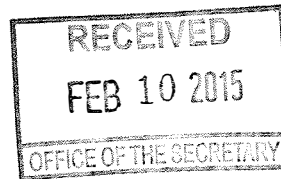


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

HARD COPY

ADMINISTRATIVE PROCEEDING  
File No. 3-16198



In the Matter of

GAETON DELLA PENNA,

Respondent.

DIVISION'S MOTION FOR SUMMARY DISPOSITION

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**I. Introduction**

Pursuant to Rule 250 of the Commission’s Rules of Practice, the Division of Enforcement respectfully moves for summary disposition and imposing the sanction of an industry bar from association against Respondent Gaeton S. Della Penna pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”). We set forth the grounds for the sanction below.

**II. Procedural History**

The Commission issued the OIP on October 15, 2014. In the OIP, the Division alleges that Della Penna acted as an investment advisor and that a permanent injunction was entered against him in the matter *SEC v. Della Penna*, No. 8:14-cv-1203-T-30MAP (M.D. Fla.). The Commission instituted the proceeding to determine whether the Division’s allegations are true and, if so, what remedial action was appropriate pursuant to Advisers Act Section 203(f).

In a motion dated January 8, 2015, Della Penna moved for a stay of the proceeding due to the pendency of a criminal indictment against him, which is based on the same conduct as the civil action brought by the Commission.

On January 13, 2015, the Law Judge denied the motion to stay, deemed the motion as an answer denying the Division’s allegations, and adhered to the deadlines for summary disposition motions and responses established at the December 5 pretrial conference.

**III. Memorandum of Law**

**A. Statement of Facts**

Della Penna, of Sarasota, Florida, formed and was the managing member of the following Florida Limited Liability Companies: A-G Hedge Group, LLC (“A-G”), The Contrarian Fund,

LLC (“Contrarian”), and The New Economy Fund, LLC (“New Economy,” and, collectively with A-G and Contrarian, the “Funds”).<sup>1</sup>

From November 2008 through October 2013, Della Penna solicited investors to purchase promissory notes in the Funds, which would mature in 18 months.<sup>2</sup> Most investors were personal acquaintances of Della Penna, many of whom he met through his church.<sup>3</sup>

**1. A-G**

Between 2008 and 2010, Della Penna distributed to prospective purchasers of A-G notes a private offering memorandum,<sup>4</sup> which represented:

- a. A-G would use the net proceeds of money raised through the sale of notes to engage in securities trading;
- b. noteholders would receive:
  - i. an annual return of 5%, payable quarterly;
  - ii. repayment of principal at the end of the 18-month term; and
  - iii. 75% of any trading profits, up to a maximum of 100% of the investor’s original investment;
- c. A-G would provide periodic reports setting forth A-G’s return on investment and expenses; and
- d. expenses associated with A-G would consist of the following:
  - i. 25% of the trading profits, to be split between Della Penna and A-G’s other member;
  - ii. reimbursement of legal fees, which totaled \$7500;

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<sup>1</sup>Declaration of Raynette R. Nicoleau, Feb. 5, 2015, Exhs. A-C (Florida Secretary of State Documents). A copy of the Nicoleau Declaration is attached as Exhibit 1 to this Motion.

<sup>2</sup>Declaration of Conrad Penner (“C. Penner”), Jan. 22, 2014, ¶ 3; Declaration of A. Louis Parker, Jan. 17, 2014, ¶ 2. Copies of the C. Penner and Parker Declarations are attached respectively as Exhibits 2 and 3 to this Motion.

<sup>3</sup>Exh. 3, Parker Dec. ¶ 2; Declaration of Kenan M. Cetin, Dec. 20, 2013, ¶ 2; Declaration of Bradley Springstead, Jan. 18, 2014, ¶ 2. Copies of the Cetin and Springstead Declarations are attached respectively as Exhibits 4 and 5 to this Motion.

<sup>4</sup>Exh. 1, Nicoleau Dec., Exh. F (A-G private offering memorandum).

- iii. reimbursement of costs and expenses incurred in the organization of A-G and the private offering;
- iv. an “organizational fee” of 2% of the proceeds of the sale of the notes;
- v. an annual management fee (to be split between Della Penna and A-G’s other member) equal to 3% of the market value of A-G’s investments as of the end of the calendar year; and
- vi. fees of up to 5% to persons obtaining buyers for the notes.

Between November 2008 and June 2009, Della Penna sold to three separate investors A-G notes totaling \$745,000.<sup>5</sup> On January 5, 2010, Ronald Hadam, who had invested in June 2009, purchased an additional \$400,000 in A-G notes.<sup>6</sup> Della Penna ultimately depleted most of these funds, either through trading losses or Della Penna’s use of the funds for personal expenses far exceeding any amount he might have been entitled to.<sup>7</sup>

## 2. Contrarian

Della Penna solicited investors to purchase Contrarian notes, distributing a private offering memorandum,<sup>8</sup> in which Della Penna represented:

- a. Contrarian would use the net proceeds of monies raised through the sale of notes to engage in securities trading;
- b. noteholders would receive the following:
  - i. an annual return of 5%, payable quarterly;
  - ii. return of principal at the end of the 18 month term; and
  - iii. 80% of any trading profits, up to a maximum of 100% of the investor’s original investment;

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<sup>5</sup>Exh. 1, Nicoleau Dec., Exh. G (A-G journal of transactions, 2009, item 97); Declaration of Mark Dee, Feb. 5, 2015, Exh. A. A copy of the Dee Declaration is attached as Exhibit 6 to this Motion.

<sup>6</sup>Exh. 1, Nicoleau Dec., Exh. G (A-G journal of transactions, 2010, item 160); Exh. 6, Dee. Dec., Exh. A.

<sup>7</sup>Exh. 6, Dee Dec. ¶¶ 4a (trading losses), 9 (misappropriation).

<sup>8</sup>Exh. 2, C. Penner Dec., Exh. A.

- c. Contrarian would provide periodic reports setting forth Contrarian's return on investment and expenses; and
- d. expenses associated with Contrarian would consist of the following:
  - i. 20% of the trading profits, to be split between Della Penna and Contrarian's other member;
  - ii. reimbursement of legal fees in the approximate amount of \$12,500;
  - iii. reimbursement of costs and expenses incurred in the organization of Contrarian and the private offering;
  - iv. an "organizational fee" of 3% of the proceeds of the sale of the notes;
  - v. an annual management fee (to be split between Della Penna and Contrarian's other member) equal to 3% of the market value of Contrarian's investments as of the end of the calendar year; and
  - vi. fees of up to 5% to Della Penna or Contrarian's other member for obtaining buyers for the notes.

In August 2010, Della Penna falsely told Conrad Penner, a prospective investor, that he had a formula for successful trading,<sup>9</sup> when in fact Contrarian had not yet done any trading and A-G had consistently suffered trading losses.<sup>10</sup> In September 2010, Penner purchased \$215,000 in Contrarian notes.<sup>11</sup> After the 18-month term of the notes expired, Della Penna told Penner he was extending the term.<sup>12</sup> In October 2012, Della Penna sent Penner a letter falsely stating his investment was now worth \$257,513.50.<sup>13</sup> In fact, at the time, Contrarian had more than \$1 million in debt and less than \$500 in assets.<sup>14</sup>

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<sup>9</sup>Exh. 2, Penner Dec. ¶ 3.

<sup>10</sup>Exh. 6, Dee Dec. ¶ 5a.

<sup>11</sup>Exh. 2, Penner Dec. ¶ 4.

<sup>12</sup>Exh. 2, Penner Dec. ¶ 5.

<sup>13</sup>Exh. 2, Penner Dec. ¶¶ 5 & Exh. D.

<sup>14</sup>Exh. 6, Dee Dec. ¶¶ 5a, 5b & Exh. B.



Della Penna sold Contrarian notes between September 2010 and October 2013. In September 2010, Della Penna sold an investor \$50,000 in Contrarian notes.<sup>15</sup> In late 2010 or early 2011, Della Penna told a prospective investor, Louis Parker, to expect an annual return on Contrarian notes of 20% to 30%.<sup>16</sup> Della Penna provided Parker a document purporting to show profitable trading by an unidentified person during a two-month period in 2007 notwithstanding the more recent losses suffered by A-G and Contrarian.<sup>17</sup> Parker purchased \$250,000 in Contrarian notes, received quarterly interest payments, and, on July 22, 2013, cashed out, receiving \$289,531.28.<sup>18</sup> The payout was funded from monies raised through the sale of New Economy notes.<sup>19</sup> On October 10, 2013, Della Penna again asked Parker to invest, and he agreed, purchasing \$250,000 in Contrarian notes.<sup>20</sup> As of September 30, 2013, Contrarian had a negative net worth of more than \$1 million.<sup>21</sup>

Della Penna sold \$1,625,000 worth of Contrarian notes to approximately 10 investors,<sup>22</sup> who suffered significant losses.<sup>23</sup>

### **3. New Economy**

Della Penna sold New Economy notes to two investor groups, both of whom received private offering memoranda,<sup>24</sup> in which Della Penna represented:

- a. New Economy would use the net proceeds of monies raised through the sale of notes to engage in securities trading;

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<sup>15</sup>Exh. 1, Nicoleau Dec., Exh. H (Contrarian Fund journal of transactions, 2010, item 15); Exh. 6, Dee Dec. Exh. B.

<sup>16</sup>Exh. 3, Parker Dec. ¶ 3.

<sup>17</sup>Exh. 3, Parker Dec. ¶ 4 & Exh. B.

<sup>18</sup>Exh. 3, Parker Dec. ¶¶ 5, 7.

<sup>19</sup>Exh. 6, Dee Dec. ¶ 5d.

<sup>20</sup>Exh. 3, Parker Dec. ¶ 8.

<sup>21</sup>Exh. 6, Dee Dec. ¶¶ 5a, 5b & Exh. B.

<sup>22</sup>Exh. 6, Dee Dec. ¶ 5c.

<sup>23</sup>E.g., Exh. 3, Parker Dec. ¶ 9; Exh. 2, C. Penner Dec. ¶ 6; Declaration of Sue Ellen Penner (“S. Penner”), Feb. 28, 2014, ¶ 8. A copy of the S. Penner declaration is attached as Exhibit 7 to this Motion.

<sup>24</sup>Exh. 4, Cetin Dec., ¶¶ 3-4 & Exh. A; Exh. 5, Springstead Dec. ¶¶ 3-4 & Exh. A.

- b. noteholders would receive the following:
  - i. an annual return of 5%, payable quarterly;
  - ii. return of principal at the end of the 18 month term; and
  - iii. 80% of any trading profits, up to a maximum of 100% of the investor's original investment;
- c. New Economy would provide periodic reports setting forth New Economy's return on investment and expenses; and
- d. expenses associated with New Economy would consist of the following, all payable to Della Penna or New Economy's Co-Managing Member:
  - i. "placement fees" of 5% of the proceeds of the sale of notes;
  - ii. an "organizational fee" of 3% of the proceeds of the sale of the notes;
  - iii. an annual management fee equal to 3% of the market value of the New Economy's investments as of the end of the calendar year; and
  - iv. 20% of the trading profits.

The first investor group consisted of members of the Cetin family and a trust entity.<sup>25</sup> In Fall 2012, Della Penna told a Cetin family member he planned on doubling investors' profits by trading options on exchange traded funds.<sup>26</sup> The family invested as follows:<sup>27</sup>

<b>DATE</b>	<b>AMOUNT</b>
January 14, 2013	\$100,000
April 30, 2013	\$350,000
August 22, 2013	\$50,000

At the time of the family's initial investment, as described above, Della Penna was already in the middle of misappropriation of funds from A-G and Contrarian. Moreover, at the time, New Economy was insolvent. Specifically, as of April 30, 2013, just prior to Centin's April 30, 2013 investment of \$350,000, New Economy had \$100,000 in debt (i.e., the amount

<sup>25</sup>Exh. 4, Cetin Dec. ¶ 7 & Exh. C-D.

<sup>26</sup>Exh. 4, Cetin Dec. ¶ 3.

<sup>27</sup>Exh. 4, Cetin Dec. ¶¶ 6-7.

previously invested by Cetin) and approximately \$11,000 in assets.<sup>28</sup> As of late August 2013, New Economy had \$450,000 in debt (again, the Cetin family investments) and less than \$85,000 in assets.<sup>29</sup> Moreover, in July 2013, Della Penna used approximately \$290,000 of New Economy's funds to make the payment to Contrarian investor Louis Parker described above.<sup>30</sup> The Cetin family has suffered significant losses.<sup>31</sup>

The second group was Bradley Springstead and his fiancé.<sup>32</sup> In September 2013, Della Penna told them to expect an annual return of 7%, and he provided them with a document dated September 3, 2013 showing that New Economy had generated trading profits totaling \$1,325,041.56 between January 30, 2013 and June 28, 2013.<sup>33</sup> In fact however, as of late August 2013, all those profits had been lost, New Economy was insolvent, with debt of \$500,000 owing to the Cetin family and assets of less than \$85,000.<sup>34</sup> On September 26, 2013, the couple jointly purchased \$30,000 in New Economy notes.<sup>35</sup>

#### **4. Other Investments**

In addition to soliciting investors to purchase notes of the Funds, between January 2011 and March 2013, Della Penna solicited individuals to give him money for the purpose of investing in other investment ventures.<sup>36</sup>

Della Penna raised approximately \$553,000 from five investors through these solicitations, depositing the funds in a bank account in the name of Gaeton Capital.<sup>37</sup> Della

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<sup>28</sup>Exh. 6, Dee Dec. ¶¶ 6b, 7b.

<sup>29</sup>Exh. 6, Dee Dec. ¶¶ 6c, 7c.

<sup>30</sup>Exh. 6, Dee Dec. ¶ 5d.

<sup>31</sup>Exh. 4, Cetin Dec., ¶ 10.

<sup>32</sup>Exh. 5, Springstead Dec. ¶ 3.

<sup>33</sup>Exh. 5, Springstead Dec. ¶¶ 3-4 & Exh. C.

<sup>34</sup>Exh. 6, Dee Dec. ¶¶ 6c, 7c, 7d.

<sup>35</sup>Exh. 5, Springstead Dec. ¶ 5.

<sup>36</sup>Exh. 7, S. Penner Dec. ¶¶ 5-7.

Penna used only \$40,000 of these funds for investment purposes, spending the balance on payments to earlier investors and for personal expenses.<sup>38</sup>

**B. Della Penna Asserts the Fifth Amendment During the Division's Investigation**

In response to a subpoena, Della Penna appeared for investigative testimony on March 11, 2014. After responding to some preliminary matters, Della Penna asserted his Fifth Amendment privilege with respect to any questions relating to the Funds.<sup>39</sup>

**C. Entry of Injunction in the District Court**

The Commission filed its civil injunctive action on May 14, 2014, asserting claims under Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Exchange Act Rules 10b-5(a), 10b-5(b), and 10b-5(c), and Advisers Act Sections 206(1), 206(2), and 206(4) and Rule 206(4)-8(a)(1) and 206(4)-8(a)(2).<sup>40</sup> Della Penna did not answer the complaint, and on September 10, 2014, the Commission moved for entry of clerk's default against him pursuant to Fed. R. Civ. P. 55(c).<sup>41</sup> At a telephonic hearing on the Commission's motion, Della Penna's counsel states Della Penna intended to default, and a default was entered.<sup>42</sup> On September 23, 2014, the Commission moved for entry of a default judgment of permanent injunction.<sup>43</sup> On September 24, 2014, the Court granted the Commission's motion, entering an order enjoining

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<sup>37</sup>Exh. 6, Dee Dec. ¶ 8a.

<sup>38</sup>Exh. 6, Dee Dec. ¶ 8a.

<sup>39</sup>Exh. 1, Nicoleau Dec., Exhs. I, J, at 17:21-41:6.

<sup>40</sup>Declaration of Andrew O. Schiff, Feb. 5, 2015, Exh. A: The Schiff Declaration is Attached as Exhibit 8 to this Motion.

<sup>41</sup>*Id.* Exh. B.

<sup>42</sup>*Id.* Exhs. C, D.

<sup>43</sup>*Id.* Exh. E.

Della Penna from future violations of the statutes at issue.<sup>44</sup> The Court gave the Commission until 90 days after the termination of Della Penna’s criminal case to move to set the amounts of disgorgement and civil penalties.<sup>45</sup> The Court certified the judgment as final pursuant to Fed. R. Civ. P. 54(b).<sup>46</sup>

**D. Summary Disposition is Appropriate**

**1. There are No Disputed Facts**

The Law Judge should grant a motion for summary disposition if there is “no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law.” 17 C.F.R. § 201.250(b). “The Commission has repeatedly upheld use of summary disposition in cases such as this, where the respondents have been enjoined or convicted and the sole determination concerns the appropriate sanction.” *Delsa U. Thomas*, Initial Dec. Rel. No. 705, 2014 WL 5666887, \*3 (Nov. 4, 2014).

**2. The Undisputed Facts Entitle the Division to Summary Disposition as a Matter of Law**

The Division seeks relief under Advisers Act Section 203(f), which provides in relevant part:

The Commission, by order, shall censure or place limitations on the activities of any person . . . at the time of the alleged misconduct, associated . . . with an investment adviser, or suspend for a period not exceeding 12 months or bar any such person from being associated with an investment adviser, broker, dealer, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person . . . is enjoined from any action, conduct, or practice specified in [Advisers Act Section 203(e)(4)].

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<sup>44</sup>*Id.* Exh. F. ✓

<sup>45</sup>*Id.*

<sup>46</sup>*Id.*

15 U.S.C. § 80b-3(f). Both requirements of Section 203(f)—a qualifying injunction and investment adviser status at the time of the misconduct—are satisfied here.

**i. Della Penna Has Been Enjoined From Conduct Specified in Advisers Act Section 203(e)(4)**

Under Section 203(f), a qualifying injunction is one which enjoins the person “from any action, conduct, or practice specified in [Advisers Act Section 203(e)(4)],” which in turn refers to injunctions “from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.” *See Seghers v. SEC*, 548 F.3d 129, 132 (D.C. Cir. 2008) (“The ‘action, conduct, or practice’ specified in section 203(e)(4) includes ‘engaging in or continuing any conduct or practice . . . in connection with the purchase or sale of any security.’”). Here, Della Penna was enjoined from further violations of the anti-fraud provisions of the Securities Act, Exchange Act, and Advisers Act, which is “well within the meaning” of Section 203(e)(4). *Delsa Thomas*, 2014 WL 5666887, \*6.

**ii. Della Penna Was Associated with An Investment Adviser at the Time of the Misconduct**

Section 203(f) requires that Della Penna have been “a person associated with an investment adviser” at the time of the misconduct. 15 U.S.C. § 80b-3(f). An investment adviser includes “any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities . . . .” 15 U.S.C. § 80b-2(11). Misappropriation of client assets constitutes “compensation” within the meaning of this definition. *See In the Matter of Alexander V. Stein*, SEC Release No. 1497, 1995 WL 358127, \*4 n.13 (June 8, 1995). Moreover, if Della Penna was an investment adviser at the time of the misconduct, he will also be a “person controlling . . . such investment adviser,” thus satisfying the requirement that he have been

a person associated with an investment adviser. 15 U.S.C. § 80b-2(17); see *Anthony J. Benincasa*, Admin. Proc. File No. 3-8825, 2001 WL 99813, \*2 (Feb. 7, 2001) (individual acting as investment adviser would also control investment adviser and therefore meet definition of “person associated with an investment adviser”).

Here, Della Penna was acting as an investment adviser at the time of the misconduct, since he advised the Funds of the advisability of investing in, purchasing, or selling securities and did so for compensation. Della Penna received fees pursuant to the terms of the Funds’ offering memoranda, and as noted above his misappropriation of the Funds’ assets constitutes “compensation” within the meaning of Advisers Act Section 202(a)(11). Therefore, since Della Penna was associated with an investment adviser at the time of the misconduct and has been enjoined from future misconduct, he is subject to sanction pursuant to Section 203(f).

**d. A Lifetime Industry Bar Is The Appropriate Sanction**

In determining whether an administrative sanction is in the public interest, the Commission considers: (1) the egregiousness of a respondent’s actions; (2) the isolated or recurrent nature of the violations; (3) the degree of scienter involved; (4) the respondent’s assurances against future violations; (5) the respondent’s recognition of the wrongful nature of his conduct; and (6) the likelihood the respondent’s occupation will present opportunities for future violations. See *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979); *Delsa Thomas*, 2014 WL 566887, \*7.

Here, these factors all weigh in favor of a bar. First, Della Penna’s actions were egregious. The undisputed facts show that he misappropriated investor money for personal use, falsely represented that investments were profitable, and used monies from later investors to repay earlier investors. In short, Della Penna ran an egregious scam.

Second, this was not a one-time lapse in judgment. Della Penna's actions extended over five years and involved multiple investors in multiple funds. Third, Della Penna's level of scienter was extremely high. He knew he was losing and misappropriating money, paying off earlier investors with new investors' money, and providing investors with fraudulent documentation.

With respect to the fourth and fifth factors, not only has Della Penna has given no assurances he will avoid *future* violations of the law, he has done nothing to accept responsibility for his *past* conduct and has elected to assert his self-incrimination privilege and thus has not given an account of his actions.

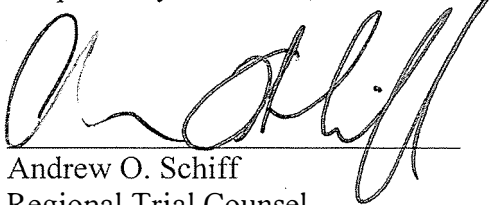
Finally, even if Della Penna is convicted and sentenced to prison in his criminal case, he will eventually get out, and unless he is barred from the securities industry he will have the chance to reoffend. Nothing less than a lifetime associational bar would be appropriate here.

#### **IV. Conclusion**

For the reasons discussed above, the Division asks the Law Judge to sanction Della Penna by barring him from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent or NRSRO.

February 6, 2014

Respectfully submitted,



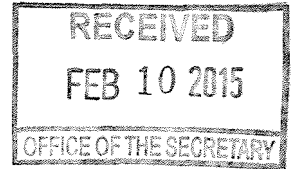
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UNITED STATES OF AMERICA



Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-16198

In the Matter of

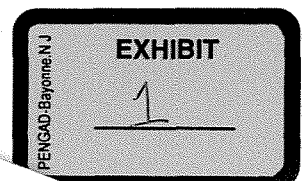
GAETON S. DELLA PENNA,

Respondent.

**DECLARATION OF RAYNETTE R. NICOLEAU**

I, Raynette R. Nicoleau, do hereby declare under penalty of perjury, in accordance with 28 U.S.C. Section 1746, that the following is true and correct, and that I am competent to testify as to the matters stated herein:

1. I am over 21 years of age. I am employed as Senior Counsel for the United States Securities and Exchange Commission's ("Commission") Division of Enforcement, and have been employed in this capacity since May 2000. I have been a member in good standing of the



Florida State Bar since June 2000 and previously a member in good standing of the Maryland State Bar from December 1997 until I elected an inactive status in or around 2001.

2. In more than fourteen years as a Commission attorney, I have performed numerous enforcement investigations. As part of these investigations, I am regularly required to, among other things, gather evidence, conduct sworn testimony and interview witnesses in order to determine if violations of the federal securities laws have occurred or are occurring.

3. I make this declaration based upon my personal knowledge and information gathered during the course of the Commission's investigation of Gaeton Capital Advisors, LLC ("Gaeton Capital") and Gaeton "Guy" Della Penna ("Della Penna"), which I conducted between November 6, 2013 and May 21, 2014. The source of my knowledge and information, and the basis for my beliefs, are documents I reviewed and statements by witnesses that I spoke or corresponded with, interviewed, or examined under oath during the investigation.

4. During the course of the investigation, I learned that Della Penna formed and was the managing member of the following Florida Limited Liability Companies: A-G Hedge Group, LLC ("A-G"), The Contrarian Fund LLC ("Contrarian"), and The New Economy Fund, LLC ("New Economy")(collectively, the "Funds"). A true and correct copy of A-G's articles of organization is attached as Exhibit A. A true and correct copy of Contrarian's articles of organization is attached as Exhibit B. A true and correct copy of New Economy's articles of organization is attached as Exhibit C.

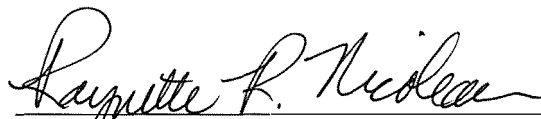
5. On or about November 26, 2013, the U.S. Secret Service met with Andrea Smeltzer ("Smeltzer"), Della Penna's bookkeeper, at her home. Smeltzer consented to turning over all of her records pertaining to Denna Penna's businesses. On or about December 4, 2013, the U.S. Secret Service produced to the Commission a copy of all documents received from

Smeltzer. On December 26, 2013, I sent Smeltzer a subpoena *duces tecum* and *ad testificandum*. A true and correct copy of the subpoena is attached as Exhibit D. She testified that she kept the files and reconciled the checkbooks for the A-G, Contrarian, and New Economy Funds. A true and correct copy of Smeltzer's January 30, 2014 testimony is attached as Exhibit E. As part of the documents produced by the U.S. Secret Service in this investigation, I received a copy of the A-G private offering memorandum. A true and correct copy is attached as Exhibit F. I also received Quickbooks journals for A-G for the period January 1, 2009 to December 31, 2013 and Quickbooks journals for Contrarian for the period January 1, 2010 to December 31, 2013. A true and correct copy of the A-G and Contrarian journals are attached as Exhibits G and H, respectively.

6. A true and correct copy of the Commission's December 12, 2013 subpoena *duces tecum* and *ad testificandum* to Della Penna is attached as Exhibit I. A true and correct copy of Della Penna's March 11, 2014 testimony asserting his Fifth Amendment privilege against self-incrimination in connection with both subpoenas is attached hereto as Exhibit J.

FURTHER DECLARANT SAYETH NOT

Executed: February 5, 2015



Raynette R. Nicoleau, Senior Counsel  
United States Securities and Exchange Commission

ARTICLES OF ORGANIZATION  
OF  
A-G HEDGE GROUP, LLC

FILED  
08 OCT 29 AM 11:25  
TALLAHASSEE COUNTY  
FLORIDA

ARTICLE I - NAME

The name of the Limited Liability Company is:

A-G HEDGE GROUP, LLC

ARTICLE II - ADDRESS

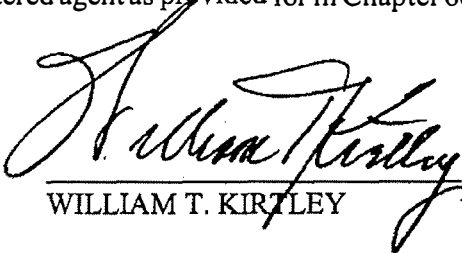
The mailing address and street address of the principal office of the Limited Liability Company is: 3438 North Salford Boulevard, North Port, Florida 34286

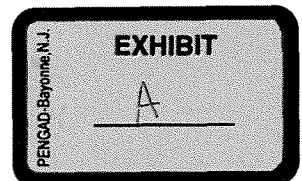
ARTICLE III - REGISTERED AGENT, REGISTERED OFFICE  
AND RESIDENT AGENT'S SIGNATURE

The name and the Florida street address of the registered agent are:

William T. Kirtley, Esq.  
[REDACTED]  
[REDACTED]

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 608, Florida Statutes.

  
WILLIAM T. KIRTLEY



**ARTICLE IV - MANAGEMENT**

The Limited Liability Company is to be managed by one manager or more managers and is therefore, a manager-managed company. The name and address of the Managing Member of the limited liability company is:

Guy S. Della Penna  
[REDACTED ADDRESS]

FILED  
OCT 9 AM 11:25  
SARASOTA, FLORIDA

In accordance with Section 608.408(3), Florida Statutes, the execution of this document constitutes an affirmation under the penalties of perjury that the facts stated herein are true.

Dated at Sarasota, Florida this 23<sup>RD</sup> day of October, 2008.

A-G HEDGE GROUP, LLC

By *Guy S. Della Penna*, Managing Member  
Guy S. Della Penna, Managing Member

**Electronic Articles of Organization  
For  
Florida Limited Liability Company**

L10000083975  
FILED 8:00 AM  
August 11, 2010  
Sec. Of State  
jbryan

**Article I**

The name of the Limited Liability Company is:  
THE CONTRARIAN FUND, LLC

**Article II**

The street address of the principal office of the Limited Liability Company is:

[REDACTED]

The mailing address of the Limited Liability Company is:

[REDACTED]

**Article III**

The purpose for which this Limited Liability Company is organized is:  
ANY AND ALL LAWFUL BUSINESS.

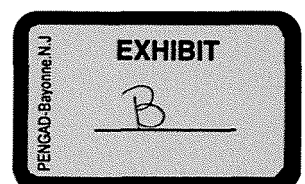
**Article IV**

The name and Florida street address of the registered agent is:  
GUY S DELLA PENNA

[REDACTED]

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: GUY S. DELLA PENNA



## Article V

The name and address of managing members/managers are:

Title: MGRM  
GUY S DELLA PENNA

[REDACTED]

L10000083975  
FILED 8:00 AM  
August 11, 2010  
Sec. Of State  
jbryan

## Article VI

The effective date for this Limited Liability Company shall be:

08/10/2010

Signature of member or an authorized representative of a member

Signature: GUY S. DELLA PENNA



**Electronic Articles of Organization  
For  
Florida Limited Liability Company**

L12000077594  
FILED 8:00 AM  
June 11, 2012  
Sec. Of State  
dbruce

**Article I**

The name of the Limited Liability Company is:  
NEW ECONOMY FUND, LLC

**Article II**

The street address of the principal office of the Limited Liability Company is:

[REDACTED]

The mailing address of the Limited Liability Company is:

[REDACTED]

**Article III**

The purpose for which this Limited Liability Company is organized is:  
ANY AND ALL LAWFUL BUSINESS.

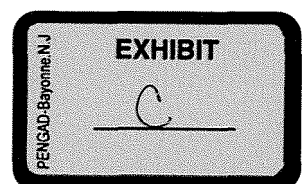
**Article IV**

The name and Florida street address of the registered agent is:

WILLIAM T KIRTLEY  
[REDACTED]

Having been named as registered agent and to accept service of process for the above stated limited liability company at the place designated in this certificate, I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relating to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent.

Registered Agent Signature: WILLIAM T. KIRTLEY, ESQ.



## Article V

The name and address of managing members/managers are:

Title: MGRM  
GUY S DELLA PENNA

[REDACTED]

Title: MGRM  
THOMAS M PRONESTI

[REDACTED]

L12000077594  
FILED 8:00 AM  
June 11, 2012  
Sec. Of State  
dbruce

Signature of member or an authorized representative of a member

Electronic Signature: WILLIAM T. KIRTLEY, ESQ.

I am the member or authorized representative submitting these Articles of Organization and affirm that the facts stated herein are true. I am aware that false information submitted in a document to the Department of State constitutes a third degree felony as provided for in s.817.155, F.S. I understand the requirement to file an annual report between January 1st and May 1st in the calendar year following formation of the LLC and every year thereafter to maintain "active" status.



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
MIAMI REGIONAL OFFICE  
SUITE 1800

[REDACTED]  
[REDACTED]  
Author's Direct [REDACTED]

December 26, 2013

VIA UPS

Andrea Smeltzer  
[REDACTED]

Re: In the Matter of Gaeton Capital Advisors, LLC (FL-3849)

Dear Ms. Smeltzer:

The staff of the Securities and Exchange Commission is conducting an investigation in the matter identified above. The enclosed subpoena has been issued to you as part of this investigation. The subpoena requires you to give us documents and provide sworn testimony.

Please read the subpoena and this letter carefully. This letter answers some questions you may have about the subpoena. You should also read the enclosed SEC Form 1662. You must comply with the subpoena. You may be subject to a fine and/or imprisonment if you do not comply.

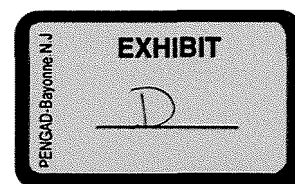
**Producing Documents**

*What materials do I have to produce?*

The subpoena requires you to give us the documents described in the attachment to the subpoena. **You must provide these documents by January 6, 2013.** The attachment to the subpoena defines some terms (such as "document") before listing what you must provide.

Please note that if copies of a document differ in any way, they are considered separate documents and you must send each one. For example, if you have two copies of the same letter, but only one of them has handwritten notes on it, you must send both the clean copy and the one with notes.

If you prefer, you may send us photocopies of the originals but you must maintain the originals. The Commission cannot reimburse you for the copying costs. The copies must be identical to the originals, including even faint marks or print. If you choose to send copies, you **must** keep the originals in a safe place. In addition, please preserve all computer resources utilized by you or any other persons working on your behalf, including but not limited to hard drives, floppy disks, servers and all other means of storage. We also request that all destruction



or disposal of any document or computer resource, whether such destruction or disposal is or would be in conformity with established retention policies or otherwise, cease forthwith and not resume without prior consultation with the Commission staff. The staff will notify you if and when your original records are required.

If you do send us photocopies, please put an identifying notation on each page of each document to indicate that it was produced by you, and number the pages of all the documents submitted. (For example, if Jane Doe sends documents to the staff, she may number the pages JD-1, JD-2, JD-3, etc., in a blank corner of the documents.) Please make sure the notation and number do not conceal any writing or marking on the document. If you send us originals, please do not add any identifying notations.

If you do not have documents responsive to the subpoena, please state so in a return letter. Also, please indicate in that letter whether a diligent search has been made for any responsive documents.

*Do I need to send anything else?*

You should enclose a list briefly describing each item you send. The list should state which paragraph(s) in the subpoena attachment each item responds to. A copy of the subpoena should be included with the documents that are produced.

Passwords for documents, files, compressed archives, and encrypted media should be provided separately either via email addressed to [ENF-CPU@sec.gov](mailto:ENF-CPU@sec.gov), or in a separate cover letter mailed separately from the data.

Please include a cover letter stating whether you believe you have met your obligations under the subpoena by searching carefully and thoroughly for everything called for by the subpoena, and sending it all to us.

*What if I do not send everything described in the attachment to the subpoena?*

The subpoena requires you to send all the materials described in it. If, for any reason -- including a claim of attorney-client privilege -- you do not produce something called for by the subpoena, you should submit a list of what you are not producing. The list should describe each item separately, noting:

- its author(s);
- its date;
- its subject matter;
- the name of the person who has the item now, or the last person known to have it;
- the names of everyone who ever had the item or a copy of it, and the names of everyone who was told the item's contents; and

- the reason you did not produce the item.

If you withhold anything on the basis of a claim of attorney-client privilege or attorney work product protection, it should also identify the attorney and client involved.

*Where should I send the materials?*

Please send the materials to:

ENF-CPU  
U.S. Securities and Exchange Commission  
100 F St., N.E., Mailstop 5973  
Washington, DC 20549-5973

For smaller electronic productions under 10MB in size, the materials may be emailed to the following email address: [ENF-CPU@sec.gov](mailto:ENF-CPU@sec.gov).

### **Testifying**

*Where and when do I testify?*

The subpoena requires you to come to the Commission's offices at 801 Brickell Avenue, Suite 1800, Miami, FL 33131, to testify under oath in the matter identified on the subpoena on **Wednesday, January 8, 2014.**

### **Other Important Information**

*May I have a lawyer help me respond to the subpoena?*

Yes. You have the right to consult with and be represented by your own lawyer in this matter. We cannot give you legal advice.

*What will the Commission do with the materials I send?*

The enclosed SEC Form 1662 includes a List of Routine Uses of information provided to the Commission. This form has other important information for you. Please read it carefully.

*Has the Commission determined that anyone has done anything wrong?*

This investigation is a non-public, fact-finding inquiry. We are trying to determine whether there have been any violations of the federal securities laws. The investigation and the subpoena do not mean that we have concluded that you or anyone else has broken the law. Also, the investigation does not mean that we have a negative opinion of any person, entity or security.

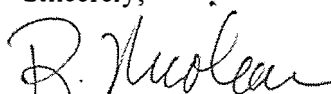
*Important Policy Concerning Settlements*

Please note that, in any matter in which enforcement action is ultimately deemed to be warranted, the Division of Enforcement will not recommend any settlement to the Commission unless the party wishing to settle certifies, under penalty of perjury, that all documents responsive to Commission subpoenas and formal and informal document requests in this matter have been produced.

*I have read this letter, the subpoena, and the SEC 1662, but I still have questions. What should I do?*

If you have any other questions, please call me at (305) 982-6308. If you are represented by a lawyer, please have him/her contact us directly.

Sincerely,



Raynette R. Nicoleau  
Senior Counsel

Enclosures:

SEC Form 1662  
Subpoena & Attachment



**UNITED STATES OF AMERICA**  
**SECURITIES AND EXCHANGE COMMISSION**

Gaeton Capital Advisors, LLC (FL-3849)

To: Andrea Smeltzer

[REDACTED]  
[REDACTED]

**YOU MUST PRODUCE** everything specified in the Attachment to this subpoena to officers of the Securities and Exchange Commission no later than **January 6, 2014** at the place specified below:

ENF-CPU  
U.S. Securities and Exchange Commission  
100 F St., N.E., Mailstop 5973  
Washington, DC 20549-5973

**YOU MUST TESTIFY** before officers of the Securities and Exchange Commission, 801 Brickell Avenue, Suite 1800, Miami, FL 33131 on **Wednesday, January 8, 2014**.

**FEDERAL LAW REQUIRES YOU TO COMPLY WITH THIS SUBPOENA.**

Failure to comply may subject you to a fine and/or imprisonment.

By:

Handwritten signature of Raynette R. Nicoleau in cursive.

Raynette R. Nicoleau  
Senior Counsel

Date: December 26, 2013

I am an officer of the Securities and Exchange Commission authorized to issue subpoenas in this matter. The Securities and Exchange Commission has issued a formal order authorizing this investigation under Section 20(a) of the Securities Act of 1933 and Section 21(a) of the Securities Exchange Act of 1934.

NOTICE TO WITNESS: If you claim a witness fee or mileage, submit this subpoena with the claim voucher.

**SECURITIES AND EXCHANGE COMMISSION**  
**SUBPOENA ATTACHMENT**

**Andrea Smeltzer**

**I. INSTRUCTIONS AND DEFINITIONS**

This subpoena calls for the production of documents in accordance with the following general requirements:

**A. DUPLICATES**

Unless otherwise specified, each request for documents or other materials calls for the production of the original and all copies and drafts of the same. However, if two documents are exact duplicates, you are required to produce only one of them. Documents that contain written comments, notes, corrections or to which have been attached or appended additional material are not to be construed as an exact duplicate and, therefore, must be produced.

**B. POSSESSION, CUSTODY OR CONTROL**

You are required to submit all subpoenaed items that are in your possession, custody, or control. Items under your control or custody, but not in your immediate possession, are required to be obtained and submitted.

**C. DEFINITIONS**

“**Document**” means any written, printed, or typed matter in the possession, custody, or control of the subpoenaed entity or individual including but not limited to all drafts and copies bearing notations or marks not found in the original, letters and correspondence, interoffice communications, slips, tickets, records, worksheets, financial records, accounting documents, bookkeeping documents, memoranda, reports, manuals, telephone logs, telegrams, facsimiles, messages of any type, telephone messages, notices, instructions, minutes, summaries, notes of meetings, file folder markings, and any other organizational indicia, purchase orders, information recorded by photographic process, including microfilm and microfiche, computer printouts, spreadsheets, and other information filed or stored in computers on magnetic or optical media, or otherwise, which can be retrieved, obtained, manipulated, or translated.

“**Communication**” means any correspondence, contact, discussion, e-mail, instant message, or any other kind of oral or written exchange or transmission of information (in the form of facts, ideas, inquiries, or otherwise) and any response thereto between two or more Persons or entities, including, without limitation, all telephone conversations, face-to-face meetings or conversations, internal or external discussions, or exchanges of a Document or Documents.



**“Possession, custody or control”** of documents means documents within the actual or constructive possession, custody or control or within the possession, custody or control of the subpoenaed entity or individual, his/her employer, or any department, officer, employee, agent or attorney thereof.

**“Relating to” or “Referring to”** means concerning, responding to, containing, regarding, discussing, describing, reflecting, analyzing, constituting, disclosing, employing, defining, stating, explaining, in any way pertaining to, or summarizing.

**“Relevant Time Period”** means January 1, 2009 through the date upon which you complete your compliance with this subpoena.

**“Gaeton Capital”** means Gaeton Capital Advisors, LLC, its predecessors, subsidiaries, parent, successors, affiliates, related entities, partners, principals (including Gaeton S. Della Penna), directors, associates, associated persons, financial advisors, registered representatives, employees, agents, independent contractors, attorneys, accountants, experts, consultants, or any other person or entity acting or purporting to act on its behalf or subject to its control.

**“You” and “your”** means Andrea Smeltzer, and any of his companies, affiliates, employees, agents, representatives, consultants, independent contractors, and any other persons or entities acting, or purporting to act, on his behalf or subject to his control.

#### **D. PRIVILEGE LOG**

You are required to prepare a privilege log for all documents withheld on the grounds of the attorney-client privilege, work product doctrine or any other reason identifying the author(s), recipient(s), date of the document, and the basis for withholding the document.

## **II. PRODUCTION OF DOCUMENTS**

Unless otherwise indicated, you are directed to produce all of the following documents in or subject to your possession, custody, or control for **Gaeton Capital Advisors, LLC, The New Economy Fund, LLC, The Contrarian Fund, LLC, and The A-G Hedge Group, LLC** (collectively referred to as **“Gaeton Entities”**) for the period of January 1, 2009 to the present:

1. Documents sufficient to disclose all of your employers from January 1, 2009 through present, as well as your title(s), dates of affiliation with each employer, and salary or other compensation.
2. Documents sufficient to identify the nature of your relationship with Gaeton Entities and all salary or other compensation you have received from Gaeton Entities for the relevant time period.
3. All documents concerning agreements or contracts between you and the Gaeton Entities.
4. For each year from January 1, 2009 through present, document sufficient to disclose your annual income and all sources of income.

5. Documents sufficient to identify all officers, directors, principals, owners, shareholders, employees, and all others acting on behalf of Gaeton Entities, and documents sufficient to disclose, for each individual identified in response to this Item:
  - a. title;
  - b. dates of affiliation with Gaeton Entities;
  - c. current or last known home address and telephone number;
  - d. current or last known employment address and telephone number; and
  - e. salary or other compensation for each year from January 1, 2009 through present.
6. Documents sufficient to disclose all domestic and foreign bank, brokerage, or other financial accounts held by or on behalf of Gaeton Entities from January 1, 2009 through present.
7. Documents sufficient to identify all individuals and entities for whom Gaeton Entities performs or has performed services of any kind and the nature of the services performed.
8. Documents sufficient to identify all Gaeton Entities' investors, including their names, addresses, and telephone numbers.
9. For each investor identified in response to Item 8 above, documents sufficient to disclose:
  - a. the amount invested,
  - b. the date(s) of investments, and
  - c. whether, when, and how much of each investors' principal has been returned to them.
10. For each investor identified in response to Item 8 above, all documents concerning agreements or contracts between Gaeton Entities and the investor and all documents that reflect terms of investments.
11. For each investor identified in response to Item 8 above, all periodic or other account statements.
12. For each investor identified in response to Item 8 above, all documents concerning the investment of (or other use of) their funds by Gaeton Entities and the current location of investor funds.
13. Any and all communications between Gaeton Entities and investors or potential investors in Gaeton Entities.

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Supplemental Information for Persons Requested to Supply  
Information Voluntarily or Directed to Supply Information  
Pursuant to a Commission Subpoena**

**A. False Statements and Documents**

Section 1001 of Title 18 of the United States Code provides as follows:

[W]hoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully—

- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
- (2) makes any materially false, fictitious, or fraudulent statement or representation; or
- (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;

shall be fined under this title, imprisoned not more than 5 years . . . or both.

**B. Testimony**

If your testimony is taken, you should be aware of the following:

1. *Record.* Your testimony will be transcribed by a reporter. If you desire to go off the record, please indicate this to the Commission employee taking your testimony, who will determine whether to grant your request. The reporter will not go off the record at your, or your counsel's, direction.
2. *Counsel.* You have the right to be accompanied, represented and advised by counsel of your choice. Your counsel may advise you before, during and after your testimony; question you briefly at the conclusion of your testimony to clarify any of the answers you give during testimony; and make summary notes during your testimony solely for your use. If you are accompanied by counsel, you may consult privately.

If you are not accompanied by counsel, please advise the Commission employee taking your testimony if, during the testimony, you desire to be accompanied, represented and advised by counsel. Your testimony will be adjourned once to afford you the opportunity to arrange to be so accompanied, represented or advised.

You may be represented by counsel who also represents other persons involved in the Commission's investigation. This multiple representation, however, presents a potential conflict of interest if one client's interests are or may be adverse to another's. If you are represented by counsel who also represents other persons involved in the investigation, the Commission will assume that you and counsel have discussed and resolved all issues concerning possible conflicts of interest. The choice of counsel, and the responsibility for that choice, is yours.

3. *Transcript Availability.* Rule 6 of the Commission's Rules Relating to Investigations, 17 CFR 203.6, states:

A person who has submitted documentary evidence or testimony in a formal investigative proceeding shall be entitled, upon written request, to procure a copy of his documentary evidence or a transcript of his testimony on payment of the appropriate fees: *Provided, however,* That in a nonpublic formal investigative proceeding the Commission may for good cause deny such request. In any event, any witness, upon proper identification, shall have the right to inspect the official transcript of the witness' own testimony.

If you wish to purchase a copy of the transcript of your testimony, the reporter will provide you with a copy of the appropriate form. Persons requested to supply information voluntarily will be allowed the rights provided by this rule.

4. *Perjury.* Section 1621 of Title 18 of the United States Code provides as follows:

Whoever—

- (1) having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true; or

(2) in any declaration, certificate, verification, or statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true;  
is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both.

5. *Fifth Amendment and Voluntary Testimony.* Information you give may be used against you in any federal, state, local or foreign administrative, civil or criminal proceeding brought by the Commission or any other agency.

You may refuse, in accordance with the rights guaranteed to you by the Fifth Amendment to the Constitution of the United States, to give any information that may tend to incriminate you.

If your testimony is not pursuant to subpoena, your appearance to testify is voluntary, you need not answer any question, and you may leave whenever you wish. Your cooperation is, however, appreciated.

6. *Formal Order Availability.* If the Commission has issued a formal order of investigation, it will be shown to you during your testimony, at your request. If you desire a copy of the formal order, please make your request in writing.

### **C. Submissions and Settlements**

Rule 5(c) of the Commission's Rules on Informal and Other Procedures, 17 CFR 202.5(c), states:

Persons who become involved in . . . investigations may, on their own initiative, submit a written statement to the Commission setting forth their interests and position in regard to the subject matter of the investigation. Upon request, the staff, in its discretion, may advise such persons of the general nature of the investigation, including the indicated violations as they pertain to them, and the amount of time that may be available for preparing and submitting a statement prior to the presentation of a staff recommendation to the Commission for the commencement of an administrative or injunction proceeding. Submissions by interested persons should be forwarded to the appropriate Division Director or Regional Director with a copy to the staff members conducting the investigation and should be clearly referenced to the specific investigation to which they relate. In the event a recommendation for the commencement of an enforcement proceeding is presented by the staff, any submissions by interested persons will be forwarded to the Commission in conjunction with the staff memorandum.

The staff of the Commission routinely seeks to introduce submissions made pursuant to Rule 5(c) as evidence in Commission enforcement proceedings, when the staff deems appropriate.

Rule 5(f) of the Commission's Rules on Informal and Other Procedures, 17 CFR 202.5(f), states:

In the course of the Commission's investigations, civil lawsuits, and administrative proceedings, the staff, with appropriate authorization, may discuss with persons involved the disposition of such matters by consent, by settlement, or in some other manner. It is the policy of the Commission, however, that the disposition of any such matter may not, expressly or impliedly, extend to any criminal charges that have been, or may be, brought against any such person or any recommendation with respect thereto. Accordingly, any person involved in an enforcement matter before the Commission who consents, or agrees to consent, to any judgment or order does so solely for the purpose of resolving the claims against him in that investigative, civil, or administrative matter and not for the purpose of resolving any criminal charges that have been, or might be, brought against him. This policy reflects the fact that neither the Commission nor its staff has the authority or responsibility for instituting, conducting, settling, or otherwise disposing of criminal proceedings. That authority and responsibility are vested in the Attorney General and representatives of the Department of Justice.

### **D. Freedom of Information Act**

The Freedom of Information Act, 5 U.S.C. 552 (the "FOIA"), generally provides for disclosure of information to the public. Rule 83 of the Commission's Rules on Information and Requests, 17 CFR 200.83, provides a procedure by which a person can make a written request that information submitted to the Commission not be disclosed under the FOIA. That rule states that no determination as to the validity of such a request will be made until a request for disclosure of the information under the FOIA is received. Accordingly, no response to a request that information not be disclosed under the FOIA is necessary or will be given until a request for disclosure under the FOIA is received. If you desire an acknowledgment of receipt of your written request that information not be disclosed under the FOIA, please provide a duplicate request, together with a stamped, self addressed envelope.

#### **E. Authority for Solicitation of Information**

*Persons Directed to Supply Information Pursuant to Subpoena.* The authority for requiring production of information is set forth in the subpoena. Disclosure of the information to the Commission is mandatory, subject to the valid assertion of any legal right or privilege you might have.

*Persons Requested to Supply Information Voluntarily.* One or more of the following provisions authorizes the Commission to solicit the information requested: Sections 19 and/or 20 of the Securities Act of 1933; Section 21 of the Securities Exchange Act of 1934; Section 321 of the Trust Indenture Act of 1939; Section 42 of the Investment Company Act of 1940; Section 209 of the Investment Advisers Act of 1940; and 17 CFR 202.5. Disclosure of the requested information to the Commission is voluntary on your part.

#### **F. Effect of Not Supplying Information**

*Persons Directed to Supply Information Pursuant to Subpoena.* If you fail to comply with the subpoena, the Commission may seek a court order requiring you to do so. If such an order is obtained and you thereafter fail to supply the information, you may be subject to civil and/or criminal sanctions for contempt of court. In addition, if the subpoena was issued pursuant to the Securities Exchange Act of 1934, the Investment Company Act of 1940, and/or the Investment Advisers Act of 1940, and if you, without just cause, fail or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, correspondence, memoranda, and other records in compliance with the subpoena, you may be found guilty of a misdemeanor and fined not more than \$1,000 or imprisoned for a term of not more than one year, or both.

*Persons Requested to Supply Information Voluntarily.* There are no direct sanctions and thus no direct effects for failing to provide all or any part of the requested information.

#### **G. Principal Uses of Information**

The Commission's principal purpose in soliciting the information is to gather facts in order to determine whether any person has violated, is violating, or is about to violate any provision of the federal securities laws or rules for which the Commission has enforcement authority, such as rules of securities exchanges and the rules of the Municipal Securities Rulemaking Board. Facts developed may, however, constitute violations of other laws or rules. Information provided may be used in Commission and other agency enforcement proceedings. Unless the Commission or its staff explicitly agrees to the contrary in writing, you should not assume that the Commission or its staff acquiesces in, accedes to, or concurs or agrees with, any position, condition, request, reservation of right, understanding, or any other statement that purports, or may be deemed, to be or to reflect a limitation upon the Commission's receipt, use, disposition, transfer, or retention, in accordance with applicable law, of information provided.

#### **H. Routine Uses of Information**

The Commission often makes its files available to other governmental agencies, particularly United States Attorneys and state prosecutors. There is a likelihood that information supplied by you will be made available to such agencies where appropriate. Whether or not the Commission makes its files available to other governmental agencies is, in general, a confidential matter between the Commission and such other governmental agencies.

Set forth below is a list of the routine uses which may be made of the information furnished.


1. To appropriate agencies, entities, and persons when (a) it is suspected or confirmed that the security or confidentiality of information in the system of records has been compromised; (b) the SEC has determined that, as a result of the suspected or confirmed compromise, there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the SEC or another agency or entity) that rely upon the compromised information; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the SEC's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.
2. To other federal, state, local, or foreign law enforcement agencies; securities self-regulatory organizations; and foreign financial regulatory authorities to assist in or coordinate regulatory or law enforcement activities with the SEC.
3. To national securities exchanges and national securities associations that are registered with the SEC, the Municipal Securities Rulemaking Board; the Securities Investor Protection Corporation; the Public Company Accounting Oversight Board; the federal banking authorities, including, but not limited to, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation; state securities regulatory agencies or organizations; or regulatory authorities of a foreign government in connection with their regulatory or enforcement responsibilities.

