO 09/30/2008

BEGINNING BALANCE 27,799.64

ITEMS OF RECEIPT

1. INTEREST RECEIVED

Interest Receipt

OCBB CASH ACCOUNT SIPS HOLDING

07/31/2008 Interest Cash Account-Period End 07/31/2008 18.76  
08/31/2008 Interest Cash Account-Period End 08/31/2008 16.63  
09/30/2008 Interest Cash Account-Period End 09/30/2008 17.50

Total Interest Receipt 52.89

TOTAL INTEREST RECEIVED 52.89

TOTAL ITEMS OF RECEIPT 52.89

ITEMS OF DISBURSEMENT

2. FEES

Fees

07/31/2008 Annual Asset Fee-Period End 07/31/2008 -104.17

Total Fees -104.17

IRA Administration Fees

08/31/2008 For 1 month(s) ending 08/31/08 -104.17  
09/30/2008 For 1 month(s) ending 09/30/08 -104.17

Total IRA Administration Fees -208.34

TOTAL FEES -312.51

TOTAL ITEMS OF DISBURSEMENT -312.51

CASH ACCOUNT BALANCE 27,540.02

REPORT OF NON-CASH ENTRIES

Lillian DePasquale  
Traditional IRA  
Self Directed

ACCOUNT [REDACTED] FOR DATES 07/01/2008 TO 09/30/2008

----- NON-CASH DECREASES -----

1. NON-CASH TRANSFER OUT

Non-Cash Transfer Out	
PENSON FINANCIAL SERVICES, INC.	
09/30/2008 71,653.76 shares	-71,653.76
Unrealized Gain/Loss Penson Acct. 09/30/2008	

Total Non-Cash Transfer Out	<u>-71,653.76</u>
-----------------------------	-------------------

TOTAL NON-CASH TRANSFER OUT	<u>-71,653.76</u>
-----------------------------	-------------------

TOTAL NON-CASH DECREASES	<u><u>-71,653.76</u></u>
--------------------------	--------------------------

# ACCOUNT SUMMARY

Lillian DePasquale  
Traditional IRA  
Self Directed

ACCOUNT [REDACTED] AS OF 09/30/2008

## Summary of Activity

<b>Portfolio Value on 06/30/2008</b>	<b>1,263,120.67</b>
Additions	0.00
Withdrawals	-71,966.27
Realized Gains since Market Value of 06/30/2008	0.00
Unrealized Gains since Market Value of 06/30/2008	0.00
Dividends Received	0.00
Interest Received	52.89
Other Income Received	0.00
Management Fees	0.00
	<hr/>
<b>Portfolio Value on 09/30/2008</b>	<b><u>1,191,207.29</u></b>



**EXHIBIT D**



Dear Lillian,

By now you are no doubt aware the government has alleged Bernie Madoff perpetrated one of the largest Ponzi schemes in history. The list of investor's who either directly or indirectly have been affected by this event is truly amazing and includes the wealthy and famous, banks, charities, state funds and hedge funds worldwide.

As you can see by the attached letters, Anchor Hedge Fund Limited Class A ("Anchor") unfortunately is one of the funds that have been affected. Anchor, which is a fund of funds, was invested in a number of other hedge funds all of which had exposure to Madoff.

Anchor has suspended redemptions and calculation of the net asset value. We have spoken to the fund manager and fund administrator at length regarding recovery efforts. Unfortunately, an event like this may take years before matters are fully settled. Rest assured we will assist in these efforts and will keep you updated with information as it becomes available to us.

I regret to inform you of this troubling event. We are available to discuss your concerns and or questions.