4. By SEC personnel for purposes of investigating possible violations of, or to conduct investigations authorized by, the federal securities laws.
5. In any proceeding where the federal securities laws are in issue or in which the Commission, or past or present members of its staff, is a party or otherwise involved in an official capacity.
6. In connection with proceedings by the Commission pursuant to Rule 102(e) of its Rules of Practice, 17 CFR 201.102(e).
7. To a bar association, state accountancy board, or other federal, state, local, or foreign licensing or oversight authority; or professional association or self-regulatory authority to the extent that it performs similar functions (including the Public Company Accounting Oversight Board) for investigations or possible disciplinary action.
8. To a federal, state, local, tribal, foreign, or international agency, if necessary to obtain information relevant to the SEC's decision concerning the hiring or retention of an employee; the issuance of a security clearance; the letting of a contract; or the issuance of a license, grant, or other benefit.
9. To a federal, state, local, tribal, foreign, or international agency in response to its request for information concerning the hiring or retention of an employee; the issuance of a security clearance; the reporting of an investigation of an employee; the letting of a contract; or the issuance of a license, grant, or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter.
10. To produce summary descriptive statistics and analytical studies, as a data source for management information, in support of the function for which the records are collected and maintained or for related personnel management functions or manpower studies; may also be used to respond to general requests for statistical information (without personal identification of individuals) under the Freedom of Information Act.
11. To any trustee, receiver, master, special counsel, or other individual or entity that is appointed by a court of competent jurisdiction, or as a result of an agreement between the parties in connection with litigation or administrative proceedings involving allegations of violations of the federal securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)) or pursuant to the Commission's Rules of Practice, 17 CFR 201.100 – 900 or the Commission's Rules of Fair Fund and Disgorgement Plans, 17 CFR 201.1100-1106, or otherwise, where such trustee, receiver, master, special counsel, or other individual or entity is specifically designated to perform particular functions with respect to, or as a result of, the pending action or proceeding or in connection with the administration and enforcement by the Commission of the federal securities laws or the Commission's Rules of Practice or the Rules of Fair Fund and Disgorgement Plans.
12. To any persons during the course of any inquiry, examination, or investigation conducted by the SEC's staff, or in connection with civil litigation, if the staff has reason to believe that the person to whom the record is disclosed may have further information about the matters related therein, and those matters appeared to be relevant at the time to the subject matter of the inquiry.
13. To interns, grantees, experts, contractors, and others who have been engaged by the Commission to assist in the performance of a service related to this system of records and who need access to the records for the purpose of assisting the Commission in the efficient administration of its programs, including by performing clerical, stenographic, or data analysis functions, or by reproduction of records by electronic or other means. Recipients of these records shall be required to comply with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a.
14. In reports published by the Commission pursuant to authority granted in the federal securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), which authority shall include, but not be limited to, section 21(a) of the Securities Exchange Act of 1934, 15 U.S.C. 78u(a)).
15. To members of advisory committees that are created by the Commission or by Congress to render advice and recommendations to the Commission or to Congress, to be used solely in connection with their official designated functions.
16. To any person who is or has agreed to be subject to the Commission's Rules of Conduct, 17 CFR 200.735-1 to 200.735-18, and who assists in the investigation by the Commission of possible violations of the federal securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), in the preparation or conduct of enforcement actions brought by the Commission for such violations, or otherwise in connection with the Commission's enforcement or regulatory functions under the federal securities laws.

17. To a Congressional office from the record of an individual in response to an inquiry from the Congressional office made at the request of that individual.
18. To members of Congress, the press, and the public in response to inquiries relating to particular Registrants and their activities, and other matters under the Commission's jurisdiction.
19. To prepare and publish information relating to violations of the federal securities laws as provided in 15 U.S.C. 78c(a)(47)), as amended.
20. To respond to subpoenas in any litigation or other proceeding.
21. To a trustee in bankruptcy.
22. To any governmental agency, governmental or private collection agent, consumer reporting agency or commercial reporting agency, governmental or private employer of a debtor, or any other person, for collection, including collection by administrative offset, federal salary offset, tax refund offset, or administrative wage garnishment, of amounts owed as a result of Commission civil or administrative proceedings.

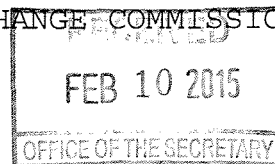
\* \* \* \* \*

*Small Business Owners:* The SEC always welcomes comments on how it can better assist small businesses. If you have comments about the SEC's enforcement of the securities laws, please contact the Office of Chief Counsel in the SEC's Division of Enforcement at 202-551-4933 or the SEC's Small Business Ombudsman at 202-551-3460. If you would prefer to comment to someone outside of the SEC, you can contact the Small Business Regulatory Enforcement Ombudsman at <http://www.sba.gov/ombudsman> or toll free at 888-REG-FAIR. The Ombudsman's office receives comments from small businesses and annually evaluates federal agency enforcement activities for their responsiveness to the special needs of small business.

RAYNETTE NICOLEAU 305-982-6308 SEC MIAMI 801 BRICKELL AVE., SUITE 1800 MIAMI FL 33131		  <b>1 OF 1</b>
<b>SHIP TO:</b> ANDREA SMELTZER  		
	<b>FL 333 3-01</b> 	
<b>UPS NEXT DAY AIR</b> TRACKING #: 1Z A37 48W 24 9145 5001		<b>1</b>
		
BILLING: P/P SIGNATURE REQUIRED		
Reference #1: 66211 Reference # 2: FL-3849		<small>CS 15-6 12. WNT080 45.0A 10/2013</small> 



THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION



In the Matter of: )

) File No. FL-03849-A

GAETON CAPITAL ADVISORS, LLC )

WITNESS: Andrea Smeltzer

PAGES: 1 through 87

PLACE: Securities and Exchange Commission

100 F Street, N.E.

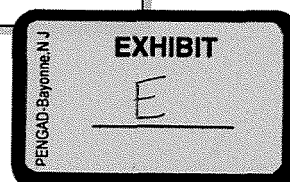
Washington, D.C. 20549

DATE: Thursday, January 30, 2014

The above entitled matter came on for hearing,  
pursuant to notice, at 10:12 a.m.

Diversified Reporting Services, Inc.

(202) 467 9200



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1 APPEARANCES:  
 2  
 3 On behalf of the Securities and Exchange Commission  
 4 (Via Videoconference):  
 5 RAYNETTE R. NICOLEAU, ESQ.  
 6 Securities and Exchange Commission  
 7 Division of Enforcement  
 8 801 Brickell Avenue, Suite 1800  
 9 Miami, Florida 33131  
 10  
 11 On behalf of the Witness:  
 12 MORGAN R. BENTLEY, ESQ.  
 13 783 South Orange Avenue, Suite 220  
 14 Sarasota, Florida 34236  
 15  
 16 Also Present: (Via Videoconference)  
 17 Netaly Masica, Legal Intern, SEC Miami  
 18  
 19  
 20  
 21  
 22  
 23  
 24  
 25

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1 PROCEEDINGS  
 2 MS. NICOLEAU: Okay. Let's go on the record  
 3 at 10:12 a.m. on Thursday, January 30, 2014.  
 4 We are here to take the testimony of Miss  
 5 Andrea Smeltzer at the SEC's office in Miami,  
 6 Florida. Miss Smeltzer is appearing via video,  
 7 teleconferencing from the US Attorney's Office in  
 8 Tampa, Florida.  
 9 Miss Smeltzer, could you please raise your  
 10 right hand?  
 11 Whereupon,  
 12 ANDREA SMELTZER  
 13 was called as a witness and, having been first duly  
 14 sworn, was examined and testified as follows:  
 15 EXAMINATION  
 16 BY MS. NICOLEAU:  
 17 Q Please state and spell your full name for  
 18 the record?  
 19 A Andrea Smeltzer. A-n-d-r-e-a,  
 20 S-m-e-l-t-z-e-r.  
 21 Q Have you ever been known by any other name?  
 22 A Oh, yeah. Four marriages.  
 23 I was born "Andrea Katz."  
 24 MR. BENTLEY: Spell it.  
 25 A K-a-t-z.

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1 Andrea Barrett.  
 2 Andrea Michaels.  
 3 Andrea Lignore.  
 4 And then Andrea Smeltzer.  
 5 "Lignore" is spelled L-i-g-n-o-r-e. And  
 6 "Michaels" was M-i-c-h-a-e-l-s. "Katz" was my maiden  
 7 name.  
 8 BY MS. NICOLEAU:  
 9 Q Okay, thank you. Thanks.  
 10 My name is Raynette Nicoleau. I'm senior  
 11 counsel with the Division of Enforcement of the United  
 12 States Securities & Exchange Commission. I am an  
 13 officer of the Commission for the purposes of these  
 14 proceedings.  
 15 With me is Netaly Masica -- "Masica." She's  
 16 a legal intern in our office, and she will be  
 17 observing today.  
 18 This is an investigation by the Commission  
 19 in the matter of Gaeton Capital Advisors, LLC, file  
 20 number FL-3849, to determine whether there have been  
 21 violations of certain provisions of the federal  
 22 securities laws. However, the facts developed in this  
 23 investigation might constitute violations of other  
 24 federal or state civil or criminal laws.  
 25 Let me briefly explain the procedure we will

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1 follow today, Miss Smeltzer. We will be asking you  
2 questions. At any time if you want to take a short  
3 break, please feel free to tell me and I will  
4 accommodate you.

5 The court reporter transcribes these  
6 proceedings, and will create a transcript of your  
7 testimony at the end. Please make sure to answer  
8 verbally, because the court reporter cannot pick up  
9 any nodding or other gestures.

10 Do you understand?  
11 A Yes.

12 Q Also, if we have a conversation about the  
13 case off the record, I will summarize the conversation  
14 when we return on the record.

15 Miss Smeltzer, are you under any medication  
16 that would affect your memory today?  
17 A No.

18 Q Prior to the opening of the record, you were  
19 provided with a copy of the formal order of  
20 investigation in this matter. It will be available  
21 for your examination during the course of this  
22 proceeding.

23 Miss Smeltzer, have you had an opportunity  
24 to review the formal order?  
25 A Yes.

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1 Q Prior to the opening of the record, you were  
2 provided a copy of the Commission's supplemental  
3 information form, Form 1662. And a copy of that  
4 document has just been marked as Exhibit Number 1.  
5 (SEC Exhibit No. 1 was marked  
6 for identification.)

7 Have you had an opportunity to read exhibit  
8 number 1?  
9 A Yes.

10 Q Do you have any questions concerning that  
11 exhibit?  
12 A No.

13 Q Okay. Miss Smeltzer, are you represented by  
14 counsel today?  
15 A Yes.

16 MS. NICOLEAU: Would counsel please identify  
17 himself for the record by stating your name, the name  
18 of your firm, the business address?  
19 MR. BENTLEY: Sure. It's Morgan Bentley.  
20 I'm with the Bentley & Bruning law firm in Sarasota.  
21 The address is 783 South Orange Avenue, Suite 220,  
22 Sarasota, Florida 34236.

23 MS. NICOLEAU: Mr. Bentley, are you  
24 representing Miss Smeltzer as her counsel today?  
25 MR. BENTLEY: Yes, ma'am.

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1 MS. NICOLEAU: Phyllis, could you show the  
2 witness exhibit number 2, please?  
3 THE REPORTER: Certainly.  
4 Thank you.

5 BY MS. NICOLEAU:  
6 Q Miss Smeltzer, a copy of the subpoena in  
7 front of you has been marked as Exhibit Number 2.  
8 Is this a copy of the subpoena you are  
9 appearing pursuant to here today?  
10 (SEC Exhibit No. 2 was marked  
11 for identification.)  
12 A Yes, I am.

13 Q With regard to the copy of the subpoena in  
14 front of you that has been marked as Exhibit Number 2,  
15 the subpoena calls for the production of certain  
16 documents.  
17 Have you produced all documents called for  
18 by the subpoena?  
19 A I believe in the letter that I sent, I sent  
20 what I had. Because all the other, all other  
21 documents were given back to Mr. Della Penna.  
22 Q Okay. Okay.  
23 And when were the documents given back to  
24 Mr. Della Penna, and what documents are you talking  
25 about?

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1 A All files that I had at my -- at my  
2 location.  
3 They were, you know, investor files, his  
4 personal files. Any files that I had, I gave back to  
5 him because I had resigned on that date, I think it  
6 was -- I believe it was December 12.

7 Q Okay. And how did you give it back to him?  
8 Did he come and pick it up or --  
9 A No, I --  
10 Q -- did you send it to him?  
11 A -- I brought it to his house. I brought the  
12 boxes to his house.

13 Q Okay. And about how many boxes?  
14 A It was either three or four boxes.

15 Q Okay. And again, please, could you describe  
16 what was in those boxes?  
17 A It was investor files that I kept that --

18 Q Okay. And -- okay. Investor files such as?  
19 Can you give me --  
20 A Well, in other words --  
21 Q -- an investor file?  
22 A -- in an investor file would be signed  
23 subscription documents. Signed, you know, promissory  
24 notes. Copies of interest checks that were sent to  
25 them.

1 If -- copies of their, their original  
2 investment. If it was a check, you know, I would make  
3 a copy of the check and put it in -- keep it in their  
4 file.

5 **Q What about correspondence between Mr. Della  
6 Penna's companies and the investor?**

7 A Those would also have been in their files.  
8 You know, like any correspondence would have  
9 been going out to all the investors. You probably --  
10 usually, that's how it worked. So I would keep a copy  
11 of that on their file.

12 Or I would have it on, if I didn't put it in  
13 their file, I would put it on the computer. It was  
14 still on the computer if it was, let's say, a generic  
15 letter that went to all the investors.

16 And that flash drive that would have that on  
17 there was given to the Secret Service back in  
18 November.

19 **Q So the documents that were in the three to  
20 four boxes you gave back to Mr. Della Penna, were they  
21 all hard copies?**

22 A Yes.

23 **Q Or were there any diskettes in those boxes?**

24 A No, no. Everything was hard copy.

25 You know, paper.

1 **for business purposes?**

2 A Not for business purposes.

3 Just my personal one, that could be used for  
4 business purposes.

5 **Q Okay. And what is that e-mail address?**

6 A It's asmelt, a-s-m-e-l-t, at aol.com.

7 **Q What is your home address?**

8 A 132 Seaward -- S-e-a-w-a-r-d -- Way, North  
9 Port, Florida 34287.

10 **Q How long have you lived there?**

11 A I just moved there in May of this year.

12 **Q Okay. What is your date of birth?**

13 A June 27, 1945.

14 **Q And what is your current home telephone  
15 number, or the telephone number that you use  
16 regularly?**

17 A My cell, I use regularly. And that's  
18 941-266-3355.

19 **Q Okay. Miss Smeltzer, do you have any  
20 professional licenses?**

21 A No.

22 **Q Have you ever had any professional licenses?**

23 A No.

24 **Q Have you ever had a securities license?**

25 A No.

1 **Q Okay. Okay. And so you -- you did submit  
2 documents to the SEC after our subpoena.**

3 **So can you explain who conducted that  
4 search, and what did you do to find these documents?**

5 A I -- I checked on the computer. You know.  
6 I have -- I have the QuickBooks program. So I just  
7 printed off whatever, you know, financials I had to  
8 give you.

9 Like if -- you were asking one question, if  
10 I recall, was, you know, how much was paid back. So  
11 I, I printed off, you know, note payables for you.

12 So that you could see, you know, which  
13 clients were paid back --

14 **Q Did you withhold --**

15 A -- their principal.

16 **Q -- any documents for any reason?**

17 A Not that I'm aware of.

18 **Q Okay. Besides the documents that you told  
19 me about that you gave back to Mr. Della Penna and the  
20 flash drive that you gave to the Secret Service, do  
21 you know of any documents that were not produced that  
22 were in your possession at a prior time but was either  
23 disposed of or destroyed?**

24 A No. I don't know of any.

25 **Q Do you have an e-mail address that you use**

1 **Q Are you an officer or director of any  
2 publicly-held company?**

3 A No.

4 **Q And have you ever been in the past?**

5 A No.

6 **Q Have you ever served as an officer or  
7 director of a privately-held corporation?**

8 A No.

9 **Q Have you ever been the subject of any  
10 disciplinary action brought by the SEC?**

11 A No.

12 **Q Or have you ever been named as a defendant  
13 or a respondent in any action brought by any federal  
14 agency?**

15 A No.

16 **Q Have you ever been named as a defendant or  
17 respondent in any action or proceeding brought by a  
18 state securities agency?**

19 A No.

20 **Q Have you ever been the subject of any  
21 disciplinary action brought by FINRA?**

22 A No.

23 **Q That's the financial industry regulatory  
24 authority.**

25 A No.

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1       **Q** Have you ever been named as a defendant in  
2 any action or proceeding brought by any stock  
3 exchange?  
4       A No.  
5       **Q** Have you ever testified in any proceeding  
6 conducted by the staff of the SEC?  
7       A No.  
8       **Q** Have you ever testified in any proceeding in  
9 federal or state court?  
10      A No.  
11      **Q** Have you ever participated in any  
12 arbitration proceeding related to securities?  
13      A No.  
14      **Q** Okay. And have you ever been deposed in  
15 connection with any legal proceeding?  
16      A No.  
17      **Q** Miss Smeltzer, can you tell me your  
18 education, background, after high school?  
19      A I went to business school, I just got a  
20 business certification course that I took.  
21          That was it as far as formal education.  
22      **Q** Okay. When was this?  
23      A I would say back in the -- back in the late  
24 seventies or the early eighties.  
25      After --

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1       **Q** Okay. Who is your current employer?  
2       A I don't have a current employer. I  
3 resigned.  
4       **Q** Okay. And when did you resign?  
5       A Like I said, I believe it was December 12,  
6 when I returned all the boxes to Mr. Della Penna.  
7       **Q** Okay. And so where did you -- and who were  
8 you employed by?  
9       A Guy Della Penna. Gaeton Della Penna.  
10      **Q** And did you have any formal employment  
11 agreement?  
12      A No. It was very laid-back.  
13          I basically did everything from watering his  
14 plants to writing out the interest checks for the  
15 funds.  
16          It's just a very laid-back relationship.  
17      **Q** And how long have you worked for Mr. Della  
18 Penna?  
19      A I met Mr. Della Penna in 1990 or '91. I  
20 took a job working for him as a receptionist when he  
21 opened up a new business, and I applied for that job.  
22 And at that time, the business was called Capital  
23 Management Group.  
24      **Q** How long did you work for Capital Management  
25 Group?

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1       A Well, everything kind of evolved.  
2       After a few years, he -- he decided to have  
3 a broker-dealer. So he started a broker-dealer  
4 called, I think it was Executive Wealth Management.  
5       And then he started to, you know, hire other  
6 employees.  
7       And then it evolved and somebody else bought  
8 into it, and then we became FAS Wealth Management as  
9 well.  
10      And after a time, you know, we didn't really  
11 deal with the like Capital Management Group anymore.  
12 I don't know, you know, what happened to that. You  
13 know, it just -- we didn't use it.  
14      Because Capital Management Group was  
15 initially selling just jumbo CDs back in the 1990s;  
16 you could -- you know, if you brought a block or  
17 bought it into it.  
18      And then after all that was no longer a  
19 viable business, so that's when he decided to, you  
20 know --  
21      MR. BENTLEY: Hey, Raynette, I think we --  
22 oh, there you are.  
23      We lost you for a second.  
24      MS. NICOLEAU: Okay, yes. Time ran out, it  
25 went dark here.

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1       Okay.  
2       BY MS. NICOLEAU:  
3       **Q** I'm sorry, Miss Smeltzer. So you were  
4 talking about Capital Management Group?  
5       A Right. So that kind of became obsolete and  
6 then we went -- you know, then he had the securities  
7 broker-dealer.  
8       **Q** Okay. And so this Capital Management Group,  
9 about how many people worked there?  
10      A Initially, it was myself and I think he had  
11 two other salespeople.  
12          Or three other salespeople, actually.  
13      **Q** And what was Della Penna's title?  
14      A President.  
15      **Q** Okay. Okay. And then so you said then it  
16 -- you started working for Executive Wealth  
17 Management, correct?  
18      A I believe, yes, that was in -- it was either  
19 Executive Wealth Management, that was a company once.  
20 And then there was Executive Securities, Inc.  
21          And I don't remember the chronological order  
22 of which came first.  
23      **Q** Okay. And did you continue to be a  
24 receptionist there?  
25      A I continued to be a receptionist and like,

1 you know, his secretary.  
 2 If he had -- if he was sending letters, you  
 3 know, to different brokers or whatever, I would -- you  
 4 know, I would type them up.  
 5 And then -- then when it became FAS Wealth  
 6 Management, because somebody else had bought into the  
 7 company at that time, so the name changed to FAS  
 8 Wealth Management.  
 9 At that point, there was a lot of personnel  
 10 that we had. And I was basically in charge of, you  
 11 know, keeping the personnel records.  
 12 **Q Okay. And then what happened after FAS**  
 13 **Wealth Management?**  
 14 A Well, when the company was bought out -- I  
 15 think it was either 2001 or 2002 -- everybody -- you  
 16 know, it disbanded.  
 17 And that's when he asked me to work, work  
 18 with him on -- as his personal assistant. And that's,  
 19 you know, how -- where we are kind of like now.  
 20 **Q What did he explain to you that you would do**  
 21 **as his personal assistant?**  
 22 A I would basically, you know, when they would  
 23 go away, you know, up north, I would watch over the  
 24 house, take care of the plants.  
 25 I would pay, you know, as he -- he wasn't

1 very good with his checkbook and things like that. So  
 2 he asked me to, you know, keep his checkbook and pay  
 3 his bills.  
 4 And that's what I did.  
 5 And, you know, then when he started to do  
 6 the funds, I would just keep the files on them and do,  
 7 you know, reconcile the checkbooks.  
 8 **Q Where did you work from? Was it your house**  
 9 **or an office?**  
 10 A The house. My house.  
 11 I worked from my house. He worked from his  
 12 house. And I would come up and we would exchange  
 13 whatever, you know, needed to be done next or whatever  
 14 I finished.  
 15 **Q Okay. And so you said basically you were**  
 16 **his personal assistant until he started the funds,**  
 17 **where your job evolved more into helping him keep the**  
 18 **files and --**  
 19 A Yes, like an administrative assistant.  
 20 **Q -- reconciling the checkbooks?**  
 21 A Yes.  
 22 **Q Okay. And so when did these funds begin?**  
 23 A I do not have the prospectuses with me. So  
 24 I really don't remember when they started.  
 25 I don't remember. Somewhere in the early

1 2000s, I guess. Two-four, five, something like that.  
 2 **Q Okay. What is Gaeton Capital Advisors, LLC?**  
 3 A I don't -- it's basically a company that --  
 4 honestly, I don't know.  
 5 It was, it was -- it existed when he had the  
 6 broker-dealer. He had created it. I don't know what  
 7 its purpose was for.  
 8 **Q Well, did you keep the books for Gaeton**  
 9 **Capital Advisors?**  
 10 A Yes.  
 11 **Q Are you an officer or a director of Gaeton**  
 12 **Capital Advisors?**  
 13 A No, I don't believe so. No.  
 14 Because that was formed before I was even --  
 15 it was just me. And then we had a whole staff there.  
 16 **Q Okay. So can you explain to me how Mr.**  
 17 **Della Penna made his money after he left FAS Wealth**  
 18 **Management?**  
 19 MR. BENTLEY: I'm --  
 20 BY MS. NICOLEAU:  
 21 **Q How did he make income?**  
 22 MR. BENTLEY: That's --  
 23 A I don't know.  
 24 BY MS. NICOLEAU:  
 25 **Q And besides Gaeton Capital Advisors, did you**

1 **keep his checkbook for his -- his personal checkbook?**  
 2 A Yes, I did.  
 3 **Q And did that continue up until you resigned?**  
 4 A Yes.  
 5 However, I was not doing so much his  
 6 accounts payable, as his fiancée was taking care of  
 7 the bills after, you know, for about six months prior  
 8 to I resigned.  
 9 **Q Okay. What's the name of his fiancée?**  
 10 A Sharon Nizolek, N-i-z-o-l-e-k.  
 11 **Q Did you ever have any conversations with Mr.**  
 12 **Della Penna about how he made money?**  
 13 A Well, once the funds came into existence, I  
 14 assumed that was where it was from.  
 15 Going back in prior years, before the funds,  
 16 I know that, you know, friends, he loaned -- friends  
 17 loaned him money until he got on his feet.  
 18 But I mean, I could not really keep track  
 19 of, you know, of that, you know, when he paid them  
 20 back.  
 21 I mean, I couldn't tell you offhand, you  
 22 know, when he paid this one back, you know, when he  
 23 borrowed money prior to the fund.  
 24 **Q What is your understanding as to how Mr.**  
 25 **Della Penna made income from the funds?**

Page 22

1 A I just assumed, you know, he had management  
 2 fees; that would -- that would, you know, cover  
 3 income.  
 4 Q Did you ever have a discussion with him  
 5 about the amount of management fees he takes from the  
 6 funds?  
 7 A No.  
 8 Q Okay. But did you ever have any  
 9 understanding about how much he makes in management  
 10 fees?  
 11 A No. I -- I had nothing -- no understanding  
 12 of it.  
 13 I just was doing administrative.  
 14 Q Okay. While we're on the subject of the  
 15 funds, I want to show to you three documents that are  
 16 private offering memorandums for three different  
 17 funds.  
 18 MS. NICOLEAU: So, Phyllis, can you locate  
 19 the document on the top that says "Private Offering  
 20 Memorandum"? And it says "New Economy Fund"  
 21 underneath that.  
 22 THE REPORTER: Okay. Hold on one second,  
 23 please.  
 24 MR. BENTLEY: I've got it.  
 25 I also have the A G Hedge Group and the

Page 23

1 Contrarian Fund. You're going to want those, too, I  
 2 take it?  
 3 MS. NICOLEAU: Yes, please. Yes.  
 4 MR. BENTLEY: Okay. Any particular order?  
 5 Or does it matter to you?  
 6 MS. NICOLEAU: No. We can start with the  
 7 New Economy Fund.  
 8 MR. BENTLEY: Okay. She has it.  
 9 THE REPORTER: Excuse me. Do you need that  
 10 marked?  
 11 MS. NICOLEAU: Yes, please. Exhibit 3.  
 12 THE REPORTER: Okay, it's marked. Thank  
 13 you.  
 14 MS. NICOLEAU: Okay.  
 15 BY MS. NICOLEAU:  
 16 Q Miss Smeltzer, you have in front of you  
 17 Exhibit Number 3. It's entitled "Private Offering  
 18 Memorandum, New Economy Fund, LLC."  
 19 (SEC Exhibit No. 3 was marked  
 20 for identification.)  
 21 A Yes.  
 22 Q Do you see that document?  
 23 A Yes.  
 24 Q Who prepared this document?  
 25 A The law firm of William T. Kirtley in

Page 24

1 Sarasota.  
 2 Q Okay. Did you have any input into what went  
 3 into this document?  
 4 A No.  
 5 Q Have you ever read this document before?  
 6 A No.  
 7 Q Or have you read a document similar to  
 8 what's in front of you as Exhibit Number 3?  
 9 A No.  
 10 Q Have you seen these type of documents  
 11 before?  
 12 A Yes, I have.  
 13 Q While working with Mr. Della Penna?  
 14 A Yes, I have.  
 15 Q Okay. So explain to me how you saw these  
 16 documents and what you did with them?  
 17 A I would -- I would take them to the printer  
 18 to be printed, you know, into prospectuses, you know,  
 19 once I got the originals from Mr. Kirtley's office.  
 20 I would get them. You know, I would keep  
 21 track, a blotter, you know, of the sub-documents that  
 22 were attached to it.  
 23 And my job was to, you know, make sure that  
 24 -- that they were initialed properly and that they  
 25 were signed.

Page 25

1 And that at the appropriate time I sent out  
 2 the, I think it's exhibit B of this, where they would  
 3 get promissory notes.  
 4 Q Okay. And at whose direction did you do  
 5 these things?  
 6 A Mr. Della Penna.  
 7 Q Okay. And then you said you would send them  
 8 promissory notes.  
 9 Who are you referring to?  
 10 A The people that invested in the fund.  
 11 Q Okay. How did Mr. Della Penna get investors  
 12 for his funds?  
 13 A They were all friends of his.  
 14 Q And how do you know that?  
 15 A Because, you know, he told me they were  
 16 friends, and they did things socially together, or  
 17 they went to the same church together. So I believe  
 18 they were his friends.  
 19 Q Do you know if Mr. Della Penna met these  
 20 investors at church?  
 21 A Some, he did. I don't know which ones.  
 22 I know some of them he said, you know, he  
 23 knew from church; and some he knew were friends of  
 24 his, his fiancée.  
 25 And so some were his own friends that he,

1 you know -- I don't know who, you know, how he met  
2 them or anything like that.

3 **Q Were you ever present when Mr. Della Penna**  
4 **discussed investment opportunities with potential**  
5 **investors?**

6 A No.

7 **Q Did you ever speak to potential investors**  
8 **about Mr. Della Penna's funds?**

9 A No.

10 **Q Did you ever have any conversations with**  
11 **investors or potential investors?**

12 MR. BENTLEY: I object to form.

13 You mean conversations about investing, or?

14 BY MS. NICOLEAU:

15 **Q Did you ever speak to any of -- did you ever**  
16 **speak to any investors or potential investors on the**  
17 **telephone regarding Mr. Della Penna's funds?**

18 MR. BENTLEY: Object to form. You can  
19 answer if you can.

20 A No.

21 I -- the only contact I had was one time I  
22 dropped off at somebody's house their interest check.

23 And that was just, you know, "Hello, how are you,  
24 here's your check," and that was it.

25 And one time I was going to Guy's house, Mr.

1 and Tom said, you know, "He couldn't do it right now,  
2 he had other things on the table, that he couldn't  
3 deal with this right now."

4 As again, Mr. Della Penna's telling, this is  
5 what he told me.

6 **Q May I have you turn to page, page 11 of that**  
7 **document? And the Bates at the bottom is**  
8 **SEC-SS-E-0006815.**

9 A Yes.

10 **Q Under the "Heading Compensation to**  
11 **Co-Managing Members," in the third paragraph down,**  
12 **second -- second or third sentence in -- actually, the**  
13 **sentence that starts with "Additionally."**

14 **Do you see that?**

15 A Yes.

16 **Q And it says, "Additionally, an annual 3**  
17 **percent management fee will be paid to the co-managing**  
18 **members charged against the market value of the**  
19 **investments contained in the fund's portfolio."**

20 **Did you ever know from Mr. Della Penna that**  
21 **he was to receive a 3 percent management fee?**

22 A I didn't know -- I mean, all I knew is that  
23 he was entitled to management fees.

24 I didn't know if they were 2 percent, 3  
25 percent; and I didn't know, you know, how often he

1 Della Penna's house, and one of the investors were  
2 there. And it was just "Hello, I'm Andrea," you know,  
3 that kind of thing.

4 That's it.

5 BY MS. NICOLEAU:

6 **Q On Exhibit Number 3, in the first paragraph,**  
7 **fourth line down it mentions a Thomas M. Pronesti?**

8 A Yes.

9 **Q Do you know Mr. Pronesti?**

10 A I met Mr. Pronesti when we had the  
11 broker-dealer. He was one of our brokers.

12 And he was, I guess, in the Ft. Lauderdale  
13 office. And he kept in contact with Mr. Della Penna.

14 And when this fund was created, it was my  
15 understanding that Mr. Pronesti was going to help  
16 raise the funds.

17 But that never happened.

18 **Q And how do you know it never happened?**

19 A Because Mr. Della Penna told me he never --  
20 and -- and anybody that did invest in the fund, I  
21 knew, were friends of Mr. Della Penna's. Nothing to  
22 do with Tom.

23 And at some point, he had me go onto sunbiz  
24 and take Mr. Pronesti's name off of there. I guess he  
25 had a, must have had a discussion with Tom, that --

1 would get them, at the end of each calendar year, or  
2 -- I just -- I really never read the prospectuses.

3 **Q Okay.**

4 MS. NICOLEAU: And let's mark the next one,  
5 Contrarian Fund, as exhibit 4.

6 THE REPORTER: Okay, it's marked.

7 BY MS. NICOLEAU:

8 **Q Okay, Miss Smeltzer. You have in front of**  
9 **you Exhibit Number 4. And it is entitled "Private**  
10 **Offering Memorandum, The Contrarian Fund, LLC."**  
11 **(SEC Exhibit No. 4 was marked**  
12 **for identification.)**

13 A Yes.

14 **Q Do you see that?**

15 A Yes, I do.

16 **Q Okay. And do you know who drafted these**  
17 **documents?**

18 A William T. Kirtley --

19 **Q Or this document, I'm sorry.**

20 A William T. Kirtley, P.A.

21 **Q Okay. Okay.**

22 **Have you seen this document or a document**  
23 **entitled "Private Offering Memorandum" for the**  
24 **Contrarian Fund before?**

25 A Yes.



1 Q And did you do the same thing that you did  
2 with the New Economy Fund, where you would copy it?

3 A Yes, take it to the printer.

4 Q I think you said and -- okay.

5 And you would send out the promissory note  
6 to the investor?

7 A Yes.

8 Q In the first paragraph on the first page, it  
9 mentions a Dr. Ronald Hadam.

10 Do you know Mr. Hadam?

11 A Yes.

12 Q How do you know him?

13 A He's one of Guy's friends.

14 Q And how do you know he's one of Guy's  
15 friends?

16 A Because he told me so. Because they would  
17 socialize together.

18 And I knew that only because Mr. Della Penna  
19 would tell me, you know, "We had dinner with Ron and  
20 Kristi, we did this, we did that."

21 That sort of thing.

22 Q Okay. And it says in the first paragraph  
23 that Mr. Hadam is a non-managing member of the fund.

24 Did you have any understanding that Mr.  
25 Hadam was associated with the Contrarian Fund?

1 A I probably did at the time, but to be honest  
2 with you, I don't even understand what that would even  
3 mean, "a non-managing member of the fund."

4 He was -- he didn't manage anything. Mr.  
5 Della Penna did the managing. I don't --

6 Q Do you know if Mr. Hadam helped raise money  
7 for this fund?

8 A That I don't know.

9 Q All right.

10 MS. NICOLEAU: Let's go ahead and mark the  
11 last one, A G Hedge Group.

12 THE REPORTER: Okay, it's marked. Thank  
13 you.

14 MS. NICOLEAU: Okay, thanks.

15 BY MS. NICOLEAU:

16 Q Miss Smeltzer, you have in front of you what  
17 has just been marked as Exhibit Number 5.

18 (SEC Exhibit No. 5 was marked  
19 for identification.)

20 Q And this one says "Preliminary Private  
21 Offering Memorandum" for "A G Hedge Group."

22 Do you know who drafted this document?

23 A Again, William T. Kirtley.

24 Q Okay. In the first paragraph, it mentions a  
25 Mr. Alejandro Palazio.

1 Do you know Mr. Palazio?

2 A I met him once.

3 Q And do you know what his involvement with A  
4 G Hedge Group was?

5 A No. I don't.

6 I know that he -- I shouldn't even say that.  
7 I don't know.

8 I know he was offended, I think he either  
9 loaned money or he invested.

10 I am not sure. I would have to look back to  
11 see if it was an investment that he made or if it was  
12 a loan.

13 I'm not sure.

14 Q Okay.

15 So did you keep the books for these three  
16 funds?

17 A I kept -- yes. I would have to say yes.

18 But I am not an accountant, and I'm not an  
19 official bookkeeper. I did the best I could.

20 I don't know, you know, if I have everything  
21 posted correctly or not.

22 Q Okay. And so you used the QuickBooks  
23 program?

24 A Yes.

25 Q Okay. So explain to me what you would

1 typically do in a given month for keeping the books  
2 for these funds?

3 A Well, if -- when a new investor came in I  
4 would, you know, book it as a notes payable.

5 And then, you know, I would quarterly, you  
6 know, do the interest checks to the investors.

7 Q How would you know when a new investor came  
8 into the fund?

9 A Mr. Della Penna would tell me.

10 And he would either give me the check to  
11 deposit, you know; or if it was a wire transfer, to  
12 look for a wire transfer into the account.

13 It was a new investor. And he would give me  
14 the number of the prospectus that he handed to the  
15 investor.

16 You know, and then I would, you know, wait  
17 to get the sub-documents, make a copy, send one back  
18 to the investor.

19 And once everything was fully executed, we  
20 would then send out a promissory note to them; which  
21 was exhibit B, I believe, of the prospectus.

22 Q Okay. Did you have signature --

23 A Yes?

24 Q Did you have signatory authority over any of  
25 the bank accounts that Mr. Della Penna used for the

1 funds?

2 A Yes.

3 He asked me to become a signer on the  
4 accounts. So this way, if I was writing out the  
5 interest checks, I didn't have to go all the way up to  
6 Sarasota to get him to sign it and whatever.

7 So he said, "Just, you know, be a signer on  
8 the account."

9 So he did -- you know, I was a signer on the  
10 accounts.

11 Q Were you a signer for all the accounts?

12 A I believe so.

13 Q Okay. And so which financial institutions  
14 did Mr. Della Penna use for the funds?

15 A Bank of America.

16 Q Okay. Any other accounts?

17 A Oh. For, well for Gaeton Capital --

18 Q For the funds.

19 A Oh, for the funds it was all Bank of  
20 America, I believe.

21 Q Okay. And what about Gaeton Capital  
22 Advisors?

23 A The last bank that we used was Synovus Bank.

24 Q Okay. Was there a bank before Synovus  
25 Bank --

1 A Can you repeat that question?

2 Q Well, you told me that quarterly you would  
3 prepare the interest payment --

4 A Yes.

5 Q -- checks.

6 Were there other checks that you would write  
7 on a periodic basis out of these accounts?

8 A Yes. I would write checks to -- to Mr.

9 Della Penna. And they would be booked as management  
10 fees.

11 Q Okay. So once an investor came into the  
12 fund and the money was deposited into the fund's bank  
13 accounts, do you know what happened next with those  
14 funds?

15 A He would tell me to -- he would direct me to  
16 either -- to wire a certain amount to a trading  
17 account.

18 Q Okay. And what trading account was that?

19 A There were -- well, I know with the New  
20 Economy Fund, I believe it was Options House.

21 And --

22 Q Okay.

23 A -- Contrarian, I believe, was Etrade.

24 And I'm not sure, I can't recall what A G  
25 was.

1 A Regions.

2 Q -- that he used for Gaeton Capital Advisors?

3 A Yes. Regions Bank.

4 Q Okay. So did you have online access to  
5 these bank accounts?

6 A Yes.

7 Q Did you monitor the bank accounts on a daily  
8 basis?

9 A Yes.

10 Q Okay. So, then, you were explaining to me  
11 what you would typically do.

12 So when a new investor came in, how did Mr.  
13 Della Penna communicate to you that a new investor had  
14 wired money or given a check?

15 A He would just call me and say, "Look for a  
16 wire from so-and-so."

17 And he said so that -- you know, so he knew  
18 that it came in.

19 And then he would, the next time I saw him,  
20 you know, he would give me the backup for it.

21 Q Okay. Besides the interest payments that  
22 you mentioned, were there other wires or checks  
23 written out of the accounts?

24 And I'm talking about the fund accounts at  
25 this point.

1 Q Okay. So, then, once the investor funds  
2 came in, did he tell you how much of those funds you  
3 should transfer to the trading accounts?

4 A Yes.

5 Q Was it typically something less than the  
6 amount the investor put into the fund?

7 A Yes.

8 He would deduct, I guess, whatever fees he  
9 was entitled to.

10 Q And why do you say "he would deduct"?

11 A Well, I guess from the --

12 Q -- "fees that he would be entitled to"?

13 A -- when you say -- when you said to me that  
14 it was -- would he typically put less money in, I said  
15 yes, he would deduct from what was coming in, what I  
16 guess what his -- was his portion of that.

17 Q Okay. Did he ever say to you, "Please  
18 deduct X amount for fees that I'm entitled to"?

19 A He would say to me, "Put" -- for argument's  
20 sake -- "100,000 into the trading account."

21 He wouldn't say "deduct."

22 Q Okay.

23 A He would just say, "Put an amount."

24 Q Okay. So he would just tell you how much to  
25 transfer --

1 A Yes.  
 2 Q -- to the trading account?  
 3 A Yes.  
 4 Q Okay. So, then, was there a discussion  
 5 about how much of the funds he was entitled to as a  
 6 management fee?  
 7 A No.  
 8 But he -- when I would write a check out  
 9 from the fund to him, he would say, "Book it as  
 10 management fees."  
 11 Q Okay. So when the money left the fund's  
 12 bank accounts and went into the trading accounts, did  
 13 you have any involvement outside of transferring the  
 14 money into the trading accounts?  
 15 A No.  
 16 Q And let me explain.  
 17 What I mean is, did you have any access to  
 18 the Etrade account or the Options House account?  
 19 A No.  
 20 Q Did you have -- you didn't have a password  
 21 to those accounts?  
 22 A Okay. This is where it gets a little bit  
 23 crazy.  
 24 When he opened up the Options House account,  
 25 he was up north. And he said to me, "Go online and

1 get an account set up."  
 2 So I said, "Okay."  
 3 And I did that.  
 4 Then he -- the e-mail was sent to him, I  
 5 believe. And then he went in there and he created  
 6 passwords and everything for it.  
 7 Then he -- I guess about three, four months  
 8 later he said to me, "Just keep these in the New  
 9 Economy Fund file."  
 10 And I said, "Okay."  
 11 And then when I -- after the Secret Service  
 12 had come and everything, and they had taken the flash  
 13 drive, and I decided I was going to resign, I -- I was  
 14 looking through the files.  
 15 And when I looked at the paperwork for the  
 16 Option House file that he had, he had on there my name  
 17 as a password and my age, I believe, and my husband's  
 18 name as a user's name; or vice versa.  
 19 And I thought -- that was like chilling to  
 20 me, you know, that he did that.  
 21 But I never, ever went on -- on Options  
 22 House. So I -- and I never had access to it.  
 23 Knowingly had access to it.  
 24 Q And what about the E --  
 25 A No.

1 Q -- what about the Etrade account?  
 2 A Nothing.  
 3 Q Did you have access to that?  
 4 A None.  
 5 Q Were you a signer on either account?  
 6 A No.  
 7 Q Did you ever see any Etrade or Options House  
 8 account statements?  
 9 A Only to the extent that I would file them.  
 10 You know, if I was at his house, he had a  
 11 binder; he would just say to me, you know, "Put holes  
 12 in this and put it in my binder." You know.  
 13 I never looked at it as far as -- I mean, I  
 14 wouldn't understand it, number one. I don't know  
 15 anything about securities -- crazy as that sounds --  
 16 but I don't.  
 17 And I just would file it. I didn't, you  
 18 know, like I said, have any access to it.  
 19 Q Do you know if Mr. Della Penna ever had any  
 20 meetings for potential investors?  
 21 A No, I don't.  
 22 Q Okay.  
 23 MS. NICOLEAU: Phyllis, can you mark the  
 24 next exhibit?  
 25 It's a document that has Andrea Smeltzer's

1 name at the top and her address. It's a letter dated  
 2 January 3.  
 3 MR. BENTLEY: January 3. Is that what you  
 4 said?  
 5 MS. NICOLEAU: January 3. Yes.  
 6 It's the packet -- it's the documents that  
 7 Miss Smeltzer submitted to me.  
 8 MR. BENTLEY: Got it.  
 9 THE REPORTER: Okay. Hold on one second,  
 10 please.  
 11 Okay. Exhibit 6 is marked.  
 12 MS. NICOLEAU: Okay.  
 13 BY MS. NICOLEAU:  
 14 Q Miss Smeltzer, you have in front of you  
 15 Exhibit Number 6.  
 16 Have you seen Exhibit Number 6 before?  
 17 (SEC Exhibit No. 6 was marked  
 18 for identification.)  
 19 A Yes.  
 20 Q And can you explain what Exhibit Number 6  
 21 is?  
 22 A It is my response and my production to you,  
 23 to the SEC.  
 24 Q Okay. Can you turn to the Bates SEC  
 25 Smeltzer E-4?

1 A Okay.

2 Q Okay. I just wanted to go over with you  
3 what the documents are in your production.  
4 So can you explain to me what this page is?  
5 A This page represents the monies that came  
6 out of Gaeton Capital Advisors for my salary  
7 compensation for -- that's okay -- you know, for -- I  
8 guess for the years that I worked, you know for the  
9 five-year period that you were requesting.  
10 Q Okay. And what was your salary?  
11 A It kind of like dwindled down.  
12 I mean, at one point I was getting, you  
13 know, in that five-year period I was getting five  
14 hundred a paycheck, you know -- no -- a thousand  
15 dollars a pay period. And -- which was a two-week  
16 period.  
17 And then it went down to six hundred.  
18 And at the end here, I was getting two  
19 hundred dollars a week; or four hundred dollars a pay  
20 period.  
21 And my pay was mostly, mostly came from Mr.  
22 Della Penna pay -- paycheck -- checking book. And  
23 some came from the funds.  
24 Q Why did your salary decrease?  
25 A Because I was doing less and less for him.

1 I was kind of like semi-retired, and I got  
2 busy selling the house. And there just wasn't that,  
3 really that much to do, you know, other than his, you  
4 know, personal stuff that he might ask me to do.  
5 Q Okay.  
6 MR. BENTLEY: Are you doing all right? Do  
7 you need a break?  
8 Are you all right? Time for a break?  
9 Go ahead, sorry.  
10 MS. NICOLEAU: Sure.  
11 BY MS. NICOLEAU:  
12 Q If you can turn to Bates number 16, please?  
13 A Okay.  
14 Q Okay. 16 and 17. Can you explain to me  
15 what this is?  
16 A These are blotters. You know, I wrote, I  
17 guess they -- we keep for the funds of like who got,  
18 who got them and, you know, and who invested and who,  
19 you know, who didn't.  
20 Q Okay. So, then, if there is not a dollar  
21 amount next to "Amount Invested," is that someone who  
22 Mr. Della Penna --  
23 A Approached.  
24 Q -- spoke to them about the fund, but they  
25 didn't invest?

1 A Yes.  
2 Q How would you know what names to put in the  
3 blotter?  
4 A He would tell me.  
5 Q Okay. And Bates number 18. Is that the  
6 same thing, but for the Contrarian Fund?  
7 A Yes.  
8 Q Okay. And again, exhibit 19 -- I mean Bates  
9 19 -- is that the same, except for -- that is for A G  
10 Hedge Group?  
11 A Yes.  
12 Q Okay. Okay. And if you can turn to Bates  
13 stamp number 25 of that exhibit.  
14 A Okay.  
15 Q Can you explain to me what this is?  
16 It has "Contrarian Fund, LLC" at the top,  
17 and it appears to be some type of statement.  
18 A Arthur Hobson.  
19 That, I believe that he had -- it was an  
20 IRA.  
21 And he was giving them the, you know, a  
22 statement for that quarter.  
23 Q Who prepared this statement?  
24 A He prepared it. I typed it.  
25 Q Okay. So he would write out for you what

1 needs to be put into the statement?  
2 A Yes.  
3 Well, he would ask me to look on the  
4 QuickBooks and see, you know, how much -- although he  
5 pretty much knew -- like the principal redemption, you  
6 know, how much he's paid already, Mr. Hobson back.  
7 And so that -- yeah, that was it.  
8 I would have to --  
9 Q And so when we're discussing "he"?  
10 A Mr. Della Penna.  
11 Q Okay.  
12 A And the interest payable, I guess he  
13 would --  
14 Q Okay.  
15 A -- he would get to give -- I would give him.  
16 Q When you say "the interest payable you would  
17 give him," are you talking about the line that says  
18 "net implied accrued interest payable"?  
19 A I am thinking -- you know, without having  
20 the actual fund in front of me -- I mean, that's what  
21 I'm thinking that is the interest that he's paid to  
22 date.  
23 But no, it can't be. Because it's an IRA.  
24 I'm not sure what that line means. He must  
25 have given it to me.

1 Q Okay. Okay.

2 All right. If we can take a look at the  
3 next document. It's Bates 26.

4 A Yes.

5 Q And is it's 26, 27, 28.

6 MS. NICOLEAU: Before we discuss that, I  
7 just want to say, for the record, Exhibit Number 6 is  
8 a composite exhibit with different documents in it.

9 BY MS. NICOLEAU:

10 Q Okay. So Bates 26, can you explain to me  
11 what this document is?

12 A This is a sample, when you were asking for  
13 like quarterly accounts or whatever, you know,  
14 quarterly statements.

15 There was never like an official statement.  
16 He would like write a letter. And then we would, you  
17 know, sometimes it would be semi, that he would write  
18 the letter.

19 And then at that point we would give -- he  
20 would give -- he would tell me, "Leave a blank line,"  
21 and that he would figure out the percentage and the  
22 return of capital.

23 So I was just giving you basically a sample  
24 of the letter.

25 And this one -- I believe the Penners are in

1 Well, actually, I think that -- thinking  
2 about it -- most of the time, unless the investor was  
3 not -- you know, nearby in the neighborhood, sort of  
4 speak, a lot of times he would hand them out to them.

5 And other times, you know, if he was away or  
6 whatever and I -- and he did the letter, you know, he  
7 would either mail them or, you know, I would mail them  
8 to their home address.

9 But many a times, would he just hand it to  
10 them.

11 Q Did Mr. Della Penna ever speak to you about  
12 how -- how the investments were doing in the funds?

13 A Mostly to the extent that he would just say  
14 -- he wouldn't give me an amount -- he would just say,  
15 "They are" -- "it's up," "it's down."

16 That's all he would tell me.

17 Depending, you know, at the time what it  
18 was.

19 Q Okay. Was that for purposes of preparing  
20 statements?

21 Or was he just making comments about --

22 A He was just making comments.

23 Q -- the trading activity?

24 A He was just making comments, yes.

25 Like if he was uptight or something like

1 the Contrarian Fund -- so this letter would be from  
2 the, you know, went to the investors in the Contrarian  
3 Fund.

4 But similar letters would go to the ones  
5 that -- to the investors that were in the New Economy  
6 Fund, where he would fill in the blanks.

7 Q Okay. Okay. So he would fill in the  
8 blanks, and then what would happen to the letter?

9 A They would be sent to the investor.

10 MR. BENTLEY: Let me interrupt.

11 Miss Nicoleau -- oh, there you go. There  
12 you go.

13 I was going to interrupt. I was going to  
14 make sure you could see us all right, because your  
15 screen was frozen for a couple of minutes there. I  
16 wanted to make sure you could still see us all right.

17 But you're back. We're live now.

18 MS. NICOLEAU: Thank you.

19 MR. BENTLEY: All right. Good, good.

20 MS. NICOLEAU: Okay.

21 BY MS. NICOLEAU:

22 Q Okay. So, then, Mr. Della Penna would fill  
23 in the percentage amounts and give the letter back to  
24 you, and then you would send it out to the investor?

25 A No.

1 that, I might say to him, "What's the matter?"

2 And he would say, "Ah, it's down a little  
3 bit," or something like that.

4 Q Did he ever, did Mr. Della Penna, ever  
5 communicate to you how much he made or lost in a given  
6 month with investing the funds?

7 A The only time he ever said anything to me  
8 was in June of this -- of 2013.

9 He told me that --

10 Q And what did he say to you?

11 A He told me that -- he said, "Oh, we finally,  
12 you know, we finally got" -- "we finally hit it big"  
13 or something like that, he would say.

14 He said that "It was up."

15 And I said, "It was up?"

16 He said, "A lot."

17 And I said, "How much?"

18 And he said "1.6," is what he said.

19 Million.

20 But then --

21 Q Did he say what --

22 A But then he told me a few months later that  
23 when he traded, you know, I guess the trading was  
24 going against him.

25 And he lost quite a chunk of it, he said.

1 **Q Okay. I want to show you another document.**  
 2 **It's titled -- it's a spreadsheet titled "New Economy**  
 3 **Fund, LLC."**  
 4 **Phyllis, could you locate that, please?**  
 5 THE REPORTER: Yes. Would you like it  
 6 marked?  
 7 MS. NICOLEAU: It's a four-page document.  
 8 Yes, please.  
 9 It's a four -- no -- actually, it's a  
 10 six-page document. And it says "Trade Statement  
 11 Analysis."  
 12 THE REPORTER: Okay. One second, please.  
 13 Okay. 7 is marked. Thank you.  
 14 MS. NICOLEAU: Okay.  
 15 BY MS. NICOLEAU:  
 16 **Q Miss Smeltzer, you have in front of you**  
 17 **Exhibit Number 7?**  
 18 (SEC Exhibit No. 7 was marked  
 19 for identification.)  
 20 A Yes.  
 21 **Q And it's entitled "New Economy Fund, LLC" --**  
 22 **A Yes.**  
 23 **Q -- "Trade Statement Analysis."**  
 24 **Have you seen this document before?**  
 25 **A Yes. This document was created by this LEJ**

1 Services.  
 2 Mr. Della Penna gave them the, I guess the  
 3 trades to set it up for, to show like a P & L.  
 4 **Q Okay. How did you know that he wanted LEJ**  
 5 **Services to do an analysis? Did he ask you to send**  
 6 **something to them?**  
 7 A No. He actually, I guess, must have sent  
 8 the trade confirms to them.  
 9 And I do believe he knows -- again, this is  
 10 an assumption -- that he knows her, you know, through  
 11 the church that he goes to.  
 12 **Q Okay. Do you know how -- once this document**  
 13 **was created by LEJ Services -- do you know how Mr.**  
 14 **Della Penna used this document?**  
 15 A No.  
 16 **Q Do you know if Mr. Della Penna ever showed**  
 17 **this document to investors or potential investors?**  
 18 A There -- again, this is -- I don't know for  
 19 a fact -- but I'm thinking that there was an investor  
 20 that wanted something, to show a P & L that was in New  
 21 Economy Fund.  
 22 And I think that was what prompted him to  
 23 have LEJ Services create this. You know, kind of like  
 24 P & L statement.  
 25 **Q Okay. And do you know the name of the**

1 investor?  
 2 A I think it was Seton, but -- I believe it  
 3 was Ken, I think his name is Ken Seton. I think it  
 4 was his brother who --  
 5 **Q Ken Seton?**  
 6 A -- Ken Seton's brother who was concerned,  
 7 and wanted this document.  
 8 **Q How do you know Ken Seton's brother was**  
 9 **concerned?**  
 10 A Mr. Della Penna told me.  
 11 **Q Okay. What was he concerned about?**  
 12 A That there was -- I guess that the money was  
 13 there.  
 14 That was what I assume he was concerned  
 15 about.  
 16 **Q Okay. And when you say "the money was**  
 17 **there," whose money?**  
 18 A The -- whatever the, whatever the Setons  
 19 invested.  
 20 **Q Do you know --**  
 21 A I think he basically wanted a status of what  
 22 was, you know, what was there, you know, in the  
 23 trading fund.  
 24 **Q Okay. Do you know if there were any other**  
 25 **investors that were concerned at any time about their**

1 investment?  
 2 A I believe at the time that Mr. Seton's  
 3 brother became involved -- became concerned, and this  
 4 is the New Economy Fund, I believe in the Contrarian  
 5 Fund the Penners were looking to liquidate some of --  
 6 quite a large sum of what they had in the fund.  
 7 In the fund, yes.  
 8 **Q And what time frame were the Penners looking**  
 9 **to liquidate?**  
 10 A I would say all of this took place between  
 11 like September and November of 2013.  
 12 **Q Okay. And what did Mr. Della Penna do about**  
 13 **the Penners' request to liquidate?**  
 14 A I do believe that I don't think he did  
 15 anything that I am aware of.  
 16 **Q Did Della Penna ever have any discussions**  
 17 **with you about the Penners trying to liquidate their**  
 18 **funds?**  
 19 A Well, he told me that they did and, you  
 20 know, he just said that, you know, it would be -- it  
 21 would compromise the fund and everything, you know,  
 22 that kind of thing.  
 23 Talk, you know, just -- just like a sounding  
 24 board. He would say, you know, "I can't do this."  
 25 And you know, "I don't" -- you know, at this point in

1 time, I guess maybe he talked to Bill Kirtley about  
2 it, Mr. Kirtley. I don't know.

3 I don't know, you know -- I know that I was  
4 not aware of any, any repayment to the Penners. It  
5 didn't come through me, if he repaid them.

6 **Q Did Della Penna explain to you what he meant  
7 by saying "If the Penners liquidated it would  
8 compromise the fund"?**

9 A You know, I can't even say for sure that  
10 that's the way he put it.

11 But that was his concern, that's the way he  
12 made it sound. That, you know, "I can't" -- you know  
13 -- "I can't be, you know, giving back all this  
14 principal at this time. I just can't do it."

15 Because I guess the Setons were looking to  
16 get out from the New Economy. And the other ones were  
17 looking to get out. You know. Or at least get a  
18 part, you know, a portion of it out.

19 That, you know, it was very defeatist to the  
20 funds.

21 **Q Were you at any point concerned about  
22 whether investor funds were still either in a fund or  
23 in the bank account?**

24 MR. BENTLEY: Object to form. You can  
25 answer if you can.

1 **Did Della Penna ever discuss with you that  
2 he had lost a significant amount of money in the fund?**

3 A Yes.

4 Back in about August, July or August, he had  
5 said that he had lost a significant amount of money.

6 **Q So, then, when the Penners wanted to  
7 liquidate, do you believe based on your conversations  
8 with him that he could have liquidated the Penners'?**

9 MR. BENTLEY: Object to form. You can  
10 answer if you can, though.

11 A I can't -- I really couldn't say. I don't,  
12 you know, I don't know.

13 You know, I don't know how much was left in  
14 the fund, that if he wanted to -- I don't know if he  
15 could have paid back everybody or part of them or -- I  
16 don't know.

17 I just don't know.

18 BY MS. NICOLEAU:

19 **Q Okay. And so -- okay.**

20 **And so when you say "you don't know how much  
21 was in the fund," what was your understanding as to  
22 where money was kept for the funds?**

23 A I believe the money was kept at Option  
24 House.

25 **Q Okay. Options House for Etrade?**

1 A I'm not sure what you mean.

2 BY MS. NICOLEAU:

3 **Q Well, let me ask you about the Penners.  
4 Did you -- did you think that there was  
5 money in the fund that -- enough to liquidate the  
6 Penners' investment?**

7 MR. BENTLEY: Object to form. You can  
8 answer if you can.

9 A I -- I don't -- I don't --

10 MR. BENTLEY: Does that mean the light  
11 actually turned off in that room for you guys?

12 MS. NICOLEAU: I guess we're too still here,  
13 yes. It's motion-sensored.

14 So I guess we have to move around a little  
15 bit.

16 MR. BENTLEY: That's funny. All right,  
17 sorry.

18 The question was about the Penners --

19 MS. NICOLEAU: Okay. Let me --

20 MR. BENTLEY: -- whether there was money in  
21 the fund.

22 MS. NICOLEAU: Yes.

23 BY MS. NICOLEAU:

24 **Q Let me ask you another, let me ask you  
25 another question, Miss Smeltzer.**

1 A You know, I had not seen any trading, you  
2 know, any wires from Etrade in a very long time. So I  
3 don't know if there was any money in any Etrade  
4 accounts.

5 I mean, I haven't seen -- you know, I didn't  
6 see any money coming into any of the funds from  
7 Etrade. I only saw it coming in, you know, let's say  
8 most of 2013 from Options House.

9 **Q Okay. So when you say "coming in from  
10 Options House," do you mean that once you transferred  
11 money to Options House, at some point in time Mr.  
12 Della Penna would ask -- would transfer money back out  
13 from Options House to the bank accounts?**

14 A Well, he would have to do that, because I  
15 didn't have any -- he would have to tell Options  
16 House, you know, to wire into the -- into a fund.

17 And he would tell me to look for --

18 **Q Okay. And when you say --**

19 MR. BENTLEY: Do you mean bank account? Is  
20 that what you meant?

21 THE WITNESS: I -- I think that's what she  
22 meant.

23 I'm not sure now.

24 MR. BENTLEY: Sorry.

25 BY MS. NICOLEAU:

1 Q Well, when you say that "money was wired  
2 from Options House into a fund," what do you mean by  
3 that?

4 A That if-- well, when you asked me if there  
5 was anything in Etrade, I'm just saying to you that I  
6 have not seen any money or confirms, you know, coming  
7 into any of the accounts from Etrade as was needed  
8 for, let's say, to paychecks or whatever.

9 Everything came in from either Option --  
10 from Options House.

11 Or sometimes if we needed money to pay the  
12 interest checks, he would -- he himself, Mr. Della  
13 Penna, would put money into a fund to pay the interest  
14 checks, to lower whatever he took in management fees.

15 MR. BENTLEY: I'm sorry, when you say  
16 "fund," are you talking about the Bank of America and  
17 Synovus accounts?

18 THE WITNESS: No, I'm talking about the --

19 MR. BENTLEY: Or are you talking about the  
20 trading funds?

21 THE WITNESS: I'm talking about, if money  
22 was coming in, it would be coming into the operating  
23 account of the fund.

24 MR. BENTLEY: Got it. Okay.

25 MS. NICOLEAU: Okay. Thank you.

1 BY MS. NICOLEAU:

2 Q Miss Smeltzer, over the last couple of  
3 years, what was your feeling or opinion about Mr.  
4 Della Penna's financial position?

5 A I do not think --

6 MR. BENTLEY: Object to form, but you can  
7 answer if you can.

8 A My feeling was that, you know -- I mean, he  
9 really didn't have, you know, much.

10 I mean, anything that -- you know, he has an  
11 old car, he has -- you know, he was not in a good  
12 place financially.

13 I mean, the house is his fiancee's house.

14 So, you know, I just know that he had -- he  
15 had a lot of debt out there. So I would not say it  
16 was a good feeling.

17 BY MS. NICOLEAU:

18 Q Okay. I'm going to show you three more  
19 documents. And --

20 MS. NICOLEAU: Oh, what happened? Are they  
21 there?

22 MR. BENTLEY: Yes, I've got 20 --

23 MS. NICOLEAU: Are you still there?

24 MR. BENTLEY: We are. Can you hear us?

25 MS. NICOLEAU: Okay. It froze for a minute.

1 Yes.

2 MR. BENTLEY: We'll move around this time.  
3 I've got the Synovus accounts, 2011, 2012  
4 and 2013. Is that what you're going to next?

5 MS. NICOLEAU: Yes.

6 MR. BENTLEY: Okay.

7 MS. NICOLEAU: So, Phyllis, if you can mark  
8 those as the next 3 exhibits.

9 MR. BENTLEY: All right. So you want us to  
10 2011 as 8, 2012 as 9, and 2013 as 10?

11 MS. NICOLEAU: Yes, please. Thank you.

12 THE REPORTER: Okay. 8, 9 and 10 are  
13 marked. Thank you.

14 THE WITNESS: Okay.

15 MS. NICOLEAU: Okay.

16 BY MS. NICOLEAU:

17 Q Miss Smeltzer, Exhibit Number 8 is entitled  
18 "Guy's Synovus account"?

19 (SEC Exhibit No. 8 was marked  
20 for identification.)

21 A Yes.

22 Q And has an account number for 2011. Have  
23 you seen this before?

24 A Yes.

25 Q Okay. What is it?

1 A This is my, an Excel, and it is my keeping  
2 of his personal account, I believe.

3 Oh, maybe it could be QuickBooks. Yes, this  
4 might be QuickBooks. But it's either QuickBooks or  
5 it's Excel that this came from.

6 But I keep -- I kept record of his personal  
7 account.

8 Q Okay. Did he provide you with a monthly  
9 account statement?

10 A I would get that off the Internet, yes.

11 I would go on there and print out the  
12 statement.

13 Q Okay. I'm going to ask you a question about  
14 an entry five pages in. And, I'm sorry, it's not  
15 numbered. But it's for an entry dated February 25,  
16 2011.

17 A Yes.

18 Q Okay. And there's an entry for a deposit of  
19 \$50,000 from J. Peter Lynch?

20 A Right.

21 Q Do you know Mr. Lynch?

22 A I know who he is. I do not know him  
23 personally.

24 He is a friend --

25 Q Okay. Who --



1 A -- of Mr. Della Penna's.

2 **Q Okay. And did he also invest in one of Mr.**  
3 **Della Penna's funds?**

4 A He invested in the Contrarian fund.

5 But I cannot say with any kind of certainty  
6 whether or not this was an investment or if this was a  
7 loan.

8 I would have to have the file in front of  
9 me, Mr. Lynch's file in front of me, to see what  
10 exactly he invested in the fund.

11 **Q Okay. And if you can flip maybe three pages**  
12 **more, for an entry March 14, 2011.**

13 **Actually, I'm sorry. Let's start at the top**  
14 **of that page at March 11, 2011.**

15 A What do you mean? March --

16 **Q Do you see an entry for 12,500?**

17 A Yes.

18 **Q Okay. Do you see an entry for 12,500?**

19 A Yes, I do.

20 **Q And that money came from the Contrarian Fund**  
21 **bank account?**

22 A Yes, it did.

23 **Q Do you know what that deposit into Mr. Della**  
24 **Penna's personal account was for?**

25 A I don't know per se, no.

1 **those two accounts?**

2 A Okay. Can you repeat that again?

3 **Q Did Mr. Della Penna regularly make transfers**  
4 **from one of the fund's accounts to his personal**  
5 **account?**

6 A Yes.

7 **Q Do you know why he did that?**

8 A No.

9 **Q Did he ever tell you that the money he was**  
10 **transferring to his personal account was management**  
11 **fees?**

12 A Yes.

13 **Q When did he tell you that?**

14 A Sometimes when he asked -- when he --

15 **Q Was it -- I'm sorry, keep going.**

16 A Sometimes when, you know, he asked me to,  
17 you know, trade the money.

18 And other times he would just say, you know,  
19 like if he was on the run, he would just call and say,  
20 you know, "Move 25 over from this fund to my fund" --  
21 I mean "to my personal account."

22 And then later on, I would ask --

23 **Q Did you ever keep a separate --**

24 A -- and then later on, I would ask him how to  
25 book it.

1 But it looks like it went to -- because it  
2 doesn't -- I assume it went to pay bills.

3 **Q To paying whose bills?**

4 A I don't know.

5 I mean, because, you know, you just have to  
6 follow the 12 -- I mean, it would look like it -- it  
7 paid his bills.

8 And then there was money that went into the  
9 A G Hedge Group later on in the month.

10 Yeah.

11 **Q Did Mr. Della Penna routinely transfer money**  
12 **back and forth from one fund's accounts to another**  
13 **fund's account?**

14 A Yes.

15 **Q Why did he do that?**

16 A I don't know.

17 I mean, I don't know --

18 **Q You never discussed it with him?**

19 A No.

20 I mean, you know, like I said, I mean, I  
21 would probably know if -- like if I followed it -- as  
22 to, you know, what it went to and what it went for.

23 **Q And what about from the fund's account to**  
24 **Mr. Della Penna's personal account?**

25 **Did he regularly make transfers between**

1 MR. BENTLEY: Did you catch that?

2 MS. NICOLEAU: Yes, I did.

3 MR. BENTLEY: Okay.

4 MS. NICOLEAU: Thanks.

5 BY MS. NICOLEAU:

6 **Q Did you ever keep a separate accounting of**  
7 **Mr. Della Penna's management fees?**

8 A I don't know. I mean, I don't know.

9 I'd have to go on and look in my Excel to  
10 see if there was ever a separate -- a separate what  
11 now? Account?

12 No. I don't have -- I never had a separate  
13 account.

14 **Q Did you ever keep -- no.**

15 **What I asked is, did you ever keep a**  
16 **separate accounting --**

17 A Accounting.

18 **Q -- of the management fees?**

19 A I don't remember that.

20 **Q And what I mean is if you ever kept separate**  
21 **statements or a rolling list of the amount that Mr.**  
22 **Della Penna made in invest -- in management fees?**

23 A Like sometimes I would look at, in my  
24 QuickBooks, and I would look at the management fees.  
25 And I would see that, you know, what the balance, you

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1 know, how much the total was.  
 2 And then, you know, and then I would say --  
 3 but, you know, then I would look at the paid-in  
 4 capital that he paid into the fund, to reduce it. You  
 5 know.  
 6 But I never kept it in any kind of-- like  
 7 just sometimes out of curiosity. But I really didn't  
 8 know like how to analyze it, because I didn't know how  
 9 much money we were dealing with to begin with, over  
 10 and above the original investments.  
 11 But, you know, that -- in that way I would,  
 12 you know, look sometimes. Just by -- just at the  
 13 QuickBooks.  
 14 **Q Okay. If you can turn to entry for June 24,**  
 15 **2011.**  
 16 A Okay.  
 17 **Q Okay. There is an entry for Ron and Kristi**  
 18 **Hadam for purchase of Dinnerware, 50,000. Do you see**  
 19 **that?**  
 20 A Yes.  
 21 **Q Do you know what that means?**  
 22 A Mr. Della Penna had Dinnerware Depot stock.  
 23 And he sold it to them.  
 24 **Q How do you know that?**  
 25 A It is written there. It's written right

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1 there.  
 2 And I do -- the owner of Dinnerware Depot  
 3 stock would have been a friend of his that used to  
 4 work for --  
 5 **Q Do you --**  
 6 A -- for F -- when we had the business up in  
 7 Sarasota; the, I don't know if it was Capital  
 8 Management Group or Executive Wealth.  
 9 He left there many, many years ago, and he  
 10 opened up Dinnerware Depot. I don't know if they're  
 11 still in existence today, but he owned that.  
 12 And Mr. Della Penna --  
 13 **Q Do you know that person's name?**  
 14 A Scott Fulton.  
 15 **Q Do you know whether Della Penna sold stock**  
 16 **that he had for Dinnerware?**  
 17 **Or did Mr. Della Penna offer them some type**  
 18 **of private placement opportunity to purchase stock?**  
 19 A That I don't know.  
 20 **Q Have you ever seen any documents concerning**  
 21 **Dinnerware?**  
 22 A Many years ago, when he purchased it, there  
 23 was a -- I guess, like you said, like a private  
 24 placement thing that would say that he had purchased  
 25 or invested into, into the -- into Dinnerware Depot.

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1 **Q Okay. Let's take a look at exhibit 9.**  
 2 **Exhibit 9 is Guy's, it says on the top,**  
 3 **"Guy's Synovus account"?**  
 4 **(SEC Exhibit No. 9 was marked**  
 5 **for identification.)**  
 6 A Yes.  
 7 **Q With an account number for 2012?**  
 8 A Yes.  
 9 **Q And is this something you also prepared?**  
 10 A Yes.  
 11 **Q Okay. And also I want you to take a look at**  
 12 **Exhibit Number 10.**  
 13 **(SEC Exhibit No. 10 was**  
 14 **marked for identification.)**  
 15 **Exhibit 10 is Guy's Synovus account for**  
 16 **2013?**  
 17 A Yes.  
 18 MS. NICOLEAU: Excuse me.  
 19 All right, sorry about that.  
 20 BY MS. NICOLEAU:  
 21 **Q Have you seen this document before?**  
 22 A Yes.  
 23 **Q Okay. And what is this document?**  
 24 A It is an Excel spreadsheet of his checkbook  
 25 activity for the year 2013.

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1 **Q Okay. And there are various entries for**  
 2 **Richard and Donna Gillespie.**  
 3 **Can you tell me what that's for?**  
 4 A Mr. Gillespie is a friend of the family's.  
 5 And Guy had a line of credit with Mr. Gillespie when  
 6 they were building the house.  
 7 They took -- he took it out, and Mr.  
 8 Gillespie ended up paying for it. And this was Guy  
 9 paying him back.  
 10 **Q I'm sorry, so Della Penna took a line of**  
 11 **credit from whom --**  
 12 A Mr. Della Penna and --  
 13 **Q -- when he was building his house?**  
 14 A -- Mr. Gillespie -- Mr. Della Penna and Mr.  
 15 Gillespie, Mr. Gillespie agreed to take a line of  
 16 credit out. It was in both their names. You know.  
 17 And Guy --  
 18 **Q Okay.**  
 19 A -- Guy was going to be using the lion's  
 20 share of it, to help build the house that they live in  
 21 now.  
 22 And -- but when I guess it ballooned or  
 23 whatever, Mr. Gillespie ended up paying the line of  
 24 credit back.  
 25 And Guy needed -- you know, owed him that

1 money.  
 2 **Q How much was the line of credit for, do you**  
 3 **know?**  
 4 A I believe it was for a million-five.  
 5 Key being "believe."  
 6 **Q Okay. So there are various entries to**  
 7 **Richard Gillespie?**  
 8 A Yes.  
 9 **Q And it appears to happen, seems like on a**  
 10 **monthly basis?**  
 11 A Yes.  
 12 **Q Do you know -- do you know whether there was**  
 13 **an arrangement for Mr. Della Penna to pay him 10,000 a**  
 14 **month?**  
 15 A Yes.  
 16 **Q Okay. So if Mr. Della Penna's monthly**  
 17 **payment came up and he didn't have money in his bank**  
 18 **account, in his personal bank account, to pay it, what**  
 19 **would happen?**  
 20 MR. BENTLEY: Object to form. You can  
 21 answer if you can.  
 22 A He would -- he would move money over and,  
 23 you know, book it as fees.  
 24 BY MS. NICOLEAU:  
 25 **Q So he would move money over from one of the**

1 **fund's bank accounts?**  
 2 A Yes.  
 3 **Q Okay. There's an entry on March 1, 2013 for**  
 4 **\$10,000, to Cavalry Chapel School.**  
 5 **Do you know what that's for?**  
 6 A No, I don't recall what that was for.  
 7 March, what date was it?  
 8 **Q March 1, 2013.**  
 9 A I see -- no, I don't recall what that was  
 10 for.  
 11 **Q Does Della Penna have any children attending**  
 12 **school?**  
 13 A Yes. But it wasn't those -- it wasn't that.  
 14 I know that. Because both of his kids are out of  
 15 school and working.  
 16 **Q Okay. What about his fiancée, Sharon? Does**  
 17 **she have children?**  
 18 A Those are her children.  
 19 **Q I'm sorry?**  
 20 A That was all her children. He's just a  
 21 stepfather.  
 22 The children are --  
 23 **Q Oh, I see.**  
 24 **Were you -- I'm not sure, "what the children**  
 25 **are."**

1 A Oh.  
 2 **Q Were you going to say something else?**  
 3 A The children are, you know, are her kids.  
 4 And I would say that --  
 5 **Q Okay.**  
 6 A -- most of the -- anything to do with them,  
 7 Sharon paid for, not Guy.  
 8 **Q Okay. And back on exhibit 9, on the first**  
 9 **page. There's a payment of \$6,000 to Christian Family**  
 10 **Center.**  
 11 **Do you know what that was for?**  
 12 A I believe -- I am not sure -- I believe that  
 13 that was for some kind of Bible classes or Bible  
 14 studies that they were -- that he was taking, or that  
 15 they were taking.  
 16 **Q Who's "they"? Both Della Penna and Sharon?**  
 17 A Yes.  
 18 Again, I'm not sure.  
 19 **Q Do you know whether Mr. Della Penna had any**  
 20 **other income outside of the funds?**  
 21 A Not that I'm aware of.  
 22 **Q Have you spoken to Mr. Della Penna since**  
 23 **you've had your first encounter with the Secret**  
 24 **Service?**  
 25 A I have received telephone calls from him,

1 either one or two, twice, one or two times a week,  
 2 from him.  
 3 Mr. Della Penna is not aware that Secret  
 4 Service has come to see me. And they -- they wanted  
 5 that not to be known, and neither did I want him to  
 6 know.  
 7 Because it would have been constant "What  
 8 did you say?" "How did you say it?"  
 9 It would have been very stressful for me to  
 10 have him know. So I never told him that Secret  
 11 Service came to see me.  
 12 And we have had discussions where he has  
 13 said to me, you know, telling me how he felt.  
 14 And, you know, the only -- he does know that  
 15 I spoke with you. Because I guess other investors  
 16 have said that they had heard from you or something.  
 17 So I felt, you know, I better say something.  
 18 So I said "Yes."  
 19 And he asked when I was going to be seeing  
 20 you. And he does not know that I'm seeing you today.  
 21 I just kept on saying, "It's being" --  
 22 **Q Okay.**  
 23 A -- "it's been canceled a lot."  
 24 **Q Okay. Did Mr. Della Penna talk to you about**  
 25 **the Secret Service?**

1 **Did he mention anything to you at all about**  
2 **it?**

3 A When -- when the Secret Service did get in  
4 touch with them -- him, he said what a bunch of nice  
5 guys they were.

6 And he said that, you know, they just wanted  
7 some paperwork and he was going to get the stuff  
8 together. And, you know, and then at some point he  
9 decided to get an attorney.

10 And -- which he did.

11 And, you know, I think he -- I get a sense  
12 that he feels that he's in some kind of trouble, but  
13 he doesn't feel that he did anything criminal.

14 But I don't -- he's not telling me his  
15 attorney's name. He doesn't know that I have an  
16 attorney.

17 I've tried to keep everything close to the  
18 vest as far as I'm concerned, and I have not been  
19 calling him.

20 **Q Did he talk to you at all about the bank**  
21 **accounts?**

22 A Well, initially we talked a lot about the  
23 bank accounts, when the Secret Service seized it.

24 You know, he -- you know, he's -- you know,  
25 he said that, you know, for me to find out what was

1 So, you know, there was nothing left for  
2 him, you know, to do; Guy.

3 And it was at this point in time that, you  
4 know, I felt the best -- you know, that I just resign.  
5 Because I didn't know what was going on, I didn't know  
6 why it was going on.

7 So I just wanted it to, you know -- I mean,  
8 that's why I resigned.

9 **Q Okay. Did you have any idea about how much**  
10 **money was left in the various accounts at the time of**  
11 **the seizure?**

12 MR. BENTLEY: I'm sorry, do you mean the  
13 trading accounts or the bank accounts?

14 MS. NICOLEAU: Well, we can do both.

15 BY MS. NICOLEAU:

16 **Q But the bank accounts --**

17 A Well, the bank accounts --

18 **Q Because I know you --**

19 A Sorry.

20 **Q -- had personal knowledge about.**

21 A The bank accounts, I knew what was seized,  
22 because I could go online and see. It said, you know,  
23 "federal" -- you know -- "Florida seizure."

24 And they zeroed out the fund accounts.

25 But in his personal account initially when

1 going on.

2 And so we waited until Monday, because this  
3 happened over like the holidays. And so we waited  
4 until that Monday. And we found out it was a seizure  
5 of the money.

6 And, you know, he feels that, you know, that  
7 without him being able to trade, I, you know --  
8 without him being able to trade, these people are  
9 going to be, you know, out this money. He's not going  
10 to be able to make it up to them.

11 So, you know, that's kind of where he's --  
12 his head is at.

13 **Q Okay. And so do you know, what did he mean**  
14 **by "make it up to them"?**

15 A Well, whatever he owes them, you know, as  
16 far as their investment is concerned.

17 It was obvious to him --

18 **Q Did he talk to you --**

19 A -- it was obvious to him --

20 **Q Go ahead.**

21 A -- that all, you know, that all the fund  
22 money was seized, and so was his personal, and so was  
23 Gaeton Capital Advisors.

24 And I didn't know if the trading account was  
25 seized. But the Secret Service told me that it was.

1 it was seized, it said negative \$173,000. And, but  
2 then -- you know, then that eventually zeroed out.

3 And the Gaeton account it said, they seized  
4 it for \$50,000. And that eventually, they zeroed out.

5 So I knew that.

6 But I did not know how much they seized from  
7 the trading account until about three or four weeks  
8 later, when a letter came to the house. Because that  
9 was the principal address of the New Economy Fund.

10 That from the -- from there, the 9,000, it  
11 was like \$9,000 or something like that was seized.

12 **Q Okay. So prior to receiving the letter**  
13 **about what was seized in the trading accounts, did you**  
14 **have any idea, any indication about the amount of**  
15 **money that was left in those trading accounts?**

16 A No. No.

17 **Q So, then, after you spoke to Mr. Della**  
18 **Penna, after he spoke to the Secret Service, did he**  
19 **tell you how much was left in the trading accounts?**

20 A No.

21 **Q So for the wiring of funds in and out of the**  
22 **various accounts, did Mr. Della Penna tell you how**  
23 **much to wire each time?**

24 A Yes.

25 **Q Did you ever make wires on your own accord**

1 without him telling you how much to wire?  
 2 A Never.  
 3 Q Okay.  
 4 MS. NICOLEAU: Miss Smeltzer, let's take a  
 5 five-minute break and we'll just finish up.  
 6 THE WITNESS: Okay.  
 7 MR. BENTLEY: Thanks.  
 8 MS. NICOLEAU: Okay, off the record.  
 9 (Off the record.)  
 10 (Back on the record.)  
 11 MS. NICOLEAU: All right. Let's go back on  
 12 the record.  
 13 BY MS. NICOLEAU:  
 14 Q So, Miss Smeltzer, you mentioned that -- we  
 15 were talking earlier about a house that Mr. Della  
 16 Penna has, and we were talking about the \$10,000  
 17 payments that were going to pay off the line of  
 18 credit.  
 19 Do you know how much Mr. Della Penna paid  
 20 for his house?  
 21 A I have like a round -- not exactly.  
 22 I think, initially I think that Sharon  
 23 bought the property with it -- there was a house  
 24 already on it -- for like maybe like, you know,  
 25 one-point-something; over a million dollars, she paid

1 for it. And then eventually, they had that house  
 2 demolished, and they built the house that's on there  
 3 now.  
 4 And I think that they -- the mortgage that  
 5 they had with Washington Mutual, which is now Chase,  
 6 was like for about four and a half million. But I  
 7 know it was -- it ended up being more when -- you  
 8 know, with the late charges and whatnot.  
 9 Because they're not paying the mortgage,  
 10 because they are suing -- they're in a lawsuit right  
 11 now with Chase. So I'm sure they have to have a very  
 12 large, like probably a five or six million dollar  
 13 mortgage now, with Chase.  
 14 And then Mr. Gillespie put a second mortgage  
 15 on the house. And I don't know for sure what that  
 16 amount --  
 17 Q What is that second mortgage?  
 18 A For the money that was owed for the -- I  
 19 guess for the line of credit, and for whatever other  
 20 money that Guy might have borrowed from him that I  
 21 don't know of.  
 22 Q Okay. What kind of car does Mr. Della Penna  
 23 drive?  
 24 A I want to say it's a 2004 SUV Chevy --  
 25 THE WITNESS: Whatever.

1 A I don't even know, I don't even know what  
 2 the name is.  
 3 MR. BENTLEY: A lot of Chevies.  
 4 A 2004 Chevy SUV.  
 5 BY MS. NICOLEAU:  
 6 Q Okay, that's fine. And what about his  
 7 fiancée, Sharon?  
 8 A She just recently leased a BMW.  
 9 She's an interior decorator.  
 10 Q Did you ever have any conversations with --  
 11 MS. NICOLEAU: I'm sorry, we're in the dark  
 12 again.  
 13 BY MS. NICOLEAU:  
 14 Q -- with Sharon or Della Penna about how much  
 15 Sharon makes as an interior decorator?  
 16 A No. I have -- I don't know.  
 17 But I do know that Sharon initially, when  
 18 she met Guy, had several million dollars of her own; a  
 19 trust fund from her late husband, which she used to  
 20 raise her children.  
 21 Because they were young, her kids, when her  
 22 husband passed away.  
 23 Q Okay. Any other cars besides the Chevy and  
 24 the BMW?  
 25 A No.

1 The children, like I said, they -- there was  
 2 a 2000 Land Rover that Jen uses that I think they paid  
 3 for, back whenever. A long time ago.  
 4 Q "Jen" is one of the children?  
 5 A Yes.  
 6 Q How many children are there?  
 7 A There's two. There's Jennifer and  
 8 Christopher.  
 9 Q Do they have the same last name as Sharon?  
 10 A Yes.  
 11 Q Okay. And what's her last name?  
 12 A Nizolek, N-i-z, like in "zebra," o-l-e-k.  
 13 Q Okay. Does Mr. Della Penna have a boat?  
 14 A He used to. But he doesn't anymore. It was  
 15 repossessed.  
 16 Q When did he purchase the boat?  
 17 A I want to say either 2000 or 2001.  
 18 Q Okay. And when was it repossessed?  
 19 A I'm not sure, you know, somewhere in -- like  
 20 it would be either 5, 2005 or 2006, 7.  
 21 He had a loan with SunTrust for the bank --  
 22 I mean for the boat.  
 23 Q Okay. Do you know of any other significant  
 24 assets that Mr. Della Penna has?  
 25 A No.

1 Q What I mean is maybe some -- anything over  
2 \$25,000.

3 A No.

4 Q Have you been in contact with any investors  
5 after you spoke with the Secret Service?

6 A No.

7 Q Have you spoken to Sharon recently?

8 A No.

9 Q Since you resigned, how often has Mr. Della  
10 Penna called you?

11 A Twice a week.

12 And then this past week -- I haven't heard  
13 from him in a whole week, and I was kind of like  
14 relieved -- but then he called me, what's today,  
15 Wednesday -- Thursday -- I guess it was Monday, he  
16 called me.

17 Just checking in, you know, "How are you  
18 doing?" "What's going on?" "How's your father?"

19 Because my father was ill for awhile. So,  
20 you know, he asked how my dad was doing.

21 And, you know, we just, you know, kept it --  
22 but, you know, I'm not telling him anything.

23 And he -- he's telling -- you know, he's  
24 just like using me for a sounding board, you know, for  
25 what he's feeling and that kind of thing.

1 A My daughters.

2 Q Okay. And I know you said earlier that you  
3 told Mr. Della Penna that you were in contact with me.

4 A Yes.

5 Q Did he ask you -- did he ask you to  
6 elaborate about the SEC's investigation?

7 A He just said, "Well, what did they want to  
8 know?"

9 And again -- because I did not want to get  
10 into it with him -- I just said, "Specifically they  
11 wanted to know more about things about me than, you  
12 know, about you."

13 Like because I gave -- and I told him that I  
14 gave you the blotters. And that, you know -- and I  
15 gave you my, my salary compensation.

16 And so he had offered me to see if his  
17 counsel would take me under his umbrella, and do --  
18 and I said "No."

19 I did not tell him that I had gotten counsel  
20 of my own. I just said, "No," I said, "I'm just going  
21 to go there, you know, answer the questions to the  
22 best of my knowledge, and that's it. I don't want to  
23 be" -- "have anything to do with counsel. I don't  
24 want to make it feel like, you know, I did something  
25 wrong. I'm just going to go there and tell them

1 Nothing, you know, of any substance.

2 Q Okay. And when you spoke to him on those  
3 various occasions, did he tell you about conversations  
4 he had with investors?

5 A Just one investor.

6 I don't think he's really -- well, actually,  
7 you see -- and this is another thing, too.

8 Because I don't know if he's being totally  
9 honest with me, but he would say that most of the  
10 investors were very supportive of him.

11 Which kind of like, you know, like threw me  
12 for a loop. Because, then, who's behind all of this?

13 And, you know -- but he said that the only  
14 ones that weren't being supportive of him was  
15 initially the Setons.

16 And then -- and then lately he said Louis  
17 Parker was getting like aggressive.

18 Q Okay. Other than your counsel, have you  
19 discussed with anybody at any time how you might  
20 respond to the SEC's investigation?

21 A My husband.

22 Q Okay. And besides your husband and your  
23 counsel, have you discussed with anyone about the SEC  
24 investigation?

25 The fact that we have an investigation?

1 whatever it is I can tell them."

2 And that's how I left it with him.

3 Q Okay.

4 MS. NICOLEAU: Miss Smeltzer, we have no  
5 further questions at this time.

6 We may have to re-call you again to testify  
7 in this investigation. And if that's necessary, we'll  
8 contact Mr. Bentley.

9 THE WITNESS: Okay.

10 MS. NICOLEAU: Do you wish to clarify any of  
11 your statements you've made today?

12 MR. BENTLEY: No. We'll read.

13 MS. NICOLEAU: Okay.

14 Mr. Bentley, do you have any questions?

15 MR. BENTLEY: No, ma'am. Thanks. We'll  
16 read.

17 MS. NICOLEAU: Okay. Well, thank you. We  
18 are off the record at 12:30 p.m.

19 (Whereupon, at 12:30 p.m., the examination  
20 was concluded.)

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PROOFREADER'S CERTIFICATE

In The Matter of: GAETON CAPITAL ADVISORS, LLC  
Witness: Andrea Smeltzer  
File Number: FL-03849-A  
Date: January 30, 2014  
Location: Tampa, FL

This is to certify that I, Nicholas J. Wagner, (the undersigned), do hereby swear and affirm that the attached proceedings before the U.S. Securities and Exchange Commission were held according to the record and that this is the original, complete, true and accurate transcript that has been compared to the reporting or recording accomplished at the hearing.

\_\_\_\_\_  
(Proofreader's Name) (Date)

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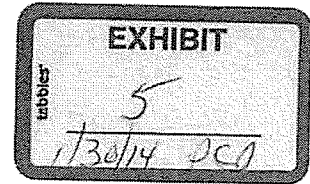
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**PRELIMINARY PRIVATE OFFERING MEMORANDUM**  
(subject to change)

NO. \_\_\_\_\_

**A G HEDGE GROUP, LLC**  
(a Florida limited liability company in formation)

**\$25,000,000 principal amount**  
**5% Participating Promissory Notes**



A G HEDGE GROUP, LLC (the "Fund") is a limited liability company being formed under the Florida Limited Liability Company Act. The Managing Member of the Fund is GUY S. DELLA PENNA. Mr. Della Penna resides in Sarasota, Florida. Mr. Della Penna will be responsible for the day-to-day management of the investment activities of the Fund as described in this Private Offering Memorandum (the "Memorandum"). Mr. Alejandro L. Palazio of Miami, Florida is also a Member of the Fund.

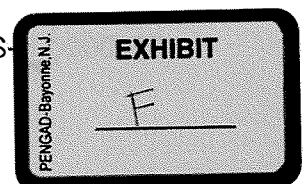
The Fund is privately offering to sophisticate and Accredited Investors its 5% Participating Promissory Notes (the "Notes") in maximum principal amount of \$25,000,000. The Notes will be offered directly by the Fund as a result of the efforts of Messrs. Della Penna and Palazio and may also be privately offered on a best efforts basis through one or more placement agents who are members of the National Association of Securities Dealers, Inc. (the "NASD") and qualified as broker-dealers in Florida and in other states in which the Notes may be lawfully offered on a limited and private basis. If the services of one or more placement agents are utilized by the Fund in the private offer and sale of the Notes, an appropriate placement agent agreement will be executed between the Fund and any such placement agents.

The Note proceeds, net of any placement fees and expenses and costs incurred in connection with the organization of the Fund and the placement of its Notes, will be invested and reinvested in equity securities which are listed and traded on the nation's major stock exchange or derivatives thereof, including, without limitation, put and call options (sometimes referred to in this Memorandum as "Investments") under the direction and supervision of the Managing Member, Guy S. Della Penna. In such activity, the Fund will generally utilize technical, as well as fundamental approaches and the intuitive discretionary investment techniques and analyses subsequently described herein. It is anticipated that the Fund will, from time to time, utilize margin in its investment and reinvestment activities.

There is no minimum Note proceeds requirement. Note proceeds will be accumulated by the Fund and when an increment of \$250,000 of gross Note proceeds has been received, such increment will be utilized in the Fund's investment activities.

**The date of the final, definitive Memorandum is anticipated to be July \_\_, 2008**  
**An investment in the Notes and the investment activities of the Fund involves**

SEC-SS-



substantial risks. See "RISK FACTORS", page 11.

The Notes offered hereby will only be offered and sold to sophisticated and Accredited Investors, as determined in the exclusive judgment of the Managing Member of the Fund. Persons who are not deemed sophisticated or Accredited Investors will not be permitted to purchase Notes.

**THE FUND HAS NOT REGISTERED THE NOTES OFFERED HEREBY UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "ACT") IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED IN SUCH ACT AND REGULATION D THEREUNDER. ADDITIONALLY, THE FUND HAS NOT REGISTERED THE NOTES OFFERED HEREBY UNDER THE PROVISIONS OF ANY SECURITIES STATUTE OF ANY STATE IN WHICH THE NOTES MAY BE LAWFULLY OFFERED, INCLUDING FLORIDA. RELIANCE UPON SUCH EXEMPTIONS FROM REGISTRATION PROVIDED BY SUCH STATUTES, HOWEVER, DOES NOT INDICATE IN ANY WAY THAT THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITY REGULATORY AUTHORITY OR THAT THE COMMISSION OR ANY SUCH STATE AUTHORITY HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS MADE HEREIN.**

While the Fund by definition may be an investment company under the Investment Company Act of 1940, it is relying upon an exemption provided in such Act from the registration requirements of such Act and will not be registered as an investment company under such Act. Accordingly, no more than 99 sophisticated and Accredited Investors will be permitted to acquire the Notes being privately offered hereby on a record and beneficial basis. Of such 99 investors, 65 will be required to be Accredited Investors.

The Fund, by action of its Managing Member, has (a) authorized the creation of this Memorandum and the related subscription and other documents (collectively the "Offering Documents") and (b) approved the use of the Offering Documents in connection with this limited and private offering of the Notes. The foregoing action has been taken in connection with the provisions of Section 18(d) of the Act and Rule 146 thereunder.

THE DELIVERY OF THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL AND SHALL CONSTITUTE AN OFFER ONLY TO THE OFFEREE WHOSE NAME APPEARS BELOW. EACH OFFEREE AGREES BY ACCEPTING THIS MEMORANDUM THAT HE WILL NOT DIVULGE ITS CONTENTS TO ANY OTHER PERSON EXCEPT A PURCHASER REPRESENTATIVE ACTING ON HIS BEHALF AND/OR WITH THE CONSENT OF THE MANAGING MEMBER AND THAT HE WILL RETURN THIS MEMORANDUM PROMPTLY UPON REACHING A DECISION NOT TO INVEST IN THE NOTES DESCRIBED HEREIN.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF

THIS MEMORANDUM OR ANY COMMUNICATION RELATING TO THIS PRIVATE OFFERING AS INVESTMENT, TAX OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN COUNSEL, ACCOUNTANT OR OTHER PROFESSIONAL ADVISORS AS TO LEGAL, INVESTMENT, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE NOTES OF THE FUND DESCRIBED HEREIN. INTERESTED INVESTORS ARE ENCOURAGED TO ASK QUESTIONS OF THE MANAGING MEMBER CONCERNING THE FUND AND AN INVESTMENT IN ITS NOTES.

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EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF ITS DATE. NO PERSON HAS BEEN AUTHORIZED BY THE MANAGING MEMBER OF THE FUND TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE MANAGING MEMBER.

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THE FUND IS OFFERING ITS NOTES SUBJECT TO PRIOR SALE, WITHDRAWAL, CANCELLATION OR MODIFICATION OF THE OFFER WITHOUT NOTICE, AND TO THE FURTHER CONDITIONS SET FORTH IN THIS MEMORANDUM.

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## SUMMARY

The following is a brief summary of certain of the information set forth in this Memorandum. The summary information set forth below does not purport to be complete and is qualified in its entirety by and references made to the more detailed information contained subsequently in this Memorandum.

### The Fund

The Fund is a limited liability company being formed under the Florida Limited Liability Company Act. The Managing Member of the Fund is Guy S. Della Penna of Sarasota, Florida. The sole other Member of the Fund is Alejandro L. Palazzo of Miami, Florida. The Fund will maintain its offices at 141 Ogden Street, Sarasota, Florida 34242. The purchasers of the Notes being privately offered by this Memorandum will not become Members of the Fund.

Capital received by the Fund in gross incremental Note amounts of \$250,000 may be invested in equity securities, derivatives thereof, and put and call options involving equity securities on the major exchanges providing for such investment activity as existing in the United States. Such investment and reinvestment activity of the Fund will be carried out under the direction of Mr. Della Penna, the Managing Member. Margin may be utilized in such investment Fund activities. The Note proceeds received by the Fund will be committed to the investment activities of the Fund in \$250,000 increments. Until an appropriate time, separate accounting of Trading Profits for each Note increment will be maintained in order to assure that regardless of the time of investment, Note purchasers are treated equitably. The Managing Member reserves the right to alter such \$250,000 amount upward or downward.

Guy S. Della Penna is presently not registered as an investment advisor under Federal or Florida law and since the Fund will constitute the sole investment advisory client of Mr. Della Penna, such Federal and state registrations are not required.

All management powers with respect to the investment activities of the Fund are vested in the Managing Member. Note purchasers will not have any rights to participate in the management of the investment activities of the Fund or in any other matters affecting the Fund.

The Fund has been formed to realize Trading Profits (as defined) for ultimate distribution to the holders of the Notes in the form of interest and Additional Interest and to the Managing Member. No assurance can be given that the Fund will be successful in its investment activities and losses may occur.

### Federal Income Tax Status of the Fund

The Fund has received an informal advisement from legal counsel (which advisement is not binding upon the Internal Revenue Service) to the effect that the Fund will be treated as a non-taxable entity for Federal income tax purposes. If such is the case, the Fund will not sustain Federal income tax consequences at Fund level and all Trading Profits or losses will be allocated to the Managing Members and Note holders in accordance with their respective economic

entitlements as set forth herein.

### **The Note Offering**

Solely by means of this Memorandum, the Fund is offering on a limited and private basis a maximum of \$25,000,000 principal amount of Notes. The Notes will be offered in a minimum purchase amount of \$250,000 and thereafter, in minimum principal increments of \$1,000. As of the date of this Memorandum, the Fund has not established any maximum Note subscription amount but reserves the right to do so. The Managing Member, on behalf of the Fund, may waive the minimum Note principal purchase requirement of \$250,000 in order to facilitate the completion of the private offering of the Notes.

The Notes will be privately offered to sophisticated and Accredited Investors. The term "Accredited Investors" is utilized in Regulation D as promulgated under the Act and is subsequently explained in this Memorandum in the Memorandum section captioned "PLAN, TERMS AND NATURE OF THE OFFERING".

In the limited and private offering of the Notes, the Fund may be assisted by one or more placement agents who are registered securities broker-dealers in Florida or other states and members of the NASD. Such assisting placement agents will be entitled to receive placement fees of 5% charged against the proceeds realized by the Fund as a result of such placement agent assistance. Accordingly, if the entire \$25,000,000 principal amount of Notes being privately offered were to be sold solely by such placement agents, the Fund would pay aggregate placement fees of \$1,250,000. Reasonable expense reimbursement to selling placement agents may also occur. No assurance can be given that the entire \$25,000,000 principal amount of Notes will be sold or that the Fund will receive any meaningful assistance from one or more placement agents.

Alejandro L. Palazio, the sole, non-Managing Member of the Fund, will also assist the Fund in the private sale of the Notes to sophisticated and Accredited Investors. As a result of such assistance, Mr. Palazio will be entitled to receive fees equal to 3% of the Note proceeds resulting from his placement efforts. Placement fees to any assisting Placement Agent or to Mr. Palazio will only be paid upon the completion of a successful \$250,000 Note offering increment and the receipt by the Fund of the representative proceeds. Mr. Palazio has substantial additional duties to the Fund in addition to rendering assistance in the private sale of the Notes.

The Fund has not established any minimum Note proceeds accumulation requirement in connection with this limited and private offering and no formal escrow arrangements exist between the Fund, any placement agent or any escrow agent. The Fund will not commit Note proceeds, however, until such time as Note proceeds in increments of \$250,000 are received by the Fund ("Increments"). As each gross Increment of \$250,000 is received by the Fund, such Increment will be utilized in the investment activities of the Fund which are described subsequently in this Memorandum. Any placement fees appropriately owing will be paid from such Increment amount.

Until the Note offering is completed in its entirety, or otherwise terminated by the

Managing Member acting on behalf of the Fund, each Note Increment amount committed will be separately accounted for in order that Note purchasers receive appropriate and equitable allocations of the Trading Profits (or Losses) resulting from the investment activities conducted by the Fund utilizing each Increment of Note proceeds. At the time that the Note offering has been completed and when appropriate, such Increments will be integrated into a single fund for accounting and Trading Profits (Losses) calculation purposes.

The Note offering will be conducted until the earlier of (i) the sale of the entire \$25 million principal amount of Notes are sold; (ii) the Note offering is earlier terminated by the Managing Members; or (iii) \_\_\_\_\_, 2008 subject to a one-time 90 day extension.

### **Risk Factors**

The Fund's investment activities and the ownership of its Notes are subject to certain significant risks. Prospective investors are urged to carefully read the Memorandum section captioned "RISK FACTORS".


### **Description of the Notes**

The Notes being privately offered by this Memorandum will represent the unsecured obligation of the Fund and will have a term to maturity of 18 months. The maturity date of the Notes privately sold will be calculated from the date that the Note offering is concluded. Note purchasers will be promptly advised of the Note maturity date. Accrued interest will be paid on the outstanding principal amount of the Notes from the date of Note subscription acceptance by the Managing Member at an annual rate of 5% (the "Note Interest"). Note Interest will be payable quarterly. The principal amount of the Notes will be paid at Note maturity.

In addition to the repayment of the principal of the Note and the Note Interest, each Note holder will be entitled to receive, if the Fund has been profitable during its term, additional interest constituted by 75% of the Trading Profits (as defined below) which have been realized by the Fund in its investment activities with remaining 25% of Trading Profits being allocated to the Fund for further allocation between Messrs. Della Penna and Palazzo until such time as each Note holder has received additional interest representing a 100% return on the principal amount of each Note holder's Note. The allocation and payment of any Trading Profits among the holders of the Notes will be on the basis of each Note holder's principal amount of Notes held, as such relates to the total principal amount of Notes then outstanding. Such Trading Profit entitlement attributed to the Note holders is referred to herein as "Additional Interest".

### **Definition of Trading Profits (Losses)**

At the conclusion of the Fund's term of existence, the Managing Member will liquidate the Investments then held in the Fund's portfolio. Deducted from such liquidation proceeds will be:

 transactional commissions attendant to the purchase and liquidation of the

Fund's Investments;

accrued but unpaid Note Interest and accrued but unpaid operating expenses of the Fund;

accrued but unpaid items of compensation or expense reimbursement items owing to the Managing Member or Mr. Palazzo; and

any remaining unamortized costs relating to the organization of the Fund and this private offering of Notes.

The resultant amount will be further adjusted for investment profits or losses experienced by the Fund as a result of prior Investment purchases and liquidations, if any, which prior investment profits or losses will have been determined in a manner consistent with the foregoing described computation.

From Trading Profits (Losses) calculated at the time that the Fund is being terminated, there shall be deducted from such amount the aggregate Note proceeds received by the Fund (without any deduction for placement fees paid to assisting placement agents or Mr. Palazzo) from this limited and private offering of Notes. A positive balance will constitute "Trading Profits" from which Note Interest will be paid to the Note holders. Any Additional Interest will be paid in the percentage amounts indicated above to the Note holders and the Fund (for a further allocation among Messrs. Della Penna and Palazzo). Cash representative of Trading Profits, if Trading Profits exist at the time of the calculation, will be utilized to repay the then outstanding principal amount of Notes. If the calculation results in a negative balance, the entire balance and Fund available cash will be applied in repayment of the outstanding principal amount of the Notes. Under a negative balance situation, adequate proceeds may not be available to repay the entire principal amount of Notes then owing by the Fund.

The Fund investment policy provides that the Fund portfolio will be liquidated if at the end of any calendar quarter commencing at the time that all Increments have been integrated into a single investment and accounting fund, the market value of the Fund's securities portfolio is less than 70% of the then outstanding balance of the Notes. If such occurs, liquidation proceeds will be entirely applied to Note principal then unpaid. The calculation of the Fund portfolio value will be made on a calendar quarter basis subsequent to the time that all Increments have been integrated.

Also at the discretion of the Managing Member, the Fund's investment activities may be terminated and the Fund's portfolio liquidated prior to the 18 month Note maturity. Resulting proceeds will be applied to repayment of Note principal and if Trading Profits exist, to Note Interest and Additional Interest

**Compensation to the Managing Member**

The Managing Member of the Fund will be entitled to participate in the Trading Profits as described above and elsewhere in this Memorandum if Trading Profits are realized by the



Fund at the termination of the Fund's investment activities.