Regards,

Larry Grossman  
Managing Director

Gregory J Adams  
President and CIO

[REDACTED]

**EXHIBIT E**

**TESTIMONY OF HARRY MARKOPOLOS, CFA, CFE**  
**CHARTERED FINANCIAL ANALYST**  
**CERTIFIED FRAUD EXAMINER**  
**BEFORE THE U.S. HOUSE OF REPRESENTATIVES**  
**COMMITTEE ON FINANCIAL SERVICES**  
**WEDNESDAY, FEBRUARY 4, 2009**  
**9:30 AM**

McCarter & English LLP (Boston)

## INTRODUCTION

Good Morning. Thank you for the opportunity to testify today before this Committee on the subject of the "Madoff Ponzi Scheme." I will refer to Mr. Bernard Madoff, whose alleged fraud casts a stark light over the failures of the regulatory structures, procedures and institutions in place to prevent such crimes and is the subject of this hearing, as Madoff, BM, and Mr. Madoff interchangeably within my testimony.

You will hear me talk a great deal about over-lawyering at the SEC very soon. Let me say I have nothing against lawyers. In fact, I have brought two of my own here with me today. On my right, I have Ms. Gaytri Kachroo, a brilliant transactional attorney and my long time general counsel for all personal and business matters. She is a partner at McCarter & English LLP (Boston), heading their international corporate practice and also represents investors and funds. On my left, counsel Phil Michael, of Troutman Sanders LLP, (NY) is a former deputy police commissioner and budget director for New York City, and now represents whistleblowers in fraud cases involving harm caused to government, and is a great strategist in such cases.

As early as May 2000, I provided evidence to the SEC's Boston Regional Office that should have caused an investigation of Madoff. I re-submitted this evidence with additional support several times between 2000 – 2008, a period of nine years. Yet nothing was done. Because nothing was done, I became fearful for the safety of my family until the SEC finally acknowledged, after Madoff had been arrested, that it had received credible evidence of Madoff's Ponzi Scheme several years earlier. There was an abject failure by the regulatory agencies we entrust as our watchdog. I hope that my testimony will provide you with further insights as to how the process failed and enable you to enact appropriate legislation that will

Dear Clients and Friends,

It was announced earlier today that the Bernie Madoff of Madoff Securities was arrested on several counts of securities fraud. It is alleged that he confessed to his employees that the firm was a "ponzi" scheme that betrayed the trust and defrauded investors of an amount which is at least \$17 billion and maybe much higher.

As many of you know, Aksia published extensive reports on several of the "feeder funds" which allocated their capital to Madoff Securities. Our decision to not recommend these feeders was never based on the existence or discovery of a smoking gun; however, there were a host of red flags, which taken together made us concerned about the safety of client assets should they invest in these feeders. Consequently, every time we were asked by clients, we waved them away from the Madoff feeder funds.

On the surface, these feeder funds had all of the makings of institutional quality funds. They had substantial assets under management and were audited by large and respected audit firms. They were managed and marketed by legitimate and registered investment managers. They had long and impressive track records and a roster of professional investors.

As a research firm we are forced to make difficult judgments about the hedge funds we evaluate for clients. This was not the case with the Madoff feeder funds. Our judgment was swift given the extensive list of red flags. Some of these red flags were as follows:


- The Madoff feeder funds marketed a purported "Split-strike Conversion" strategy that is remarkably simple; however, its returns could not be nearly replicated by our quant analyst.
- It seemed implausible that the S&P100 options market that Madoff purported to trade could handle the size of the combined feeder funds' assets which we estimated to be \$13 billion.
- The feeder funds had recognized administrators and auditors but substantially all of the assets were custodied with Madoff Securities. This necessitated Aksia checking the auditor of Madoff Securities, Friebling & Horowitz (not a fictitious audit firm). After some investigating, we concluded that Friebling & Horowitz had three employees, of which one was 78 years old and living in Florida, one was a secretary, and one was an active 47 year old accountant (and the office in Rockland County, NY was only 13ft x 18ft large). This operation appeared small given the scale and scope of Madoff's activities.
- There was at least \$13 billion in all the feeder funds, but our standard 13F review showed scatterings of small positions in small (non-S&P100) equities. The explanation provided by the feeder fund managers was that the strategy is 100% cash at every quarter end.