The Managing Member will be entitled to receive reimbursement for any costs and expenses which he has advanced in connection with the organization of the Fund and this limited and private offering of Notes. As of the date of this Memorandum, Mr. Della Penna, the Managing Member, has paid all legal fees which have been incurred in connection with the organization of the Fund and the preparation of this Memorandum and the Offering Documents. Such legal fees paid are in the amount of \$7,500. These fees and any other costs paid by Mr. Della Penna will be reimbursed by the Fund utilizing Note proceeds during the Note offering, as well as at the conclusion of the offering. As indicated above in the discussion of "Trading Profits", the organizational costs incidental to the formation and capitalization of the Fund will be amortized during the period commencing from the date that this Note offering is concluded to the date of Note maturity. Any of such costs not fully amortized at the conclusion of the Fund's investment program will be taken into account in determining final Trading Profits.

Guy S. Della Penna, as Managing Member of the Fund, will be entitled to receive a one time organizational fee of 2% charged against the actual Note proceeds received by the Fund at the conclusion of each Increment of the Note offering. Additionally, a 3% management fee will be paid to Messrs. Della Penna and Palazzo charged against the market value of the Investments contained in the Fund's portfolio at the conclusion of each calendar year or partial calendar year of the Fund's existence. Such 3% management fee may be calculated and paid on a calendar quarter basis with appropriate adjustments being made in the fourth calendar quarter calculation in order to assure that the fee does not exceed the amount of 3% of the market value of the Fund's Investments at the conclusion of each calendar year or partial calendar year.

#### **Prior Activities of Managing Member Guy S. Della Penna**

During the past approximate five years, Guy S. Della Penna, the Managing Member of the Fund, has participated in the sponsorship of the formation of earlier funds which engaged in securities trading activities in a manner which was substantially similar to the intended securities trading activities of the Fund.

#### **The Madison Hedge Group, L.L.C.**

In that regard Mr. Della Penna served as the sole Member and Managing Member of The Madison Hedge Group, L.L.C. ("Madison Hedge") which offered and sold to sophisticated and Accredited Investors its 5% Participating Notes (the "Madison Hedge Notes"). The private offer of such Madison Hedge Notes was made by a Private Offering Memorandum dated January 25, 2003. Mr. Della Penna was solely responsible for the trading decisions and the implementation of such trading decisions with respect to Madison Hedge. The securities trading activities of Madison Hedge have been discontinued and the existence of the fund terminated.

With respect to Madison Hedge, Mr. Della Penna has been advised that certain purchasers of the Madison Hedge Notes asserted claims in an arbitration forum against one or

more persons, unaffiliated with Madison Hedge, who assisted Madison Hedge in the private sale of the Madison Hedge Notes. Mr. Della Penna is also informed that the arbitration panel hearing such Madison Hedge Note investor claims made an award in favor of the Madison Hedge Note investors who asserted such claims and against one or more of such unaffiliated persons. Mr. Della Penna and Madison Hedge were not named as Respondents with respect to such arbitrated matter.

#### The Madison-Morgan Fund, L.L.C.

Mr. Della Penna, together with two other persons, acted as a co-Managing Member of an additional fund known as The Madison-Morgan Fund, L.L.C. ("Madison Morgan"). Madison Morgan also offered its 5% Participating Notes (the "Madison Morgan Notes") to sophisticated and Accredited Investors, such offer being exclusively made by a Private Offering Memorandum dated July 15, 2003.

The managing members of Madison Morgan engaged the investment advisory services of a Federally registered investment advisor which was an affiliate of managing members other than Mr. Della Penna. The securities trading activities of Madison Morgan have been discontinued and the fund's existence terminated.

Mr. Della Penna did not participate in the investment decisions made by the registered investment advisor utilized by Madison Morgan but only provided consulting services relating to investment banking matters.

Interested investors desiring to obtain additional information concerning such two prior funds may request same of Mr. Della Penna and if such information is available, it will be provided on a confidential basis.

#### **Procedure to Acquire Notes**

Investors determined qualified to acquire Notes pursuant to the sole judgment of the Managing Members may effect a Note subscription by executing both copies of the Subscription Agreement which is included with this Memorandum as Exhibit A. The Subscription Agreement solicits information concerning each Note subscriber's Accredited Investor status or such investor's investment experience and risk tolerance. Both copies of the Subscription Agreement fully executed by the subscriber with a check representing the subscription obligation should be directed to the Managing Member at the address indicated herein and in the Subscription Agreement or may be delivered to any assisting placement agent. The minimum subscription to Notes which will be accepted by the Managing Member acting on behalf of the Fund is to \$250,000 principal amount. Thereafter, sophisticated and Accredited Investors may subscribe to Notes in Note principal increments of \$1,000. The Managing Member may increase or decrease such minimum subscription requirement as he deems appropriate and to facilitate the successful conclusion of the private Note offering.

Upon receipt of a Note Subscription Agreement, the Managing Member, on behalf of the Fund, will either accept or reject such subscription. If acceptance occurs, the attendant Note

subscription proceeds will be accumulated until an offering increment as earlier described has been attained at which time such Note subscription proceeds, net of any placement fees and the organizational fee paid to the Managing Member, will be utilized in the Fund's investment activities. If Note subscription rejection occurs, the Note subscription amount will be promptly refunded to the subscriber without reduction, but also without interest thereon.

**[END OF SUMMARY]**

## RISK FACTORS

The ownership of the Notes of the Fund and the intended investment activity of the Fund which will involve the purchase, sale and dealing in Investments are subject to risks. The risks which have been identified by the Managing Member as possibly adversely affecting the ownership of Notes and the intended investment activities of the Fund are described below:

### Relative to the Note Offering and the Notes

Best Efforts. The offering of the Notes of the Fund will be administered by the Managing Member, Guy S. Della Penna and the sole non-Managing Member of the Fund, Alejandro Palazzo. Mr. Palazzo may receive placement fees as a result of the sale of Notes by him and has substantial additional other duties to the Fund. While the Fund anticipates that it may receive sales assistance from placement agents, no firm or best efforts underwriting arrangements exist between the Fund and any such placement agents with respect to the private offer and sale of the Notes. Accordingly, there can be no assurance that the Fund will encounter significant success in the sale of the Notes. See "PLAN, TERMS AND NATURE OF THE OFFERING" and "INVESTMENT ACTIVITIES OF THE FUND".

Terms of the Notes. The terms of the Notes with respect to Note maturity, the Note Interest rate and participation in Trading Profits by way of Additional Interest have been solely determined by the Managing Member and have not resulted from arm's length negotiations.

No Market for the Notes. The Notes being privately offered to sophisticated and Accredited Investors have not been registered under the Act or any state securities statute, including FIPA. Accordingly, the Notes constitute Restricted Securities as that term is defined under the Act and the sale or transfer of a Note may only occur on a limited basis. No market for the Notes exists and no market for the Notes will come into existence at any time in the future due to the restricted character of the Notes. Accordingly, Note purchasers will be required to hold their Notes during the term to maturity thereof. Under limited circumstances, Note holders may sell or transfer their Notes but only in the event that such sale or transfer transaction is exempt from the registration requirements of the Act and applicable state securities statutes, including FIPA. Such determination will be exclusively made by the Managing Member, Guy S. Della Penna, after consulting with legal counsel for the Fund.

No Redemption Provisions. Note holders will be required to hold their Notes during the entire term to maturity. Such 18 month term will commence from the date that the Note offering is successfully concluded. While the Managing Member, on behalf of the Fund, may terminate the investment activities of the Fund prior to the time of Note maturity and to the extent of then available proceeds pay the obligation represented by Notes then outstanding, the terms of issuance of the Notes do not provide for a right of presentment on behalf of Note holders.

Compliance with State and Federal Securities Laws. As indicated in this Memorandum, the Notes have not been registered pursuant to the provisions of the Act, FIPA or any other state blue sky statute in reliance upon certain exemptions from registration provided by such statutes

(commonly referred to as the "private offering" exemption). While the Managing Member and legal counsel for the Fund believe that the Fund's reliance upon such exemptions from registration is reasonable, no absolute assurance can be given that the Note offering being privately made by this Memorandum presently qualifies or will continue to qualify under the exemptions from registration being relied upon.

Note Subscription Obligation. Sophisticated and Accredited Investors effecting subscriptions to Notes will be required to remit their entire subscription obligation at the time of subscription submission. Installment payments are not permitted. The minimum subscription to Notes which will be accepted by the Fund is \$250,000, although such minimum subscription requirement may be waived by the Managing Member in order to facilitate the successful conclusion of this private offer of Notes.

Effective Note Maturity Date. Each Note privately sold under the auspices of this Memorandum will incorporate a maturity date of 18 months. Such 18 month maturity date will be calculated from the date that the Note offering is concluded in its entirety, earlier terminated by the Managing Member or on \_\_\_\_\_, 2008, subject to a one-time 90 day extension, whichever first occurs. Accordingly, the effective Note maturity date will involve a period of time which is 18 months plus the period of time that the Note offering is conducted to a successful conclusion.

Appropriateness of Investment. The Notes represent a suitable investment only for those sophisticated and Accredited Investors who can assume the risk of the loss of their entire investment in Notes. Because of the speculative aspects of the Fund's intended investment activities, the risk of loss of such investment amount is significant.

Absence of Trust Indenture - Notes Unsecured. The Notes are not being issued pursuant to a trust indenture. As a result, Note holders will not have the protective measures which are usually provided by a trust indenture. Such protective measures include the appointment of an independent indenture trustee who will act in the collective best interests of the holders of the debt securities issued under the trust indenture. The Notes are unsecured and will represent the general obligation of the Fund. No guarantee or credit enhancement is in place with respect to the Notes. Accordingly, the repayment of principal of the Notes and interest thereon (in the manner described in this Memorandum), will be entirely dependent upon the profitability of the Fund's investment activities.

#### Relative to the Fund

Fund Newly Formed. The Fund is anticipated to be formed under the provisions of the Florida Limited Liability Company Act at a date immediately preceding the date of the final, definitive Private Offering Memorandum which is anticipated to be July 1, 2008. Currently and as of July 1, 2008, the Fund will not have had any operating history.. There can be no assurance that the Fund will generate Trading Profits from its investment activities and the Fund may, in fact, sustain losses. If, during the Fund's existence, the market value of the Fund's portfolio of Investments has a value of 70% or less of the then outstanding principal amount of Notes owing by the Fund to Note holders, the Fund will terminate its investment activities and liquidate.

Liquidation proceeds will be applied to the repayment of the Note principal. Under such circumstances, investors will not receive a return of their entire investment in Notes and will not receive Note Interest or Additional Interest. Such calculation of value will only be made on a calendar quarter basis on the last trading day of each such quarter subsequent to the time when each Note Increment proceeds amount (\$250,000) has been integrated into a single fund for purposes of calculating the portfolio value.

Management of the Fund. Under the Organizational Documents which govern the formation, existence and operation of the Fund, all management responsibilities and powers are vested in the Managing Member, Guy S. Della Penna. Holders of Notes will not have any voice or ability to control the operational activities of the Fund or any of its other activities. The Managing Member or affiliates of the Managing Member may own securities of the Fund. Mr. Della Penna has participated in the formation, capitalization and operation of two previous Funds having the same or similar investment policies intended for the Fund. See “SUMMARY - Prior Activities of Managing Member Guy S. Della Penna”.

Reliance on Managing Member. In the initiation and carrying out of the Fund’s activities, the Fund will be entirely dependent upon the continuing availability of the services of Guy S. Della Penna, who serves as Managing Member of the Fund. See “FUND MANAGEMENT”.

Investment of Note Proceeds Increments. As indicated elsewhere in this Memorandum, the Managing Member will accumulate Note proceeds as Notes are privately offered and sold. As Note proceeds are accumulated to an amount of \$250,000 less any placement fees and the organizational fee owing to Mr. Della Penna, such Note proceeds increment (an “Increment”) will be committed to the investment activities of the Fund in accordance with the investment techniques described in the Memorandum section captioned “INVESTMENT ACTIVITIES OF THE FUND”. If all of the Notes are sold over the course of the Note offering period, it is anticipated that 100 Increments will be accumulated for investment by the Managing Member. The Increments will not be less than \$250,000 prior to the payment of placement and organizational fees but may be more. Until a time subsequent to the conclusion of the Note offering, each of such Increments will be separately accounted for in order that investors receive an equitable allocation of any Trading Profits (or losses) which occur as a result of their Increment Investment performance results as well as being insulated from losses which may be experienced by other Note holders who purchase Notes in other Increments. Accordingly, at least for a period of time subsequent to the conclusion of the Note offering, different performance results may accrue to the Note holders, depending upon the amount of Trading Profits or Losses experienced by a Note holder’s Increment. Immediately subsequent to the conclusion of the Note offering, the Managing Member may (but is not required to) liquidate the portfolios then attributable to each Increment in order to calculate Trading Profits (or losses) and to allocate same to the appropriate Note holders. After such action, the Managing Member will integrate all of the Increments which will then constitute one combined account for purposes of calculating Trading Profits (Losses) and portfolio value.

Fund Investment Activities. In the carrying out of its investment activities, index funds which are listed for trading on the nation’s major exchanges and put and call options contracts

relating thereto will be the investment media primarily utilized by the Fund. In such investment activities, the Fund will utilize a trading approach which is largely based upon the analysis of technical and fundamental information available with respect to such securities as listed and traded on the securities markets of the United States. The investment techniques intended to be utilized by the Fund through the activities of Mr. Della Penna, as Managing Member, have been employed by Mr. Della Penna on a smaller scale utilizing his own funds. At the request of any interested Note holder, information concerning such activity will be provided by Mr. Della Penna, but interested investors should be aware that such information is unaudited and is not necessarily indicative of the Fund's future performance. See, also, "SUMMARY - Prior Activities of Managing Member Guy S. Della Penna" and "INVESTMENT ACTIVITIES OF THE FUND".

Investment Company Act Considerations. While the Fund meets the definitional test of a "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"), the Managing Member and Fund counsel believe that the Fund will be exempt from the registration and other provisions of such statute by virtue of Section 3(c)(1) thereof, which exempts from the requirement of registration as an investment company under the 1940 Act and the application of the provisions thereof, investment companies which do not intend to conduct a public offering and the securities of which are held of record and beneficially by 100 or fewer persons. The 1940 Act is the statute which governs the activities of investment companies commonly referred to as mutual funds. The purchasers of Notes will not have the benefits and protective measures provided by the 1940 Act. In order to assure that the Fund does not have more than 100 record and beneficial holders of its Notes, the Managing Member will strictly police Note subscriptions to assure that the Note subscriber is an individual and not an entity constituted by several individuals. Additionally, in the Fund's investment activities as described elsewhere in this Memorandum, the Fund will not be permitted to invest in the securities of any issuer which is deemed to be an investment company under the 1940 Act.

#### Relative to Federal Income Tax Matters

Classification of the Fund as a Non-taxable Entity. The Managing Member, on behalf of the Fund, has received the informal advisement of Fund legal counsel to the effect that the Fund will be treated as a non-taxable entity for Federal income tax purposes as opposed to an association taxable as a corporation. Such advisement, however, is not binding upon the Internal Revenue Service and the Managing Member is not seeking a written opinion from counsel nor will the Managing Member request a ruling from the Internal Revenue Service regarding the classification of the Fund for Federal income tax purposes. If the Fund is treated as a non-taxable entity, which is expected, the Fund will constitute an entity which is not an association taxable as a corporation, the effect of which will be to permit any Trading Profits (Losses) while determined at the Fund level to not be taxable at the Fund level, such being allocated to the holders of the Notes and the Fund (and indirectly the Managing Member and the sold Member) in accordance with the percentage allocations of such Trading Profits (Losses) described elsewhere in this Memorandum. If such is not the case, the Trading Profits which the Fund may experience will be subject to Federal corporate income tax, thereby reducing the amount of Additional Interest which may be received by Note holders. Note Interest and Additional Interest are expected to constitute income to each Note holder taxable at ordinary

income rates although a portion of such items may possibly be taxable at capital gains rates in the event that the source of such items are capital gains experienced by the Fund from its investment activities. Each interested Note investor should consult with his own tax advisor with respect to the Federal income tax consequences attributable to such Note investors.

### **WHO SHOULD INVEST**

The Notes being privately offered by this Memorandum to sophisticated and Accredited Investors are only suitable for investors who are able to assume, on a continuing basis, the risks inherent to the investment activities to be conducted by the Fund in anticipation of realizing Additional Interest as a result of Trading Profits, as well as Note Interest. **While the Notes also incorporate an annual Interest Rate of five percent (5%) in order to permit Note holders to receive some return on their investment over the term of the Notes, which Note Interest will be paid quarterly, the Fund will be required to realize Trading Profits in order to pay such Note Interest as well. The possibility exists that Trading Profits will only be sufficient to pay the Note Interest but not any Additional Interest. The risk is also present that the Fund's investment results will be such that Note Interest and Additional Interest will not be paid and the Fund may also not be able to repay all or any of the entire principal amount of Notes when due.**

**The Notes are not a suitable investment for persons desiring to assure, to the extent possible, the safety of their invested principal, the continuing receipt on a regular basis of interest income, and the ability to liquidate the investment within a short period of time when required to do so at a price equal to the invested amount.**

### **PLAN, TERMS AND NATURE OF THE OFFERING**

#### **Plan of Offering**

The offering of Notes set forth in this Memorandum shall be administered and conducted on behalf of the Fund by the Managing Member, Guy S. Della Penna, with the assistance of the non-Managing Member, Alejandro L. Palazio. Mr. Palazio will be entitled to receive placement fees equal to 3% of the Note proceeds resulting from his placement efforts upon the attainment of each Note offering Increment. Mr. Palazio has substantial additional duties to the Fund, including rendering substantive assistance to Mr. Della Penna in the management and administration of the Fund's affairs, record keeping, reports to Note holders and other duties. It is anticipated that such placement fees paid to Mr. Palazio will only be paid with respect to Note investments which occur in the State of Florida. There are no firm or best efforts underwriting arrangements existing with respect to the Note offering.

The Fund may receive assistance from one or more placement agents who are registered securities brokers and members in good standing of the NASD and are duly licensed as securities



broker-dealers under the securities laws of those states in which the Notes may be lawfully offered on a private basis. As of the date of this preliminary Private Offering Memorandum, the Managing Member of the Fund is unable to predict whether the Fund will receive significant assistance from securities broker-dealers in the private offer and sale of the Notes, or if any assistance will be received by the Fund. The Fund will compensate such assisting placement agents by way of placement fees which will be a negotiated percentage of Note proceeds received by the Fund as a result of such placement agent assistance. The Managing Member of the Fund estimates that such placement fees payable to any assisting placement agent will not exceed 5% of the Note proceeds realized by the Fund as a result of such assistance. If all of the Notes offered hereby are privately offered and sold by assisting placement agents at such 5% placement fee amount, maximum placement fees of \$1,250,000 could be paid by the Fund. Such is considered unlikely by the Managing Member. While the Managing Member will assist in the private offer and sale of the Notes, he will not be compensated for such efforts. The Managing Member is otherwise compensated by the Fund in the form of an organization fee. See "FUND MANAGEMENT".

The minimum subscription to Notes which will be accepted by the Fund is for a principal amount of Notes of \$250,000. Thereafter, investors may purchase Notes in \$1,000 increments. Such minimum Note subscription requirement may be waived in the sole discretion of the Managing Member when such waiver will, in the opinion of the Managing Member, facilitate the successful conclusion of a Note offering increment or the entire note offering in maximum principal amount of \$25 million. The Managing Member may also establish a maximum Note purchase amount. The Managing Member, on behalf of the Fund, also reserves the right to refuse any subscription to Notes for any reason whatsoever, to reduce any subscription to Notes to a principal amount less than subscribed for and to terminate this offering at any time without notice. In the event of such reduction or termination, subscribers will receive prompt, appropriate refunds of Note subscription proceeds without interest.

#### Terms of Offering

The Managing Member on behalf of the Fund has not established any formal escrow arrangements whereby Note proceeds will be accumulated pursuant to an escrow agreement administered by an independent escrow agent until certain specified amounts of proceeds are timely received. The Note offering terms, as established by the Managing Member, however, provide that Note proceeds shall be accumulated until such time as Note proceeds increments of \$250,000 (prior to the payment of any placement and organizational fees) have been accumulated. As earlier explained in this Memorandum, Note proceeds increments will be invested and separately accounted for until the Note offering is concluded and it is appropriate to integrate all increments into a single account. For information as to the duration of the Offering Period, see the Memorandum section captioned "SUMMARY INFORMATION". Pending the accumulation of Note proceeds increments, the Managing Member, on behalf of the Fund, will accumulate Note subscription proceeds in an insured, depository institution, most likely a commercial bank having offices in Sarasota, Florida, selected by the Managing Member. During each period of increment accumulation, the Managing Member may invest and reinvest Note subscription proceeds in investments assuring the integrity of the invested principal.

Upon receipt of each Note proceeds Increment, the Managing Member, on behalf of the Fund, will prepare, execute and deliver the form of Note evidencing the 5% Participating Promissory Notes being privately offered by this Memorandum. The Note instrument will bear a restrictive endorsement. See "DESCRIPTION OF THE NOTES".

#### The Nature of the Note Offering

The Notes offered hereby have not been registered pursuant to the registration requirements of the federal Securities Act of 1933, as amended (the "Act") or the securities statutes of states in which Notes may be offered and sold in reliance upon exemptions from registration under the Act and such statutes. It is anticipated that the Notes will primarily be privately offered and sold in Florida.

Section 4(2) of the Act exempts from the registration requirements of the Act transactions by an issuer (such as the Fund) not involving any public offering. Regulation D promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to its authority under the Act provides within the rules contained therein specific requirements to be met by issuers engaged in the offer and sale of unregistered securities claimed exempt from the registration requirements of the Act and represents a "safe harbor" for issuers who comply with all applicable requirements of Regulation D.

In summary, Regulation D and Rule 506 thereunder (the Rule considered applicable to the Fund's Note offering) permit the unregistered offer and sale of an issuer's securities if the following requirements of the Regulation and the Rule are met:

(i) Rule 506, as contained in Regulation D, does not impose any dollar limitation on the amount of securities which may be offered pursuant to the Rule without registration, assuming that all other applicable provisions of the Rule and Regulation D are complied with. Rule 506 does require, however, that upon the conclusion of the offering, the issuer of the securities claimed exempt pursuant to Rule 506 and other applicable provisions of Regulation D reasonably believe that the purchasers of such securities, either acting alone or with a Purchaser Representative, have such knowledge and experience in financial and business matters that such purchaser (acting alone or with his Purchaser Representative) is capable of evaluating the merits and risks of the investment.

(ii) Regulation D and Rule 506 require the issuer of the securities claimed exempt from the registration requirements of the Act to provide to prospective investors, during the course of the offering and prior to the sale of its securities, the same kind of information as would be required of the issuer and furnished to prospective investors if the securities being offered were registered under the Act, thereby affording to prospective investors accurate and complete disclosure of material information concerning the issuer, the securities being offered and all other material matters.

(iii) At the conclusion of the offering of its securities under Regulation D and Rule 506, the issuer must reasonably believe that there are no more than 35 purchasers of

its securities. Excluded from such 35 purchaser calculation are Regulation D defined "Accredited Investors", including but not limited to (a) certain financial institutions, (b) certain employee benefit plans, (c) persons affiliated with the issuer, (d) investors meeting certain net worth and/or purchase requirements (only under applicable Florida law), (e) persons meeting specified current and anticipated income requirements and (f) purchasing entities comprised solely of Accredited Investors. See the Subscription Agreement included as Exhibit A to this Memorandum, which includes a description of certain Accredited Investor categories.

(iv) The securities being offered by any issuer in reliance upon Regulation D and Rule 506 must not be offered by means of any general solicitation or advertising.

(v) The purchasers of the issuer's securities must purchase for their own account, for investment purposes and not with a view to any resale in connection with any distribution of the security purchased. Such securities may not be resold by the purchasers thereof unless registered under the Act or an exemption from registration is then available under the Act with respect to such resale. A legend indicating the restrictions on any subsequent resale or transfer of the issuer's securities must be affixed on the certificate issued evidencing ownership of the issuer's securities. See "DESCRIPTION OF THE NOTES".

(vi) Regulation D contemplates that the issuer of the securities claimed exempt from registration pursuant to the Regulation will comply with certain notice requirements with the United States Securities and Exchange Commission, although the failure to provide such notice does not cause the issuer to lose the claimed exemption. The Fund has or will comply with such notice provisions of Regulation D.

The Florida Securities and Investor Protection Act ("FIPA") exempts from registration offers and sales of securities by an issuer if (a) there are no more than 35 purchasers of the issuer's securities within any consecutive 12 month period (excluding purchasers who acquire \$100,000 or more of the issuer's securities or who are defined by FIPA as "Accredited Investors"), (b) such securities are not sold by means of any general advertising or solicitation conducted in Florida, (c) each purchaser of the issuer's securities, prior to the sale of the issuer's securities, is provided with or given access to full and fair disclosure of all material information concerning the issuer, the securities being offered and other matters, (d) commissions paid on account of the sale of the issuer's securities in Florida are only paid to persons registered as securities dealers under FIPA or are otherwise qualified to receive commissions, and (e) purchasers of the issuer's securities are afforded a three-day right to rescind the investment transaction and receive a return of their entire investment amount. See the cover pages of this Memorandum and the concluding paragraph of this Memorandum section for further information concerning such right of rescission. Pursuant to Rule adoption, Florida has also adopted the definition of an Accredited Investor as utilized in the Federal securities laws and under Regulation D.

#### Certain Legislation

Certain important amendments were made to the Act by the National Securities Markets Improvement Act of 1996 ("NSMIA") which became effective on October 11, 1996. NSMIA reallocated regulatory responsibility relating to securities offerings between the Federal government and the state governments based on the nature of the security or the offering. Among other things, NSMIA introduced the concept of a "Federal covered security". Section 18 of the Act, as amended by NSMIA, defines a "Federal covered security", among other things, as being a security which is issued under the provisions of Section 4(2) of the Act and rules and regulations promulgated by the SEC under such section. Rules and regulations promulgated by the SEC under such section include Rule 506 of Regulation D. Rule 506 provides the exemption from registration under the Act which is being relied upon by the Fund with respect to this limited and private offering of Notes. Accordingly, the Fund has been advised that the Notes being privately offered hereby constitute "Federal covered securities" as defined by the Act as amended by NSMIA.

The Fund, accordingly, believes that Florida, the state in which the Notes will be privately offered and sold, has no authority to regulate the conduct of the limited and private offering of the Notes or effect any regulation or impose any conditions with respect to the utilization of this Memorandum and the contents thereof. As indicated on the cover pages of this Memorandum, the preparation and utilization of such Memorandum has been duly authorized by the Fund. Accordingly, it is the view of the Fund that the provisions of Rule 506 and the other applicable rules of Regulation D and the Federal securities laws will be the sole governing source and authority with respect to this limited and private offering of Notes and the contents of this Memorandum. The provisions of NSMIA have been recognized by most states, including Florida. NSMIA does not preclude the states from imposing notice filing requirements with respect to a limited and private offering being conducted under Rule 506 or the authority of any state to collect a fee which is incidental to such notice filing. The Fund will comply with all applicable notice filing and fee payment requirements imposed by any state, including the state of Florida. NSMIA also does not preclude the states from engaging in activities intended to deter fraudulent conduct in connection with the sale of securities.

#### Use of a Purchaser Representative

Persons not vested with knowledge and experience with respect to financial and business matters sufficient to allow them to evaluate the proposed investment activities of the Fund and the merits and risks of an investment in the Notes should not purchase Notes, or should only effect a purchase of Notes upon utilization of a qualified purchaser representative who assists any such persons in an evaluation of the appropriateness of an investment in the Notes, taking into account all of the factors and characteristics attributable to the person's financial and other circumstances. Such purchaser representative must be independent of the Fund, the Managing Member, the non-Managing Member and their affiliates. Under certain circumstances and on a case by case basis, the Fund may pay the reasonable fees (as determined in the exclusive judgment of the Managing Member) of a Note investor's purchaser representative.

The Managing Member and its counsel believe that the method, nature and circumstances attendant to the Fund's offering of its Notes will allow the Fund and persons acting on its behalf, including the Managing Member, to reasonably rely upon the exemptions from registration afforded by Section 4(2) of the Act and Regulation D thereunder, as well as the analogous

exemptions afforded by FIPA.

PERSONS PURCHASING THE NOTES DESCRIBED IN THIS MEMORANDUM IN A TRANSACTION CONSUMMATED WITHIN THE STATE OF FLORIDA MAY EFFECT A RESCISSION OF THE TRANSACTION WITHIN THREE (3) DAYS FROM THE TIME THAT PAYMENT FOR THE NOTES IS MADE TO THE FUND OR FROM THE DATE OF THEIR RECEIPT OF THIS MEMORANDUM, WHICHEVER IS LATER. UPON THE EVENT OF SUCH RESCISSION, ALL SUBSCRIPTION PROCEEDS DELIVERED SHALL BE RETURNED WITHOUT DEDUCTION OR INTEREST TO THE SUBSCRIBER. ANY SUCH RESCISSION SHOULD BE EFFECTED BY A WRITTEN COMMUNICATION TO THE FUND AT THE ADDRESS SET FORTH IN THE MEMORANDUM SECTION CAPTIONED "SUMMARY".

THE FUND INTENDS TO HONOR THE THREE DAY RESCISSION RIGHT SET FORTH IN THE FOREGOING PARAGRAPH AND ON THE COVER PAGES TO THIS MEMORANDUM, EVEN THOUGH, MOST LIKELY, SUCH THREE DAY RESCISSION RIGHT IS NO LONGER AVAILABLE UNDER THE PROVISIONS OF FIPA IN THE LIGHT OF THE ENACTMENT OF NSMIA.

#### Investment Company Act Matters

The 1940 Act contains a definition of an investment company. Investment companies are commonly described as mutual funds in the securities industry and are known by such term by the public. The 1940 Act regulates the affairs, operations and management of investment companies and the statute is also applicable to other entities which engage, for the most part, in investment holding, disposition and reinvestment in investment securities. The provisions of the 1940 Act, among other things, require that an investment company register as such with the SEC and be governed by the provisions of the 1940 Act and regulations thereunder as exercised by the SEC. The public policy underlying the 1940 Act is intended to protect investors who purchase the securities of investment companies.

The Fund most likely falls within the definitional provisions of the 1940 Act as such relate to an investment company. The Managing Member of the Fund believes, however, that the Fund will not be required to be registered as an investment company under the 1940 Act by virtue of the provisions of Section 3(c)(1) thereof which section provides an exemption from registration for entities otherwise falling within the definition of an investment company but which are not engaged in or contemplating a public offering of securities and the securities of which are held of record and beneficially by 100 or less persons. In order to assure the availability of such exemption, the Notes will not be sold to more than 99 investors, 65 of whom will be required to be Accredited Investors.

#### USE OF PROCEEDS

The amount of Note proceeds which may be received by the Fund as a result of the

private offer and sale of the Notes will range from a minimum amount of \$250,000, which will represent a single Increment of Note Proceeds from which will be deducted any placement fees payable to assisting broker-dealers and to Member Alejandro L. Palazio. The organizational fee payable to Mr. Della Penna, as Managing Member of the Fund and in the amount of 3% of Note proceeds received, will also be deducted. Such charges will be made with respect to each Note Increment which is realized by the Fund and committed to the Fund's Investment trading activity. The gross maximum amount of Note proceeds which may be received by the Fund as a result of the private offer and sale of the Notes is \$25 million.

The Note proceeds which will constitute an Increment will be accumulated in an insured deposit institution or deposited in an interest bearing account with a securities broker-dealer which is a member of the New York Stock Exchange and SPIC. At the time that Note proceeds with respect to the first and subsequent Increments total the amount of \$250,000 or more, Guy S. Della Penna, as Managing Member of the Fund, will commit such Increment proceeds to the investment activities of the Fund which are described in the Memorandum section captioned "INVESTMENT ACTIVITIES OF THE FUND".

If so determined by the Managing Member, a capitalized interest reserve may be established from Note proceeds equal to 12 months Note Interest (at the Note Interest rate of 5% per annum) with respect to each Increment achieved. During the course of the Note offering, Mr. Della Penna, as the Managing Member, is expected to effect his reimbursement for the organizational costs and fees which he has advanced and paid which, as of the time of the preparation of this preliminary Private Offering Memorandum aggregates approximately \$10,000. Such organizational costs and fees are constituted primarily by legal fees which Mr. Della Penna has advanced and paid on behalf of the Fund in connection with the Fund's organization and the preparation of the Note offering and transactional documents.

Mr. Della Penna, as Managing Member, together with the non-Managing Member of the Fund, Alejandro L. Palazio, will be responsible for the administration of the affairs of the Fund which will relate, but not necessarily be limited to, record keeping, reports to the Note holders, required regulatory and governmental filings, negotiation with securities broker-dealers as to transactional fees, commissions and costs, the establishment and maintenance of Fund securities trading accounts with one or more securities broker-dealers and other matters. The expenses and costs incurred in connection with such activities will be paid from the Note proceeds and to the extent that Trading Profits are available to the Fund at any time, from such Trading Profits. Accordingly, in order that the Fund have sufficient liquidity to meet such expenses, the Managing Member, together with the assistance of Member Alejandro L. Palazio is expected to establish cash reserves from each Note proceeds Increment in order to provide for such costs and expenses.

The Managing Member, on behalf of the Fund, may enter into contractual arrangements whereby one or more service providers will provide to the Fund computer and other technology which will assist the Fund in its record keeping and securities trading activity. No negotiations have been conducted currently with any such service providers.

## **INVESTMENT ACTIVITIES OF THE FUND**

### **Background**

As indicated earlier in this Memorandum, the Fund will be organized pursuant to the provisions of the Florida Limited Liability Company Act and such organization is anticipated to occur on or about the date of the final definitive Memorandum, which is anticipated to be July 1, 2008. Mr. Della Penna, who is the Managing Member of the Fund, is acting as the promoter of the Fund as that term is used in the Act. Mr. Della Penna is the sole Managing Member of the Fund and Alejandro L. Palazio is the sole non-Managing Member of the Fund. The Fund, when formed and in the carrying out of its securities trading activities, will be a non-diversified fund and its investments will be concentrated. The Fund will also be closed end.

The Fund will be formed and capitalized to purchase, sell and deal in equity securities and put/call/straddle option contracts relating to such equity securities, as well as the dealing in indices relating to equity securities which are listed for trading on the major exchanges of the United States, including, without limitation, the New York Stock Exchange (NYSE), the American Stock Exchange (ASE) and the various exchange listing facilities operated by NASDAQ (collectively "NASDAQ"). The Fund will not at any time during the conduct of its investment activities, deal in the securities of any registered investment company which is registered under the 1940 Act.

The Fund is totally dependent upon the sale of the Notes to be privately offered and sold under the auspices of the final, definitive Memorandum anticipated to be dated July 1, 2008 in order to commence its investment activities and Note proceeds will only be committed to such investment activities in increments of \$250,000 less any placement and organizational fees payable to any placement agent and Alejandro L. Palazio for his services rendered in the private sale of Notes and to the Managing Member. The Fund will engage in its investment activities in accordance with the trading methods and system described below with a view to realizing Trading Profits.

In carrying out the investment activities of the Fund, Guy S. Della Penna, as Managing Member, may be deemed to be rendering investment advice to the Fund. Mr. Della Penna, while having owned, directly and indirectly, Federal and state registered investment advisors in the past, such is not presently the case and he is not registered as an investment advisor under Federal law or FIPA. Mr. Della Penna believes that he does not meet the threshold requirement necessitating his registration as an investment advisor under the Federal statute, the Investment Advisors Act of 1940. With respect to FIPA, Mr. Della Penna believes that he is exempt from the registration requirements dealing with investment advisors since he does not hold himself out to the general public as an investment advisor and the Fund will constitute the only entity or "client" that he will serve during the near future.

### **Investment Activities of the Fund**

Utilizing the net proceeds from the limited and private sale of the Notes (invested initially

in Increments as explained elsewhere in this Memorandum), the Fund is expected to employ an active investment and trading approach which will utilize:

- ✍ Index funds which are listed for trading on the nation's major stock exchanges (the NYSE, the ASE and NASDAQ);
- ✍ The acquisition, writing and liquidation of put and call contracts for such listed exchange traded index funds (ETF) (when available) and other exchange listed equity securities; and
- ✍ The purchase, sale and dealing in other exchange listed equity securities and their options.

The investment approach to be utilized by the Fund as a result of the action of the Managing Member is not a computer driven "trading system". Essentially the investment approach in the Fund's securities trading activities can be considered fundamental and one that utilizes technical tools, along with informational considerations. Mr. Della Penna, in conducting Fund trading, expects to utilize exchange traded funds such as NASDAQ 100 QQQQ's, since such are believed to be well diversified from a fundamental investment perspective, skewed to new technology, "new economy" companies and are actively traded, relatively volatile and liquid. These criteria have resulted in the development of proprietary technical charts, indicators, disciplines, along with an inherent, subjective trading sense on the part of Mr. Della Penna as to market movements upward or downward. Active oversight and management will be employed in the trading activities of the Fund and such will attempt to identify the overall directional moves of markets and the underlying security fund and then positioning the Fund's Investments "in the money, out in time", puts and calls, as well as the spreads and straddles relating to the Investment positions established by the Fund. Such directional trade positions to be established for the Fund will utilize puts or calls on the exchange trading fund and such will be continually monitored in order to determine the appropriateness and timing of putting on a position or positions and/or their liquidation.

In such approach, the Fund may establish contrary or opposite positions by utilizing put or call options contracts on NYSE or NASDAQ listed index funds liquidating a portion of such positions when general market movement (upward or downward) is identified and realized by the Managing Member. Such identification process is highly judgmental, subjective and discretionary and the Managing Member may not accurately identify a market value trend which may be on-going.

The Funds will use index funds and put and call options contracts relating to such funds because index funds will mirror or mimic an entire market performance or direction or a significant segment thereof. One index fund which will be utilized is the Diamond Trust Series I ("DIA") which mirrors and mimics the common stocks comprising the Down Jones Indices (sometimes called the "Diamonds"). A second index fund which will be utilized will be the NASDAQ 100 Index Tracking Stock ("QQQQ") (sometimes called the "Quad Qs"). The NASDAQ 100 Index Tracking Stock mirrors or mimics the performance of common stock comprising the NASDAQ Index. The Fund will also utilize the Standard and Poors Depository



Receipts (“SPY”) (sometimes called the “Spiders”). The Fund may also seek investment results which may be inverse to the negative performance of the NASDAQ Index or other referenced indices. The Fund will engage in securities related to stock indexes and exchange traded funds thereof, but primarily in the option contracts of such securities or exchange traded funds.

Unlike mutual funds which only permit share purchases or sales at the close of a trading day at the most recent net asset value per share, shares of index funds and their related put and call options contracts permit share purchase or sale on what is essentially an instantaneous basis. Such is also the case with respect to put and call options contracts of index fund shares. In the opinion of the Managing Member, these features present an effective means to address volatility and liquidity risks regardless of whether a market trend is upward or downward.

By utilizing this investment approach, the Managing Member believes that the Fund will enhance its ability to realize Trading Profits in both upward and downward market value circumstances. Interested investors should realize that such investment approach may change or be enhanced during the time of its utilization by the Fund and should be viewed as being characterized with flexibility.

In its investment activities as described above, the Fund will incur transactional costs for the purchase and sale of index fund shares and put and call options. The Managing Member, on behalf of the Fund, has or will identify several securities broker-dealers which the Managing Member believes will permit execution of the Fund’s purchase and sale transactions at minimal transaction commissions and costs. The Managing Member, on behalf of the Fund, will use these securities broker transaction services on a continuing basis so long as such securities broker-dealers are an appropriate source of minimal transactional costs. The Managing Member will not participate in or receive any portion of such transactional costs.

As indicated in the “SUMMARY” section captioned “Prior Activities of Managing Member Guy S. Della Penna,” Mr. Della Penna has participated in the capitalization and, at least with respect to one of such prior funds, the decision making process with respect to such fund’s investment activities. Both of such funds reflected losses at the termination of their activities. During the past approximate six months, however, Mr. Della Penna, for his own account and utilizing his own funds, has endeavored to more fully perfect and develop the trading techniques and systems which are intended for this Fund and the results in such activities have been profitable. Upon request of any sophisticated and Accredited interested Note Investor, Mr. Della Penna will provide information with respect to such recent trading results. **In examining such recent results experienced by Mr. Della Penna, interested investors should keep in mind that the data reflecting such performance is unaudited and that such performance, while indicating profitability, does not assure in any fashion that the Fund’s Investment activity will be profitable and losses may occur.**

The Managing Member reserves the right to terminate Fund investment activities at any time and in connection therewith to liquidate and terminate the Fund.

## FUND MANAGEMENT

The Fund is anticipated to be formed under the Florida Limited Liability Company Act during July 2008, which formation date will be the date of the final definitive Private Offering Memorandum containing information about the Fund and the Notes. The Articles of Organization and the Operating Agreement of the Fund will designate Guy S. Della Penna as the Managing Member of the Fund and Alejandro L. Palazzo as the sole non-Managing Member of the Fund. Mr. Della Penna will be responsible for the Investment activities of the Fund and Messrs. Della Penna and Palazzo will be jointly responsible for the capitalization and the administration of the daily affairs of the Fund. Purchasers of Notes will not have any management powers with respect to the Fund's activities and its administration.

Mr. Della Page, age 55, resides in Sarasota, Florida. Mr. Della Penna has been active in the financial industry for over 30 years. Mr. Della Penna, until early 2002, was an associated person of the National Association of Securities Dealers, Inc. (the "NASD") pursuant to its Rules. In 1989, Mr. Della Penna purchased Executive Securities, Inc., a securities broker-dealer member firm based in Sarasota, Florida as a private investor. In 1999, Executive Securities, Inc. was ultimately combined in a business combination transactions and became FAS Wealth Management Services, Inc. ("FAS"). FAS was a wholly-owned subsidiary of FAS Group, Inc. FAS continued and enlarged the securities brokerage business of Executive Securities, Inc. until such time that it sold substantially all of its assets, client accounts and investment advisory, insurance and affinity marketing affiliates to another NASD member securities broker-dealer. Such sale of certain assets occurred in late 2001. FAS is presently inactive. Mr. Della Penna served as President and Chief Executive Officer of both such entities until 2002 when he resigned such positions. FAS Group, Inc. was and is a holding company which is presently inactive.

As controlling shareholder and investment banker, Mr. Della Penna founded, formed, structured and capitalized various public and private corporate entities and was a control person in such entities, including HomeVestors of America, Inc. ("We buy ugly houses") and DinnerwareDepot.com.

During the period April 1980 to January 1986, Mr. Della Penna served as the Assistant to the Chairman of the Board of Snelling & Snelling, Inc., as well as Assistant Treasurer. Snelling & Snelling, Inc., during such period, was a franchisor of an employee recruitment business franchise. While with such firm, Mr. Della Penna also served as a member of the Executive, Acquisition and Pension and Profit Sharing Committees. Mr. Della Penna also served as the personal business manager and financial advisor to the Snelling family and affiliated entities and in such capacity, was responsible for cash management, tax and investment analysis and commitments.

From 1977 through April 1978, Mr. Della Penna trained in the underwriting and secondary market trading of municipal bonds at Wertheim and Co., Inc. in New York City. During the period April 1978 through February 1980, Mr. Della Penna was an investment banker with Lehman Brothers, New York, New York, where he was involved in the structuring, documentation and marketing of tax exempt bonds issued by state

and local governments. Mr. Della Penna holds a Bachelor of Science degree in Business Administration from Ithaca College, Ithaca, New York, and received a Master of Business Administration degree in Finance from the State University of New York, Albany, New York. Mr. Della Penna holds the necessary requisite state agent insurance licenses for life, health and annuities, as well as a mortgage brokerage license. He has held the NASD Series 7, 22, 24, 27, 39 and 63 securities licenses. Such securities licenses are no longer current.

As indicated above, Mr. Della Penna, until early 2002, served as President and Chief Executive Officer of FAS. FAS, Mr. Della Penna, a control person and other persons associated with FAS were named as Respondents in a claim asserted in the arbitration forum then sponsored by NASD Dispute Resolution, Inc., which claim was asserted by a former client of FAS and was based upon alleged absence of suitability for certain investments sold to the claimant, as well as alleged failures of the supervisory system of FAS and the alleged failures of FAS supervisory personnel, including, ultimately, Mr. Della Penna, to effectively supervise the FAS registered representative who dealt with the claimant. The claim was heard by an arbitration panel and an award adverse to Mr. Della Penna and other of the FAS respondents was entered by such panel. The claims ultimately asserted against Mr. Della Penna were based on theories of "control person" liability.

Subsequent to the issuance of such award, Mr. Della Penna initiated a judicial appeal of such award seeking vacatur thereof on various grounds in the Circuit Court of the 18<sup>th</sup> Judicial Circuit in and for Seminole County, Florida. In such circumstances, the Circuit Court reviews an arbitration award acting in an appellate capacity. In such proceeding, the court entered an order setting aside and vacating the arbitration award. Thereafter, the claimant, acting without counsel, filed numerous motions with the Circuit Court and such vacatur was again upheld. Ultimately a successor judge vacated the vacating order and restored the arbitration panel's award. A judgment on such award may have been entered against Mr. Della Penna but in spite of the elapse of more than three years since entry of the order restoring the award, the claimant (now deceased), through his estate representatives, has made no effort whatsoever to prove any damage entitlement relating to the award and any ruling confirming same against Mr. Della Penna. Mr. Della Penna further expects the judgment, if any, to become unenforceable upon the elapse of the applicable period of limitations under Florida law.

This claim is the only claim asserted against Mr. Della Penna which resulted in an adverse finding with respect to Mr. Della Penna's conduct in a supervisory capacity or in any other management or securities related capacity during his approximate 30 years in the investment securities industry.

Alejandro L. Palazzo, age 39, will serve as the sole non-Managing Member of the Fund and will have the administrative and other responsibilities earlier described in this Memorandum. Mr. Palazzo resides in Miami, Florida and is presently a director of E. Palazzo & Company Limited which is a business consortium located in Central America and which is involved in shipping, logistics, insurance and commodities such as sugar, ethanol, rice and flour. Additionally, Mr. Palazzo is a principal in closely held corporations which maintain equity positions engaged in agri-business, tourism and coffee production and serves in the capacities of

Board Chairman, director and officer of such corporations. The activities of these corporations are based, primarily, in Managua, Nicaragua. Mr. Palazzo is also a director of a private holding corporation for all commercial banking activities related and conducted by BAC - CREDOMATIC GROUP ("BAC"). Mr. Palazzo is a member of BAC's International Credit Committee. Such bank has offices in the United States, the British Virgin Islands, Mexico and the Central American countries of Nicaragua, Guatemala, Honduras, Panama, El Salvador and Costa Rica. Mr. Palazzo holds a Master of Business Administration degree in Finance and International Business from the University of Miami awarded in 1995 and Bachelors degree in Business Administration also awarded by the University of Miami in 1991. Mr. Palazzo is bi-lingual, being fluent in written and spoken Spanish and English.

## DESCRIPTION OF THE NOTES

### In General

Subsequent to the formation of the Fund, which is expected to occur on or about July 1, 2008, the Fund, by means of the final, definitive Private Offering Memorandum anticipated to be dated July 1, 2008, will privately offer to sophisticated and Accredited Investors its 5% Participating Promissory notes which will be offered in maximum principal amount of \$25 million and Note Increment proceeds amounts of \$250,000. Proceeds received as a result of Note purchases by sophisticated and Accredited Investors will be accumulated and invested in the Fund's Investment activities in such \$250,000 Increments as such proceeds Increments are received by the Fund. Deducted from each Increment will be applicable organizational costs, items of expense reimbursement to the Managing Member and possibly the non-Managing Member, Mr. Palazzo, the payment of any placement fees due and the organizational fee attributable to such Increment payable to Guy S. Della Penna as Managing Member. One Hundred Note proceeds Increments may be accumulated if the aggregate Note offering amount of \$25 million is privately sold.

The Notes will not be issued under any trust indenture or note agreement and a trustee will not be present who will provide collective representation to the several holders of the Notes anticipated to be outstanding. Accordingly, each Note holder will have to act on his or her own behalf in the event that default in the payment of the principal and Note Interest occurs. The terms of Note issuance provide that any remedies pursued by a Note holder be initiated and conducted in the Circuit Court for the Twelfth Judicial Circuit in and for Sarasota County, Florida.

The Notes, when issued, will represent the general, unsecured obligation of the Fund and will be of equal rank in terms of right of payment with the general creditors of the Fund, as such exist from time to time. No other person or entity, including Guy S. Della Penna and/or Alejandro L. Palazzo will be obligated to the Note holders in any respect.

The Note holders are entitled to receive Note Interest charged on the outstanding principal amount of Notes at an annual rate of 5%, which interest will be payable quarterly and will commence and will be calculated with respect to each Note from the date that the Note subscription is accepted by the Managing Member, acting on behalf of the Fund. The Note offering may not be concluded in the entire \$25 million principal amount. Note holders are also entitled to participate in Trading Profits, as such are earned as a result of the investment activities of the Fund. The term "Trading Profits" is defined and explained in the Memorandum section captioned "SUMMARY - Definition of Trading Profits (Losses)". To the extent that adequate Trading Profits are earned and are adequate, each Note holder will be entitled to participate and receive Additional Interest constituted and sourced by 75% of the Trading Profits which have been realized by the Fund in its investment activities as such Trading Profits are calculated and available at the termination of the Fund's Investment trading activities and after deducting from such Trading Profits the entire principal amount of Notes then outstanding and unpaid. Trading Profits remaining after such allocation and payments to the Note holders, if any, will inure to the benefit of the Fund (and the Managing and non-Managing Members). The Additional Interest

will be calculated and paid at Note maturity and may differ with respect to the several holders of Notes outstanding as a result of the investment of Note proceeds in Increments. Such Increment investing activities will occur until the Note offering is concluded and all Note proceeds Increments are integrated into a single investment fund for accounting purposes and the calculation of Trading Profits (Losses).

The term to maturity of each Note to be outstanding will be 18 months calculated from the date that the Note offering is concluded. Accordingly, the actual term to maturity of the Notes is expected to be more than 18 months since the private Note offering is not required to terminate until \_\_\_\_\_, 2008, subject to a one-time 90 day extension. Interest with respect to the Note Rate will be calculated on the basis of a 365 day year.

Default on the part of the Fund with respect to the outstanding Notes will only have occurred in the event that the Fund fails to pay Note Interest within 30 days of a Note Interest payment date which is at the end of each calendar quarter commencing with the first calendar quarter subsequent to the conclusion of the Note Offering or failure to pay the principal amount of the Notes when due. Each Note holder's entitlement to Trading Profits is contingent and the failure to earn Trading Profits on the part of the Fund for allocation and distribution to the holders of the Notes as Additional Interest will not constitute an event of default.

#### Nature of Note Issuance

As indicated in "PLAN, TERMS AND NATURE OF THE OFFERING", the Notes will not be registered under the Act or FIPA. The Notes will only be offered to sophisticated and Accredited Investors in Florida and other states in which the Notes may be privately offered and sold. The Notes may also be privately offered and sold to qualified investors residing in countries in addition to the United States. In recognition of the restricted circumstances incidental to the private offer and sale of the Notes, the following legend will be affixed to each Note issued to a suitable or Accredited Investor:

The 5% Participating Promissory Notes of A G HEDGE GROUP, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by A G HEDGE GROUP, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes. Additionally, any proposed sale or transfer of the 5% Participating Promissory Note represented by this Note is subject to the provisions of the Articles of Organization and the Operating Agreement of A G HEDGE GROUP, LLC, as amended to date.

#### Transfer Agent

The Fund will act as its own Transfer Agent with respect to Notes which are outstanding. Any proposed transferee of a Note will be required to demonstrate such transferee's suitability as an owner of a Note to the satisfaction of the Managing Member of the Fund.

### **FEDERAL INCOME TAX MATTERS**

The Managing Member, Guy S. Della Penna, is acting as the promoter of the Fund as such term is defined in the Act. In carrying out such promotional activities, the Managing Member desired to utilize a business entity which would be a non-taxable and "pass through" entity from the standpoint of Federal corporate income tax. In considering the most appropriate entity for the intended business activity of the Fund, the Managing Member considered the limited liability company and limited partnership forms of entities. The limited liability company form of entity was selected since it combines the attributes of being a non-taxable and "pass through" entity from the standpoint of the Internal Revenue Code of 1986, as amended to date (the "Code"), as well as the managerial efficiencies available under the corporate form of business organization. Additionally, the limited liability company form of entity provides limited liability to all members of the entity, including a managing member. The Managing Member is also advised that past action of the Internal Revenue Service (the "Service") with respect to limited liability companies has created a greater degree of certainty as to entity status classification of limited liability companies under the Code.

The Fund should not be viewed by interested Note investors as a "tax shelter". The Fund will be organized to receive the capital represented by the sale of its Notes and will use such capital in the carrying out of its Investment activities. The investment activities of the Fund are intended to create Trading Profits. It is expected that Trading Profits will constitute, in large part, ordinary income to the holders of the Notes since the Note holders are entitled to receive the Note Interest at 5% annual rate and Additional Interest which results from the allocations made to the Note holders from Trading Profits after the payment of the outstanding principal amount of the Notes as such exists at the termination of the Fund. The possibility exists that a portion of the Trading Profits allocated to holders of the Notes as Additional Interest may constitute short, mid or long term capital gains to the Note holders. The Managing Member has not sought any professional advice as to this possible treatment and Note holders are encouraged to consult with their own tax advisors.

The basic documents which govern the creation and operation of the Fund will be the Articles of Organization and the Operating Agreement. The Articles of Organization are expected to be filed with the Department of State, State of Florida, on or about July 1, 2008 and will name Guy S. Della Penna as the sole Managing Member of the Fund and Alejandro L. Palazio as the sole non-Managing Member of the Fund. Purchasers of Notes will not become Members of the Fund. The Operating Agreement will govern the operations of the Fund.

The Federal income tax treatment of limited partnerships, limited liability companies and individuals (as well as other business entities for profit) is governed by the Code and the current

regulations thereunder (the "Regulations").

**Status of the Fund.** The Managing Member, on behalf of the Fund, has been advised by legal counsel to the Fund that more likely than not the Fund will be recognized as a non-taxable entity under the Code. Such advisement is informal in nature and the Managing Member will not seek a written opinion of counsel. Also, such advisement is not binding upon the Internal Revenue Service.

The advisement of counsel dealing with the non-taxable status of the Fund and other matters is premised on the assumptions that the Fund has been organized and will operate in the manner described in this Memorandum and will be governed by the Florida Limited Liability Fund Act and the Articles of Organization and Operating Agreement of the Fund, as such shall exist on and after the anticipated date of July 1, 2008.

Under current Regulations, the manner and procedure pursuant to which entity status under the Code is determined eliminated the requirement that an analysis be conducted as to whether the entity in question had more corporate characteristics than not and if so, whether such entity should be classified as an association taxable as a corporation under the Code. Such current Regulations are sometimes referred to as "check-the-box". Under current Regulations, a business entity such as the Fund that is not required to be treated as a corporation is an "eligible entity" that may choose its entity classification. Generally an "eligible entity" is a business entity other than a Federal or state chartered corporation, joint stock company, insurance company, state chartered bank, state owned business entity and certain foreign business entities. Moreover, most "eligible entities" are classified by default as partnerships (pass through entities) if they do not choose to make an election. For example, the default rules set forth in the check-the-box regulations provide that a domestic "eligible entity" will be treated as a partnership (a pass through entity) if it has two or more members and disregarded as an entity separate from its owner if it has a single owner. The Fund intends to make appropriate elections under the check-the-box Regulations in order to assure its status as a partnership (pass through entity) under the Code. Such election will not alter the Fund's status as a limited liability company formed under Chapter 608, Florida Statutes, as amended.

#### Allocations of Trading Profits

The Fund's income will be constituted by Trading Profits which are realized during the course of its existence and will be calculated during the existence of the Fund and at the termination of the Fund. Such Trading Profits will be utilized as the source to pay the Note Interest at the annual rate of 5%. After providing for the complete repayment of the principal amount of Notes then outstanding, the holders of the Notes will be entitled to receive Additional Interest which will be in the amount of the 70% allocation of such remaining Trading Profits as explained in the Memorandum section captioned "SUMMARY". Any Trading Profits remaining after the allocation made to the Note holders will be allocated to the Fund for further allocation between Mr. Della Penna and Mr. Palazzo. Cash payments made by the Fund to Note holders and the Managing Member will be representative of repayment of Note principal, Note Interest, Additional Interest and the Fund's (and the Managing Member and non-Managing Member's) entitlement. While, as indicated, a portion of the Trading Profits earned by the Fund



may constitute short, mid and long term capital gain, the Managing Member believes that the allocations of Trading Profits as Additional Interest will, most likely, be taxed as ordinary income in the form of interest received by the Note holders. The Fund will provide appropriate information when appropriate or required indicating the character of the Trading Profits which it has experienced. Comprehensive information will be provided to Note holders at the conclusion of the Fund's investment activities, which will be two years from the date that the Note offering is completed.

Florida Entity Tax. The Fund has been advised that it will not be subject to any Florida corporate tax.

THE SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES SET FORTH IN THIS MEMORANDUM IS NOT INTENDED TO BE A COMPLETE SUMMARY OF THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES AND THE CONSEQUENCES RESULTING FROM THE CONDUCT OF THE FUND'S INTENDED ACTIVITIES. ADDITIONALLY, SUCH SUMMARY DOES NOT TAKE INTO ACCOUNT ANY TAX CONSEQUENCES RESULTING FROM THE IMPOSITION OF FLORIDA OR OTHER STATE LAW. ACCORDINGLY, INVESTORS MAY WISH TO CONSULT WITH THEIR OWN TAX COUNSEL OR ADVISOR CONCERNING THE TAX ASPECTS OF THE PURCHASE OF A NOTE.

### **REPORTS TO NOTE HOLDERS**

The Managing Member will cause the Fund to provide periodic reports to the holders of Notes. Such reports will contain information concerning the investment securities portfolio of the Fund or if the Fund is still investing Note proceeds in Increments, the information will relate to each Increment. The reports will also indicate the amount of Trading Profits (losses) which have been experienced by the Fund in various Increments and during the period covered by such reports. The expenses of the Fund relating to administration and investing activities will also be included in such reports as will be the items of compensation and reimbursement paid to the Managing Member. As indicated earlier in this Memorandum, the Managing Member is entitled to receive reimbursement for any expenses and costs which he has advanced in connection with the organization and capitalization of the Fund and is also entitled to an organizational fee equal to 2% of gross Note proceeds. A 3% management fee charged against the market value of the Fund's investment portfolio will also be paid to Mr. Della Penna. Such reports will be unaudited. Upon the conclusion of the Fund's term of existence, an audited financial statement reflecting the Fund's condition will be provided to Note holders.

### **SUPPLEMENTAL INFORMATION**

The Managing Member, on behalf of the Fund, may deliver to interested investors with this Memorandum and the final definitive Private Offering Memorandum supplemental

information which is descriptive of the Fund's intended Investment activities and other related matters. Such supplemental information, if any, does not constitute an offer to sell or a solicitation of an offer to purchase the Notes being privately offered by this Memorandum. The offering of the Notes will only be made by the final, definitive Private Offering Memorandum and to the persons to whom such Memorandum is delivered.

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
20	Bill	01/01/2009		Trust Industrial Bank	52 days interest	Note Payable		2,889.12
				Trust Industrial Bank	52 days interest	Michael J.Sloan IRA	2,889.12	
							2,889.12	2,889.12
21	Bill Pmt -Check	01/01/2009	1005	Trust Industrial Bank	VOID:	Bank of America	0.00	
				Trust Industrial Bank	VOID:	Note Payable	0.00	
							0.00	0.00
22	Bill Pmt -Check	01/02/2009	1006	Trust Industrial Bank	VOID:	Bank of America	0.00	
				Trust Industrial Bank	VOID:	Note Payable	0.00	
							0.00	0.00
23	Bill Pmt -Check	01/02/2009		Trust Industrial Bank	VOID:	Bank of America	0.00	
				Trust Industrial Bank	VOID:	Note Payable	0.00	
							0.00	0.00
24	Bill Pmt -Check	01/02/2009	1006	Trust Industrial Bank	VOID:	Bank of America	0.00	
				Trust Industrial Bank	VOID:	Note Payable	0.00	
							0.00	0.00
25	Check	01/02/2009		Gaston S. Della Penna	Prepaid	Bank of America		50,000.00
				Gaston S. Della Penna	Prepaid	Management Fees	50,000.00	
							50,000.00	50,000.00
26	Bill Pmt -Check	01/02/2009	1007	Trust Industrial Bank	VOID: 52 days interest	Bank of America	0.00	
				Trust Industrial Bank	VOID: 52 days interest	Note Payable	0.00	
							0.00	0.00
27	Bill	01/01/2009		Clifford M. and Susan E. Scholz	24 days interest	Note Payable		333.36
				Clifford M. and Susan E. Scholz	24 days interest	Clifford & Susan Scholz	333.36	
							333.36	333.36
28	Bill Pmt -Check	01/02/2009		Clifford M. and Susan E. Scholz	VOID: 24 days interest	Bank of America	0.00	

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Clifford M. and Susan E. Scholz	VOID: 24 days interest	Note Payable	0.00	
							0.00	0.00
29	Bill Pmt -Check	01/01/2009	1008	Trust Industrial Bank	52 days interest	Bank of America		2,889.12
				Trust Industrial Bank	52 days interest	Note Payable	2,889.12	
							2,889.12	2,889.12
30	Bill Pmt -Check	01/01/2009	1009	Clifford M. and Susan E. Scholz	VOID: 24 days interest	Bank of America	0.00	
				Clifford M. and Susan E. Scholz	VOID: 24 days interest	Note Payable	0.00	
							0.00	0.00
31	Bill	01/01/2009		David S. Olson	24 days interest	Note Payable		83.28
				David S. Olson	24 days interest	David S. Olson	83.28	
							83.28	83.28
32	Bill Pmt -Check	01/01/2009	1010	David S. Olson	VOID: 24 days interest	Bank of America	0.00	
				David S. Olson	VOID: 24 days interest	Note Payable	0.00	
							0.00	0.00
37	Check	01/02/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
45	Bill Pmt -Check	01/12/2009	1011	Clifford M. and Susan E. Scholz	24 days interest	Bank of America		333.36
				Clifford M. and Susan E. Scholz	24 days interest	Note Payable	333.36	
							333.36	333.36
48	Bill Pmt -Check	01/12/2009	1012	David S. Olson	24 days interest	Bank of America		83.28
				David S. Olson	24 days interest	Note Payable	83.28	
							83.28	83.28
47	Check	01/12/2009		Gaeton S. Della Penna		Bank of America		6,000.00
				Gaeton S. Della Penna		Management Fees	6,000.00	

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							6,000.00	6,000.00
48	Check	01/12/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
49	Deposit	01/16/2009		E Trade Clearing	Deposit	Bank of America	50,000.00	
				E Trade Clearing	Deposit	E trade trading account		50,000.00
							50,000.00	50,000.00
50	Check	01/16/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
51	Check	01/20/2009		Gaeton S. Della Penna		Bank of America		47,500.00
				Gaeton S. Della Penna		Management Fees	47,500.00	
							47,500.00	47,500.00
52	Check	01/20/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
53	Bill	02/05/2009		Andrea Smeltzer	Administrative Services	Note Payable		1,000.00
				Andrea Smeltzer	Administrative Services	Administrative Services	1,000.00	
							1,000.00	1,000.00
54	Bill Pmt-Check	02/05/2009	1013	Andrea Smeltzer	Administrative Services	Bank of America		1,000.00
				Andrea Smeltzer	Administrative Services	Note Payable	1,000.00	
							1,000.00	1,000.00
55	Check	02/13/2009	1002	Gaeton S. Della Penna		Bank of America		1,500.00
				Gaeton S. Della Penna		Management Fees	1,500.00	
							1,500.00	1,500.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
56	Deposit	02/18/2009		E Trade Clearing	Deposit	Bank of America	42,500.00	
				E Trade Clearing	Deposit	E trade trading account		42,500.00
							42,500.00	42,500.00
57	Check	02/18/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
58	Check	02/19/2009		Gaeton S. Della Penna		Bank of America		42,500.00
				Gaeton S. Della Penna		Management Fees	42,500.00	
							42,500.00	42,500.00
59	Check	02/19/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
60	Bill	02/25/2009		Gaeton S. Della Penna	VOID:	Gaeton S. Della Penna	0.00	
				Gaeton S. Della Penna	VOID:	Management Fees	0.00	
							0.00	0.00
61	Bill Pmt -Check	02/25/2009	1014	Gaeton S. Della Penna		Bank of America		9,500.00
				Gaeton S. Della Penna		Note Payable	9,500.00	
							9,500.00	9,500.00
62	Deposit	02/25/2009		Gaeton S. Della Penna	Return of check 1014	Bank of America	9,500.00	
				Gaeton S. Della Penna	Return of check 1014	Note Payable		9,500.00
							9,500.00	9,500.00
63	Check	02/26/2009		Bank of America		Bank of America		35.00
				Bank of America		return of deposit fee	35.00	
							35.00	35.00

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Trans#	Type	Date	Num	Name	Memo	Account	Debit	Credit
64	Check	02/27/2009		Bank of America	Maintenance fee	Bank of America		17.00
				Bank of America	Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
65	Deposit	03/05/2009		E Trade Clearing	Incoming wire from ebade	Bank of America	60,000.00	
				E Trade Clearing	Incoming wire from ebade	E trade trading account		60,000.00
						60,000.00		60,000.00
66	Check	03/05/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
						12.00		12.00
67	Bill	04/01/2009		Trust Industrial Bank	First Quarter Interest 2009	Note Payable		5,000.00
				Trust Industrial Bank	First Quarter Interest 2009	Michael J.Sloan IRA	5,000.00	
						5,000.00		5,000.00
68	Bill	04/01/2009		David S. Olson	First Quarters Interest 2009	Note Payable		312.50
				David S. Olson	First Quarters Interest 2009	David S. Olson	312.50	
						312.50		312.50
69	Bill	04/01/2009		Clifford M. and Susan E. Scholz	First Quarter Interest 2009	Note Payable		1,250.00
				Clifford M. and Susan E. Scholz	First Quarter Interest 2009	Clifford & Susan Scholz	1,250.00	
						1,250.00		1,250.00
70	Bill Pmt -Check	04/01/2009	1015	Clifford M. and Susan E. Scholz	First Quarter interest 2009	Bank of America		1,250.00
				Clifford M. and Susan E. Scholz	First Quarter interest 2009	Note Payable	1,250.00	
						1,250.00		1,250.00
71	Bill Pmt -Check	04/01/2009	1016	David S. Olson	First Quarters Interest 2009	Bank of America		312.50
				David S. Olson	First Quarters interest 2009	Note Payable	312.50	
						312.50		312.50

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
72	Bill Pmt-Check	04/01/2009	1017	Trust Industrial Bank	First Quarter Interest 2009	Bank of America		5,000.00
				Trust Industrial Bank	First Quarter Interest 2009	Note Payable	5,000.00	
							5,000.00	5,000.00
73	Check	03/06/2009		Gaeton S. Della Penna		Bank of America		60,000.00
				Gaeton S. Della Penna		Management Fees	60,000.00	
							60,000.00	60,000.00
74	Check	03/06/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
75	Deposit	03/31/2009		E Trade Clearing	Incoming wire from e trade	Bank of America	37,500.00	
				E Trade Clearing	Incoming wire from e trade	E trade trading account		37,500.00
							37,500.00	37,500.00
76	Check	03/31/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
77	Check	03/31/2009		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
78	Check	04/01/2009		Gaeton S. Della Penna		Bank of America		37,500.00
				Gaeton S. Della Penna		Management Fees	37,500.00	
							37,500.00	37,500.00
79	Check	04/01/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
80	Deposit	04/15/2009		Gaeton S. Della Penna	First Quarter Interest Checks	Bank of America	1,200.00	
				Gaeton S. Della Penna	First Quarter Interest Checks	Paid In Capital		1,200.00
							1,200.00	1,200.00
81	Deposit	04/23/2009		E Trade Clearing	Incoming wire from etrade	Bank of America	875.00	
				E Trade Clearing	Incoming wire from etrade	E trade trading account		875.00
							875.00	875.00
82	Check	04/23/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
83	Bill	04/24/2009		Gaeton S. Della Penna		Note Payable		850.00
				Gaeton S. Della Penna		Management Fees	850.00	
							850.00	850.00
84	Bill Pmt -Check	04/24/2009	1018	Gaeton S. Della Penna		Bank of America		850.00
				Gaeton S. Della Penna		Note Payable	850.00	
							850.00	850.00
85	Bill	05/01/2009		Gaeton S. Della Penna		Note Payable		1,000.00
				Gaeton S. Della Penna		Paid Out Capital	1,000.00	
							1,000.00	1,000.00
86	Bill Pmt -Check	05/01/2009	1019	Gaeton S. Della Penna	VOID:	Bank of America	0.00	
				Gaeton S. Della Penna	VOID:	Note Payable	0.00	
							0.00	0.00
87	Check	04/30/2009		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
88	Check	05/04/2009		Bank of America	For check 1019	Bank of America		35.00
				Bank of America	For check 1019	NSF Fees	35.00	
							35.00	35.00
88	Bill Pmt -Check	05/04/2009	1019	Gaeton S. Della Penna		Bank of America		1,000.00
				Gaeton S. Della Penna		Note Payable	1,000.00	
							1,000.00	1,000.00
90	Deposit	05/04/2009		Gaeton S. Della Penna	Deposit	Bank of America	1,000.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		1,000.00
							1,000.00	1,000.00
91	Deposit	05/08/2009		Trust Industrial Bank	Check 1017 Returned	Bank of America	5,000.00	
				Trust Industrial Bank	Check 1017 Returned	Michael J.Sloan IRA		5,000.00
							5,000.00	5,000.00
92	Deposit	05/11/2009		Gaeton S. Della Penna	cover interest expense checks	Bank of America	5,050.00	
				Gaeton S. Della Penna	cover interest expense checks	Paid In Capital		5,050.00
							5,050.00	5,050.00
93	Check	05/11/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
94	Check	05/11/2009		Bank of America	Check 1017 returned nsf	Bank of America		35.00
				Bank of America	Check 1017 returned nsf	NSF Fees	35.00	
							35.00	35.00
95	Check	05/12/2009	1017	Trust Industrial Bank	Resubmitted	Bank of America		5,000.00
				Trust Industrial Bank	Resubmitted	Michael J.Sloan IRA	5,000.00	
							5,000.00	5,000.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
96	Check	05/29/2009		Bank of America	Monthly Fee	Bank of America		17.00
				Bank of America	Monthly Fee	Bank Service Charges	17.00	
							17.00	17.00
97	Deposit	06/05/2009		Dr. Ronald Hadam	Deposit	Bank of America	220,000.00	
				Dr. Ronald Hadam	Deposit	Hadem		220,000.00
							220,000.00	220,000.00
98	Check	06/05/2009		Bank of America	Had em Wire	Bank of America		12.00
				Bank of America	Had em Wire	Incoming Wire	12.00	
							12.00	12.00
99	Check	06/05/2009			Frontline Insurance	Bank of America		6,097.25
					Frontline Insurance	Miscellaneous	6,097.25	
							6,097.25	6,097.25
100	Check	06/10/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
101	Check	06/10/2009		E Trade Clearing		Bank of America		120,000.00
				E Trade Clearing		E trade trading account	120,000.00	
							120,000.00	120,000.00
102	Check	06/08/2009		Gaeton S. Della Penna		Bank of America		12,500.00
				Gaeton S. Della Penna		Management Fees	12,500.00	
							12,500.00	12,500.00
103	Check	06/08/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
104	Check	06/11/2009	1001	Gaeton S. Della Penna		Bank of America		4,000.00
				Gaeton S. Della Penna		Management Fees	4,000.00	
							4,000.00	4,000.00
105	Bill	06/15/2009		Dr. Ronald Hadam	Two weeks interest in 2nd Quarter	Note Payable		458.33
				Dr. Ronald Hadam	2nd Quarter for two weeks	Ronald Hadam	458.33	
							458.33	458.33
106	Bill	06/15/2009		Trust Industrial Bank	Interest for second quarter 2009	Note Payable		5,000.00
				Trust Industrial Bank	Interest for second quarter 2009	Michael J. Sloan IRA	5,000.00	
							5,000.00	5,000.00
107	Bill	06/15/2009		Clifford M. and Susan E. Scholz	Interest for second quarter 2009	Note Payable		1,250.00
				Clifford M. and Susan E. Scholz	second quarter interest	Clifford & Susan Scholz	1,250.00	
							1,250.00	1,250.00
108	Bill	06/15/2009		David S. Olson	Interest for second quarter 2009	Note Payable		312.50
				David S. Olson	Interest for second quarter 2009	David S. Olson	312.50	
							312.50	312.50
109	Bill Pmt -Check	06/30/2009		Dr. Ronald Hadam	VOID: Two weeks interest in 2nd Quarter	Bank of America	0.00	
				Dr. Ronald Hadam	VOID: Two weeks interest in 2nd Quarter	Note Payable	0.00	
							0.00	0.00
110	Bill Pmt -Check	06/30/2009	1020	Dr. Ronald Hadam	Two weeks interest in 2nd Quarter	Bank of America		458.33
				Dr. Ronald Hadam	Two weeks interest in 2nd Quarter	Note Payable	458.33	
							458.33	458.33
111	Bill Pmt -Check	06/30/2009	1021	Trust Industrial Bank	Interest for second quarter 2009	Bank of America		5,000.00
				Trust Industrial Bank	Interest for second quarter 2009	Note Payable	5,000.00	
							5,000.00	5,000.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
112	Bill Pmt-Check	08/30/2009	1022	Clifford M. and Susan E. Scholz	Interest for second quarter 2009	Bank of America		1,250.00
				Clifford M. and Susan E. Scholz	Interest for second quarter 2009	Note Payable	1,250.00	
							1,250.00	1,250.00
113	Bill Pmt-Check	08/30/2009	1023	David S. Olson	Interest for second quarter 2009	Bank of America		312.50
				David S. Olson	Interest for second quarter 2009	Note Payable	312.50	
							312.50	312.50
114	Check	06/17/2009		Gaeton S. Della Penna		Bank of America		70,000.00
				Gaeton S. Della Penna		Management Fees	70,000.00	
							70,000.00	70,000.00
115	Check	06/17/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
116	Deposit	06/29/2009		E Trade Clearing	Deposit	Bank of America	39,000.00	
				E Trade Clearing	Deposit	E trade trading account		39,000.00
							39,000.00	39,000.00
117	Check	06/29/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
118	Check	06/30/2009		Gaeton S. Della Penna		Bank of America		35,000.00
				Gaeton S. Della Penna		Management Fees	35,000.00	
							35,000.00	35,000.00
119	Deposit	06/23/2009		E Trade Clearing	Deposit	Bank of America	19,000.00	
				E Trade Clearing	Deposit	E trade trading account		19,000.00
							19,000.00	19,000.00

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**A-G Hedge Group LLC**  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
120	Check	06/23/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
121	Check	06/24/2009		Gaeton S. Della Penna		Bank of America		19,000.00
				Gaeton S. Della Penna		Management Fees	19,000.00	
							19,000.00	19,000.00
122	Check	06/24/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
123	Check	06/30/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
124	Check	07/24/2009		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
125	Check	07/24/2009		Gaeton S. Della Penna		Bank of America		15,000.00
				Gaeton S. Della Penna		Management Fees	15,000.00	
							15,000.00	15,000.00
126	Deposit	07/23/2009		E Trade Clearing	Deposit	Bank of America	12,500.00	
				E Trade Clearing	Deposit	E trade trading account		12,500.00
							12,500.00	12,500.00
127	Check	07/23/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
128	Check	07/31/2009		Bank of America	Monthly Maintenance Charge	Bank of America		17.00
				Bank of America	Monthly Maintenance Charge	Bank Service Charges	17.00	
							17.00	17.00
129	Bill	08/17/2009		Gaeton S. Della Penna		Gaeton S. Della Penna		1,500.00
				Gaeton S. Della Penna		Management Fees	1,500.00	
							1,500.00	1,500.00
130	Bill Pmt-Check	08/17/2009	1024	Gaeton S. Della Penna		Bank of America		1,500.00
				Gaeton S. Della Penna		Gaeton S. Della Penna	1,500.00	
							1,500.00	1,500.00
131	Check	08/31/2009		Bank of America	August	Bank of America		17.00
				Bank of America	August	Bank Service Charges	17.00	
							17.00	17.00
132	Bill	10/01/2009		Dr. Ronald Hadam	Third Quarter Interest 2009	Note Payable		2,750.00
				Dr. Ronald Hadam	Third Quarter 2009	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
133	Bill	10/01/2009		David S. Olson	Third Quarter Interest 2009	Note Payable		312.50
				David S. Olson	Third Quarter Interest 2009	David S. Olson	312.50	
							312.50	312.50
134	Bill	10/01/2009		Trust Industrial Bank	Third Quarter Interest 2009	Note Payable		5,000.00
				Trust Industrial Bank	Third Quarter Interest	Michael J. Sloan IRA	5,000.00	
							5,000.00	5,000.00
135	Bill	10/01/2009		Clifford M. and Susan E. Scholz	Third Quarter Interest 2009	Note Payable		1,250.00
				Clifford M. and Susan E. Scholz	Third Quarter Interest 2009	Clifford & Susan Scholz	1,250.00	
							1,250.00	1,250.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
136	Bill Pmt -Check	10/01/2009	1025	Dr. Ronald Hadam	Third Quarter Interest 2009	Bank of America		2,750.00
				Dr. Ronald Hadam	Third Quarter Interest 2009	Note Payable	2,750.00	
							2,750.00	2,750.00
137	Bill Pmt -Check	10/01/2009	1026	David S. Olson	Third Quarter Interest 2009	Bank of America		312.50
				David S. Olson	Third Quarter Interest 2009	Note Payable	312.50	
							312.50	312.50
138	Bill Pmt -Check	10/01/2009	1027	Trust Industrial Bank	Third Quarter Interest 2009	Bank of America		5,000.00
				Trust Industrial Bank	Third Quarter Interest 2009	Note Payable	5,000.00	
							5,000.00	5,000.00
139	Bill Pmt -Check	10/01/2009	1028	Clifford M. and Susan E. Scholtz	Third Quarter Interest 2009	Bank of America		1,250.00
				Clifford M. and Susan E. Scholtz	Third Quarter Interest 2009	Note Payable	1,250.00	
							1,250.00	1,250.00
140	Check	03/30/2009		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
141	Deposit	10/02/2009		E Trade Clearing	Deposit	Bank of America	750.00	
				E Trade Clearing	Deposit	E trade trading account		750.00
							750.00	750.00
142	Check	10/02/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
143	Bill	10/05/2009		Andrea Smetzler		Note Payable		850.00
				Andrea Smetzler	For GDP	Management Fees	850.00	
							850.00	850.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
144	BillPmt-Check	10/05/2009	1029	Andrea Smeltaer		Bank of America		850.00
				Andrea Smeltaer		Note Payable	850.00	
							850.00	850.00
145	Check	10/30/2009		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
146	Deposit	11/03/2009		Gaeton S. Della Penna	Deposit	Bank of America	2,800.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		2,800.00
							2,800.00	2,800.00
147	Check	11/03/2009		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
148	Deposit	11/10/2009		Gaeton S. Della Penna	Deposit	Bank of America	350.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		350.00
							350.00	350.00
149	Deposit	11/19/2009		Gaeton S. Della Penna	Deposit	Bank of America	1,260.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		1,250.00
							1,250.00	1,250.00
150	Check	11/30/2009		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
159	Check	12/31/2009		Bank of America	Maintenance Fee for December 2009	Bank of America		17.00
				Bank of America	Maintenance Fee for December 2009	Bank Service Charges	17.00	
							17.00	17.00

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A-G Hedge Group LLC  
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	Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
TOTAL								1,112,894.43	1,112,894.43

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

Bank of America	Type	Date	Item	Name	Memo	Debit	Credit	Balance
	BB First Check	01/01/2009	1005	Trust Industrial Bank	VOID			69,990.00
	BB First Check	01/01/2009	1008	Trust Industrial Bank	52 days interest	0.00		69,990.00
	BB First Check	01/01/2009	1009	Clifford M. and Susan E. Schulz	VOID: 24 days interest		2,866.12	67,123.88
	BB First Check	01/01/2009	1010	David S. Olson	VOID: 24 days interest		0.00	67,123.88
	BB First Check	01/02/2009	1010	Trust Industrial Bank	VOID:		0.00	67,123.88
	BB First Check	01/02/2009	1008	Trust Industrial Bank	VOID:		0.00	67,123.88
	Check	01/02/2009	1008	Geaton S. Della Penna	Management Fees		60,000.00	7,123.88
	BB First Check	01/02/2009	1007	Trust Industrial Bank	VOID: 52 days interest		0.00	7,123.88
	BB First Check	01/02/2009	1011	Clifford M. and Susan E. Schulz	VOID: 24 days interest		25.00	7,098.88
	Check	01/02/2009	1012	Bank of America	Outgoing Wire Fee		333.36	6,765.52
	Check	01/02/2009		Bank of America	VOID: 24 days interest		83.28	6,682.24
	Check	01/02/2009		Bank of America	Management Fees		6,000.00	699.24
	Deposit	01/16/2009		Bank of America	Outgoing Wire Fee		25.00	674.24
	Check	01/20/2009		Bank of America	Management Fees		12.00	662.24
	Check	01/20/2009		Bank of America	Management Fees		47,500.00	614.74
	Check	01/20/2009		Bank of America	Outgoing Wire Fee		25.00	589.74
	BB First Check	02/05/2009	1013	Andrea Swisher	Administrative Services		1,000.00	588.74
	Check	02/13/2009	1002	Geaton S. Della Penna	Deposit		1,500.00	587.24
	Check	02/19/2009		Bank of America	Management Fees		42,500.00	544.74
	Check	02/19/2009		Bank of America	Management Fees		12.00	532.74
	Check	02/19/2009		Bank of America	Outgoing Wire Fee		25.00	507.74
	BB First Check	02/25/2009	1014	Geaton S. Della Penna	Return of check 1014		9,500.00	412.74
	Check	02/27/2009		Bank of America	Management Fees		12.00	400.74
	Deposit	03/05/2009		Bank of America	Management Fees		42,500.00	588.24
	Check	03/05/2009		Bank of America	Outgoing Wire Fee		25.00	563.24
	Check	03/05/2009		Bank of America	Management Fees		9,500.00	538.24
	Check	03/05/2009		Bank of America	Management Fees		35.00	503.24
	Deposit	03/07/2009		Bank of America	Management Fees		17.00	486.24
	Check	03/05/2009		Bank of America	Management Fees		12.00	474.24
	Check	03/05/2009		Bank of America	Management Fees		60,000.00	414.24
	Check	03/05/2009		Bank of America	Management Fees		26.00	388.24
	Check	03/01/2009		Bank of America	Management Fees		12.00	376.24
	BB First Check	04/01/2009	1015	Clifford M. and Susan E. Schulz	First Quarter Interest 2009		17.00	359.24
	BB First Check	04/01/2009	1019	David S. Olson	First Quarter Interest 2009		1,250.00	347.24
	BB First Check	04/01/2009	1017	Trust Industrial Bank	First Quarter Interest 2009		312.50	315.74
	Check	04/01/2009		Geaton S. Della Penna	Management Fees		5,000.00	310.74
	Check	04/01/2009		Bank of America	Outgoing Wire Fee		37,000.00	273.74
	Deposit	04/15/2009		Bank of America	First Quarter Interest Checks		25.00	248.74
	Deposit	04/22/2009		Bank of America	First Quarter Interest Checks		875.00	4,373.74

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Check	01/23/2009		Bank of America		Incoming Wire		12.00	-4,002.26
BB Print - Check	01/24/2009	1018	Gaston S. Dahl Perona	Monthly Maintenance Fee	Note Payable		690.00	-4,002.26
Check	01/24/2009		Bank of America		Bank Service Charges		17.00	-4,019.26
BB Print - Check	05/01/2009	1019	Gaston S. Dahl Perona	VOIC	Note Payable	0.00	35.00	-4,054.26
Check	05/04/2009		Bank of America	For check 1019	NSF Fees		1,000.00	-5,054.26
BB Print - Check	05/04/2009	1019	Gaston S. Dahl Perona	Deposit	Paid in Capital	1,000.00		-4,054.26
Deposits	05/05/2009		Gaston S. Dahl Perona	Check 1017 Returned	Michael J. Shon P/A		5,000.00	-4,054.26
Deposits	05/05/2009		First Industrial Bank	cover interest expense checks	Paid in Capital	5,000.00		5,005.74
Check	05/11/2009		Gaston S. Dahl Perona		Incoming Wire		15.00	5,055.74
Check	05/11/2009		Bank of America	Check 1017 returned/ref	NSF Fees		5,000.00	5,018.74
Check	05/29/2009	1017	First Industrial Bank	Resubmitted	Michael J. Shon P/A		17.00	5,001.74
Check	06/05/2009		Bank of America	Monthly Fee	Bank Service Charges		17.00	4,984.74
Check	06/05/2009		Dr. Ronald Heidem	Deposit	Heidem	220,000.00		220,001.74
Check	06/05/2009		Bank of America	Incoming Wire	Incoming Wire		12.00	218,889.74
Check	06/05/2009		Bank of America	Frontline Insurance	Miscellaneous		6,097.25	213,892.49
Check	06/05/2009		Gaston S. Dahl Perona		Management Fees	12,500.00		201,392.49
Check	06/10/2009		Bank of America		Outgoing Wire Fee		25.00	201,367.49
Check	06/10/2009		E Trade Clearing		Outgoing Wire Fee		25.00	201,342.49
Check	06/11/2009	1021	Gaston S. Dahl Perona		E trade trading account	10,000.00		191,342.49
Check	06/11/2009		Gaston S. Dahl Perona		Management Fees	4,000.00		187,342.49
Check	06/17/2009		Bank of America		Outgoing Wire Fee		25.00	187,317.49
Deposits	06/22/2009		E Trade Clearing	Deposit	E trade trading account	18,000.00		205,317.49
Check	06/24/2009		Bank of America		Incoming Wire		12.00	205,305.49
Check	06/24/2009		Gaston S. Dahl Perona		Management Fees	18,000.00		187,305.49
Check	06/24/2009		Bank of America		Outgoing Wire Fee		25.00	187,280.49
Deposits	06/25/2009		E Trade Clearing	Deposit	E Trade trading account	38,000.00		149,280.49
Check	06/25/2009		Bank of America		Incoming Wire		12.00	149,268.49
BB Print - Check	06/25/2009		Dr. Ronald Heidem	WOOD: Two weeks interest is 2nd Quarter	Note Payable		458.33	148,810.16
BB Print - Check	06/25/2009	1020	Dr. Ronald Heidem	Two weeks interest is 2nd Quarter	Note Payable		5,000.00	143,810.16
BB Print - Check	06/25/2009	1021	First Industrial Bank	Interest for second quarter 2009	Note Payable		1,250.00	142,560.16
BB Print - Check	06/25/2009	1022	Chard M. and Susan E. Scholz	Interest for second quarter 2009	Note Payable		312.50	142,247.66
BB Print - Check	06/25/2009	1023	Chard M. and Susan E. Scholz	Interest for second quarter 2009	Note Payable		35,000.00	107,247.66
Check	06/25/2009		Gaston S. Dahl Perona		Management Fees		25.00	107,222.66
Check	07/02/2009		Bank of America	Deposit	E trade trading account	12,500.00		94,722.66
Check	07/02/2009		Bank of America		Incoming Wire		12.00	94,710.66
Check	07/02/2009		Bank of America		Outgoing Wire Fee		25.00	94,685.66
Check	07/14/2009		Gaston S. Dahl Perona	Management Fees	Management Fees	15,000.00		79,685.66
Check	07/14/2009		Bank of America	Monthly Maintenance Charge	Bank Service Charges		17.00	79,668.66
BB Print - Check	09/17/2009	1024	Gaston S. Dahl Perona	August	Gaston S. Dahl Perona	1,500.00		78,168.66
Check	09/17/2009		Bank of America	Bank Service Charges	Bank Service Charges		17.00	78,151.66
Check	09/22/2009		Bank of America	Monthly Maintenance fee	Bank Service Charges		17.00	78,134.66

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

	Type	Date	Item	Name	Mem	Drift	Debit	Credit	Balance
	888 Post-Check	10/1/2009	1025	Dr. Ronald Holm	Third Quarter Interest 2009	Note Payable		2,750.00	-2,816.24
	888 Post-Check	10/1/2009	1026	David S. Olson	Third Quarter Interest 2009	Note Payable		312.50	-2,927.94
	888 Post-Check	10/1/2009	1027	Third Industrial Bank	Third Quarter Interest 2009	Note Payable		5,000.00	-7,927.94
	888 Post-Check	10/1/2009	1028	Robert M. and Susan E. Schatz	Third Quarter Interest 2009	Note Payable		1,250.00	-9,177.94
	Check	10/2/2009		E Trade Clearing	Deposit	E Trade trading account	750.00		-8,427.94
	888 Post-Check	10/2/2009		Bank of America		Incomeing Wire	12.00		-8,439.94
	888 Post-Check	10/2/2009	1029	Archie Swartz	Monthly Maintenance Fee	Note Payable		850.00	-9,289.94
	Check	10/2/2009		Bank of America		Bank Service Charges	17.00		-9,306.94
	Check	11/9/2009		Charles S. Deit Peres	Deposit	Paid In Capital	2,800.00		-6,506.94
	Check	11/9/2009		Bank of America		Incomeing Wire	12.00		-6,518.94
	Deposit	11/19/2009		Charles S. Deit Peres	Check	Paid In Capital	350.00		-6,868.94
	Deposit	11/19/2009		Charles S. Deit Peres	Check	Paid In Capital	1,250.00		-8,118.94
	Check	11/23/2009		Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00		-8,135.94
	Check	12/31/2009		Bank of America	Maintenance Fee for December 2009	Bank Service Charges	17.00		-8,152.94
Total Bank of America							306,271.00	573,217.24	-4,835.74
E Trade trading account									308,406.26
Total Inventory Asset									250,000.00
Accumulated Depreciation									207,000.00
Total Accumulated Depreciation									147,000.00
Furniture and Equipment									110,000.00
Total Furniture and Equipment									109,725.00
Accounts Payable									210,125.00
Total Accounts Payable									199,850.00
Charles S. Deit Peres									167,875.00
Total E Trade trading account							120,000.00	262,125.00	157,875.00
Inventory Asset									0.00
Total Inventory Asset									0.00
Accumulated Depreciation									0.00
Total Accumulated Depreciation									0.00
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Accounts Payable									0.00
Total Accounts Payable									0.00
Charles S. Deit Peres									8.00
Total E Trade trading account							0.00	1,500.00	-1,500.00

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

	Type	Date	Num.	Name	Memo	Debit	Credit	Balance
Total Gaston S. Della Penna	BB Pmt-Check	09/17/2009	1024	Gaston S. Della Penna		1,500.00	1,500.00	0.00
Make Payable								-525,946.49
Clifford Scholtz								-181,281.91
Trust Susan Scholtz								-100,000.00
Nullam	Deposit	06/02/2009		Dr. Ronald Hulman	Deposit		220,000.00	8.49
Total Nullam						0.00	220,000.00	-220,000.00
Susan								-469,280.49
Trust Susan								-400,000.00
Susan Scholtz								-25,890.49
Total Susan Scholtz								-25,890.49
Make Payable - Other								0.00
BB Pmt-Check	01/01/2009	1005	Trust Industrial Bank	52 days interest				2,880.12
BB Pmt-Check	01/01/2009	1005	Trust Industrial Bank	WCD				-2,880.12
BB Pmt-Check	01/01/2009	1006	Clifford M. and Susan E. Scholtz	24 days interest				333.36
BB Pmt-Check	01/01/2009	1006	Trust Industrial Bank	52 days interest				-333.36
BB Pmt-Check	01/01/2009	1008	Clifford M. and Susan E. Scholtz	WCD: 24 days interest				333.36
BB	01/01/2009	1010	David S. Olson	24 days interest				83.28
BB Pmt-Check	01/01/2009	1010	David S. Olson	WCD: 24 days interest				-83.28
BB Pmt-Check	01/02/2009	1005	Trust Industrial Bank	WCD				-418.04
BB Pmt-Check	01/02/2009	1006	Trust Industrial Bank	WCD				-418.04
BB Pmt-Check	01/02/2009	1007	Trust Industrial Bank	WCD				-418.04
BB Pmt-Check	01/02/2009	1011	Clifford M. and Susan E. Scholtz	WCD: 52 days interest				-418.04
BB Pmt-Check	01/12/2009	1012	Clifford M. and Susan E. Scholtz	24 days interest				333.36
BB	02/02/2009	1012	David S. Olson	24 days interest				83.28
BB Pmt-Check	02/02/2009	1013	Andrew Swartzler	Administrative Services			1,000.00	-1,000.00
BB Pmt-Check	02/02/2009	1014	Andrew Swartzler	Administrative Services			1,000.00	0.00
BB Pmt-Check	02/22/2009	1014	Gaston S. Della Penna	Return of check 1914			9,500.00	8,500.00
Deposit	02/22/2009		Gaston S. Della Penna	First Quarter Interest 2009			5,000.00	0.00
BB	04/01/2009		Trust Industrial Bank	First Quarter Interest 2009			5,000.00	-5,000.00
BB	04/01/2009		David S. Olson	First Quarter Interest 2009			312.50	-5,312.50
BB	04/01/2009		Clifford M. and Susan E. Scholtz	First Quarter Interest 2009			1,250.00	-4,062.50
BB Pmt-Check	04/01/2009	1015	Clifford M. and Susan E. Scholtz	First Quarter Interest 2009			1,250.00	-5,312.50
BB Pmt-Check	04/01/2009	1016	David S. Olson	First Quarter Interest 2009			312.50	-5,625.00
BB Pmt-Check	04/01/2009	1017	Trust Industrial Bank	First Quarter Interest 2009			5,000.00	-6,925.00
BB	04/24/2009		Gaston S. Della Penna	Microfund Fees			850.00	-807.50
BB Pmt-Check	04/24/2009	1018	Gaston S. Della Penna	Bank of America		850.00		-850.00

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2008

Type	Date	Mem	Name	Mem	Debit	Credit	Balance
							-1,000.00
188 Prnt -Check	05/01/2008	1010	Gordon S. Della Perna			1,000.00	-1,000.00
188 Prnt -Check	05/04/2008	1010	Gordon S. Della Perna				
188	08/15/2008		Dr. Ronald Holman				
188	08/15/2008		Trust Industrial Bank				
188	08/15/2008		Clifford M. and Susan E. Scholtz				
188	08/15/2008		David S. Olson				
188 Prnt -Check	09/03/2008	1020	Dr. Ronald Holman				
188 Prnt -Check	09/03/2008	1021	Dr. Ronald Holman				
188 Prnt -Check	09/03/2008	1022	Clifford M. and Susan E. Scholtz				
188 Prnt -Check	09/03/2008	1023	David S. Olson				
188	10/01/2008		Dr. Ronald Holman				
188	10/01/2008		David S. Olson				
188	10/01/2008		Trust Industrial Bank				
188 Prnt -Check	10/01/2008	1026	Clifford M. and Susan E. Scholtz				
188 Prnt -Check	10/01/2008	1028	David S. Olson				
188 Prnt -Check	10/01/2008	1027	Trust Industrial Bank				
188 Prnt -Check	10/01/2008	1029	Clifford M. and Susan E. Scholtz				
188	10/02/2008		Andrea Switzer				
188 Prnt -Check	10/02/2008	1020	Andrea Switzer				
					30,407.50	30,407.50	0.00
					30,407.50	259,401.50	-745,000.00
Total Note Payable							0.00
Payroll Liabilities							0.00
Total Payroll Liabilities							0.00
Opening Bal Equity							0.00
Total Opening Bal Equity							0.00
Owners Draw							0.00
Total Owners Draw							0.00
Owners Equity							165,010.00
Total Owners Equity							165,010.00
Prnt In Capital							0.00
Deposit	04/15/2008		Gordon S. Della Perna			1,000.00	-1,000.00
Deposit	05/04/2008		Gordon S. Della Perna			1,000.00	-2,000.00
Deposit	05/17/2008		Gordon S. Della Perna			5,000.00	-7,000.00
Deposit	11/02/2008		Gordon S. Della Perna			2,000.00	-10,000.00
Deposit	12/10/2008		Gordon S. Della Perna			350.00	-10,400.00

01/11/14  
01/11/14  
Account Balak

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
	Deposit	11/16/2009		Guarion S. Della Penna	Deposit	Bank of America	0.00	11,950.00	-11,950.00
Total Paid In Capital									0.00
Commodities Income									0.00
Total Commodity Income									0.00
Miscellaneous Income									0.00
Total Miscellaneous Income									0.00
Services Income									0.00
Total Services Income									0.00
Cost of Goods Sold							0.00		0.00
Total Cost of Goods Sold							0.00		0.00
Administrative Services	BNL	02/05/2009		Andrea Smetzer	Administrative Services	Note Payable	1,000.00		0.00
Total Administrative Services							1,000.00		1,000.00
Advertising and Promotion									0.00
Total Advertising and Promotion									0.00
Automobile Expense									0.00
Total Automobile Expense									0.00
Bank Service Charges									0.00
Check Printing Fees									0.00
Total Check Printing Fees									0.00
Income Tax									0.00
	Check	01/16/2009		Bank of America		Bank of America	12.00		12.00
	Check	07/16/2009		Bank of America		Bank of America	24.00		36.00
	Check	03/05/2009		Bank of America		Bank of America	12.00		48.00
	Check	03/12/2009		Bank of America		Bank of America	12.00		60.00
	Check	04/23/2009		Bank of America		Bank of America	12.00		72.00
	Check	05/11/2009		Bank of America		Bank of America	12.00		84.00
	Check	06/05/2009		Bank of America		Bank of America	12.00		96.00
	Check	06/23/2009		Bank of America		Bank of America	12.00		108.00
	Check	07/29/2009		Bank of America		Bank of America	12.00		120.00
	Check	10/02/2009		Bank of America		Bank of America	12.00		132.00
	Check	11/02/2009		Bank of America		Bank of America	12.00		144.00
Total Incoming Wire							144.00	0.00	144.00



A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

	Type	Date	Num	Name	Mem	SPB	Debit	Credit	Balance
NSF Fees	Check	05/04/2009		Bank of America		Bank of America	35.00		0.00
	Check	05/11/2009		Bank of America		Bank of America	35.00		35.00
Total NSF Fees							70.00	0.00	70.00
Duplicating Wire Fee	Check	08/20/2009		Bank of America		Bank of America	25.00		0.00
	Check	08/19/2009		Bank of America		Bank of America	25.00		25.00
	Check	07/27/2009		Bank of America		Bank of America	25.00		50.00
	Check	07/16/2009		Bank of America		Bank of America	25.00		75.00
	Check	03/26/2009		Bank of America		Bank of America	25.00		100.00
	Check	04/01/2009		Bank of America		Bank of America	25.00		125.00
	Check	06/03/2009		Bank of America		Bank of America	25.00		150.00
	Check	06/03/2009		Bank of America		Bank of America	25.00		175.00
	Check	06/03/2009		Bank of America		Bank of America	25.00		200.00
	Check	06/17/2009		Bank of America		Bank of America	25.00		225.00
	Check	06/04/2009		Bank of America		Bank of America	25.00		250.00
	Check	06/02/2009		Bank of America		Bank of America	25.00		275.00
	Check	07/14/2009		Bank of America		Bank of America	25.00		300.00
Total Duplicating Wire Fee							300.00	0.00	300.00
return of deposit fee	Check	02/25/2009		Bank of America		Bank of America	35.00		0.00
Total return of deposit fee							35.00	0.00	35.00
Bank Service Charges - Other	Check	02/27/2009		Bank of America		Bank of America	17.00		0.00
	Check	03/11/2009		Bank of America		Bank of America	17.00		17.00
	Check	04/29/2009		Bank of America		Bank of America	17.00		34.00
	Check	05/29/2009		Bank of America		Bank of America	17.00		51.00
	Check	07/11/2009		Bank of America		Bank of America	17.00		68.00
	Check	08/11/2009		Bank of America		Bank of America	17.00		85.00
	Check	08/20/2009		Bank of America		Bank of America	17.00		102.00
	Check	11/02/2009		Bank of America		Bank of America	17.00		119.00
	Check	11/02/2009		Bank of America		Bank of America	17.00		136.00
	Check	11/02/2009		Bank of America		Bank of America	17.00		153.00
	Check	12/01/2009		Bank of America		Bank of America	17.00		170.00
Total Bank Service Charges - Other							170.00	0.00	170.00
Total Bank Service Charges							719.00	0.00	719.00
Business Licenses and Permits									0.00
Total Business Licenses and Permits									0.00
Computer and Internet Expenses									0.00

A-G Hedge Group LLC  
 General Ledger  
 As of December 31, 2009

01/14/14  
 Accrual Basis

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Total Computer and Internal Expenses									0.00
Continuing Education									0.00
Total Continuing Education									0.00
Depreciation Expense									8.00
Total Depreciation Expense									8.00
Debt and Subscriptions									0.00
Total Debt and Subscriptions									0.00
Insurance Expense									0.00
Total Insurance Expense									0.00
Interest Expense									0.00
Clifford & Susan Scholtz	BB	01/01/2009		Clifford M. and Susan E. Scholtz	24 days Interest		333.36		0.00
	BB	04/01/2009		Clifford M. and Susan E. Scholtz	First Quarter Interest 2009		1,250.00		333.36
	BB	06/15/2009		Clifford M. and Susan E. Scholtz	Second Quarter Interest		1,250.00		1,583.36
	BB	10/01/2009		Clifford M. and Susan E. Scholtz	Third Quarter Interest 2009		1,250.00		2,833.36
Total Clifford & Susan Scholtz							4,083.36	0.00	4,083.36
David S. Olson	BB	01/01/2009		David S. Olson	24 days Interest		83.28		0.00
	BB	04/01/2009		David S. Olson	First Quarter Interest 2009		312.50		395.78
	BB	06/15/2009		David S. Olson	Interest for second quarter 2009		312.50		708.28
	BB	10/01/2009		David S. Olson	Third Quarter Interest 2009		312.50		1,020.78
Total David S. Olson							1,020.78	0.00	1,020.78
Michael J. Shaw IRA									0.00
	BB	01/01/2009		Trust Indentured Bank	52 days Interest		2,888.12		2,888.12
	BB	04/01/2009		Trust Indentured Bank	First Quarter Interest 2009		5,000.00		7,888.12
	Deposit	05/02/2009		Trust Indentured Bank	Check # 1017 Returned			5,000.00	2,888.12
	Checks	06/12/2009	1017	Trust Indentured Bank	Non-cash		5,000.00		7,888.12
	BB	06/15/2009		Trust Indentured Bank	Interest for second quarter 2009		6,000.00		12,888.12
	BB	10/01/2009		Trust Indentured Bank	Third Quarter Interest		6,000.00		17,888.12
Total Michael J. Shaw IRA							22,988.12	5,000.00	17,888.12
Ronald Haden									0.00
	BB	06/15/2009		Dr. Ronald Haden	2nd Quarter for two weeks		458.33		458.33
	BB	10/01/2009		Dr. Ronald Haden	Third Quarter 2009		2,750.00		3,208.33
							3,208.33	0.00	3,208.33
Interest Expense - Other									0.00