- Madoff's website claimed that the firm was technologically advanced ("the clearing and settlement process is rooted in advanced technology") and the feeder managers claimed 100% transparency. But when we asked to see the transparency during our onsite visits, we were shown paper tickets that were sent via U.S. mail daily to the managers. The managers had no demonstrated electronic access to their funds accounts at Madoff. Paper copies provide a hedge fund manager with the end of the day ability to manufacture trade tickets that confirm the investment results.
- Conversations with former employees indicated a high degree of secrecy surrounding the trading of these feeder fund accounts. Key Madoff family members (brother, daughter, two sons) seemed to control all the key positions at the firm. Aksia is consistently negative on firms where key and control positions are held by family members.
- Madoff Securities, through discretionary brokerage agreements, initiated trades in the accounts, executed the trades, and custodied and administered the assets. This seemed to be a clear conflict of interest and a lack of segregation of duties is high on our list of red flags.

We believe that much will be written about this story in the coming weeks and we are sure that your investment committees, chief investment officers and trustees will have questions about this story and the work we do for you to help protect your fund's interest from such activity. As with the Madoff feeder funds and any other hedge funds, Aksia will continue to place strong emphasis on independently verifying the information we receive from managers. Basic steps of reference checks with market participants, verification of the role of third-party service providers, and financial statement review will continue to carry great weight in our recommendations despite the current investor focus on market losses. Our Operational Due Diligence team has backgrounds in audit, operations, risk management and fraud and investigations. Our investment teams have backgrounds in trading, portfolio management and hedge fund investing. Our exclusive focus hedge funds and this unique combination of skills provide a "360 degree" perspective on hedge funds as evidenced by the work performed on Madoff Securities.

We have encouraged all of you to accompany our teams on site visits to familiarize yourself with the work that we do in operations and investment reviews. We are in an environment where the risks of investing go beyond market exposures and it is best that we all deepen our understanding of the complexities of these vehicles.

Regards,

Jim Vos  
CEO and Head of Research  


Jake Walthour  
Head of Advisory Services  




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## Madoff Update: Due Diligence Firm Saw Red Flags, Recommended Against Investing With Firm

December 12, 2008 at 8:57 am

At least some potential investors in Madoff Investments were not impressed with the firm after conducting due diligence. Among other things raising red flags, Bloomberg reports, Madoff's auditor, Friehling & Horowitz, operated from a 13-by-18-foot office in Rockland County, New York:

Jim Vos, who runs due diligence firm Aksia LLC, said he spent several months probing Madoff's firm on behalf of clients, only to recommend against investing in it. Vos said eight "feeder funds" invested about \$15 billion with Madoff. Vos declined to name the clients.

Among the red flags, Vos said: Madoff's auditor, Friehling & Horowitz, operated from a 13-by-18-foot office in Rockland County, New York. Vos had an investigator stake out the office. A call to the New City, New York, office of Friehling & Horowitz after business hours wasn't returned.

Vos told Bloomberg he was "shocked by how investors turned a blind eye to returns that were too good to be true, constant steady small positive monthly returns. When something is too good to be true, it probably is."

[Read the Bloomberg article](#)

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Structure Theme



By: Charlie Gasparino, On-Air Editor | 12 Dec 2008 | 12:43 PM ET

Text Size

Eighteen months ago a firm that does due diligence on investment advisers warned clients not to do business with Bernard Madoff's investment fund.

The firm, named Aksia and run by Jim Vos and Jake Waltour, based its warning on several red flags it discovered during an investigation. Those included ....

1. The Madoff investment strategy, called "split-strike conversion," is known to be very volatile; it involves trading huge positions around options expirations. Despite that volatility, its returns over the past decade were an amazingly stable 8-10 percent.

2. Aksia discovered a 2005 letter to the Securities and Exchange Commission from a financial advisor who supposedly studied Madoff's operations. That letter asserted Madoff was running a Ponzi scheme. There was also a Wall Street Journal story at the time about one of the Madoff's associated "feeder funds" getting shut down in 1992.

3. Madoff's strategy was bizarre: He said he would move \$13 billion in various trades at once, yet Aksia couldn't find traders who saw his trades. There were also no regulatory filings. And family members were running the firm.



4. The comptroller of the firm was based in Bermuda. Most mainstream hedge fund investment advisers have their comptroller in-house. Madoff's so-called feeder funds, meanwhile, were audited by respectable auditors. That gave the impression that Madoff had a professional operation. But the central investment action wasn't with the feeder funds, but in Madoff's New York City headquarters. And those activities were audited by a smaller, lesser known firm.

5. Madoff sent out accounting statements by mail. Most hedge funds email statements and allowed them to be downloaded via computer for easier analysis by investors. Learn more in the accompanying video.

6. Aksia wasn't the first firm to check out Madoff's activities. A two-man shop (not counting the secretary) which operated out of a small office in Muncie, N.Y., was also looking into Madoff's activities.

Wooling European Clients on the Slopes

Sources told CNBC that Madoff was able to sell himself to European investors by indulging his favorite hobby: snow skiing.

Twice, the Frankfurt Stock Exchange held an "Interbourse" ski competitions in Europe. Various stock exchanges around the world hold such competitions annually, and Madoff, a minority owner of the Cincinnati exchange, attended.



He even attended the ski events to meet and greet major European business people, bankers and heads. "He was like a rock star," said one person who attended a competition with

Charlie Gasparino: Crime on the High Seas  
Gasparino  
On-Air Editor  
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Madoff Agrees to Partial Judgment In	What Bernard Madoff Has In Common With "Girls Gone Wild"		

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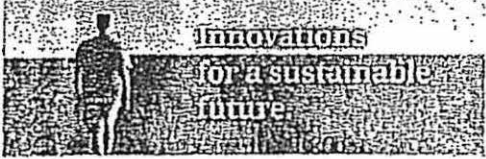
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Thursday, February 12, 2009




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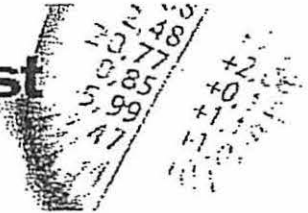
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SIEMENS

# The Curious Capitalist

By Justin Fox



Thursday, December 18, 2008 at 11:56 am

## Harry Markopolos really did have the goods on Bernie Madoff

Posted by Justin Fox | [Comments \(6\)](#) | [Permalink](#) | [Trackbacks \(0\)](#) | [Email This](#)

I, like lots of other people, have been reading through the pile of documents about Bernard Madoff's Ponzi scheme that Harry Markopolos submitted to the SEC in November 2005. The WSJ describes them as "ranging from in-depth mathematical calculations that purported to show the Madoff investment strategy couldn't work, to little more than rumor or innuendo." That makes Markopolos sound like a little bit of a crank, but reading through his actual allegations doesn't leave that impression at all. Obviously hindsight plays a role here, but I can't imagine anyone reading them in 2005 and not concluding that there was something deeply suspect going on.

Markopolos goes to great lengths to demonstrate that the investment returns claimed by Madoff were impossible

to replicate by any known strategy. But to me that wasn't the biggest of his 29 red flags. The biggest red flag was *Why on earth would a prominent brokerage firm chief run a giant, mostly secret money management business on the side and not charge any fees for his services if he wasn't up to something dodgy?*

The distinction between the brokerage and the money management business is one that most everybody I've been hearing from about the now-famous video of me and Madoff and his employee Josh Stampfli misses. All that talk in the video about how Madoff makes money and what his dealings with the SEC are like relates to his brokerage business, which was a pillar of the Nasdaq system and was, as far as anybody knows at this point, on the up and up. I didn't have the faintest idea that the man also ran a \$50 billion sort-of hedge fund in his spare time. If I had known that, I like to think I would have been suspicious. You don't see Lloyd Blankfein or John Mack or Chuck Schwab running \$50 billion hedge funds out of their hip pockets, do you?