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01/21/14  
Actual Bal

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

	Type	Date	Num	Acct	Memo	Split	Debit	Credit	Balance
Total Interest Expense - Other									0.00
Total Interest Expense							31,201.59	5,000.00	26,201.59
Legal Fees									8.98
Total Legal Fees									0.00
Licenses, permits, filings									0.00
Total Licenses, permits, filings									0.00
Management Fees									0.00
	Check	01/02/2009		Gaston S. Della Penna	Prepaid	Bank of America	50,000.00		30,000.00
	Check	01/12/2009		Gaston S. Della Penna		Bank of America	8,000.00		56,000.00
	Check	01/20/2009		Gaston S. Della Penna		Bank of America	47,500.00		103,500.00
	Check	02/13/2009	1002	Gaston S. Della Penna		Bank of America	1,500.00		105,000.00
	Check	02/19/2009		Gaston S. Della Penna		Bank of America	42,300.00		147,300.00
	BD	02/25/2009		Gaston S. Della Penna	VOID	Gaston S. Della Penna	0.00		147,300.00
	Check	03/06/2009		Gaston S. Della Penna		Bank of America	60,000.00		207,300.00
	Check	04/01/2009		Gaston S. Della Penna		Bank of America	37,500.00		244,800.00
	BD	04/24/2009		Gaston S. Della Penna		Note Payable	850.00		245,650.00
	Check	08/09/2009		Gaston S. Della Penna		Bank of America	12,500.00		258,150.00
	Check	08/11/2009	1001	Gaston S. Della Penna		Bank of America	4,000.00		262,150.00
	Check	08/17/2009		Gaston S. Della Penna		Bank of America	70,000.00		332,150.00
	Check	08/24/2009		Gaston S. Della Penna		Bank of America	19,000.00		351,150.00
	Check	09/30/2009		Gaston S. Della Penna		Bank of America	35,000.00		386,150.00
	Check	07/24/2009		Gaston S. Della Penna		Bank of America	15,000.00		401,150.00
	BR	08/17/2009		Gaston S. Della Penna		Gaston S. Della Penna	1,500.00		402,650.00
	BR	10/05/2009		Andrew Smeltzer	For GDP	Note Payable	850.00		403,500.00
Total Management Fees							403,700.00	0.00	403,700.00
Meals and Entertainment									0.00
Total Meals and Entertainment									0.00
Miscellaneous									0.00
	Check	06/05/2009			Freelance Insurance	Bank of America	6,097.25		6,097.25
Total Miscellaneous							6,097.25	0.00	6,097.25
Office Supplies									0.00
Total Office Supplies									0.00
Paid Out Capital									0.00
	BR	05/01/2009		Gaston S. Della Penna		Note Payable	1,000.00		1,000.00
Total Paid Out Capital							1,000.00	0.00	1,000.00

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9/23/14  
Annual Book

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2009

	Type	Date	Num	Desc	Debit	Credit	Balance
Payroll Expenses							0.00
Total Payroll Expenses							0.00
Postage and Delivery							0.00
Total Postage and Delivery							0.00
Printing and Reproduction							0.00
Total Printing and Reproduction							0.00
Professional Fees							0.00
Total Professional Fees							0.00
Rent Expense							0.00
Total Rent Expense							0.00
Telephone Expense							0.00
Total Telephone Expense							0.00
Total Expense							0.00
Total Travel Expense							0.00
Utilities							0.00
Total Utilities							0.00
Bank by Accountant							0.00
Total Bank by Accountant							0.00
No acct							0.00
Total no acct							0.00
<b>TOTAL</b>					1,112,894.43	1,112,894.43	0.00

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 01/31/14  
 Accrual Basis

A-G Hedge Group LLC  
**Trial Balance**  
 As of December 31, 2009

	Dec 31, 09	
	Debit	Credit
Bank of America		4,952.84
E trade trading account	157,875.00	
Gaston S. Della Penna	0.00	
Note Payable	0.00	
Note Payable:Clifford Scholtz		100,000.00
Note Payable:Hadem		220,000.00
Note Payable:Stoan		400,000.00
Note Payable:Susan Scholz		25,000.00
Opening Bal Equity	0.00	
Owners Equity	165,010.00	
Paid In Capital		11,650.00
Administrative Services	1,000.00	
Bank Service Charges	170.00	
Bank Service Charges:Incoming Wire	144.00	
Bank Service Charges:NSF Fees	70.00	
Bank Service Charges:Outgoing Wire Fee	300.00	
Bank Service Charges:return of deposit fee	35.00	
Interest Expense:Clifford & Susan Scholz	4,083.36	
Interest Expense:David S. Olson	1,020.78	
Interest Expense:Michael J.Stoan IRA	17,889.12	
Interest Expense:Ronald Hadem	3,208.33	
Management Fees	403,700.00	
Miscellaneous	6,097.25	
Paid Out Capital	1,000.00	
<b>TOTAL</b>	<b>761,602.84</b>	<b>761,602.84</b>

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
151	Bill	01/01/2010		Dr. Ronald Hadam	Fourth Quarter Interest 2009	Note Payable		2,750.00
				Dr. Ronald Hadam	Fourth Quarter Interest 2009	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
152	Bill	01/01/2010		David S. Olson	Fourth Quarter Interest 2009	Note Payable		312.50
				David S. Olson	Fourth Quarter Interest 2009	David S. Olson	312.50	
							312.50	312.50
153	Bill	01/01/2010		Clifford M. and Susan E. Schotz	Fourth Quarter Interest	Note Payable		1,250.00
				Clifford M. and Susan E. Schotz	Fourth Quarter Interest	Clifford & Susan Schotz	1,250.00	
							1,250.00	1,250.00
154	Bill	01/01/2010		Trust Industrial Bank	VOID: Fourth Quarter Interest 2009	Note Payable	0.00	
				Trust Industrial Bank	VOID: Fourth Quarter Interest 2009	Michael J. Sloan IRA	0.00	
							0.00	0.00
155	Bill Pmt-Check	01/01/2010	1030	Dr. Ronald Hadam	Fourth Quarter Interest 2009	Bank of America		2,750.00
				Dr. Ronald Hadam	Fourth Quarter Interest 2009	Note Payable	2,750.00	
							2,750.00	2,750.00
156	Bill Pmt-Check	01/01/2010	1031	Clifford M. and Susan E. Schotz	Fourth Quarter Interest	Bank of America		1,250.00
				Clifford M. and Susan E. Schotz	Fourth Quarter Interest	Note Payable	1,250.00	
							1,250.00	1,250.00
157	Bill Pmt-Check	01/01/2010	1032	David S. Olson	Fourth Quarter Interest 2009	Bank of America		312.50
				David S. Olson	Fourth Quarter Interest 2009	Note Payable	312.50	
							312.50	312.50
160	Deposit	01/05/2010		Entrust	Deposit	Bank of America	400,000.00	
				Entrust	Deposit	Hadam		400,000.00
							400,000.00	400,000.00
161	Check	01/05/2010		Bank of America		Bank of America		12.00

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
162	Check	01/06/2010		Gaeton S. Della Penna		Bank of America		20,000.00
				Gaeton S. Della Penna		Management Fees	20,000.00	
							20,000.00	20,000.00
163	Check	01/06/2010		E Trade Clearing	Hadam Investment	Bank of America		350,000.00
				E Trade Clearing	Hadam Investment	E trade trading account	350,000.00	
							350,000.00	350,000.00
164	Check	01/06/2010		Bank of America	Regions	Bank of America		25.00
				Bank of America	Regions	Outgoing Wire Fee	25.00	
							25.00	25.00
165	Check	01/06/2010		Bank of America	Etrade	Bank of America		25.00
				Bank of America	Etrade	Outgoing Wire Fee	25.00	
							25.00	25.00
166	Bill	01/14/2010		William T. Kirtley, P.A.	VOID:	Note Payable	0.00	
				William T. Kirtley, P.A.	Review of prospectus re: early liquidation	Legal Fees	0.00	
							0.00	0.00
167	Bill	01/14/2010		William T. Kirtley, P.A.	VOID:	Accounts Payable	0.00	
				William T. Kirtley, P.A.	Review of early liquidation	Legal Fees	0.00	
							0.00	0.00
168	Bill Pmt-Check	01/14/2010	1034	William T. Kirtley, P.A.	VOID:	Bank of America	0.00	
				William T. Kirtley, P.A.	VOID:	Accounts Payable	0.00	
							0.00	0.00
169	Bill	01/14/2010		William T. Kirtley, P.A.	Preparation First Supplement, examination of offerin	Accounts Payable		500.00
				William T. Kirtley, P.A.	Preparation First Supplement, examination of offerin	Legal Fees	500.00	

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							500.00	500.00
170	Bill Pmt -Check	01/14/2010	1035	William T. Kirtley, P.A.	Preparation First Supplement, examination of offerin	Bank of America		500.00
				William T. Kirtley, P.A.	Preparation First Supplement, examination of offerin	Accounts Payable	500.00	
							500.00	500.00
171	Deposit	01/19/2010		Gaeton S. Della Penna	VOID: Deposit	Bank of America	0.00	
				Gaeton S. Della Penna	VOID: Deposit	Management Fees	0.00	
							0.00	0.00
172	Check	01/19/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
173	Check	01/19/2010		Gaeton S. Della Penna		Bank of America		10,000.00
				Gaeton S. Della Penna		Management Fees	10,000.00	
							10,000.00	10,000.00
174	Check	01/26/2010		Gaeton S. Della Penna		Bank of America		10,000.00
				Gaeton S. Della Penna		Management Fees	10,000.00	
							10,000.00	10,000.00
175	Check	01/26/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
176	Deposit	02/03/2010		E Trade Clearing	Deposit	Bank of America	53,500.00	
				E Trade Clearing	Deposit	E trade trading account		53,500.00
							53,500.00	53,500.00
177	Check	02/03/2010		Gaeton S. Della Penna		Bank of America		49,000.00
				Gaeton S. Della Penna		Management Fees	49,000.00	
							49,000.00	49,000.00



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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
178	Check	02/03/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
179	Check	02/03/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
180	Check	02/05/2010		Bank of America	Stop payment on check #1033	Bank of America		30.00
				Bank of America	Stop payment on check #1033	Bank Service Charges	30.00	
							30.00	30.00
181	Bill	02/16/2010		William T. Kirtley, P.A.	Statement dated 01-28-10 - Preparation of form lett	Accounts Payable		600.00
				William T. Kirtley, P.A.	Statement dated 01-28-10 - Preparation of form lett	Legal Fees	600.00	
							600.00	600.00
182	Bill Pmt-Check	02/16/2010	1036	William T. Kirtley, P.A.	Statement dated 01-28-10 - Preparation of form lett	Bank of America		600.00
				William T. Kirtley, P.A.	Statement dated 01-28-10 - Preparation of form lett	Accounts Payable	600.00	
							600.00	600.00
183	Check	02/19/2010		Gaeton S. Della Penna		Bank of America		3,750.00
				Gaeton S. Della Penna		Management Fees	3,750.00	
							3,750.00	3,750.00
184	Check	02/19/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
185	Deposit	02/26/2010		E Trade Clearing	partial payment on principle loan	Bank of America	40,000.00	
				E Trade Clearing	partial payment on principle loan	E trade trading account		40,000.00
							40,000.00	40,000.00

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
186	Check	02/25/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
187	Check	02/25/2010		Michael J. Sloan IRA	Partial Payment	Bank of America		40,000.00
				Michael J. Sloan IRA	Partial Payment	Sloan	40,000.00	
							40,000.00	40,000.00
188	Check	02/25/2010		Bank of America	Partial Payment on Principle	Bank of America		25.00
				Bank of America	Partial Payment on Principle	Outgoing Wire Fee	25.00	
							25.00	25.00
189	Check	02/26/2010		Bank of America	Monthly Maintenance	Bank of America		17.00
				Bank of America	Monthly Maintenance	Bank Service Charges	17.00	
							17.00	17.00
190	Check	03/01/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
191	Check	03/01/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
192	Check	03/31/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
193	Bill	04/01/2010		Dr. Ronald Hadam	First Quarter Interest 2010	Accounts Payable		2,750.00
				Dr. Ronald Hadam	First Quarter Interest 2010	Ronald Hadam	2,750.00	
							2,750.00	2,750.00

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**A-G Hedge Group LLC  
Journal  
January through December 2010**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
194	Bill	04/01/2010		David S. Olson	First Quarter Interest 2010	Accounts Payable		312.50
				David S. Olson	First Quarter Interest	David S. Olson	312.50	
							312.50	312.50
195	Bill	04/01/2010		Clifford M. and Susan E. Scholz	First Quarter Interest 2010	Accounts Payable		1,250.00
				Clifford M. and Susan E. Scholz	First Quarter Interest 2010	Clifford & Susan Scholz	1,250.00	
							1,250.00	1,250.00
196	Bill Pmt-Check	04/01/2010	1037	Dr. Ronald Hadam	First Quarter Interest 2010	Bank of America		2,750.00
				Dr. Ronald Hadam	First Quarter Interest 2010	Accounts Payable	2,750.00	
							2,750.00	2,750.00
197	Bill Pmt-Check	04/01/2010	1038	Clifford M. and Susan E. Scholz	First Quarter Interest 2010	Bank of America		1,250.00
				Clifford M. and Susan E. Scholz	First Quarter Interest 2010	Accounts Payable	1,250.00	
							1,250.00	1,250.00
198	Bill Pmt-Check	04/01/2010	1039	David S. Olson	First Quarter Interest 2010	Bank of America		312.50
				David S. Olson	First Quarter Interest 2010	Accounts Payable	312.50	
							312.50	312.50
199	Check	04/06/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
200	Check	04/08/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
201	Deposit	04/20/2010		Gaeton S. Della Penna	Deposit	Bank of America	1,000.00	
				Gaeton S. Della Penna	Deposit	Paid in Capital		1,000.00
							1,000.00	1,000.00

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
202	Deposit	04/23/2010		Gaeton S. Della Penna	Deposit	Bank of America	500.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		500.00
							500.00	500.00
203	Deposit	04/23/2010		Gaeton S. Della Penna	Deposit	Bank of America	250.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		250.00
							250.00	250.00
204	Check	04/28/2010		Gaeton S. Della Penna		Bank of America		250.00
				Gaeton S. Della Penna		Paid In Capital	250.00	
							250.00	250.00
205	Check	04/28/2010		Bank of America		Bank of America		10.00
				Bank of America		Incoming Wire	10.00	
							10.00	10.00
206	Check	04/28/2010		Bank of America		Bank of America		6.00
				Bank of America		return of deposit fee	6.00	
							6.00	6.00
207	Deposit	04/29/2010		E Trade Clearing	Deposit	Bank of America	6,000.00	
				E Trade Clearing	Deposit	E trade trading account		6,000.00
							6,000.00	6,000.00
208	Check	04/29/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
209	Deposit	04/19/2010		E Trade Clearing	Deposit	Bank of America	2,100.00	
				E Trade Clearing	Deposit	E trade trading account		2,100.00
							2,100.00	2,100.00

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**A-G Hedge Group LLC  
Journal  
January through December 2010**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
210	Check	04/19/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
211	Check	04/30/2010		Gaeton S. Della Penna		Bank of America		4,500.00
				Gaeton S. Della Penna		Management Fees	4,500.00	
							4,500.00	4,500.00
212	Check	04/30/2010		Gaeton S. Della Penna		Bank of America		600.00
				Gaeton S. Della Penna		Paid In Capital	600.00	
							600.00	600.00
213	Check	04/30/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
214	Check	04/30/2010		Bank of America	To GDP	Bank of America		25.00
				Bank of America	To GDP	Outgoing Wire Fee	25.00	
							25.00	25.00
215	Check	04/30/2010		Bank of America	To G-3	Bank of America		25.00
				Bank of America	To G-3	Outgoing Wire Fee	25.00	
							25.00	25.00
216	Deposit	04/06/2010		Gaeton S. Della Penna	Deposit	Bank of America	15,000.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		15,000.00
							15,000.00	15,000.00
217	Check	04/06/2010		E Trade Clearing		Bank of America		15,000.00
				E Trade Clearing		E trade trading account	15,000.00	
							15,000.00	15,000.00

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
218	Deposit	05/05/2010		E Trade Clearing	Deposit	Bank of America	3,000.00	
				E Trade Clearing	Deposit	E trade trading account		3,000.00
							3,000.00	3,000.00
219	Check	05/05/2010		Gaeton S. Della Penna		Bank of America		3,000.00
				Gaeton S. Della Penna		Management Fees	3,000.00	
							3,000.00	3,000.00
220	Check	05/05/2010		Bank of America		Bank of America		25.00
				Bank of America		Outgoing Wire Fee	25.00	
							25.00	25.00
221	Check	05/05/2010		Bank of America		Bank of America		12.00
				Bank of America		Incoming Wire	12.00	
							12.00	12.00
222	Check	05/28/2010		Bank of America	Monthly maintenance fee	Bank of America		17.00
				Bank of America	Monthly maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
223	Check	06/30/2010		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
224	Bill	08/05/2010		Dr. Ronald Hadam	Second Quarter Interest 2010	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Second Quarter Interest 2010	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
225	Bill Pmt-Check	08/06/2010	1041	Dr. Ronald Hadam	Second Quarter Interest 2010	Bank of America		2,750.00
				Dr. Ronald Hadam	Second Quarter Interest 2010	Accounts Payable	2,750.00	
							2,750.00	2,750.00

**A-G Hedge Group LLC  
Journal  
January through December 2010**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
226	Bill	08/06/2010		Clifford M. and Susan E. Scholz	VOID: Second Quarter Interest 2010	Accounts Payable	0.00	
				Clifford M. and Susan E. Scholz	VOID: Second Quarter Interest 2010	Clifford & Susan Scholz	0.00	
							0.00	0.00
227	Bill	08/06/2010		David S. Olson	VOID: Second Quarter Interest 2010	Accounts Payable	0.00	
				David S. Olson	VOID: Second Quarter Interest 2010	David S. Olson	0.00	
							0.00	0.00
228	Bill Pmt-Check	08/06/2010	1042	Clifford M. and Susan E. Scholz	VOID: Second Quarter Interest 2010	Bank of America	0.00	
				Clifford M. and Susan E. Scholz	VOID: Second Quarter Interest 2010	Accounts Payable	0.00	
							0.00	0.00
229	Bill Pmt-Check	08/06/2010	1043	David S. Olson	VOID: Second Quarter Interest 2010	Bank of America	0.00	
				David S. Olson	VOID: Second Quarter Interest 2010	Accounts Payable	0.00	
							0.00	0.00
230	Deposit	08/09/2010		Gaeton S. Della Penna	Deposit	Bank of America	2,800.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		2,800.00
							2,800.00	2,800.00
231	Check	07/30/2010		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
232	Check	08/31/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
233	Bill	09/30/2010		Dr. Ronald Hadam	Third Quarter Interest	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Third Qtr. Interest 2010	Ronald Hadam	2,750.00	
							2,750.00	2,750.00

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
234	Bill Pmt - Check	09/30/2010	1044	Dr. Ronald Hadam	Third Quarter Interest	Bank of America		2,750.00
				Dr. Ronald Hadam	Third Quarter Interest	Accounts Payable	2,750.00	
							2,750.00	2,750.00
235	Check	09/30/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
236	Deposit	10/12/2010		Gaeton S. Della Penna	Deposit	Bank of America	3,000.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		3,000.00
							3,000.00	3,000.00
237	Check	10/29/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
238	Check	11/05/2010	1045	Gaeton S. Della Penna		Bank of America		2,500.00
				Gaeton S. Della Penna		Management Fees	2,500.00	
							2,500.00	2,500.00
239	Check	11/05/2010		Bank of America	VOID: Overdraft Fee GJE, RGJE created on 11/09/	Bank of America	0.00	
				Bank of America	VOID: Overdraft Fee GJE, RGJE created on 11/09/	Bank Service Charges	0.00	
							0.00	0.00
240	Check	11/08/2010		Bank of America	NSF Fees for check #1045	Bank of America		35.00
				Bank of America	NSF Fees for check #1045	Bank Service Charges	35.00	
							35.00	35.00
241	Deposit	11/08/2010		Gaeton S. Della Penna	Return of Check #1045	Bank of America	2,500.00	
				Gaeton S. Della Penna	Return of Check #1045	Management Fees		2,500.00
							2,500.00	2,500.00



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**A-G Hedge Group LLC  
Journal  
January through December 2010**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
242	Deposit	11/08/2010		Gaeton S. Della Penna	Deposit	Bank of America	2,500.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		2,500.00
							2,500.00	2,500.00
243	General Journal	11/05/2010	2	Bank of America	For CHK voided on 11/09/2010	Bank of America		35.00
				Bank of America	For CHK voided on 11/09/2010	Bank Service Charges	35.00	
							35.00	35.00
244	General Journal	11/09/2010	2R	Bank of America	Reverse of GJE 2 - For CHK voided on 11/09/2010	Bank of America	35.00	
				Bank of America	Reverse of GJE 2 - For CHK voided on 11/09/2010	Bank Service Charges		35.00
							35.00	35.00
245	Check	11/09/2010	1045	Gaeton S. Della Penna	Check resubmitted	Bank of America		2,500.00
				Gaeton S. Della Penna	Check resubmitted	Management Fees	2,500.00	
							2,500.00	2,500.00
246	Check	11/30/2010		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
247	Check	11/30/2010		Bank of America	Interest charged on uncollected balance	Bank of America		1.14
				Bank of America	Interest charged on uncollected balance	Bank Service Charges	1.14	
							1.14	1.14
248	Check	12/31/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
265	Deposit	03/01/2010		E Trade Clearing	Deposit	Bank of America	50,000.00	
				E Trade Clearing	Deposit	Miscellaneous Income		50,000.00
							50,000.00	50,000.00

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A-G Hedge Group LLC  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
266	Check	03/01/2010		Gaelon S. Della Penna		Bank of America		50,000.00
				Gaston S. Della Penna		Management Fees	50,000.00	
							50,000.00	50,000.00
TOTAL							1,174,435.14	1,174,435.14

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01/27/14  
Account Balts

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2010

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Bank of America									-4,553.84
	BB Pmt -Check	01/01/2010	1030	Dr. Ronald Hadam	Fourth Quarter Interest 2009	Note Payable	2,750.00		-7,302.84
	BB Pmt -Check	01/01/2010	1031	Clifford M. and Susan E. Scholz	Fourth Quarter Interest	Note Payable	1,250.00		-8,552.84
	BB Pmt -Check	01/01/2010	1032	David S. Olson	Fourth Quarter Interest 2009	Note Payable	312.50		-8,865.34
	Deposit	01/05/2010		Esteban	Deposit	Hidden	400,000.00		390,734.68
	Check	01/05/2010		Bank of America		Incoming Wire		12.00	390,722.68
	Check	01/05/2010		Gaston S. Della Penna		Management Fees	20,000.00		370,722.68
	Check	01/05/2010		E Trade Clearing	Madam Investment	E trade trading account	350,000.00		20,722.68
	Check	01/06/2010		Bank of America	Regions	Outgoing Wire Fee	25.00		20,697.68
	Check	01/06/2010		Bank of America	Etrade	Outgoing Wire Fee	25.00		20,672.68
	BB Pmt -Check	01/14/2010	1034	William T. Kirby, P.A.	VOID:	Accounts Payable	0.00		20,672.68
	BB Pmt -Check	01/14/2010	1035	William T. Kirby, P.A.	Preparation First Supplement, examination of offer	Accounts Payable	500.00		20,172.68
	Deposit	01/19/2010		Gaston S. Della Penna	VOID: Deposit	Management Fees	0.00		20,172.68
	Check	01/19/2010		Bank of America		Outgoing Wire Fee	25.00		20,147.68
	Check	01/19/2010		Gaston S. Della Penna		Management Fees	10,000.00		10,147.68
	Check	01/28/2010		Gaston S. Della Penna		Management Fees	10,000.00		147.68
	Check	01/28/2010		Bank of America		Outgoing Wire Fee	25.00		122.68
	Deposit	02/03/2010		E Trade Clearing	Deposit	E trade trading account	53,500.00		63,622.68
	Check	02/03/2010		Gaston S. Della Penna		Management Fees	49,000.00		4,622.68
	Check	02/03/2010		Bank of America		Outgoing Wire Fee	25.00		4,597.68
	Check	02/03/2010		Bank of America		Incoming Wire	12.00		4,585.68
	Check	02/05/2010		Bank of America	Stop payment on check #1033	Bank Service Charges	30.00		4,555.68
	BB Pmt -Check	02/16/2010	1036	William T. Kirby, P.A.	Statement dated 01-28-10 - Preparation of form 1041	Accounts Payable	600.00		3,955.68
	Check	02/19/2010		Gaston S. Della Penna		Management Fees	3,750.00		205.68
	Check	03/19/2010		Bank of America		Outgoing Wire Fee	26.00		180.68
	Deposit	03/25/2010		E Trade Clearing	partial payment on principle loan	E trade trading account	40,000.00		40,180.68
	Check	02/25/2010		Bank of America		Incoming Wire	12.00		40,168.68
	Check	02/25/2010		Michael J. Sloan IRA	Partial Payment	Sloan	40,000.00		168.68
	Check	02/25/2010		Bank of America	Partial Payment on Principals	Outgoing Wire Fee	25.00		143.68
	Check	02/26/2010		Bank of America	Monthly Maintenance	Bank Service Charges	17.00		126.68
	Check	03/01/2010		Bank of America		Incoming Wire	12.00		114.68
	Check	03/01/2010		Bank of America		Outgoing Wire Fee	25.00		89.68
	Deposit	03/01/2010		E Trade Clearing	Deposit	Miscellaneous Income	50,000.00		50,089.68
	Check	03/01/2010		Gaston S. Della Penna		Management Fees	50,000.00		89.68
	Check	03/01/2010		Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00		72.68
	BB Pmt -Check	04/01/2010	1037	Dr. Ronald Hadam	First Quarter Interest 2010	Accounts Payable	2,750.00		-3,677.34
	BB Pmt -Check	04/01/2010	1038	Clifford M. and Susan E. Scholz	First Quarter Interest 2010	Accounts Payable	1,250.00		-4,927.34
	BB Pmt -Check	04/01/2010	1039	David S. Olson	First Quarter Interest 2010	Accounts Payable	312.50		-5,239.84
	Check	04/02/2010		Bank of America		Incoming Wire	12.00		-4,227.84
	Check	04/02/2010		Bank of America		Outgoing Wire Fee	25.00		-4,272.84
	Deposit	04/05/2010		Gaston S. Della Penna	Deposit	Paid in Capital	15,000.00		10,723.16
	Check	04/05/2010		E Trade Clearing		E trade trading account	15,000.00		-4,276.84
	Deposit	04/19/2010		E Trade Clearing	Deposit	E trade trading account	2,100.00		-2,176.84
	Check	04/19/2010		Bank of America		Incoming Wire	12.00		-2,188.84



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Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2010

	Type	Date	Num	Memo	Debit	Credit	Balance
	Deposit	03/02/2010				53,500.00	-443,376.50
	Deposit	03/22/2010				40,000.00	-414,376.50
	Check	04/02/2010			15,000.00		-429,376.50
	Deposit	04/12/2010				2,100.00	-427,276.50
	Deposit	04/22/2010				5,000.00	-422,276.50
	Deposit	05/22/2010			365,000.00		-410,276.50
							-410,276.50
Total E trade trading account							
Inventory Asset							0.00
Total Inventory Asset							0.00
Accumulated Depreciations							0.00
Total Accumulated Depreciation							0.00
Furniture and Equipment							0.00
Total Furniture and Equipment							0.00
Accounts Payable							0.00
	BB	01/14/2010		William T. Kiley, P.A.			0.00
	BB	01/14/2010	1034	William T. Kiley, P.A.	Legal Fees	0.00	0.00
	BB	01/14/2010	1034	William T. Kiley, P.A.	Bank of America	0.00	0.00
	BB	01/14/2010	1035	William T. Kiley, P.A.	Preparation First Supplement, continuation of client	500.00	-600.00
	BB	02/18/2010	1035	William T. Kiley, P.A.	Preparation First Supplement, continuation of client	500.00	-1,100.00
	BB	02/18/2010	1036	William T. Kiley, P.A.	Statement dated 01-28-10 - Preparation of form sell	600.00	-1,700.00
	BB	04/01/2010		Dr. Ronald Hudson	Bank of America		-1,700.00
	BB	04/01/2010		David S. Olson	Ronald Hudson	2,750.00	1,050.00
	BB	04/01/2010	1037	Clifford M. and Susan E. Schatz	Clifford & Susan Schatz	312.50	-1,362.50
	BB	04/01/2010	1038	Dr. Ronald Hudson	Bank of America	1,500.00	-2,862.50
	BB	04/01/2010	1038	Clifford M. and Susan E. Schatz	Bank of America	1,500.00	-4,362.50
	BB	06/02/2010	1039	David S. Olson	Bank of America	312.50	-4,675.00
	BB	06/02/2010	1041	Dr. Ronald Hudson	Ronald Hudson	2,750.00	-7,425.00
	BB	06/02/2010	1041	Clifford M. and Susan E. Schatz	Bank of America	2,750.00	-10,175.00
	BB	06/02/2010	1042	David S. Olson	Clifford & Susan Schatz	0.00	-10,175.00
	BB	06/02/2010	1043	Clifford M. and Susan E. Schatz	Bank of America	0.00	-10,175.00
	BB	06/02/2010	1043	David S. Olson	Bank of America	0.00	-10,175.00
	BB	06/02/2010	1044	Dr. Ronald Hudson	Ronald Hudson	2,750.00	-12,925.00
	BB	06/02/2010	1044	Dr. Ronald Hudson	Bank of America	10,912.50	-23,837.50
Total Accounts Payable							-23,837.50
Overseas & Daily Payroll							0.00
Total Overseas & Daily Payroll							0.00
Home Payables							-23,837.50





A-G Hedge Group LLC  
 General Ledger  
 As of December 31, 2016

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Account	Type	Date	Mem	Mem	Mem	Debit	Credit	Balance
NSF Fees								0.00
Total NSF Fees								0.00
Outgoing Wire Fee								0.00
	Check	01/06/2016		Bank of America	Regions			0.00
	Check	01/06/2016		Bank of America	Etrova			25.00
	Check	01/06/2016		Bank of America	Bank of America	25.00		50.00
	Check	01/06/2016		Bank of America	Bank of America	25.00		75.00
	Check	02/02/2016		Bank of America	Bank of America	25.00		100.00
	Check	02/16/2016		Bank of America	Bank of America	25.00		125.00
	Check	02/22/2016		Bank of America	Bank of America	25.00		150.00
	Check	03/01/2016		Bank of America	Bank of America	25.00		175.00
	Check	04/06/2016		Bank of America	Bank of America	25.00		200.00
	Check	04/06/2016		Bank of America	Bank of America	25.00		225.00
	Check	04/06/2016		Bank of America	Bank of America	25.00		250.00
	Check	04/06/2016		Bank of America	Bank of America	25.00		275.00
	Check	05/25/2016		Bank of America	Bank of America	25.00		300.00
Total Outgoing Wire Fee						300.00	0.00	300.00
Interest of deposit fee								0.00
	Check	04/06/2016		Bank of America	Bank of America	5.00		0.00
Total return of deposit fee						5.00		0.00
Bank Service Charges - Other								0.00
	Check	02/02/2016		Bank of America	Bank of America	30.00		30.00
	Check	02/02/2016		Bank of America	Bank of America	17.00		47.00
	Check	03/11/2016		Bank of America	Bank of America	17.00		64.00
	Check	04/06/2016		Bank of America	Bank of America	17.00		81.00
	Check	05/06/2016		Bank of America	Bank of America	17.00		98.00
	Check	06/06/2016		Bank of America	Bank of America	17.00		115.00
	Check	07/06/2016		Bank of America	Bank of America	17.00		132.00
	Check	08/01/2016		Bank of America	Bank of America	17.00		149.00
	Check	08/06/2016		Bank of America	Bank of America	17.00		166.00
	Check	10/06/2016		Bank of America	Bank of America	17.00		183.00
	Check	11/02/2016		Bank of America	Bank of America	17.00		200.00
	General Journal				NSF Fees for check #1045	35.00		235.00
	Check	11/02/2016		Bank of America	Bank of America	35.00		270.00
	General Journal				Power of GLE 2 - For CHK, voided on 11/02/2016	35.00		305.00
	Check	11/02/2016		Bank of America	Bank of America	35.00		340.00
	Check	11/02/2016		Bank of America	Bank of America	17.00		357.00
	Check	12/01/2016		Bank of America	Bank of America	17.00		374.00
Total Bank Service Charges - Other						283.14		35.00
Total Bank Service Charges						283.14		35.00
Total Bank Service Charges						283.14		35.00
						770.14		665.14



A-G Hedge Group LLC  
General Ledger  
As of December 31, 2010

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12/31/2010  
Accrual Basis

	Type	Date	Num	Name	Mem	Split	Debit	Credit	Balance
Business Licenses and Permits									0.00
Total Business Licenses and Permits									0.00
Computer and Internet Expenses									0.00
Total Computer and Internet Expenses									0.00
Continuing Education									0.00
Total Continuing Education									0.00
Domestic Office Expense									0.00
Total Depreciation Expense									0.00
Data and Subscriptions									0.00
Total Data and Subscriptions									0.00
Insurance Expense									0.00
Total Insurance Expense									0.00
Interest Expense									0.00
Clifford & Susan School									0.00
Clifford M. and Susan E. School	BA	01/01/2010		Clifford M. and Susan E. School	Fourth Quarter Interest		1,250.00		1,250.00
Clifford M. and Susan E. School	BA	04/01/2010		Clifford M. and Susan E. School	First Quarter Interest 2010		1,250.00		2,500.00
Clifford M. and Susan E. School	BA	08/01/2010		Clifford M. and Susan E. School	NOTE: Second Quarter Interest 2010		2,500.00		2,500.00
Total Clifford & Susan School									2,500.00
David S. Olson									0.00
David S. Olson	BA	01/01/2010		David S. Olson	Fourth Quarter Interest 2009		312.50		312.50
David S. Olson	BA	04/01/2010		David S. Olson	First Quarter Interest		312.50		625.00
David S. Olson	BA	08/01/2010		David S. Olson	NOTE: Second Quarter Interest 2010		625.00		625.00
Total David S. Olson									625.00
Michael J. Skwan BA									0.00
Total Michael J. Skwan BA									0.00
Ronald Nadem									0.00
Ronald Nadem	BB	01/01/2010		Trust Industrial Bank	NOTE: Fourth Quarter Interest 2009		0.00		0.00
Ronald Nadem	BB	04/01/2010		Dr. Ronald Nadem	Fourth Quarter Interest 2009		2,750.00		2,750.00
Ronald Nadem	BB	08/01/2010		Dr. Ronald Nadem	First Quarter Interest 2010		2,750.00		5,500.00
Ronald Nadem	BB	02/01/2010		Dr. Ronald Nadem	Second Quarter Interest 2010		2,750.00		8,250.00
Ronald Nadem	BB	06/01/2010		Dr. Ronald Nadem	Third Qtr. Interest 2010		2,750.00		11,000.00
Total Ronald Nadem									11,000.00
Interest Expense - Other									0.00
Total Interest Expense - Other									0.00



A-G Hedge Group LLC  
 General Ledger  
 As of December 31, 2010

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 Accrual Basis

	Type	Date	Amount	Debit	Credit	Balance
Postage and Delivery						0.00
Total Postage and Delivery						0.00
Printing and Reproduction						0.00
Total Printing and Reproduction						0.00
Professional Fees						0.00
Total Professional Fees						0.00
Rent Expense						0.00
Total Rent Expense						0.00
Telephone Expense						0.00
Total Telephone Expense						0.00
Travel Expense						0.00
Total Travel Expense						0.00
Utilities						0.00
Total Utilities						0.00
Ask My Accountant						0.00
Total Ask My Accountant						0.00
No accts						0.00
Total no accts						0.00
<b>TOTAL</b>				<b>1,174,455.14</b>	<b>1,174,455.14</b>	<b>0.00</b>

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 Accrual Basis

**A-G Hedge Group LLC**  
**Trial Balance**  
 As of December 31, 2010

	Dec 31, 10	
	Debit	Credit
Bank of America	207.02	
E trade trading account	418,275.00	
Accounts Payable	0.00	
Gaeton S. Della Penna	0.00	
Note Payable	0.00	
Note Payable:Clifford Scholz		100,000.00
Note Payable:Hadem		620,000.00
Note Payable:Sloan		380,000.00
Note Payable:Susan Scholz		25,000.00
Opening Bal Equity	0.00	
Owners Equity	603,727.84	
Paid In Capital		35,850.00
Miscellaneous Income		50,000.00
Bank Service Charges	253.14	
Bank Service Charges:Incoming Wire	108.00	
Bank Service Charges:Outgoing Wire Fee	300.00	
Bank Service Charges:return of deposit fee	6.00	
Interest Expense:Clifford & Susan Scholz	2,500.00	
Interest Expense:David S. Olson	625.00	
Interest Expense:Michael J.Sloan IRA	0.00	
Interest Expense:Ronald Hadem	11,000.00	
Legal Fees	1,100.00	
Management Fees	152,750.00	
<b>TOTAL</b>	<b>1,190,850.00</b>	<b>1,190,850.00</b>

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
249	Bill	01/05/2011		Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
250	Bill Pmt-Check	01/05/2011	1047	Dr. Ronald Hadam	VOID: Fourth Quarter Interest for 2010	Bank of America	0.00	
				Dr. Ronald Hadam	VOID: Fourth Quarter Interest for 2010	Accounts Payable	0.00	
							0.00	0.00
251	Bill Pmt-Check	01/05/2011	1048	Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Bank of America		2,750.00
				Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Accounts Payable	2,750.00	
							2,750.00	2,750.00
252	Bill	01/06/2011		Clifford M. and Susan E. Scholz	VOID: ROC	Accounts Payable	0.00	
				Clifford M. and Susan E. Scholz	VOID: ROC	Clifford & Susan Scholz	0.00	
							0.00	0.00
253	Bill	01/06/2011		David S. Olson	VOID: ROC	Accounts Payable	0.00	
				David S. Olson	VOID: ROC	David S. Olson	0.00	
							0.00	0.00
254	Bill Pmt-Check	01/31/2011	1049	David S. Olson	VOID: ROC	Bank of America	0.00	
				David S. Olson	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00
255	Bill Pmt-Check	02/28/2011	1050	Clifford M. and Susan E. Scholz	VOID: ROC	Bank of America	0.00	
				Clifford M. and Susan E. Scholz	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00
256	Check	01/10/2011	1004	NTC & Co FBO Michael J. Sloan IRA		Bank of America		50,000.00
				NTC & Co FBO Michael J. Sloan IRA		Miscellaneous	50,000.00	
							50,000.00	50,000.00
257	Check	01/10/2011		Bank of America	VOID:	Bank of America	0.00	

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	VOID:	Bank Service Charges	0.00	
							0.00	0.00
258	Deposit	01/11/2011		NTC & Co FBO Michael J. Sloan IRA	Return of check 1004	Bank of America	50,000.00	
				NTC & Co FBO Michael J. Sloan IRA	Return of check 1004	Miscellaneous		50,000.00
							50,000.00	50,000.00
259	Check	01/11/2011		Bank of America	NSF fees	Bank of America		35.00
				Bank of America	NSF fees	Bank Service Charges	35.00	
							35.00	35.00
260	Check	01/12/2011	1004	NTC & Co FBO Michael J. Sloan IRA	Resubmitted	Bank of America		50,000.00
				NTC & Co FBO Michael J. Sloan IRA	Resubmitted	Miscellaneous	50,000.00	
							50,000.00	50,000.00
261	Deposit	01/13/2011		NTC & Co FBO Michael J. Sloan IRA	second return of check 1004	Bank of America	50,000.00	
				NTC & Co FBO Michael J. Sloan IRA	second return of check 1004	Miscellaneous		50,000.00
							50,000.00	50,000.00
262	Check	01/13/2011		Bank of America	NSF fees	Bank of America		35.00
				Bank of America	NSF fees	Bank Service Charges	35.00	
							35.00	35.00
263	Check	02/28/2011	1050	Clifford M. and Susan E. Scholtz	VOID: stop pymt voided	Bank of America	0.00	
				Clifford M. and Susan E. Scholtz	VOID: stop pymt voided	Clifford Scholtz	0.00	
							0.00	0.00
264	Check	01/31/2011	1049	David S. Olson		Bank of America		25,000.00
				David S. Olson		Susan Scholtz	25,000.00	
							25,000.00	25,000.00
267	Deposit	01/31/2011		Gaeton S. Della Penna	ROC for David Olson	Bank of America	28,500.00	
				Gaeton S. Della Penna	ROC for David Olson	Paid In Capital		28,500.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							28,500.00	28,500.00
268	Check	01/31/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
269	Check	01/31/2011		Bank of America	Incoming wire fee	Bank of America		12.00
				Bank of America	Incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
270	Check	02/03/2011	1053	Andrea Smetzer		Bank of America		600.00
				Andrea Smetzer		Administrative Services	600.00	
							600.00	600.00
271	Check	02/11/2011	1051	William T. Kirtley, P.A.		Bank of America		2,000.00
				William T. Kirtley, P.A.		Legal Fees	2,000.00	
							2,000.00	2,000.00
272	Check	02/11/2011		Bank of America	NSF Fees for Check #1051	Bank of America		35.00
				Bank of America	NSF Fees for Check #1051	Bank Service Charges	35.00	
							35.00	35.00
273	Deposit	02/15/2011		William T. Kirtley, P.A.	return of check #1051	Bank of America	2,000.00	
				William T. Kirtley, P.A.	return of check #1051	Legal Fees		2,000.00
							2,000.00	2,000.00
274	Check	02/15/2011		William T. Kirtley, P.A.	check 1051 resubmitted	Bank of America		2,000.00
				William T. Kirtley, P.A.	check 1051 resubmitted	Legal Fees	2,000.00	
							2,000.00	2,000.00
275	Check	02/15/2011		Bank of America	NSF Fees	Bank of America		35.00
				Bank of America	NSF Fees	Bank Service Charges	35.00	
							35.00	35.00

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A-G Hedge Group LLC  
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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
276	Check	02/15/2011	1052	Gaeton S. Della Penna		Bank of America		200.00
				Gaeton S. Della Penna	reimbursement check	Administrative Services	200.00	
							200.00	200.00
277	Deposit	02/16/2011		William T. Kirtley, P.A.	Check 1051 returned again	Bank of America	2,000.00	
				William T. Kirtley, P.A.	Check 1051 returned again	Legal Fees		2,000.00
							2,000.00	2,000.00
278	Check	02/23/2011		Bank of America	Extended Overdrawn balance	Bank of America		35.00
				Bank of America	Extended Overdrawn balance	Bank Service Charges	35.00	
							35.00	35.00
279	Deposit	02/28/2011		Gaeton S. Della Penna	Deposit	Bank of America	100.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		100.00
							100.00	100.00
280	Check	03/02/2011		Bank of America	Stop payment fee	Bank of America		30.00
				Bank of America	Stop payment fee	Bank Service Charges	30.00	
							30.00	30.00
281	Check	03/01/2011		Bank of America		Bank of America		17.00
				Bank of America		Bank Service Charges	17.00	
							17.00	17.00
282	General Journal	02/28/2011	3R	Gaeton S. Della Penna		Paid In Capital		2,000.00
				William T. Kirtley, P.A.	C Clifford and Susan Scholtz's	Legal Fees	2,000.00	
							2,000.00	2,000.00
283	Bill	03/14/2011		Michael J. Sloan IRA	VOID:	Accounts Payable	0.00	
				Michael J. Sloan IRA	VOID:	E trade trading account	0.00	
							0.00	0.00



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January through December 2011

Trans#	Type	Date	Num	Name	Memo	Account	Debit	Credit
284	Bill Pmt -Check	03/14/2011	1054	Michael J. Sloan IRA	VOID:	Bank of America	0.00	
				Michael J. Sloan IRA	VOID:	Accounts Payable	0.00	
							0.00	0.00
285	Deposit	03/15/2011		Gaelon S. Della Penna	to cover roc to Michael Sloan	Bank of America	25,100.00	
				Gaelon S. Della Penna	to cover roc to Michael Sloan	Paid In Capital		25,100.00
							25,100.00	25,100.00
286	Check	03/15/2011		Michael J. Sloan IRA	Return of Capital	Bank of America		25,000.00
				Michael J. Sloan IRA	Return of Capital	Sloan	25,000.00	
							25,000.00	25,000.00
287	Bill	03/31/2011		Dr. Ronald Hadam	First Quarter Interest 2011	Accounts Payable		2,750.00
				Dr. Ronald Hadam	First Quarter Interest for 2011	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
288	Bill Pmt -Check	03/31/2011	1055	Dr. Ronald Hadam	First Quarter Interest 2011	Bank of America		2,750.00
				Dr. Ronald Hadam	First Quarter Interest 2011	Accounts Payable	2,750.00	
							2,750.00	2,750.00
289	Check	03/15/2011		Bank of America	Incoming Wire	Bank of America		12.00
				Bank of America	Incoming Wire	Bank Service Charges	12.00	
							12.00	12.00
290	Check	03/15/2011		Bank of America	Outgoing wire	Bank of America		25.00
				Bank of America	Outgoing wire	Bank Service Charges	25.00	
							25.00	25.00
295	Check	03/31/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00

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**A-G Hedge Group LLC  
Journal  
January through December 2011**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
296	Deposit	04/12/2011		Gaeton S. Della Penna	to cover interest checks	Bank of America	3,000.00	
				Gaeton S. Della Penna	to cover interest checks	Paid In Capital		3,000.00
							3,000.00	3,000.00
297	Check	04/12/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
298	General Journal	04/14/2011	8R	William T. Kirtley, P.A.	Re: Scholz Matter	Professional Fees	375.00	
				Gaeton S. Della Penna	Scholz Matter	Paid In Capital		375.00
							375.00	375.00
299	Check	04/29/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
300	General Journal	05/08/2011	9R	Clifford M. and Susan E. Scholz	Paid in full the Note	Clifford Scholz	100,000.00	
				Gaeton S. Della Penna	Guy Della Penna	Paid In Capital		100,000.00
							100,000.00	100,000.00
301	Check	05/31/2011		Bank of America	Monthly fee for may	Bank of America		17.00
				Bank of America	Monthly fee for may	Bank Service Charges	17.00	
							17.00	17.00
302	Bill	06/02/2011		Stock Cycles Forecast	siestacay@aol.com - Guy Della Penna	Accounts Payable		265.00
				Stock Cycles Forecast	Stock Cycles Forecast	Dues and Subscriptions	265.00	
							265.00	265.00
303	BillPmt-Check	06/02/2011	1058	Stock Cycles Forecast	siestacay@aol.com - Guy Della Penna	Bank of America		265.00
				Stock Cycles Forecast	siestacay@aol.com - Guy Della Penna	Accounts Payable	265.00	
							265.00	265.00

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
304	Deposit	06/13/2011		Gaeton S. Della Penna	cover expenses	Bank of America	35.00	
				Gaeton S. Della Penna	cover expenses	Paid In Capital		35.00
							35.00	35.00
305	Bill	07/01/2011		Dr. Ronald Hadam	Second Quarter Interest for 2011	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Second Quarter Interest for 2011	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
306	Bill Pmt -Check	07/01/2011	1057	Dr. Ronald Hadam	Second Quarter Interest for 2011	Bank of America		2,750.00
				Dr. Ronald Hadam	Second Quarter Interest for 2011	Accounts Payable	2,750.00	
							2,750.00	2,750.00
307	Check	06/30/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
308	Deposit	07/05/2011		Gaeton S. Della Penna	to cover 2nd Qtr. Interest Check	Bank of America	2,800.00	
				Gaeton S. Della Penna	to cover 2nd Qtr. Interest Check	Paid In Capital		2,800.00
							2,800.00	2,800.00
309	Check	07/23/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
310	Bill	07/30/2011		Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
				Trust Industrial Bank	ROC	Michael J. Sloan IRA	0.00	
							0.00	0.00
311	Bill Pmt -Check	07/30/2011	1058	Trust Industrial Bank	VOID: ROC	Bank of America	0.00	
				Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00

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**A-G Hedge Group LLC  
Journal  
January through December 2011**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
312	Bill	07/30/2011		Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
				Trust Industrial Bank	VOID: ROC	Michael J. Sloan IRA	0.00	
							0.00	0.00
313	BillPmt -Check	07/30/2011	1059	Trust Industrial Bank	VOID: ROC	Bank of America	0.00	
				Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00
314	Check	07/30/2011	1059	Trust Industrial Bank		Bank of America		25,000.00
				Trust Industrial Bank		Sloan	25,000.00	
							25,000.00	25,000.00
315	Deposit	08/30/2011		Gaeton Capital Advisors, LLC	sloan check	Bank of America	20,050.00	
				Gaeton Capital Advisors, LLC	sloan check	Paid In Capital		20,050.00
							20,050.00	20,050.00
316	Deposit	08/29/2011		Trust Industrial Bank	Return of check 1059	Bank of America	25,000.00	
				Trust Industrial Bank	Return of check 1059	Sloan		25,000.00
							25,000.00	25,000.00
317	Check	08/30/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
318	Check	08/30/2011		Bank of America	Nsf Fee	Bank of America		35.00
				Bank of America	Nsf Fee	Bank Service Charges	35.00	
							35.00	35.00
319	Deposit	08/31/2011		Gaeton Capital Advisors, LLC	Sloan Check	Bank of America	5,000.00	
				Gaeton Capital Advisors, LLC	Sloan Check	Paid In Capital		5,000.00
							5,000.00	5,000.00

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A-G Hedge Group LLC  
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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
320	Check	08/31/2011		Bank of America	Incoming Wire transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
321	Check	08/31/2011	1060	Bank of America	official check sent to Trust Industrial Bank	Bank of America		25,010.00
				Bank of America	Official check to Trust Industrial Bank	Bank Service Charges	10.00	
				Michael J. Sloan IRA	Return of Principal	Sloan	25,000.00	
							25,010.00	25,010.00
322	Check	09/01/2011		Gaeton Capital Advisors, LLC	VOID: cover nsf charges	Bank of America	0.00	
				Gaeton Capital Advisors, LLC	VOID: cover nsf charges	Paid In Capital	0.00	
							0.00	0.00
323	Check	09/01/2011		Bank of America		Bank of America		35.00
				Bank of America		NSF Fees	35.00	
							35.00	35.00
324	Check	08/31/2011	1059	Trust Industrial Bank	Check Resubmitted	Bank of America		25,000.00
				Trust Industrial Bank	Check Resubmitted	Sloan	25,000.00	
							25,000.00	25,000.00
326	Deposit	09/01/2011		Trust Industrial Bank	check 1059 returned again	Bank of America	25,000.00	
				Trust Industrial Bank	check 1059 returned again	Sloan		25,000.00
							25,000.00	25,000.00
326	Check	08/31/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
327	Check	08/31/2011		Bank of America	Interest collected uncollected funds	Bank of America		4.28
				Bank of America	Interest collected uncollected funds	Bank Service Charges	4.28	
							4.28	4.28

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**A-G Hedge Group LLC  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
328	Deposit	08/01/2011		Gaeton Capital Advisors, LLC	cover nsf charges	Bank of America	50.00	
				Gaeton Capital Advisors, LLC	cover nsf charges	Paid In Capital		50.00
							50.00	50.00
329	Bill	09/28/2011		Dr. Ronald Hadam	Third Quarter Interest for 2011	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Third Quarter Interest for 2011	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
330	Bill Pmt -Check	09/30/2011	1061	Dr. Ronald Hadam	Third Quarter Interest for 2011	Bank of America		2,750.00
				Dr. Ronald Hadam	Third Quarter Interest for 2011	Accounts Payable	2,750.00	
							2,750.00	2,750.00
331	Check	09/30/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
332	Deposit	10/11/2011		Gaeton S. Della Penna	Deposit	Bank of America	2,800.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		2,800.00
							2,800.00	2,800.00
333	Check	10/31/2011		Bank of America	Monthly Maintenance Fees	Bank of America		17.00
				Bank of America	Monthly Maintenance Fees	Bank Service Charges	17.00	
							17.00	17.00
334	Check	11/30/2011		Bank of America	Monthly Maintenance fees	Bank of America		17.00
				Bank of America	Monthly Maintenance fees	Bank Service Charges	17.00	
							17.00	17.00
337	Check	12/30/2011		Bank of America	December Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	December Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
TOTAL							586,718.28	586,718.28

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Account Bal

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2011

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Bank of America									207.02
	BB Pmt - Check	01/05/2011	1047	Dr. Ronald Haden	VOID: Fourth Quarter Interest for 2010	Accounts Payable	0.00		207.02
	BB Pmt - Check	01/05/2011	1048	Dr. Ronald Haden	Fourth Quarter Interest for 2010	Accounts Payable	2,750.00		-2,542.98
	Check	01/10/2011	1004	NTC & Co FBO Michael J. Sloan IRA		Miscellaneous	50,000.00		-52,542.98
	Check	01/10/2011		Bank of America	VOID:	Bank Service Charges	0.00		-52,542.98
	Deposit	01/11/2011		NTC & Co FBO Michael J. Sloan IRA	Return of check 1004	Miscellaneous	50,000.00		-2,542.98
	Check	01/11/2011		Bank of America	NSF fees	Bank Service Charges	36.00		-2,577.98
	Check	01/12/2011	1004	NTC & Co FBO Michael J. Sloan IRA	Resubmitted	Miscellaneous	50,000.00		-2,577.98
	Deposit	01/12/2011		NTC & Co FBO Michael J. Sloan IRA	Second return of check 1004	Miscellaneous	50,000.00		-2,577.98
	Check	01/13/2011		Bank of America	NSF fees	Bank Service Charges	35.00		-2,612.98
	BB Pmt - Check	01/13/2011	1049	David S. Olson	VOID: ROC	Accounts Payable	0.00		-2,612.98
	Check	01/13/2011	1049	David S. Olson		Susan Scholtz	25,000.00		-27,612.98
	Deposit	01/13/2011		Gaelan S. Della Penna	ROC for David Olson	Paid In Capital	28,500.00		687.02
	Check	01/13/2011		Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00		670.02
	Check	01/13/2011		Bank of America	Increasing wire fee	Bank Service Charges	12.00		658.02
	Check	02/03/2011	1053	Andrea Smeltzer		Administrative Services	600.00		258.02
	Check	02/11/2011	1051	William T. Kirtley, P.A.		Legal Fees	2,000.00		-1,741.98
	Check	02/11/2011		Bank of America	NSF Fees for Check #1051	Bank Service Charges	35.00		-1,776.98
	Deposit	02/15/2011		William T. Kirtley, P.A.	Return of check #1051	Legal Fees	2,000.00		223.02
	Check	02/15/2011		William T. Kirtley, P.A.	check 1051 resubmitted	Legal Fees	2,000.00		-1,776.98
	Check	02/15/2011		Bank of America	NSF Fees	Bank Service Charges	35.00		-1,811.98
	Check	02/15/2011	1052	Gaelan S. Della Penna		Administrative Services	200.00		-2,011.98
	Deposit	02/15/2011		William T. Kirtley, P.A.	Check 1051 returned again	Legal Fees	2,000.00		-11.98
	Check	02/22/2011		Bank of America	Outstanding overdraft balance	Bank Service Charges	35.00		-46.98
	BB Pmt - Check	02/22/2011	1050	Clifford M. and Susan E. Scholtz	VOID: ROC	Accounts Payable	0.00		-46.98
	Check	02/22/2011	1050	Clifford M. and Susan E. Scholtz	VOID: stop pymt voided	Clifford Scholtz	0.00		-46.98
	Deposit	02/22/2011		Gaelan S. Della Penna	Deposit	Paid In Capital	100.00		53.02
	Check	03/01/2011		Bank of America		Bank Service Charges	17.00		36.02
	Check	03/01/2011		Bank of America	Stop payment fee	Bank Service Charges	6.00		30.02
	BB Pmt - Check	03/15/2011	1054	Michael J. Sloan IRA	VOID:	Accounts Payable	0.00		30.02
	Deposit	03/15/2011		Gaelan S. Della Penna	to cover roc to Michael Sloan	Paid In Capital	25,100.00		25,106.02
	Check	03/15/2011		Michael J. Sloan IRA	Return of Capital	Sloan	25,000.00		106.02
	Check	03/15/2011		Bank of America	Increasing Wire	Bank Service Charges	12.00		94.02
	Check	03/15/2011		Bank of America	Outgoing wire	Bank Service Charges	25.00		69.02
	BB Pmt - Check	03/31/2011	1055	Dr. Ronald Haden	First Quarter Interest 2011	Accounts Payable	2,750.00		-2,680.98
	Check	03/31/2011		Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00		-2,697.98
	Deposit	04/12/2011		Gaelan S. Della Penna	to cover interest checks	Paid In Capital	3,000.00		302.02
	Check	04/12/2011		Bank of America	Increasing wire transfer fee	Bank Service Charges	12.00		290.02
	Check	04/29/2011		Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00		273.02
	Check	05/01/2011		Bank of America	Monthly fee for debit	Bank Service Charges	17.00		256.02
	BB Pmt - Check	05/02/2011	1056	Stock Cycle's Forward	Westbury@del.com - Guy Della Penna	Accounts Payable	265.00		-8.98
	Deposit	05/03/2011		Gaelan S. Della Penna	cover expenses	Paid In Capital	35.00		26.02
	Check	05/03/2011		Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00		9.02
	BB Pmt - Check	07/01/2011	1057	Dr. Ronald Haden	Second Quarter Interest for 2011	Accounts Payable	2,750.00		-2,740.98



A-G Hedge Group LLC  
General Ledger  
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610314  
General Bank

	Type	Date	Num	Memo	Debit	Credit	Balance
	Deposit	07/26/2011					59.02
	Check	07/29/2011		Goetze S. Debe Penna	2,800.00		42.02
	Bill Pay. Check	07/29/2011	1058	Trust Industrial Bank		17.00	42.02
	Bill Pay. Check	07/29/2011	1058	Trust Industrial Bank		42.02	
	Check	07/29/2011	1058	Trust Industrial Bank			42.02
	Deposit	08/01/2011		Goetze Capital Advisors, LLC		25,000.00	-24,507.86
	Deposit	08/25/2011		Trust Industrial Bank			62.02
	Check	08/30/2011		Bank of America	25,000.00		57.02
	Check	08/30/2011		Goetze Capital Advisors, LLC		35.00	20,07.02
	Check	08/31/2011		Goetze Capital Advisors, LLC	20,050.00		20,050.02
	Check	08/31/2011		Bank of America	5,000.00		15,050.02
	Check	08/31/2011	1060	Trust Industrial Bank			15,050.02
	Check	08/31/2011	1059	Trust Industrial Bank			15,050.02
	Check	08/31/2011		Bank of America		25,000.00	70.02
	Check	08/31/2011		Trust Industrial Bank		25,000.00	-24,928.96
	Check	08/31/2011		Bank of America		17.00	-24,945.96
	Check	08/31/2011		Goetze Capital Advisors, LLC		4.29	-24,948.25
	Check	08/31/2011		Bank of America	0.00		-24,948.25
	Check	08/31/2011		Trust Industrial Bank			-24,948.25
	Check	08/31/2011		Bank of America	25,000.00		-24,983.25
	Check	08/31/2011		Trust Industrial Bank			16.74
	Check	08/31/2011	1061	Dr. Ronald Holden		2,750.00	-27,733.26
	Check	08/31/2011		Bank of America		17.00	-27,750.26
	Check	08/31/2011		Goetze S. Debe Penna	2,800.00		-29,550.26
	Check	08/31/2011		Bank of America			-29,550.26
	Check	11/02/2011		Bank of America		17.00	-29,567.26
	Check	12/09/2011		Bank of America		17.00	-29,584.26
					241,435.00	241,643.29	-1.29
Total Bank of America							418,276.00
E trade trading account							418,276.00
Total E trade trading account							418,276.00
Inventory Asset							0.00
Total Inventory Asset							0.00
Accumulated Depreciation							0.00
Total Accumulated Depreciation							0.00
Furniture and Equipment							0.00
Total Furniture and Equipment							0.00
Accounts Payable							0.00
Bill Pay. Check		01/02/2011		Dr. Ronald Holden		2,750.00	-27,500.00
Bill Pay. Check		01/02/2011	1047	Dr. Ronald Holden			-27,500.00
Bill Pay. Check		01/02/2011	1048	Dr. Ronald Holden			-27,500.00



A-G Hedge Group LLC  
General Ledger  
As of December 31, 2011

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Note Payable - Other									0.00
Total Note Payable - Other									0.00
Total Note Payable							225,000.00	50,000.00	-630,000.00
Payroll Liabilities									0.00
Total Payroll Liabilities									0.00
Opening Bal Equity									0.00
Total Opening Bal Equity									0.00
Owners Draw									0.00
Total Owners Draw									0.00
Owners Equity									722,367.98
Total Owners Equity									722,367.98
Paid In Capital									-35,856.00
	Deposit	01/31/2011		Gaeton S. Delta Penna	ROC for David Olson	Bank of America	28,500.00		-64,450.00
	Deposit	02/28/2011		Gaeton S. Delta Penna	Deposit	Bank of America	100.00		-64,450.00
	General Journal	02/28/2011	3R	Gaeton S. Delta Penna		Legal Fees	2,000.00		-66,450.00
	Deposit	03/15/2011		Gaeton S. Delta Penna	to cover rec to Michael Sloan	Bank of America	25,100.00		-91,550.00
	Deposit	04/12/2011		Gaeton S. Delta Penna	to cover interest checks	Bank of America	3,000.00		-94,550.00
	General Journal	04/14/2011	BR	Gaeton S. Delta Penna	Schottz Matter	Professional Fees	375.00		-94,925.00
	General Journal	05/02/2011	QR	Gaeton S. Delta Penna	Guy Delta Penna	Clifford Schottz	100,000.00		-194,925.00
	Deposit	05/02/2011		Gaeton S. Delta Penna	cover expenses	Bank of America	35.00		-194,960.00
	Deposit	07/05/2011		Gaeton S. Delta Penna	to cover 2nd Qtr. Interest Check	Bank of America	2,800.00		-197,760.00
	Deposit	08/01/2011		Gaeton Capital Advisors, LLC	cover rat charges	Bank of America	50.00		-197,810.00
	Deposit	08/30/2011		Gaeton Capital Advisors, LLC	sloan check	Bank of America	20,050.00		-217,860.00
	Deposit	08/31/2011		Gaeton Capital Advisors, LLC	Sloan Check	Bank of America	5,000.00		-222,860.00
	Check	09/01/2011		Gaeton Capital Advisors, LLC	VOID, cover rat charges	Bank of America	0.00		-222,860.00
	Deposit	10/11/2011		Gaeton S. Delta Penna	Deposit	Bank of America	2,800.00		-225,660.00
Total Paid In Capital							0.00	189,810.00	-225,660.00
Commission Income									0.00
Total Commission Income									0.00
Miscellaneous Income									0.00
Total Miscellaneous Income									0.00
Services Income									0.00
Total Services Income									0.00

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Actual Bal

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2011

	Type	Date	Mem	Acct	Memo	Split	Debit	Credit	Balance
Cost of Goods Sold							0.00		0.00
Total Cost of Goods Sold							0.00		0.00
Administrative Services									0.00
	Check	01/02/2011	NOI		Andrew Szabolc	Bank of America	600.00		600.00
	Check	02/15/2011	NOI		Carson S. Deib Ferns	Bank of America	200.00		800.00
Total Administrative Services							800.00	0.00	800.00
Advertising and Promotion									0.00
Total Advertising and Promotion									0.00
Automobile Expense									0.00
Total Automobile Expense									0.00
Bank Service Charges									0.00
Check Printing fees									0.00
Total Check Printing fees									0.00
Intereting Wire									0.00
Total Incoming Wire									0.00
NSF Fees									0.00
Total NSF Fees	Check	08/07/2011			Bank of America	Bank of America	35.00	0.00	35.00
Outgoing Wire Fee									0.00
Total Outgoing Wire Fee									0.00
return of deposit fee									0.00
Total return of deposit fee									0.00
Bank Service Charges - Other									0.00
	Check	01/10/2011			Bank of America	Bank of America	0.00		0.00
	Check	01/10/2011			Bank of America	Bank of America	35.00		35.00
	Check	01/10/2011			Bank of America	Bank of America	35.00		70.00
	Check	01/10/2011			Bank of America	Bank of America	17.00		87.00
	Check	02/10/2011			Bank of America	Bank of America	12.00		99.00
	Check	02/15/2011			Bank of America	Bank of America	35.00		134.00
	Check	02/15/2011			Bank of America	Bank of America	35.00		169.00
	Check	03/01/2011			Bank of America	Bank of America	35.00		204.00
	Check	03/02/2011			Bank of America	Bank of America	17.00		221.00
	Check	03/15/2011			Bank of America	Bank of America	30.00		251.00
	Check	03/15/2011			Bank of America	Bank of America	12.00		263.00



A-G Hedge Group LLC  
General Ledger  
As of December 31, 2011

	Type	Date	Mem	Name	Memo	Split	Debit	Credit	Balance
David S. Olson									0.00
	BI	01/03/2011		David S. Olson	VOID: ROC	Accounts Payable	0.00		0.00
Total David S. Olson							0.00	0.00	0.00
Michael J. Sloan IRA									0.00
	BI	07/30/2011		Trust Industrial Bank	ROC	Accounts Payable	0.00		0.00
	BI	07/30/2011		Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00		0.00
Total Michael J. Sloan IRA							0.00	0.00	0.00
Ronald Hadam									0.00
	BS	01/05/2011		Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Accounts Payable	2,750.00		2,750.00
	BS	03/31/2011		Dr. Ronald Hadam	First Quarter Interest for 2011	Accounts Payable	2,750.00		5,500.00
	BS	07/01/2011		Dr. Ronald Hadam	Second Quarter Interest for 2011	Accounts Payable	2,750.00		8,250.00
	BS	09/29/2011		Dr. Ronald Hadam	Third Quarter Interest for 2011	Accounts Payable	2,750.00		11,000.00
Total Ronald Hadam							11,000.00	0.00	11,000.00
Interest Expense - Other									0.00
Total Interest Expense - Other									0.00
Total Interest Expense							11,000.00	0.00	11,000.00
Legal Fees									0.00
	Check	02/11/2011	1051	William T. Kirtley, P.A.		Bank of America	2,000.00		2,000.00
	Deposit	03/15/2011		William T. Kirtley, P.A.	return of check #1051	Bank of America		2,000.00	0.00
	Check	02/15/2011		William T. Kirtley, P.A.	check 1051 re-submitted	Bank of America	2,000.00		2,000.00
	Deposit	02/16/2011		William T. Kirtley, P.A.	check 1051 returned again	Bank of America		2,000.00	0.00
	General Journal	02/29/2011	JR	William T. Kirtley, P.A.	Clifford and Susan Scholtz's	Paid in Capital	2,000.00		2,000.00
Total Legal Fees							6,000.00	4,000.00	2,000.00
Licenses, permits, filings									0.00
Total Licenses, permits, filings									0.00
Management Fees									0.00
Total Management Fees									0.00
Meals and Entertainment									0.00
Total Meals and Entertainment									0.00
Miscellaneous									0.00
	Check	01/10/2011	1004	NTC & Co FBO Michael J. Sloan IRA		Bank of America	50,000.00		50,000.00
	Deposit	01/11/2011		NTC & Co FBO Michael J. Sloan IRA	Return of check 1004	Bank of America		50,000.00	0.00
	Check	01/12/2011	1004	NTC & Co FBO Michael J. Sloan IRA	Resubmitted	Bank of America	50,000.00		50,000.00
	Deposit	01/13/2011		NTC & Co FBO Michael J. Sloan IRA	second return of check 1004	Bank of America		50,000.00	0.00

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 General Ledger  
 As of December 31, 2011

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 Actual Basis

	Type	Date	Mem	Name	Memo	Spk	Debit	Credit	Balance
Total Miscellaneous							100,000.00	100,000.00	0.00
Office Supplies									0.00
Total Office Supplies									0.00
Paid Out Capital									0.00
Total Paid Out Capital									0.00
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Postage and Delivery									0.00
Total Postage and Delivery									0.00
Printing and Reproduction									0.00
Total Printing and Reproduction									0.00
Professional Fees									0.00
Total Professional Fees	General Journal	01/12/2011	BR	William T. Kirby, P.A.	Ret. Stock Master	Paid in Capital	375.00		375.00
							375.00	0.00	375.00
Rent Expenses									0.00
Total Rent Expenses									0.00
Telephone Expenses									0.00
Total Telephone Expenses									0.00
Travel Expenses									0.00
Total Travel Expenses									0.00
Utilities									0.00
Total Utilities									0.00
Bank by Accountant									0.00
Total Bank by Accountant									0.00
No entry									0.00
Total no entry									0.00
<b>TOTAL</b>							<b>598,713.29</b>	<b>598,713.29</b>	<b>0.00</b>

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 Accrual Basis

A-G Hedge Group LLC  
**Trial Balance**  
 As of December 31, 2011

	Dec 31, 11	
	Debit	Credit
Bank of America		1.26
E trade trading account	418,275.00	
Accounts Payable	0.00	
Gaeton S. Della Penna	0.00	
Note Payable	0.00	
Note Payable:Clifford Scholtz	0.00	
Note Payable:Hadem		620,000.00
Note Payable:Stoan		310,000.00
Note Payable:Susan Scholtz	0.00	
Opening Bal Equity	0.00	
Owners Equity	722,367.98	
Paid in Capital		226,660.00
Administrative Services	800.00	
Bank Service Charges	543.28	
Bank Service Charges:NSF Fees	35.00	
Dues and Subscriptions	265.00	
Interest Expense:Clifford & Susan Scholtz	0.00	
Interest Expense:David S. Olson	0.00	
Interest Expense:Michael J.Stoan IRA	0.00	
Interest Expense:Ronald Hadem	11,000.00	
Legal Fees	2,000.00	
Miscellaneous	0.00	
Professional Fees	375.00	
<b>TOTAL</b>	<b>1,155,661.26</b>	<b>1,155,661.26</b>



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A-G Hedge Group LLC  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
249	Bill	01/05/2011		Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
250	Bill Pmt-Check	01/05/2011	1047	Dr. Ronald Hadam	VOID: Fourth Quarter Interest for 2010	Bank of America	0.00	
				Dr. Ronald Hadam	VOID: Fourth Quarter Interest for 2010	Accounts Payable	0.00	
							0.00	0.00
251	Bill Pmt-Check	01/05/2011	1048	Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Bank of America		2,750.00
				Dr. Ronald Hadam	Fourth Quarter Interest for 2010	Accounts Payable	2,750.00	
							2,750.00	2,750.00
252	Bill	01/06/2011		Clifford M. and Susan E. Scholz	VOID: ROC	Accounts Payable	0.00	
				Clifford M. and Susan E. Scholz	VOID: ROC	Clifford & Susan Scholz	0.00	
							0.00	0.00
253	Bill	01/06/2011		David S. Olson	VOID: ROC	Accounts Payable	0.00	
				David S. Olson	VOID: ROC	David S. Olson	0.00	
							0.00	0.00
254	Bill Pmt-Check	01/31/2011	1049	David S. Olson	VOID: ROC	Bank of America	0.00	
				David S. Olson	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00
255	Bill Pmt-Check	02/28/2011	1060	Clifford M. and Susan E. Scholz	VOID: ROC	Bank of America	0.00	
				Clifford M. and Susan E. Scholz	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00
256	Check	01/10/2011	1004	NTC & Co FBO Michael J. Sloan IRA		Bank of America		50,000.00
				NTC & Co FBO Michael J. Sloan IRA		Miscellaneous	50,000.00	
							50,000.00	50,000.00
257	Check	01/10/2011		Bank of America	VOID:	Bank of America	0.00	

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**A-G Hedge Group LLC**  
**Journal**  
January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	VOID:	Bank Service Charges	0.00	
							0.00	0.00
258	Deposit	01/11/2011		NTC & Co FBO Michael J. Sloan IRA	Return of check 1004	Bank of America	50,000.00	
				NTC & Co FBO Michael J. Sloan IRA	Return of check 1004	Miscellaneous		50,000.00
							50,000.00	50,000.00
259	Check	01/11/2011		Bank of America	NSF fees	Bank of America		35.00
				Bank of America	NSF fees	Bank Service Charges	35.00	
							35.00	35.00
260	Check	01/12/2011	1004	NTC & Co FBO Michael J. Sloan IRA	Resubmitted	Bank of America		50,000.00
				NTC & Co FBO Michael J. Sloan IRA	Resubmitted	Miscellaneous	50,000.00	
							50,000.00	50,000.00
261	Deposit	01/13/2011		NTC & Co FBO Michael J. Sloan IRA	second return of check 1004	Bank of America	50,000.00	
				NTC & Co FBO Michael J. Sloan IRA	second return of check 1004	Miscellaneous		50,000.00
							50,000.00	50,000.00
262	Check	01/13/2011		Bank of America	NSF fees	Bank of America		35.00
				Bank of America	NSF fees	Bank Service Charges	35.00	
							35.00	35.00
263	Check	02/28/2011	1050	Clifford M. and Susan E. Scholz	VOID: stop pymt voided	Bank of America	0.00	
				Clifford M. and Susan E. Scholz	VOID: stop pymt voided	Clifford Scholz	0.00	
							0.00	0.00
264	Check	01/31/2011	1049	David S. Olson		Bank of America		25,000.00
				David S. Olson		Susan Scholz	25,000.00	
							25,000.00	25,000.00
287	Deposit	01/31/2011		Gaelon S. Della Penna	ROC for David Olson	Bank of America	28,500.00	
				Gaelon S. Della Penna	ROC for David Olson	Paid In Capital		28,500.00

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							28,500.00	28,500.00
268	Check	01/31/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
269	Check	01/31/2011		Bank of America	Incoming wire fee	Bank of America		12.00
				Bank of America	Incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
270	Check	02/03/2011	1053	Andrea Smeltzer		Bank of America		600.00
				Andrea Smeltzer		Administrative Services	600.00	
							600.00	600.00
271	Check	02/11/2011	1051	William T. Kirtley, P.A.		Bank of America		2,000.00
				William T. Kirtley, P.A.		Legal Fees	2,000.00	
							2,000.00	2,000.00
272	Check	02/11/2011		Bank of America	NSF Fees for Check #1051	Bank of America		35.00
				Bank of America	NSF Fees for Check #1051	Bank Service Charges	35.00	
							35.00	35.00
273	Deposit	02/15/2011		William T. Kirtley, P.A.	return of check # 1051	Bank of America	2,000.00	
				William T. Kirtley, P.A.	return of check # 1051	Legal Fees		2,000.00
							2,000.00	2,000.00
274	Check	02/15/2011		William T. Kirtley, P.A.	check 1051 resubmitted	Bank of America		2,000.00
				William T. Kirtley, P.A.	check 1051 resubmitted	Legal Fees	2,000.00	
							2,000.00	2,000.00
275	Check	02/15/2011		Bank of America	NSF Fees	Bank of America		35.00
				Bank of America	NSF Fees	Bank Service Charges	35.00	
							35.00	35.00

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January through December 2011**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
276	Check	02/15/2011	1052	Gaeton S. Della Penna		Bank of America		200.00
				Gaeton S. Della Penna	reimbursement check	Administrative Services	200.00	
							200.00	200.00
277	Deposit	02/16/2011		William T. Hirtley, P.A.	Check 1051 returned again	Bank of America	2,000.00	
				William T. Hirtley, P.A.	Check 1051 returned again	Legal Fees		2,000.00
							2,000.00	2,000.00
278	Check	02/23/2011		Bank of America	Extended Overdrawn balance	Bank of America		35.00
				Bank of America	Extended Overdrawn balance	Bank Service Charges	35.00	
							35.00	35.00
279	Deposit	02/28/2011		Gaeton S. Della Penna	Deposit	Bank of America	100.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		100.00
							100.00	100.00
280	Check	03/02/2011		Bank of America	Stop payment fee	Bank of America		30.00
				Bank of America	Stop payment fee	Bank Service Charges	30.00	
							30.00	30.00
281	Check	03/01/2011		Bank of America		Bank of America		17.00
				Bank of America		Bank Service Charges	17.00	
							17.00	17.00
282	General Journal	02/28/2011	3R	Gaeton S. Della Penna		Paid In Capital		2,000.00
				William T. Hirtley, P.A.	Clifford and Susan Scholtz's	Legal Fees	2,000.00	
							2,000.00	2,000.00
283	Bill	03/14/2011		Michael J. Sloan IRA	VOID:	Accounts Payable	0.00	
				Michael J. Sloan IRA	VOID:	E trade trading account	0.00	
							0.00	0.00

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A-G Hedge Group LLC  
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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
284	Bill Pmt -Check	03/14/2011	1054	Michael J. Sloan IRA	VOID:	Bank of America	0.00	
				Michael J. Sloan IRA	VOID:	Accounts Payable	0.00	
							0.00	0.00
285	Deposit	03/15/2011		Gaeton S. Della Penna	to cover roc to Michael Sloan	Bank of America	25,100.00	
				Gaeton S. Della Penna	to cover roc to Michael Sloan	Paid In Capital		25,100.00
							25,100.00	25,100.00
286	Check	03/15/2011		Michael J. Sloan IRA	Return of Capital	Bank of America		25,000.00
				Michael J. Sloan IRA	Return of Capital	Sloan	25,000.00	
							25,000.00	25,000.00
287	Bill	03/31/2011		Dr. Ronald Hadam	First Quarter Interest 2011	Accounts Payable		2,750.00
				Dr. Ronald Hadam	First Quarter Interest for 2011	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
288	Bill Pmt -Check	03/31/2011	1055	Dr. Ronald Hadam	First Quarter Interest 2011	Bank of America		2,750.00
				Dr. Ronald Hadam	First Quarter Interest 2011	Accounts Payable	2,750.00	
							2,750.00	2,750.00
289	Check	03/15/2011		Bank of America	Incoming Wire	Bank of America		12.00
				Bank of America	Incoming Wire	Bank Service Charges	12.00	
							12.00	12.00
290	Check	03/15/2011		Bank of America	Outgoing wire	Bank of America		25.00
				Bank of America	Outgoing wire	Bank Service Charges	25.00	
							25.00	25.00
295	Check	03/31/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00

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**A-G Hedge Group LLC  
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January through December 2011**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
296	Deposit	04/12/2011		Gaeton S. Della Penna	to cover interest checks	Bank of America	3,000.00	
				Gaeton S. Della Penna	to cover interest checks	Paid In Capital		3,000.00
							3,000.00	3,000.00
297	Check	04/12/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
298	General Journal	04/14/2011	8R	William T. Kirtley, P.A.	Re: Scholz Matter	Professional Fees	375.00	
				Gaeton S. Della Penna	Scholz Matter	Paid In Capital		375.00
							375.00	375.00
299	Check	04/29/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
300	General Journal	05/06/2011	9R	Clifford M. and Susan E. Scholz	Paid in full the Note	Clifford Scholz	100,000.00	
				Gaeton S. Della Penna	Guy Della Penna	Paid In Capital		100,000.00
							100,000.00	100,000.00
301	Check	05/31/2011		Bank of America	Monthly fee for may	Bank of America		17.00
				Bank of America	Monthly fee for may	Bank Service Charges	17.00	
							17.00	17.00
302	Bill	06/02/2011		Stock Cycles Forecast	skstacy@aol.com - Guy Della Penna	Accounts Payable		265.00
				Stock Cycles Forecast	Stock Cycles Forecast	Dues and Subscriptions	265.00	
							265.00	265.00
303	Bill Pmt - Check	06/02/2011	1056	Stock Cycles Forecast	skstacy@aol.com - Guy Della Penna	Bank of America		265.00
				Stock Cycles Forecast	skstacy@aol.com - Guy Della Penna	Accounts Payable	265.00	
							265.00	265.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
304	Deposit	06/03/2011		Gaeton S. Della Penna	cover expenses	Bank of America	35.00	
				Gaeton S. Della Penna	cover expenses	Paid In Capital		35.00
							35.00	35.00
305	Bill	07/01/2011		Dr. Ronald Hadam	Second Quarter Interest for 2011	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Second Quarter Interest for 2011	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
308	Bill Pmt-Check	07/01/2011	1057	Dr. Ronald Hadam	Second Quarter Interest for 2011	Bank of America		2,750.00
				Dr. Ronald Hadam	Second Quarter Interest for 2011	Accounts Payable	2,750.00	
							2,750.00	2,750.00
307	Check	06/30/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
308	Deposit	07/05/2011		Gaeton S. Della Penna	to cover 2nd Qtr. Interest Check	Bank of America	2,800.00	
				Gaeton S. Della Penna	to cover 2nd Qtr. Interest Check	Paid In Capital		2,800.00
							2,800.00	2,800.00
309	Check	07/29/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
310	Bill	07/30/2011		Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
				Trust Industrial Bank	ROC	Michael J.Sloan IRA	0.00	
							0.00	0.00
311	Bill Pmt-Check	07/30/2011	1058	Trust Industrial Bank	VOID: ROC	Bank of America	0.00	
				Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00

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**A-G Hedge Group LLC  
Journal  
January through December 2011**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
312	Bill	07/30/2011		Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
				Trust Industrial Bank	VOID: ROC	Michael J. Sloan IRA	0.00	
							0.00	0.00
313	Bill Pmt - Check	07/30/2011	1059	Trust Industrial Bank	VOID: ROC	Bank of America	0.00	
				Trust Industrial Bank	VOID: ROC	Accounts Payable	0.00	
							0.00	0.00
314	Check	07/30/2011	1059	Trust Industrial Bank		Bank of America		25,000.00
				Trust Industrial Bank		Sloan	25,000.00	
							25,000.00	25,000.00
315	Deposit	08/30/2011		Gaelon Capital Advisors, LLC	sloan check	Bank of America	20,050.00	
				Gaelon Capital Advisors, LLC	sloan check	Paid In Capital		20,050.00
							20,050.00	20,050.00
316	Deposit	08/29/2011		Trust Industrial Bank	Return of check 1059	Bank of America	25,000.00	
				Trust Industrial Bank	Return of check 1059	Sloan		25,000.00
							25,000.00	25,000.00
317	Check	08/30/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
318	Check	08/29/2011		Bank of America	Nsf Fee	Bank of America		35.00
				Bank of America	Nsf Fee	Bank Service Charges	35.00	
							35.00	35.00
319	Deposit	08/31/2011		Gaelon Capital Advisors, LLC	Sloan Check	Bank of America	5,000.00	
				Gaelon Capital Advisors, LLC	Sloan Check	Paid In Capital		5,000.00
							5,000.00	5,000.00



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**A-G Hedge Group LLC  
Journal  
January through December 2011**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
320	Check	08/31/2011		Bank of America	Incoming Wire transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
321	Check	08/31/2011	1060	Bank of America	official check sent to Trust Industrial Bank	Bank of America		25,010.00
				Bank of America	Official check to Trust Industrial Bank	Bank Service Charges	10.00	
				Michel J. Sloan IRA	Return of Principal	Sloan	25,000.00	
						25,010.00	25,010.00	
322	Check	09/01/2011		Gaeton Capital Advisors, LLC	VOID: cover nsf charges	Bank of America	0.00	
				Gaeton Capital Advisors, LLC	VOID: cover nsf charges	Paid In Capital	0.00	
						0.00	0.00	
323	Check	09/01/2011		Bank of America		Bank of America		35.00
				Bank of America		NSF Fees	35.00	
						35.00	35.00	
324	Check	08/31/2011	1099	Trust Industrial Bank	Check Resubmitted	Bank of America		25,000.00
				Trust Industrial Bank	Check Resubmitted	Sloan	25,000.00	
						25,000.00	25,000.00	
325	Deposit	09/01/2011		Trust Industrial Bank	check 1059 returned again	Bank of America	25,000.00	
				Trust Industrial Bank	check 1059 returned again	Sloan		25,000.00
						25,000.00	25,000.00	
326	Check	08/31/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
						17.00	17.00	
327	Check	08/31/2011		Bank of America	Interest collected uncollected funds	Bank of America		4.28
				Bank of America	Interest collected uncollected funds	Bank Service Charges	4.28	
						4.28	4.28	

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
328	Deposit	08/01/2011		Gaeton Capital Advisors, LLC	cover nsf charges	Bank of America	50.00	
				Gaeton Capital Advisors, LLC	cover nsf charges	Paid In Capital		50.00
							50.00	50.00
329	Bill	09/28/2011		Dr. Ronald Hadam	Third Quarter Interest for 2011	Accounts Payable		2,750.00
				Dr. Ronald Hadam	Third Quarter Interest for 2011	Ronald Hadam	2,750.00	
							2,750.00	2,750.00
330	Bill Pmt - Check	09/30/2011	1061	Dr. Ronald Hadam	Third Quarter Interest for 2011	Bank of America		2,750.00
				Dr. Ronald Hadam	Third Quarter Interest for 2011	Accounts Payable	2,750.00	
							2,750.00	2,750.00
331	Check	09/30/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
332	Deposit	10/11/2011		Gaeton S. Della Penna	Deposit	Bank of America	2,800.00	
				Gaeton S. Della Penna	Deposit	Paid In Capital		2,800.00
							2,800.00	2,800.00
333	Check	10/31/2011		Bank of America	Monthly Maintenance Fees	Bank of America		17.00
				Bank of America	Monthly Maintenance Fees	Bank Service Charges	17.00	
							17.00	17.00
334	Check	11/30/2011		Bank of America	Monthly Maintenance fees	Bank of America		17.00
				Bank of America	Monthly Maintenance fees	Bank Service Charges	17.00	
							17.00	17.00
337	Check	12/30/2011		Bank of America	December Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	December Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00

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A-G Hedge Group LLC  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
TOTAL							596,718.28	596,718.28

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2012

	Type	Date	Item	Name	Memo	Split	Debit	Credit	Balance
Bank of America									-1.26
	BI Print - Check	01/01/2012	1084	Dr. Ronald Hadam	Deposit	Accounts Payable		2,750.00	-2,751.26
	Deposit	01/02/2012		Gaston S. Doble Penna		Paid In Capital	2,650.00		-81.74
	Check	01/02/2012		Bank of America	Monthly Maintenance Fee-Jan	Bank Service Charges		12.00	-93.74
	Check	01/01/2012		Bank of America	Monthly Maintenance Charge Feb	Bank Service Charges		17.00	-110.74
	Check	01/01/2012		Bank of America	Monthly Maintenance Fee	Bank Service Charges		17.00	-127.74
	BI Print - Check	01/01/2012	1085	Dr. Ronald Hadam	First Quarter Interest for 2012	Accounts Payable	2,800.00	2,750.00	-14.26
	Deposit	04/02/2012		Gaston S. Doble Penna	ROD	Paid In Capital		50,000.00	35.74
	BI Print - Check	04/02/2012	1087	Gay Doble Penna	WOOD Deposit	Accounts Payable	0.00	50,000.00	-49,864.26
	Check	04/10/2012		Bank of America	Returned Item Fee	Paid In Capital		35.00	-49,899.26
	Deposit	04/10/2012		Lincoln Trust Company	Check 1067 Returned	Share	50,000.00		-49,864.26
	Check	04/11/2012	1087	Bank of America	Reinstated	Share		50,000.00	0.74
	General Journal	04/12/2012	1118	Gay Doble Penna	WOOD NSF Fee G.L.F. RGLF created on 04/12/2012	Bank Service Charges	0.00		-49,860.26
	Deposit	04/12/2012		Bank of America	For CHK voided on 04/12/2012	Bank Service Charges		35.00	-49,895.26
	Check	04/12/2012		Lincoln Trust Company	Check 1087 returned again	Paid In Capital	150.00		-49,845.26
	Check	04/12/2012		Bank of America	Stop Payment on check 1087	Share	50,000.00		-49,845.26
	Check	04/12/2012		Bank of America	NSF Fee Reinstated	Bank Service Charges		30.00	-49,875.26
	General Journal	04/12/2012	1108	Bank of America	Reversal of GLE 118 - For CHK voided on 04/12/2012	Bank Service Charges		35.00	-49,910.26
	Check	04/30/2012		Bank of America	Monthly Maintenance Fee	Bank Service Charges		17.00	-50,080.26
	Check	05/01/2012		Bank of America	Monthly Maintenance Fee	Bank Service Charges		17.00	-50,250.26
	BI Print - Check	05/02/2012	1071	Dr. Ronald Hadam	Second Quarter Interest 2012	Accounts Payable	2,750.00	2,750.00	-2,680.26
	Check	07/05/2012		Gaston Capital Advisors, LLC	From GDP	Paid In Capital		12.00	-2,692.26
	Check	07/05/2012		Bank of America	Monthly Maintenance Fee August	Bank Service Charges		17.00	-2,709.26
	Check	07/05/2012		Bank of America	Monthly Maintenance Fee Sept	Bank Service Charges		17.00	-2,726.26
	BI Print - Check	09/25/2012	1072	Dr. Ronald Hadam	Third Qtr. Interest for 2012	Accounts Payable	2,600.00	2,750.00	-14.26
	Deposit	10/24/2012		Gaston Capital Advisors, LLC	Deposit	Paid In Capital		95.74	81.74
	Check	10/31/2012		Bank of America	Monthly Maintenance Fee	Bank Service Charges		17.00	64.74
	Check	11/01/2012		Bank of America	Monthly Maintenance Fee	Bank Service Charges		17.00	47.74
	Check	12/31/2012		Bank of America	Monthly Maintenance Fee Dec	Bank Service Charges		17.00	30.74
Total Bank of America							111,370.00	111,365.00	5.74
E trade trading account									418,275.00
Total E trade trading account									418,275.00
Inventory Asset									0.00
Total Inventory Asset									0.00

01/01/12  
01/01/12  
Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2012

	Type	Date	Num	Name	Memo	SpBt	Debit	Credit	Balance
Accumulated Depreciation									0.00
Total Accumulated Depreciation									0.00
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Accounts Payable									0.00
	BS	01/01/2012		Dr. Ronald Hadam		Ronald Hadam		2,750.00	-2,750.00
	BD Pmt - Check	01/01/2012	1064	Dr. Ronald Hadam		Bank of America	2,750.00		0.00
	BD	04/01/2012		Dr. Ronald Hadam	First Quarter Interest for 2012	Ronald Hadam		2,750.00	-2,750.00
	BD Pmt - Check	04/01/2012	1065	Dr. Ronald Hadam	First Quarter Interest for 2012	Bank of America	2,750.00		0.00
	BD	04/06/2012		Lincoln Trust Company	ROC	Michael J. Sloan IRA		60,000.00	-60,000.00
	BD Pmt - Check	04/06/2012	1067	Lincoln Trust Company	ROC	Bank of America	50,000.00		0.00
	BD	06/30/2012		Dr. Ronald Hadam	Second Quarter Interest 2012	Ronald Hadam		2,750.00	-2,750.00
	BD Pmt - Check	06/30/2012	1071	Dr. Ronald Hadam	Second Quarter Interest 2012	Bank of America	2,750.00		0.00
	BD	10/15/2012		Dr. Ronald Hadam	Third Qtr. Interest for 2012	Ronald Hadam		2,750.00	-2,750.00
	BD Pmt - Check	10/15/2012	1072	Dr. Ronald Hadam	Third Qtr. Interest for 2012	Bank of America	2,750.00		0.00
Total Accounts Payable							61,000.00	61,000.00	0.00
Gaston S. Della Penna									0.00
Total Gaston S. Della Penna									0.00
Note Payable									-930,000.00
Clifford Scholtz									0.00
Total Clifford Scholtz									0.00
Hadam									-620,000.00
Total Hadam									-620,000.00
Sloan									-310,000.00
	General Journal	04/06/2012	106	Lincoln Trust Company		Michael J. Sloan IRA	50,000.00		-260,000.00
	Deposit	04/10/2012		Lincoln Trust Company	Check 1067 Returned	Bank of America		50,000.00	-310,000.00
	Check	04/11/2012	1067	Lincoln Trust Company	Resubmitted	Bank of America	60,000.00		-260,000.00
	Deposit	04/12/2012		Lincoln Trust Company	Check 1067 returned again	Bank of America		60,000.00	-310,000.00
Total Sloan							100,000.00	100,000.00	-310,000.00
Susan Scholtz									0.00
Total Susan Scholtz									0.00
Note Payable - Other									0.00
Total Note Payable - Other									0.00
Total Note Payable							100,000.00	100,000.00	-930,000.00

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6/13/14  
Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2012

	Type	Date	Num	Name	Memo	Debit	Credit	Balance
Payroll Liabilities								0.00
Total Payroll Liabilities								0.00
Opening Bal Equity								0.00
Total Opening Bal Equity								0.00
Owners Draw								0.00
Total Owners Draw								0.00
Owners Equity								737,346.26
Total Owners Equity								737,346.26
Paid In Capital								225,660.00
Deposit		01/05/2012		Gaston S. Della Penna	Deposit		2,800.00	-228,460.00
Deposit		04/05/2012		Gaston S. Della Penna	VOGD Deposit		2,800.00	-231,260.00
Deposit		04/12/2012		Guy Della Penna	Deposit	0.00		-231,260.00
General Journal		04/25/2012	1298	Guy Della Penna	2012 Annual Report	150.00		-231,410.00
Deposit		07/25/2012		Gaston Capital Advisors, LLC	Uccess permh. Brgs	143.75		-231,553.75
Deposit		10/24/2012		Gaston Capital Advisors, LLC	From GCP	2,750.00		-234,303.75
Total Paid In Capital						0.00	11,443.75	-237,103.75
Commission Income								0.00
Total Commission Income								0.00
Miscellaneous Income								0.00
Total Miscellaneous Income								0.00
Services Income								0.00
Total Services Income								0.00
Cost of Goods Sold								0.00
Total Cost of Goods Sold								0.00
Administrative Services								0.00
Total Administrative Services								0.00
Advertising and Promotions								0.00
Total Advertising and Promotions								0.00
Automobile Expense								0.00
Total Automobile Expense								0.00

610014  
 Accrual Basis

A-10 Hedge Group LLC  
 General Ledger  
 As of December 31, 2012

	Type	Date	Name	Memo	Split	Debit	Credit	Balance
Bank Service Charges								0.00
Check Printing fees								0.00
Total Check Printing fees								0.00
Accounting Wire								0.00
Total Accounting Wire								0.00
NSF Fees								0.00
Total NSF Fees								0.00
Outgoing Wire Fee								0.00
Total Outgoing Wire Fee								0.00
Return of deposit fee								0.00
Total Return of deposit fee								0.00
Bank Service Charges - Other								0.00
	Check	01/02/2012	Bank of America	Accounting wire transfer fee		12.00		12.00
	Check	01/11/2012	Bank of America	Monthly Maintenance Fee, Jan		17.00		29.00
	Check	02/01/2012	Bank of America	Monthly Maintenance Charge Feb		17.00		46.00
	Check	03/02/2012	Bank of America	Monthly Maintenance Fee		17.00		63.00
	Check	04/02/2012	Bank of America	Monthly Maintenance Fee		34.00		97.00
	Check	04/12/2012	Bank of America	VOID NSF Fees SLE, RCSE created on 04/13/2012		0.00		97.00
	General Journal	04/11/2012	Bank of America	For CHK, voided on 01/22/12		33.00		130.00
	Check	04/25/2012	Bank of America	Stop Payment on check 1067		30.00		160.00
	Deposit	04/25/2012	Bank of America	NSF Fee Refunded		35.00	35.00	195.00
	General Journal	04/30/2012	Bank of America	Reverse of GLE 11R - For CHK, voided on 04/12/12			35.00	160.00
	Check	04/30/2012	Bank of America	Monthly Maintenance Fee		17.00		143.00
	Check	05/01/2012	Bank of America	Monthly Maintenance Fee		17.00		126.00
	Check	06/28/2012	Bank of America	Monthly Maintenance Fee		17.00		109.00
	Check	07/02/2012	Bank of America	Accounting Wire Transfer Fee		12.00		97.00
	Check	08/13/2012	Bank of America	Monthly Maintenance Fee August		17.00		204.00
	Check	08/28/2012	Bank of America	Monthly Maintenance Fee Sept		17.00		221.00
	Check	10/01/2012	Bank of America	Monthly Maintenance Fee Oct		17.00		238.00
	Check	11/02/2012	Bank of America	For November Monthly Maintenance Fee		17.00		255.00
	Check	12/01/2012	Bank of America	Monthly Maintenance fee Dec		17.00		272.00
Total Bank Service Charges - Other						303.00	70.00	202.00
Total Bank Service Charges						303.00	70.00	202.00
Business Licenses and Permits								0.00

1425 PM  
02/24/14  
Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2012

	Type	Date	Item	Name	Memo	Spk	Debit	Credit	Balance
Total Business Licenses and Permits									0.00
Computer and Internet Expenses									0.00
Total Computer and Internet Expenses									0.00
Continuing Education									0.00
Total Continuing Education									0.00
Depreciation Expense									0.00
Total Depreciation Expense									0.00
Phone and Subscriptions									0.00
Total Phone and Subscriptions									0.00
Insurance Expense									0.00
Total Insurance Expense									0.00
Interest Expense									0.00
Clifford B. Suman Scholtz									0.00
Total Clifford B. Suman Scholtz									0.00
David S. Olson									0.00
Total David S. Olson									0.00
Michael J. Sivan IRA									0.00
Total Michael J. Sivan IRA									0.00
DB	General Journal	04/03/2012	16R	Lincoln Trust Company	ROC		50,000.00		50,000.00
Total Michael J. Sivan IRA							50,000.00	50,000.00	0.00
Ronald Hudson									0.00
DB		04/01/2012		Dr. Ronald Hudson	Fourth Quarter Interest for 2011		2,750.00		2,750.00
DB		04/01/2012		Dr. Ronald Hudson	First Quarter Interest for 2012		2,750.00		5,500.00
DB		04/30/2012		Dr. Ronald Hudson	Second Quarter Interest		2,750.00		8,250.00
DB		10/31/2012		Dr. Ronald Hudson	Third Quarter Interest for 2012		2,750.00		11,000.00
Total Ronald Hudson							11,000.00	0.00	11,000.00
Interest Expense - Other									0.00
Total Interest Expense - Other									0.00
Total Interest Expense							61,000.00	50,000.00	11,000.00
Legal Fees									0.00
Total Legal Fees									0.00



012514  
Account Balans

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2012

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Licenses, permits, filings	General Journal	04/25/2012	125R		2012 Annual Report		143.75		143.75
Total Licenses, permits, filings							143.75	0.00	143.75
Management Fees									0.00
Total Management Fees									0.00
Meals and Entertainment									0.00
Total Meals and Entertainment									0.00
Miscellaneous									0.00
Total Miscellaneous									0.00
Office Supplies									0.00
Total Office Supplies									0.00
Paid Out Capital									0.00
Total Paid Out Capital									0.00
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Postage and Delivery									0.00
Total Postage and Delivery									0.00
Printing and Reproduction									0.00
Total Printing and Reproduction									0.00
Professional Fees									0.00
Total Professional Fees									0.00
Rent Expense									0.00
Total Rent Expense									0.00
Telephone Expense									0.00
Total Telephone Expense									0.00
Travel Expense									0.00
Total Travel Expense									0.00
Utilities									0.00
Total Utilities									0.00

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6/23/14  
Aronal Basils

A-C Hedge Group LLC  
General Ledger  
As of December 31, 2012

	Type	Date	Amount	Balance	Debit	Credit	Balance
Ask My Accountant							0.00
Total Ask My Accountant							0.00
No entry							0.00
Total no entry							0.00
<b>TOTAL</b>					<b>333,676.75</b>	<b>333,676.75</b>	<b>0.00</b>

1:22 PM  
01/31/14  
Accrual Basis

A-G Hedge Group LLC  
Trial Balance  
As of December 31, 2012

	Dec 31, 12	
	Debit	Credit
Bank of America	5.74	
E trade trading account	418,275.00	
Accounts Payable	0.00	
Gaston S. Della Penna	0.00	
Note Payable	0.00	
Note Payable:Clifford Scholz	0.00	
Note Payable:Hadem		620,000.00
Note Payable:Sloan		310,000.00
Note Payable:Susan Scholz	0.00	
Opening Bal Equity	0.00	
Owners Equity	737,386.26	
Paid in Capital		237,103.75
Bank Service Charges	293.00	
Interest Expense:Michael J.Sloan IRA	0.00	
Interest Expense:Ronald Hadem	11,000.00	
Licenses, permits, filings	143.75	
<b>TOTAL</b>	<b>1,167,103.75</b>	<b>1,167,103.75</b>

1:20 PM  
01/31/14

A-G Hedge Group LLC  
Journal

January through December 2013

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
379	General Journal	01/02/2013	13RR		Fourth Qtr. Int. for 2012	Ronald Hadem	2,750.00	
					GDP thru GCA	Paid In Capital		2,750.00
							2,750.00	2,750.00
380	Check	01/31/2013		Bank of America	Monthly Maintenance for Jan	Bank of America		17.00
				Bank of America	Monthly Maintenance for Jan	Bank Service Charges	17.00	
							17.00	17.00
382	Deposit	02/06/2013		Bank of America	reimbursed	Bank of America	17.00	
				Bank of America	reimbursed	Bank Service Charges		17.00
							17.00	17.00
383	Check	02/06/2013		Andrea Smeltzer	Closed Bank Account	Bank of America		5.74
				Andrea Smeltzer	Closed Bank Account	Miscellaneous	5.74	
							5.74	5.74
384	General Journal	04/28/2013	14RR		First Qtr. Interest 2013	Ronald Hadem	2,750.00	
				Gaeton Capital Advisors, LLC	First Qtr. Interest 2013	Paid In Capital		2,750.00
							2,750.00	2,750.00
385	General Journal	07/01/2013	15RR		Second Qtr. Interest 2013	Ronald Hadem	2,750.00	
				Gaeton Capital Advisors, LLC	Second Qtr. Interest 2013	Paid In Capital		2,750.00
							2,750.00	2,750.00
TOTAL							8,289.74	8,289.74

1:19 PM  
 9/23/14  
 Accrual Basis

A-G Hedge Group LLC  
 General Ledger  
 As of December 31, 2013

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Bank of America									5.74
	Check	01/31/2013		Bank of America	Monthly Maintenance for Jan	Bank Service Charges		17.00	-11.26
	Deposit	02/06/2013		Bank of America	reimbursed	Bank Service Charges	17.00		5.74
	Check	02/06/2013		Andrea Smeltzer	Closed Bank Account	Miscellaneous		5.74	0.00
Total Bank of America							17.00	22.74	0.00
E trade trading account									418,275.00
Total E trade trading account									418,275.00
Inventory Asset									0.00
Total Inventory Asset									0.00
Accumulated Depreciation									0.00
Total Accumulated Depreciation									0.00
Furniture and Equipment									0.00
Total Furniture and Equipment									0.00
Accounts Payable									0.00
Total Accounts Payable									0.00
Gaston S. Della Penna									0.00
Total Gaston S. Della Penna									0.00
Note Payable									-930,000.00
Clifford Scholtz									0.00
Total Clifford Scholtz									0.00
Hadem									-620,000.00
Total Hadem									-620,000.00
Sloan									-310,000.00
Total Sloan									-310,000.00
Susan Scholtz									0.00
Total Susan Scholtz									0.00
Note Payable - Other									0.00
Total Note Payable - Other									0.00
Total Note Payable									-930,000.00

01/21/14  
Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2013

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Payroll Liabilities									0.00
Total Payroll Liabilities									0.00
Opening Bal Equity									0.00
Total Opening Bal Equity									0.00
Owners Draw									0.00
Total Owners Draw									0.00
Owners Equity									748,823.91
Total Owners Equity									748,823.91
Paid In Capital									-237,103.75
	General Journal	01/02/2013	13RR		GDP thru GCA	Ronald Hadem	2,750.00		-239,853.75
	General Journal	04/26/2013	14RR	Gaeton Capital Advisors, LLC	First Qtr. Interest 2013	Ronald Hadem	2,750.00		-242,603.75
	General Journal	07/10/2013	15RR	Gaeton Capital Advisors, LLC	Second Qtr. Interest 2013	Ronald Hadem	2,750.00		-245,353.75
Total Paid In Capital							0.00	8,250.00	-245,353.75
Commission Income									0.00
Total Commission Income									0.00
Miscellaneous Income									0.00
Total Miscellaneous Income									0.00
Services Income									0.00
Total Services Income									0.00
Cost of Goods Sold									0.00
Total Cost of Goods Sold									0.00
Administrative Services									0.00
Total Administrative Services									0.00
Advertising and Promotion									0.00
Total Advertising and Promotion									0.00
Automobile Expense									0.00
Total Automobile Expense									0.00
Bank Service Charges									0.00

1:19 PM  
01/31/14  
Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2013

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Check Printing fees									0.00
Total Check Printing fees									0.00
Incoming Wire									0.00
Total Incoming Wire									0.00
NSFF fees									0.00
Total NSF Fees									0.00
Outgoing Wire Fee									0.00
Total Outgoing Wire Fee									0.00
return of deposit fee									0.00
Total return of deposit fee									0.00
Bank Service Charges - Other									0.00
	Check	01/31/2013		Bank of America	Monthly Maintenance for Jan	Bank of America	17.00		17.00
	Deposit	02/06/2013		Bank of America	reimbursed	Bank of America		17.00	0.00
Total Bank Service Charges - Other							17.00	17.00	0.00
Total Bank Service Charges							17.00	17.00	0.00
Business Licenses and Permits									0.00
Total Business Licenses and Permits									0.00
Computer and Internet Expenses									0.00
Total Computer and Internet Expenses									0.00
Continuing Education									0.00
Total Continuing Education									0.00
Depreciation Expense									0.00
Total Depreciation Expense									0.00
Dues and Subscriptions									0.00
Total Dues and Subscriptions									0.00
Insurance Expense									0.00
Total Insurance Expense									0.00
Interest Expense									0.00