Very few people knew how big Madoff's money management operation was. Madoff was secretive about it. He gathered investors by word of mouth. The funds of funds that put their money with him generally didn't disclose this fact. His sons, who ran the brokerage business day to day, knew he was managing money but probably didn't know how much. Wrote Markopolos:

If I was the world's largest hedge fund and had great returns, I'd want all the publicity I could garner and would want to appear as the world's largest hedge fund in all of the industry rankings. Name one mutual fund company, Venture Capital firm, or LBO firm which doesn't brag about the size of their largest funds' assets under management. Then ask yourself, why would the world's largest hedge fund manager be so secretive that he didn't even want his investors to know that he was managing their money? Or is it that BM doesn't want the SEC and FSA to know that he exists?

Markopolos made the SEC aware that Madoff's fund existed, and was immense. The SEC's reaction was ... to get Madoff to register as an investment adviser. *Harsh!*

The argument for not doing anything more seems to be that regulation of such investment funds "communicates confidence in a product that is riskier than normal investors should get involved in," as then Treasury undersecretary Robert Steel put it at a conference on hedge fund regulation last year. There's probably something to that. And except for the whole Bubbie and Zadjie aspect, the Madoff collapse may well turn out to be a healthy development if it makes people more dubious of the fee-sucking value-destruction machines that most hedge fund funds-of-funds are.

But the fact that a heavily regulated brokerage business and an unregulated investment business were being run by the same man does strike me as problematic. For some investors and fund-of-funds managers, the regulatory imprimatur that the SEC gave Madoff's brokerage may have *communicated confidence* in the investment products he sold on the side.

I'll let Markopolos have the final word (from back in 2005):

Bernie Madoff is running the world's largest unregistered hedge fund. He's organized this business as [a] "hedge fund of funds privately labeling their own hedge funds which Bernie Madoff secretly runs for them using a split-strike conversion strategy getting paid only trading commissions which are not disclosed." If this isn't a regulatory dodge, I don't know what is.

---

Possibly related posts: (automatically generated)

[When did Madoff go from legit to Ponzi?](#)  
[Why didn't the SEC require investment buffers for hedge funds?](#)  
[Living to Tell About Madoff - Barrons.com](#)  
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### Trust Details

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 [Redacted]  
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SOVEREIGN INTERNATIONAL ASSET MANAGEMENT  
 LILLIAN DEPASQUALE  
 SOVEREIGN INTERNATIONAL ASSETT MANAGEMENT  
 BBI TRUST ACCOUNT

- Account Type
- General
  - Invested
  - Available
  - Blended

Open Date	Jun 02 2010	Opened By	[Redacted]	Michael T Cronin
Redeem Date		Currently Held	0.00	Interest Rate
Latest Date	Nov 29 2010	Min Balance	0.00	Total Interest
[Redacted]		Current Balance	0.00	Total Bank Charges

Totals  
 Pooled Bal

Invested Bal

ID	Tran Type	Amount	Tran Amount	Pool DR	Pool CR	Pool Bal	Invest DR	Invest CR	Invest Bal	Hold Date	Ref #	Narrative
[Redacted]	[Redacted]	235,288.28	235,288.28	0.00	235,288.28	230,703.33	0.00	0.00	0.00			[Redacted]
[Redacted]	[Redacted]	199,296.73	168,296.73	0.00	168,296.73	62,406.60	0.00	0.00	0.00			[Redacted]

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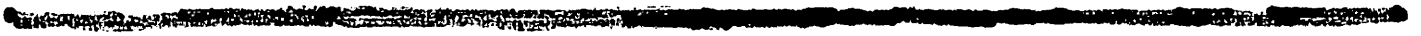


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