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2013

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Clifford & Susan Scholtz									0.00
Total Clifford & Susan Scholtz									0.00
David S. Olson									0.00
Total David S. Olson									0.00
Michael J. Sloan IRA									0.00
Total Michael J. Sloan IRA									0.00
Ronald Hadem									0.00
	General Journal	01/02/2013	13RR		Fourth Qtr. Int. for 2012	Paid In Capital	2,750.00		2,750.00
	General Journal	04/26/2013	14RR		First Qtr. Interest 2013	Paid In Capital	2,750.00		5,500.00
	General Journal	07/01/2013	15RR		Second Qtr. Interest 2013	Paid In Capital	2,750.00		8,250.00
Total Ronald Hadem							8,250.00	0.00	8,250.00
Interest Expense - Other									0.00
Total Interest Expense - Other									0.00
Total Interest Expense							8,250.00	0.00	8,250.00
Legal Fees									0.00
Total Legal Fees									0.00
Licenses, permits, filings									0.00
Total Licenses, permits, filings									0.00
Management Fees									0.00
Total Management Fees									0.00
Meals and Entertainment									0.00
Total Meals and Entertainment									0.00
Miscellaneous									0.00
	Check	02/06/2013		Andrea Smeltzer	Closed Bank Account	Bank of America	5.74		5.74
Total Miscellaneous							5.74	0.00	5.74
Office Supplies									0.00
Total Office Supplies									0.00
Paid Out Capital									0.00
Total Paid Out Capital									0.00



1:19 PM  
01/21/14  
Accrual Basis

A-G Hedge Group LLC  
General Ledger  
As of December 31, 2013

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Payroll Expenses								0.00
Total Payroll Expenses								0.00
Postage and Delivery								0.00
Total Postage and Delivery								0.00
Printing and Reproduction								0.00
Total Printing and Reproduction								0.00
Professional Fees								0.00
Total Professional Fees								0.00
Rent Expense								0.00
Total Rent Expense								0.00
Telephone Expense								0.00
Total Telephone Expense								0.00
Travel Expense								0.00
Total Travel Expense								0.00
Utilities								0.00
Total Utilities								0.00
Ask My Accountant								0.00
Total Ask My Accountant								0.00
No acct								0.00
Total no acct								0.00
TOTAL						8,289.74	8,289.74	0.00

1:15 PM  
 01/31/14  
 -Accrual Basis

A-G Hedge Group LLC  
**Trial Balance**  
 As of December 31, 2013

	Dec 31, 13	
	Debit	Credit
Bank of America	0.00	
E trade trading account	418,275.00	
Accounts Payable	0.00	
Gaeton S. Della Perina	0.00	
Note Payable	0.00	
Note Payable: Clifford Scholtz	0.00	
Note Payable: Hadem		620,000.00
Note Payable: Sloan		310,000.00
Note Payable: Susan Seholz	0.00	
Opening Bal Equity	0.00	
Owners Equity	748,823.01	
Paid in Capital		245,353.75
Bank Service Charges	0.00	
Interest Expense: Ronald Hadem	8,250.00	
Miscellaneous	5.74	
<b>TOTAL</b>	<b>1,175,353.75</b>	<b>1,175,353.75</b>

12:46 PM  
01/31/14

The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
1	Deposit	08/18/2010		Opening Equity	Deposit	Bank of America	50.00	
				Opening Equity	Deposit	Opening Bal Equity		50.00
							50.00	50.00
2	Bill	08/23/2010		Guy Della Penna	VOID: Reimbursement for printing of Prospectus	Accounts Payable	0.00	
				Guy Della Penna	Printing of the prospectus	copy and Fax	0.00	
							0.00	0.00
3	Bill	08/23/2010		Guy Della Penna	VOID: Reimbursement for incorporation	Accounts Payable	0.00	
				Guy Della Penna	Fees for incorporation of Fund	Incorporation fees	0.00	
							0.00	0.00
4	Bill	08/23/2010		Guy Della Penna	VOID: Reimbursement for opening bank account de	Accounts Payable	0.00	
				Guy Della Penna	repay for loan to open bank account	Guy Della Penna	0.00	
							0.00	0.00
5	Bill	08/25/2010		Guy Della Penna	VOID:	Accounts Payable	0.00	
				Guy Della Penna	Ovenight prospectus to Laurie Lombardo	Postage and Delivery	0.00	
							0.00	0.00
6	Bill	09/03/2010		Guy Della Penna	Reimbursement for expenses	Accounts Payable		1,500.00
				Guy Della Penna	Reimbursement for expenses	miscellaneous	1,500.00	
							1,500.00	1,500.00
7	Bill Pmt - Check	09/03/2010	1003	Guy Della Penna	Reimbursement for expenses	Bank of America		1,500.00
				Guy Della Penna	Reimbursement for expenses	Accounts Payable	1,500.00	
							1,500.00	1,500.00
8	Deposit	09/02/2010		Conrad Penner	Deposit	Bank of America	215,000.00	
				Conrad Penner	Deposit	Conrad Penner		215,000.00
							215,000.00	215,000.00
9	Check	09/02/2010		Bank of America	Conrad Penner	Bank of America		12.00

EXHIBIT  
13

PENGAD-Bayonne, N.J.  
EXHIBIT  
H

The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Conrad Penner	Incoming wire fee	12.00	
							12.00	12.00
10	Check	08/19/2010		Bank of America	print charges of checks	Bank of America		104.00
				Bank of America	print charges of checks	Bank Service Charges	104.00	
							104.00	104.00
11	Check	09/07/2010		Bank of America	wire transfer fee outgoing	Bank of America		25.00
				Bank of America	wire transfer fee outgoing	Bank Service Charges	25.00	
							25.00	25.00
12	Check	09/07/2010		Guy Della Penna		Bank of America		11,000.00
				Guy Della Penna		Managing Member fees	11,000.00	
							11,000.00	11,000.00
13	Check	09/09/2010		Etrade Financial		Bank of America		100,000.00
				Etrade Financial		ETrade	100,000.00	
							100,000.00	100,000.00
14	Check	09/09/2010		Bank of America	Outgoing Wire fee	Bank of America		25.00
				Bank of America	Outgoing Wire fee	Bank Service Charges	25.00	
							25.00	25.00
15	Deposit	09/13/2010		Valerie Lynch	Principal Amt Invested	Bank of America	50,000.00	
				Valerie Lynch	Principal Amt Invested	Valerie Lynch		50,000.00
							50,000.00	50,000.00
16	Bill	09/13/2010		Guy Della Penna	VOID: Reimbursement for overnight documents	Accounts Payable	0.00	
				Guy Della Penna	overnight documents	Postage and Delivery	0.00	
							0.00	0.00
17	Check	09/13/2010		Etrade Financial	Conrad Penner	Bank of America		100,000.00
				Etrade Financial	Conrad Penner	ETrade	100,000.00	

The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							100,000.00	100,000.00
18	Check	09/13/2010		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
19	Bill	09/16/2010		Guy Della Penna	VOID: Reimbursement for copies of subscription do	Accounts Payable	0.00	
				Guy Della Penna	VOID: Reimbursement for copies of subscription do	copy and Fax	0.00	
							0.00	0.00
20	Bill	09/16/2010		Guy Della Penna	VOID: Reimbursement for postage	Accounts Payable	0.00	
				Guy Della Penna	prospectives sent to Lynch and Scott Ames	Postage and Delivery	0.00	
							0.00	0.00
21	Bill	09/16/2010		Guy Della Penna	VOID: Commission on Peter Lynch Investment	Accounts Payable	0.00	
				Guy Della Penna	5% commission on Peter Lynch Investment	Commission Fees	0.00	
							0.00	0.00
22	Bill	09/16/2010		Guy Della Penna	VOID: 3% Organizational Fee	Accounts Payable	0.00	
				Guy Della Penna	On Investments to date	Organizational Fee	0.00	
							0.00	0.00
23	Bill	09/16/2010		Guy Della Penna	VOID: Reimbursement for Certificate of Good stand	Accounts Payable	0.00	
				Guy Della Penna	copy of certificate of good standing	Incorporation fees	0.00	
							0.00	0.00
24	Bill Pmt -Check	09/16/2010		Guy Della Penna	VOID:	Bank of America	0.00	
				Guy Della Penna	VOID:	Accounts Payable	0.00	
							0.00	0.00
25	Bill Pmt -Check	09/16/2010		Guy Della Penna	VOID: Reimbursement for Certificate of Good stand	Bank of America	0.00	
				Guy Della Penna	VOID: Reimbursement for Certificate of Good stand	Accounts Payable	0.00	
							0.00	0.00

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01/31/14

The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
26	Check	09/16/2010		Guy Della Penna	Sent via wire transfer	Bank of America		10,825.08
				Guy Della Penna	Incorporation Fees	Incorporation fees	160.00	
				Guy Della Penna	Organization Fees 3% of current Investments	Organizational Fee	7,950.00	
				Guy Della Penna	Peter Lynch Invest 5%	Commission Fees	2,500.00	
				Guy Della Penna	Postage and Delivery	Postage and Delivery	44.75	
				Guy Della Penna	Prospectus and copies	Printing and Reproduction	120.33	
				Guy Della Penna	for open equity reimbursement	miscellaneous	50.00	
							10,825.08	10,825.08
27	Bill	09/16/2010		Andrea Smeltzer	Administrative Services	Accounts Payable		1,000.00
				Andrea Smeltzer	Administrative Services	Administrative Services	1,000.00	
							1,000.00	1,000.00
28	Bill Pmt-Check	09/16/2010	1001	Andrea Smeltzer	Administrative Services	Bank of America		1,000.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	1,000.00	
							1,000.00	1,000.00
29	Check	09/22/2010		Etrade Financial		Bank of America		40,000.00
				Etrade Financial		ETrade	40,000.00	
							40,000.00	40,000.00
30	Check	09/22/2010		Bank of America	outgoing wire transfer	Bank of America		25.00
				Bank of America	outgoing wire transfer	Bank Service Charges	25.00	
							25.00	25.00
31	Bill	09/27/2010		Valerie Lynch	15 days interest for third qtr.	Accounts Payable		104.17
				Valerie Lynch	interest for third Quarter	Lynch	104.17	
							104.17	104.17
32	Bill Pmt-Check	09/27/2010	1002	Valerie Lynch	15 days interest for third qtr.	Bank of America		104.17
				Valerie Lynch	15 days interest for third qtr.	Accounts Payable	104.17	
							104.17	104.17

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The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
33	Check	08/31/2010		Bank of America	wire fee	Bank of America		25.00
				Bank of America	wire fee	Bank Service Charges	25.00	
							25.00	25.00
34	Bill	09/30/2010		William T. Kirtley		Accounts Payable		7,500.00
				William T. Kirtley	Preparation of startup of the fund	Legal Fees	7,500.00	
							7,500.00	7,500.00
35	Bill Pmt -Check	09/30/2010	1004	William T. Kirtley		Bank of America		7,500.00
				William T. Kirtley		Accounts Payable	7,500.00	
							7,500.00	7,500.00
36	Deposit	10/04/2010		Etrade Financial	For legal fees Wired In.	Bank of America	7,500.00	
				Etrade Financial	For legal fees Wired In.	ETrade		7,500.00
							7,500.00	7,500.00
37	Check	10/04/2010		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
38	Check	10/04/2010		Bank of America	NSF Fees	Bank of America		35.00
				Bank of America	NSF Fees	Bank Service Charges	35.00	
							35.00	35.00
39	Deposit	10/04/2010		William T. Kirtley	VOID: Check 1004 returned	Bank of America	0.00	
				William T. Kirtley	VOID: Check 1004 returned	Legal Fees	0.00	
							0.00	0.00
40	Check	10/12/2010	1004	William T. Kirtley	VOID: Check 1004 resubmitted	Bank of America	0.00	
				William T. Kirtley	VOID: Check 1004 resubmitted	Legal Fees	0.00	
							0.00	0.00

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The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
41	Check	10/08/2010	ATM			Bank of America		250.00
						miscellaneous	250.00	
							250.00	250.00
42	Bill	10/12/2010		Guy Della Penna		Accounts Payable		6,500.00
				Guy Della Penna		Managing Member fees	6,500.00	
							6,500.00	6,500.00
43	Bill Pmt -Check	10/12/2010	1005	Guy Della Penna		Bank of America		6,500.00
				Guy Della Penna		Accounts Payable	6,500.00	
							6,500.00	6,500.00
44	Deposit	10/12/2010		Etrade Financial	Deposit	Bank of America	6,500.00	
				Etrade Financial	Deposit	ETrade		6,500.00
							6,500.00	6,500.00
45	Check	10/12/2010	ATM		ATM Fee in Long Beach, NJ	Bank of America		2.00
					ATM Fee in Long Beach, NJ	miscellaneous	2.00	
							2.00	2.00
46	Check	10/12/2010		Bank of America	Incoming Wire fee	Bank of America		12.00
				Bank of America	Incoming Wire fee	Bank Service Charges	12.00	
							12.00	12.00
47	Check	10/13/2010	ATM		Cash Withdrawal	Bank of America		50.00
					Cash Withdrawal	miscellaneous	50.00	
							50.00	50.00
48	Check	10/13/2010	ATM		ATM Withdrawal Fee	Bank of America		2.00
					ATM Withdrawal Fee	miscellaneous	2.00	
							2.00	2.00



The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
49	Deposit	11/02/2010		Nancy Hadam Downs	Deposit	Bank of America	50,000.00	
				Nancy Hadam Downs	Deposit	Nancy Hadam Downs IRA		50,000.00
							50,000.00	50,000.00
50	Check	11/02/2010		Guy Della Penna		Bank of America		9,500.00
				Guy Della Penna		Managing Member fees	9,500.00	
							9,500.00	9,500.00
51	Check	11/02/2010		ETrade Financial	Nancy Downs	Bank of America		35,000.00
				ETrade Financial	Nancy Downs	ETrade	35,000.00	
							35,000.00	35,000.00
52	Check	11/02/2010	1003	William T. Kirtley		Bank of America		5,000.00
				William T. Kirtley		Legal Fees	5,000.00	
							5,000.00	5,000.00
53	Check	11/02/2010		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
54	Check	11/02/2010		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
55	Check	11/02/2010		Bank of America	Incoming wire fee	Bank of America		12.00
				Bank of America	Incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
56	Deposit	11/09/2010		ETrade Financial	Deposit	Bank of America	6,000.00	
				ETrade Financial	Deposit	ETrade		6,000.00
							6,000.00	6,000.00

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The Contrarian Fund  
Journal  
January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
57	Check	11/09/2010		Guy Della Penna		Bank of America		5,500.00
				Guy Della Penna		Managing Member fees	5,500.00	
							5,500.00	5,500.00
58	Check	11/09/2010		Bank of America	Outgoing wire transfer fees	Bank of America		25.00
				Bank of America	Outgoing wire transfer fees	Bank Service Charges	25.00	
							25.00	25.00
59	Check	11/09/2010		Bank of America	Incoming wire transfer fees	Bank of America		12.00
				Bank of America	Incoming wire transfer fees	Bank Service Charges	12.00	
							12.00	12.00
60	Bill	11/22/2010		Andrea Smeltzer		Accounts Payable		350.00
				Andrea Smeltzer	Reimbursement	Office Supplies	350.00	
							350.00	350.00
61	Bill Pmt -Check	11/22/2010	1006	Andrea Smeltzer		Bank of America		350.00
				Andrea Smeltzer		Accounts Payable	350.00	
							350.00	350.00
62	Check	11/19/2010		Guy Della Penna	wiretransfer	Bank of America		500.00
				Guy Della Penna	wiretransfer	Managing Member fees	500.00	
							500.00	500.00
63	Check	11/19/2010		Bank of America	wire transfer fee	Bank of America		25.00
				Bank of America	wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
64	Deposit	11/26/2010		Etrade Financial	Deposit	Bank of America	2,500.00	
				Etrade Financial	Deposit	ETrade		2,500.00
							2,500.00	2,500.00

The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
65	Check	11/26/2010		Guy Della Penna		Bank of America		2,490.00
				Guy Della Penna		Managing Member fees	2,490.00	
							2,490.00	2,490.00
66	Check	11/26/2010		Bank of America	Outgoing wire transfer fee	Bank of America		26.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
67	Check	11/26/2010		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
68	Deposit	12/01/2010		ETrade Financial	Deposit	Bank of America	3,000.00	
				ETrade Financial	Deposit	ETrade		3,000.00
							3,000.00	3,000.00
69	Check	12/01/2010		Guy Della Penna		Bank of America		2,750.00
				Guy Della Penna		Managing Member fees	2,750.00	
							2,750.00	2,750.00
70	Check	12/01/2010		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
71	Check	12/01/2010		Bank of America	Outgoing wire fee	Bank of America		12.00
				Bank of America	Outgoing wire fee	Bank Service Charges	12.00	
							12.00	12.00
72	Check	11/30/2010		Bank of America		Bank of America		17.00
				Bank of America		Bank Service Charges	17.00	
							17.00	17.00

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The Contrarian Fund  
Journal  
January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
73	Deposit	12/06/2010		Etrade Financial	Deposit	Bank of America	14,000.00	
				Etrade Financial	Deposit	ETrade		14,000.00
							14,000.00	14,000.00
74	Check	12/06/2010		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
75	Check	12/06/2010		Guy Della Penna		Bank of America		12,500.00
				Guy Della Penna		Managing Member fees	12,500.00	
							12,500.00	12,500.00
76	Check	12/06/2010		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
77	Check	12/08/2010		Real Money		Bank of America		229.95
				Real Money		Dues and Subscriptions	229.95	
							229.95	229.95
78	Bill	12/17/2010		Andrea Smeltzer	Administrative Services	Accounts Payable		1,000.00
				Andrea Smeltzer	Administrative Services	Administrative Services	1,000.00	
							1,000.00	1,000.00
79	BillPmt-Check	12/17/2010	1009	Andrea Smeltzer	Administrative Services	Bank of America		1,000.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	1,000.00	
							1,000.00	1,000.00
80	Check	12/31/2010		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00

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The Contrarian Fund  
Journal

January through December 2010

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
158	Check	09/27/2010	1002	Valerie Lynch	VOID: 15 DAYS INTEREST GJE, RGJE created on	Bank of America	0.00	
				Valerie Lynch	VOID: 15 DAYS INTEREST GJE, RGJE created on	Lynch	0.00	0.00
159	General Journal	09/27/2010	2R	Valerie Lynch	For CHK 1002 voided on 03/22/2011	Bank of America		104.17
				Valerie Lynch	For CHK 1002 voided on 03/22/2011	Lynch	104.17	
							104.17	104.17
TOTAL							726,730.54	726,730.54



The Contrarian Fund  
 General Ledger  
 As of December 31, 2010

Account No  
 8107174  
 Account Bank

	Type	Date	Num	Name	Mem	Debit	Credit	Balance
	Check	11/02/2010		Bank of America			12.00	813.58
	Check	11/18/2010		Gay Debt Perms	Incurred with transfer fee		560.00	313.58
	Check	11/18/2010		Bank of America	who transfer fee		25.00	288.58
	BE Pmt Check	11/22/2010	1005	Andrea Smeltzer		2,500.00	300.00	41.42
	Deposit	11/26/2010		ETrade Financial	Deposit			2,498.58
	Check	11/26/2010		Gay Debt Perms	Outgoing with transfer fee		2,490.00	-51.42
	Check	11/26/2010		Bank of America	Incurred with transfer fee		25.00	-76.42
	Check	11/26/2010		Bank of America	Incurred with transfer fee		12.00	-88.42
	Check	11/26/2010		Bank of America	Deposit		17.00	-105.42
	Deposit	11/26/2010		ETrade Financial	Deposit	3,000.00		2,894.58
	Check	12/01/2010		Gay Debt Perms	Outgoing with transfer fee		2,750.00	144.58
	Check	12/01/2010		Bank of America	Outgoing with fee		25.00	119.58
	Check	12/01/2010		Bank of America	Outgoing with fee		12.00	107.58
	Deposit	12/06/2010		ETrade Financial	Deposit	14,000.00		14,007.58
	Check	12/06/2010		Bank of America	Incurred With Transfer Fee		12.00	14,004.58
	Check	12/06/2010		Bank of America	Outgoing With Transfer Fee		12,590.00	1,564.58
	Check	12/06/2010		Bank of America	Outgoing With Transfer Fee		25.00	1,570.58
	BE Pmt Check	12/06/2010	1009	Real Money	Administrative Services		229.65	1,340.93
	Check	12/17/2010		Bank of America	Accounts Payable		1,000.00	340.93
	Check	12/31/2010		Bank of America	Monthly Maintenance Fee		17.00	323.93
Total Bank of America						354,450.01	354,450.37	323.63
ETrade Financial								0.00
Total ETrade Financial								0.00
Accounts Receivable								0.00
Total Accounts Receivable								0.00
Inventory Asset								0.00
Total Inventory Asset								0.00
Accumulated Depreciation								0.00
Total Accumulated Depreciation								0.00
Furniture and Equipment								0.00
Total Furniture and Equipment								0.00
Accounts Payable								0.00
BE		06/20/2010		Gay Debt Perms	VOID: Reimbursement for printing of Prospectus			0.00
BE		06/20/2010		Gay Debt Perms	VOID: Reimbursement for incorporation			0.00
BE		06/20/2010		Gay Debt Perms	VOID: Reimbursement for opening bank account			0.00
BE		06/20/2010		Gay Debt Perms	VOID:			0.00
BE		06/20/2010		Gay Debt Perms	Reimbursement for expenses			0.00
BE Pmt Check		06/20/2010	1003	Gay Debt Perms	VOID: Reimbursement for expenses		1,500.00	-1,500.00
BE		09/12/2010		Gay Debt Perms	VOID: Reimbursement for overnight documents			0.00
BE		09/16/2010		Gay Debt Perms	VOID: Reimbursement for copies of subscription documents			0.00





The Contrarian Fund  
 General Ledger  
 As of December 31, 2010

9723114  
 Annual Basis

	Type	Date	Debit	Credit	Balance
					0.00
Mutual Lynch					-50,000.00
	Deposit	08/13/2010		50,000.00	-50,000.00
Total Mutual Lynch					
Note Payables - Other					0.00
Total Note Payables - Other					0.00
Total Note Payables					-315,000.00
Loan payables					0.00
Gay Delta Perms					0.00
Total Gay Delta Perms					0.00
Total Gay Delta Perms	DR	08/22/2010			0.00
Loan payables - Other					0.00
Total Loan payables - Other					0.00
Total Loan payables					0.00
Paidroll Liabilities					0.00
Total Paidroll Liabilities					0.00
Dividend/Ret Equity					0.00
Total Opening Ret Equity	Deposit	08/18/2010			0.00
Owners Draw					0.00
Total Owners Draw					0.00
Owners Equity					0.00
Total Owners Equity					0.00
paid in capital					0.00
Total paid in capital					0.00
Commission Income					0.00
Total Commission Income					0.00
Miscellaneous Income					0.00
Total Miscellaneous Income					0.00
Services Income					0.00
Total Services Income					0.00
Cost of Goods Sold					0.00

The Contrarian Fund  
General Ledger  
As of December 31, 2010

		Type	Date	Debit	Credit	Balance	Debit	Credit	Balance
Total Cost of Goods Sold									0.00
Administrative Services									0.00
		SR	09/16/2010			Accounts Payable	1,000.00		1,000.00
		SR	12/17/2010			Accounts Payable	1,000.00		2,000.00
Total Administrative Services							2,000.00		2,000.00
Advertising and Promotion									0.00
Total Advertising and Promotion									0.00
Automobile Expenses									0.00
Total Automobile Expenses									0.00
Bank									0.00
ETrade									0.00
		Check	09/02/2010			Bank of America	100,000.00		100,000.00
		Check	09/13/2010			Bank of America	100,000.00		200,000.00
		Check	09/22/2010			Bank of America	40,000.00		240,000.00
		Deposit	10/04/2010			Bank of America		7,500.00	247,500.00
		Deposit	10/12/2010			Bank of America		6,500.00	254,000.00
		Check	11/02/2010			Bank of America	35,000.00		219,000.00
		Deposit	11/02/2010			Bank of America		6,000.00	225,000.00
		Deposit	11/02/2010			Bank of America		2,500.00	227,500.00
		Deposit	12/01/2010			Bank of America		3,000.00	230,500.00
		Deposit	12/02/2010			Bank of America		14,000.00	244,500.00
Total ETrade							275,000.00		244,500.00
Bank - Other									0.00
Total Bank - Other									0.00
Total Bank							275,000.00		244,500.00
Bank Service Charges									0.00
Incomeing wire fee									0.00
Total Incomeing wire fee									0.00
Bank Service Charges - Other									0.00
		Check	09/02/2010			Bank of America	12.00		12.00
		Check	09/16/2010			Bank of America	104.00		116.00
		Check	09/21/2010			Bank of America	25.00		141.00
		Check	09/27/2010			Bank of America	25.00		166.00
		Check	09/28/2010			Bank of America	25.00		191.00
		Check	09/13/2010			Bank of America	25.00		216.00
		Check	09/22/2010			Bank of America	25.00		241.00
		Check	10/04/2010			Bank of America	35.00		276.00
Total Bank Service Charges - Other							35.00		276.00



The Contrarian Fund  
 General Ledger  
 As of December 31, 2010

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 Account Bal

	Type	Date	Item	Name	Memo	Debit	Credit	Balance
Check and Subscriptions	Check	12/01/10		Real Money		228.96		0.00
Total Cash and Subscriptions						228.96	0.00	228.96
Fees								0.00
Total Fees								0.00
Incorporation Fees								0.00
	DB	09/23/10		City Data Perma	Fees for Incorporation of Fund	0.00		0.00
	DB	09/23/10		City Data Perma	copy of certificate of good standing	0.00		0.00
	Check	09/23/10		City Data Perma	Incorporation Fee	160.00		160.00
Total Incorporation Fees						160.00	0.00	160.00
Investment Expenses								0.00
Total Investment Expenses								0.00
Interest Expenses								0.00
Robinson								0.00
Total Robinson								0.00
Johns Life Preserv Clothing Trust								0.00
Total Johns Life Preserv Clothing Trust								0.00
Lynch								0.00
Total Lynch								0.00
Total Lynch								0.00
Madison North Parking Offing T								0.00
Total Madison North Parking Offing T								0.00
Henry and Douglas Downs								0.00
Total Henry and Douglas Downs								0.00
Prater								0.00
Total Prater								0.00
Bank Ethics Practice								0.00
Total Bank Ethics Practice								0.00
Interest Expenses - Other								0.00
Total Interest Expenses - Other								0.00
Total Interest Expenses								0.00
						208.34	0.00	208.34

Account  
8167144  
Annual Basis

The Contrailan Fund  
General Ledger  
As of December 31, 2010

	Type	Date	Item	Name	Memo	Split	Debit	Credit	Balance
Legal Fees									0.00
	Bill	09/02/2010		William T. Kiley	Preparation of startup of the fund	Accounts Payable	7,500.00		7,500.00
	Deposit	10/04/2010		William T. Kiley	VOID: Check 1004 returned	Bank of America			7,500.00
	Check	10/22/2010	1004	William T. Kiley	VOID: Check 1004 reauthorized	Bank of America	0.00		7,500.00
	Check	11/02/2010	1005	William T. Kiley		Bank of America	5,000.00		12,500.00
Total Legal Fees							12,500.00	0.00	12,500.00
License, permits, filings									0.00
Total License, permits, filings									0.00
Managing Member fees									0.00
	Check	06/07/2010		Gay Della Perona		Bank of America	11,000.00		11,000.00
	Bill	10/22/2010		Gay Della Perona		Accounts Payable	6,500.00		17,500.00
	Check	11/02/2010		Gay Della Perona		Bank of America	6,500.00		27,000.00
	Check	11/09/2010		Gay Della Perona		Bank of America	6,500.00		33,500.00
	Check	11/16/2010		Gay Della Perona	Wiretransfer	Bank of America	900.00		33,000.00
	Check	11/26/2010		Gay Della Perona		Bank of America	2,490.00		35,490.00
	Check	12/01/2010		Gay Della Perona		Bank of America	2,750.00		38,240.00
	Check	12/08/2010		Gay Della Perona		Bank of America	12,500.00		50,740.00
Total Managing Member fees							50,740.00	0.00	50,740.00
Meals and Entertainment									0.00
Total Meals and Entertainment									0.00
Miscellaneous									0.00
	Bill	06/02/2010		Gay Della Perona	Reimbursement for expenses	Accounts Payable	1,000.00		1,000.00
	Check	06/16/2010		Gay Della Perona	for open equity reimbursement	Bank of America	50.00		1,050.00
	Check	10/06/2010	ATM			Bank of America	250.00		1,300.00
	Check	10/22/2010	ATM			Bank of America	2.00		1,302.00
	Check	10/25/2010	ATM			Bank of America	50.00		1,352.00
	Check	10/25/2010	ATM			Bank of America	2.00		1,354.00
Total miscellaneous							1,354.00	0.00	1,354.00
Note Payable									0.00
Contract Payable									0.00
Total Contract Payable									0.00
L.P. Lynch									0.00
Total L.P. Lynch									0.00
Land									0.00
Total Land									0.00
Note Payable - Other									0.00
Total Note Payable - Other									0.00

The Contrarian Fund  
 General Ledger  
 As of December 31, 2010

	Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Total Note Payable									0.00
Office Supplies	Bill	11/22/2010		Andrew Senebier	Reimbursement	Accounts Payable	350.00		0.00
Total Office Supplies							350.00	0.00	350.00
Organizational Fee	Bill	09/16/2010		Gay Data Perma	On investments to date	Accounts Payable			0.00
	Check	09/16/2010		Gay Data Perma	Organization Fee 3% of current investments	Bank of America	7,850.00		7,850.00
Total Organizational Fee							7,850.00	0.00	7,850.00
Payroll Expenses									0.00
Total Payroll Expenses									0.00
Postage and Delivery	Bill	09/25/2010		Gay Data Perma	Overnight prospectus to Lavis Lombardo	Accounts Payable	0.00		0.00
	Bill	09/15/2010		Gay Data Perma	overnight documents	Accounts Payable	0.00		0.00
	Bill	09/16/2010		Gay Data Perma	prospectuses sent to Lynch and Scott Arnes	Accounts Payable	0.00		0.00
	Check	09/16/2010		Gay Data Perma	Postage and Delivery	Bank of America	44.75		44.75
Total Postage and Delivery							44.75	0.00	44.75
Printing and Reproduction									0.00
Total Printing and Reproduction							120.33	0.00	120.33
Professional Fees									0.00
Total Professional Fees									0.00
Rent Expense									0.00
Total Rent Expense									0.00
Telephone Expense									0.00
Total Telephone Expense									0.00
Travel Expense									0.00
Total Travel Expense									0.00
Utilities									0.00
Total Utilities									0.00
Ask My Accountant									0.00
Total Ask My Accountant									0.00
No Acct									0.00
Total no acct									0.00

Account  
0103104  
Annual Basis

The Contrairan Fund  
General Ledger  
As of December 31, 2010

	Type	Date	Item	Name	Debit	Credit	Balance
TOTAL					726,700.64	726,700.64	0.00

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Accrual Basis

The Contrarian Fund  
Trial Balance  
As of December 31, 2010

	Dec 31, 10	
	Debit	Credit
Bank of America	323.63	
Accounts Payable	0.00	
Note Payables: Conrad Penner		215,000.00
Note Payables: Nancy Hadam Downs IRA		50,000.00
Note Payables: Valerie Lynch		50,000.00
loan payables: Guy Della Penna	0.00	
Opening Bal Equity		50.00
Administrative Services	2,000.00	
Bank: ETrade	235,500.00	
Bank Service Charges	557.00	
Bank Service Charges: Incoming wire fee	12.00	
Commission Fees	2,500.00	
copy and Fax	0.00	
Dues and Subscriptions	229.95	
Incorporation fees	160.00	
Interest Expense: Lynch	208.34	
Legal Fees	12,500.00	
Managing Member fees	50,740.00	
miscellaneous	1,854.00	
Office Supplies	350.00	
Organizational Fee	7,950.00	
Postage and Delivery	44.75	
Printing and Reproduction	120.33	
<b>TOTAL</b>	<b>315,050.00</b>	<b>315,050.00</b>



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The Contrarian Fund  
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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
81	Bill	01/15/2011		Valerie Lynch	4th Quarter Interest 2010	Accounts Payable		625.00
				Valerie Lynch	Fourth quarter interest	Lynch	625.00	
							625.00	625.00
82	Bill Print -Check	01/15/2011	1010	Valerie Lynch	4th Quarter Interest 2010	Bank of America		625.00
				Valerie Lynch	4th Quarter Interest 2010	Accounts Payable	625.00	
							625.00	625.00
83	Check	01/10/2011	ATM	Guy Della Penna		Bank of America		400.00
				Guy Della Penna		Managing Member fees	400.00	
							400.00	400.00
84	Deposit	01/13/2011		Guy Della Penna	Deposit	Bank of America	45,000.00	
				Guy Della Penna	Deposit	paid in capital		45,000.00
							45,000.00	45,000.00
85	Deposit	01/13/2011		Guy Della Penna	Deposit	Bank of America	45,000.00	
				Guy Della Penna	Deposit	paid in capital		45,000.00
							45,000.00	45,000.00
86	Check	01/13/2011		Guy Della Penna	wired by accident back to GDP	Bank of America		44,900.00
				Guy Della Penna	wired by accident back to GDP	paid in capital	44,900.00	
							44,900.00	44,900.00
87	Check	01/13/2011		Etrade Financial		Bank of America		44,900.00
				Etrade Financial		ETrade	44,900.00	
							44,900.00	44,900.00
88	Check	01/13/2011		Bank of America	Incoming Wire Transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer fee	Bank Service Charges	12.00	
							12.00	12.00
89	Check	01/13/2011		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	

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Journal  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							12.00	12.00
90	Check	01/13/2011		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
91	Check	01/13/2011		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
92	Deposit	01/18/2011		ETrade Financial	Deposit	Bank of America	6,000.00	
				ETrade Financial	Deposit	ETrade		6,000.00
							6,000.00	6,000.00
93	Check	01/18/2011		Guy Della Penna		Bank of America		5,000.00
				Guy Della Penna		Managing Member fees	5,000.00	
							5,000.00	5,000.00
94	Check	01/18/2011		Bank of America	Incoming wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
95	Check	01/18/2011		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
96	Check	01/25/2011		Guy Della Penna		Bank of America		750.00
				Guy Della Penna		Managing Member fees	750.00	
							750.00	750.00
97	Check	01/25/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00

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The Contrarian Fund  
Journal  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
98	Deposit	01/31/2011		Etrade Financial	Deposit	Bank of America	30,750.00	
				Etrade Financial	Deposit	ETrade		30,750.00
							30,750.00	30,750.00
99	Check	01/31/2011		A-g Hedge Group, LLC		Bank of America		28,500.00
				A-g Hedge Group, LLC		paid in capital	28,500.00	
							28,500.00	28,500.00
100	Check	01/31/2011		Guy Della Penna		Bank of America		2,250.00
				Guy Della Penna		Managing Member	2,250.00	
							2,250.00	2,250.00
101	Check	01/31/2011		Bank of America	incoming wire fee	Bank of America		12.00
				Bank of America	incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
102	Check	01/31/2011		Bank of America	outgoing wire fee	Bank of America		25.00
				Bank of America	outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
103	Check	01/31/2011		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
104	Check	02/07/2011	1007	Guy Della Penna		Bank of America		850.00
				Guy Della Penna		Administrative Services	850.00	
							850.00	850.00
105	Deposit	02/08/2011		Guy Della Penna	return of check 1007	Bank of America	850.00	
				Guy Della Penna	return of check 1007	Administrative Services		850.00
							850.00	850.00
106	Deposit	02/08/2011		Etrade Financial	Deposit	Bank of America	1,250.00	

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The Contrarian Fund  
Journal  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Etrade Financial	Deposit	ETrade		1,250.00
							1,250.00	1,250.00
107	Check	02/08/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
108	Check	02/08/2011		Bank of America	NSF	Bank of America		35.00
				Bank of America	NSF	Bank Service Charges	35.00	
							35.00	35.00
109	Check	02/04/2011		Guy Della Penna	ATM Transaction	Bank of America		250.00
				Guy Della Penna	ATM Transaction	Miscellaneous	250.00	
							250.00	250.00
110	Deposit	02/09/2011		Guy Della Penna	VOID: Check returned	Bank of America	0.00	
				Guy Della Penna	VOID: Check returned	Administrative Services	0.00	
							0.00	0.00
111	Check	02/09/2011		Guy Della Penna	check 1007 resubmitted	Bank of America		850.00
				Guy Della Penna	check 1007 resubmitted	Administrative Services	850.00	
							850.00	850.00
112	Deposit	02/10/2011		Etrade Financial	Deposit	Bank of America	1,800.00	
				Etrade Financial	Deposit	ETrade		1,800.00
							1,800.00	1,800.00
113	Check	02/10/2011		Bank of America	Incoming Wire transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
114	Check	02/10/2011		Guy Della Penna		Bank of America		1,680.00
				Guy Della Penna		Managing Member fees	1,680.00	
							1,680.00	1,680.00

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The Contrarian Fund  
Journal

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
115	Deposit	02/10/2011		Guy Della Penna	Deposit	Bank of America	375.00	
				Guy Della Penna	Deposit	Managing Member fees		375.00
							375.00	375.00
116	Check	02/10/2011		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
117	Deposit	02/18/2011		Etrade Financial	Deposit	Bank of America	750.00	
				Etrade Financial	Deposit	ETrade		750.00
							750.00	750.00
118	Check	02/18/2011		Guy Della Penna		Bank of America		715.00
				Guy Della Penna		Managing Member fees	715.00	
							715.00	715.00
119	Check	02/18/2011		Bank of America	outgoing wire transfer fee	Bank of America		25.00
				Bank of America	outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
120	Check	02/18/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
121	Check	02/23/2011			GDP withdrawal	Bank of America		10.00
					GDP withdrawal	miscellaneous	10.00	
							10.00	10.00
122	Check	02/28/2011		Guy Della Penna	VOID: reimbursement check GJE, RGJE created or	Bank of America	0.00	
				Guy Della Penna	VOID: reimbursement check GJE, RGJE created or	paid in capital	0.00	
							0.00	0.00
123	Check	02/28/2011		Etrade Financial		Bank of America		39,500.00

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Trans#	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Etrade Financial		ETrade	39,500.00	
							39,500.00	39,500.00
124	General Journal	02/28/2011	1	Guy Delta Penna	For CHK voided on 03/01/2011	Bank of America		40,000.00
				Guy Delta Penna	For CHK voided on 03/01/2011	paid in capital	40,000.00	
							40,000.00	40,000.00
125	General Journal	03/01/2011	1R	Guy Delta Penna	Reverse of GJE 1 - For CHK voided on 03/01/2011	Bank of America	40,000.00	
				Guy Delta Penna	Reverse of GJE 1 - For CHK voided on 03/01/2011	paid in capital		40,000.00
							40,000.00	40,000.00
126	Deposit	02/28/2011		Guy Delta Penna	Deposit	Bank of America	40,000.00	
				Guy Delta Penna	Deposit	paid in capital		40,000.00
							40,000.00	40,000.00
127	Check	02/28/2011		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
128	Check	02/28/2011		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
129	Check	02/28/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
130	Deposit	03/04/2011		Etrade Financial	Deposit	Bank of America	1,500.00	
				Etrade Financial	Deposit	ETrade		1,500.00
							1,500.00	1,500.00
131	Check	03/04/2011		Guy Delta Penna		Bank of America		1,500.00
				Guy Delta Penna		Marketing Member fees	1,500.00	
							1,500.00	1,500.00

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Journal

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
132	Check	03/04/2011		Bank of America	outgoing wire transfer fee	Bank of America		25.00
				Bank of America	outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
133	Check	03/04/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
134	Deposit	03/07/2011		Etrade Financial	Deposit	Bank of America	1,500.00	
				Etrade Financial	Deposit	ETrade		1,500.00
							1,500.00	1,500.00
135	Check	03/07/2011		Guy Della Penna		Bank of America		1,500.00
				Guy Della Penna		Managing Member fees	1,500.00	
							1,500.00	1,500.00
136	Check	03/07/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
137	Check	03/07/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
138	Deposit	03/08/2011		Etrade Financial	Deposit	Bank of America	8,500.00	
				Etrade Financial	Deposit	ETrade		8,500.00
							8,500.00	8,500.00
139	Check	03/09/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
140	Check	03/09/2011		Guy Della Penna		Bank of America		7,500.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Guy Delta Penna		Managing Member fees	7,500.00	
							7,500.00	7,500.00
141	Check	03/09/2011		Bank of America	Outgoing wire transfer fees	Bank of America		25.00
				Bank of America	Outgoing wire transfer	Bank Service Charges	25.00	
							25.00	25.00
142	Deposit	03/10/2011		A. Louis Parker, TTEE	Deposit	Bank of America	250,000.00	
				A. Louis Parker, TTEE	Deposit	A. Louis Parker		250,000.00
							250,000.00	250,000.00
143	Check	03/10/2011		Etrade Financial		Bank of America		200,000.00
				Etrade Financial		ETrade	200,000.00	
							200,000.00	200,000.00
144	Check	03/10/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
145	Check	03/10/2011		Bank of America	Incoming Wire Transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer fee	Bank Service Charges	12.00	
							12.00	12.00
146	Bill	03/11/2011		Andrea Smeltzer		Accounts Payable		1,400.00
				Andrea Smeltzer		Administrative Services	1,400.00	
							1,400.00	1,400.00
147	Bill Pmt-Check	03/11/2011	1011	Andrea Smeltzer		Bank of America		1,400.00
				Andrea Smeltzer		Accounts Payable	1,400.00	
							1,400.00	1,400.00
148	Check	03/11/2011		Guy Delta Penna		Bank of America		12,500.00
				Guy Delta Penna		Managing Member	12,500.00	
							12,500.00	12,500.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
140	Check	03/11/2011		Bank of America	outgoing wire transfer fee	Bank of America		25.00
				Bank of America	outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
150	Check	03/14/2011		Guy Della Penna		Bank of America		30,000.00
				Guy Della Penna		Managing Member fees	30,000.00	
							30,000.00	30,000.00
151	Check	03/14/2011		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
152	Bill	03/31/2011		Valerie Lynch	First Quarter Interest 2011	Accounts Payable		625.00
				Valerie Lynch	First Quarter Interest 2011	Lynch	625.00	
							625.00	625.00
153	Bill	03/31/2011		A. Louis Parker, TTEE	First Quarter Interest 2011	Accounts Payable		520.83
				A. Louis Parker, TTEE	First Quarter Interest 2011	Parker	520.83	
							520.83	520.83
154	Bill Pmt-Check	03/31/2011	1066	Valerie Lynch	First Quarter Interest 2011	Bank of America		625.00
				Valerie Lynch	First Quarter Interest 2011	Accounts Payable	625.00	
							625.00	625.00
155	Bill Pmt-Check	03/31/2011	1067	A. Louis Parker, TTEE	First Quarter Interest 2011	Bank of America		520.83
				A. Louis Parker, TTEE	First Quarter Interest 2011	Accounts Payable	520.83	
							520.83	520.83
156	Check	03/22/2011		Guy Della Penna	sent via wire	Bank of America		2,500.00
				Guy Della Penna	sent via wire	Managing Member fees	2,500.00	
							2,500.00	2,500.00
157	Check	03/22/2011		Bank of America	outgoing wire transfer fee	Bank of America		25.00

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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
160	General Journal	03/22/2011	2RR	Valerie Lynch	Reverse of GJE 2R -- For CHK 1002 voided on 03/22/2011	Bank of America	104.17	
				Valerie Lynch	Reverse of GJE 2R -- For CHK 1002 voided on 03/22/2011	Lynch		104.17
							104.17	104.17
162	Check	03/22/2011		Bank of America	VOID: Outgoing wire transfer fee GJE, RGJE created	Bank of America	0.00	
				Bank of America	VOID: Outgoing wire transfer fee GJE, RGJE created	Bank Service Charges	0.00	
							0.00	0.00
163	General Journal	03/22/2011	3RR	Bank of America	For CHK voided on 03/23/2011	Bank of America		25.00
				Bank of America	For CHK voided on 03/23/2011	Bank Service Charges	25.00	
							25.00	25.00
164	General Journal	03/23/2011	3RRR	Bank of America	Reverse of GJE 3RR -- For CHK voided on 03/23/2011	Bank of America	25.00	
				Bank of America	Reverse of GJE 3RR -- For CHK voided on 03/23/2011	Bank Service Charges		25.00
							25.00	25.00
165	Deposit	03/24/2011		Guy Della Penna	VOID: Deposit	Bank of America	0.00	
				Guy Della Penna	VOID: Deposit	Managing Member fees	0.00	
							0.00	0.00
166	Check	03/24/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
167	Check	03/24/2011		Guy Della Penna		Bank of America		3,000.00
				Guy Della Penna		Managing Member fees	3,000.00	
							3,000.00	3,000.00
168	Deposit	03/28/2011		Etrade Financial	Deposit	Bank of America	7,500.00	
				Etrade Financial	Deposit	ETrade		7,500.00
							7,500.00	7,500.00

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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
169	Check	03/28/2011		Guy Della Penna		Bank of America		8,000.00
				Guy Della Penna		Managing Member fees	8,000.00	
							8,000.00	8,000.00
170	Check	03/28/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
171	Check	03/28/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
172	Check	03/31/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
173	Check	04/04/2011		Guy Della Penna		Bank of America		600.00
				Guy Della Penna		Managing Member fees	600.00	
							600.00	600.00
174	Check	04/04/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
175	Check	04/05/2011		Guy Della Penna		Bank of America		500.00
				Guy Della Penna		Managing Member fees	500.00	
							500.00	500.00
176	Deposit	04/05/2011		Guy Della Penna	Deposit	Bank of America	500.00	
				Guy Della Penna	Deposit	Managing Member fees		500.00
							500.00	500.00
177	Check	04/05/2011		Bank of America		Bank of America		25.00

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Journal  
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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America		Bank Service Charges	25.00	
							25.00	25.00
178	Bill	04/08/2011		Andrea Smeltzer	Administrative Services	Accounts Payable		400.00
				Andrea Sme	Administrative Services	Administrative Services	400.00	
							400.00	400.00
179	Bill Pmt -Check	04/08/2011	1012	Andrea Smeltzer	Administrative Services	Bank of America		400.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	400.00	
							400.00	400.00
180	Deposit	04/08/2011		Etrade Financial	Deposit	Bank of America	1,100.00	
				Etrade Financial	Deposit	ETrade		1,100.00
							1,100.00	1,100.00
181	Check	04/08/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
182	Deposit	04/11/2011		Etrade Financial	Deposit	Bank of America	15,500.00	
				Etrade Financial	Deposit	ETrade		15,500.00
							15,500.00	15,500.00
183	Check	04/11/2011		Guy Della Penna		Bank of America		14,000.00
				Guy Della Penna		Managing Member fees	14,000.00	
							14,000.00	14,000.00
184	Check	04/11/2011		Guy Della Penna		Bank of America		150.00
				Guy Della Penna		Miscellaneous	150.00	
							150.00	150.00
185	Check	04/11/2011		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
186	Check	04/11/2011		Bank of America	Incoming wire fee	Bank of America		12.00
				Bank of America	Incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
187	Check	04/29/2011		Bank of America	Monthly maintenance fee	Bank of America		17.00
				Bank of America	Monthly maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
188	Deposit	05/05/2011		ETrade Financial	Deposit	Bank of America	11,000.00	
				ETrade Financial	Deposit	ETrade		11,000.00
							11,000.00	11,000.00
189	Check	05/05/2011		Guy Della Penna		Bank of America		11,000.00
				Guy Della Penna		Managing Member fees	11,000.00	
							11,000.00	11,000.00
190	Check	05/05/2011		Bank of America	outgoing wire fees	Bank of America		25.00
				Bank of America	outgoing wire fees	Bank Service Charges	25.00	
							25.00	25.00
191	Check	05/05/2011		Bank of America	incoming wire fees	Bank of America		12.00
				Bank of America	incoming wire fees	Bank Service Charges	12.00	
							12.00	12.00
192	Deposit	05/04/2011		ETrade Financial	Deposit	Bank of America	68,000.00	
				ETrade Financial	Deposit	ETrade		68,000.00
							68,000.00	68,000.00
193	Check	05/04/2011		Guy Della Penna		Bank of America		69,250.00
				Guy Della Penna		Managing Member fees	69,250.00	
							69,250.00	69,250.00
194	Check	05/04/2011		Bank of America	Incoming wire fee	Bank of America		12.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
195	Check	05/04/2011		Bank of America	outgoing wire fee	Bank of America		25.00
				Bank of America	outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
196	Deposit	05/23/2011		Etrade Financial	Deposit	Bank of America	4,500.00	
				Etrade Financial	Deposit	ETrade		4,500.00
							4,500.00	4,500.00
197	Check	05/23/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
198	Check	05/23/2011		Guy Delta Penna		Bank of America		4,300.00
				Guy Delta Penna		Managing Member fees	4,300.00	
							4,300.00	4,300.00
199	Check	05/23/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
200	General Journal	04/29/2011	4RRR	Florida Department of State	Annual Report for 2011	UBR	143.75	
				Guy Delta Penna	Annual Report for 2011	paid in capital		143.75
							143.75	143.75
201	Bill	05/31/2011		Valerie Lynch	Interest for the month ending March 31, 2011	Accounts Payable		208.33
				Valerie Lynch	Formonth ending March 31, 2001	Lynch	208.33	
							208.33	208.33
202	Bill Pmt-Check	05/31/2011	1013	Valerie Lynch	Interest for the month ending March 31, 2011	Bank of America		208.33
				Valerie Lynch	Interest for the month ending March 31, 2011	Accounts Payable	208.33	
							208.33	208.33

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Trans #	Type	Date	Num.	Name	Memo	Account	Debit	Credit
203	Check	05/31/2011		Bank of America	Monthly Maintenance fee for may	Bank of America		17.00
				Bank of America	Monthly Maintenance fee for may	Bank Service Charges	17.00	
							17.00	17.00
204	General Journal	02/28/2011	SRRR	Valerie Lynch	second Note	Valerie Lynch		50,000.00
				Valerie Lynch	second Note	Ask My Accountant	50,000.00	
							50,000.00	50,000.00
205	Bill	06/24/2011		A. Louis Parker, TTEE	Second Quarter Interest 2011	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	Second Quarter Interest 2011	Parker	3,125.00	
							3,125.00	3,125.00
206	Bill	06/24/2011		Valerie Lynch	Second Quarter Interest for 2011	Accounts Payable		1,250.00
				Valerie Lynch	Second Quarter Interest 2011	Lynch	1,250.00	
							1,250.00	1,250.00
207	Bill Pmt-Check	07/01/2011	1014	A. Louis Parker, TTEE	Second Quarter Interest 2011	Bank of America		3,125.00
				A. Louis Parker, TTEE	Second Quarter Interest 2011	Accounts Payable	3,125.00	
							3,125.00	3,125.00
208	Bill Pmt-Check	07/01/2011	1015	Valerie Lynch	Second Quarter Interest for 2011	Bank of America		1,250.00
				Valerie Lynch	Second Quarter Interest for 2011	Accounts Payable	1,250.00	
							1,250.00	1,250.00
209	Deposit	06/23/2011		ETrade Financial	Deposit	Bank of America	1,000.00	
				ETrade Financial	Deposit	ETrade		1,000.00
							1,000.00	1,000.00
210	Check	06/23/2011		Guy Delta Penna		Bank of America		975.00
				Guy Delta Penna		Managing Member fees	975.00	
							975.00	975.00
211	Check	06/23/2011		Bank of America	Incoming wire fee	Bank of America		12.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming wire fee	Bank Service Charges	12.00	
							12.00	12.00
212	Check	06/23/2011		Bank of America	Outgoing wire fee	Bank of America		25.00
				Bank of America	Outgoing wire fee	Bank Service Charges	25.00	
							25.00	25.00
213	Deposit	06/28/2011		Guy Delta Penna	Deposit	Bank of America	35,000.00	
				Guy Delta Penna	Deposit	paid in capital		35,000.00
							35,000.00	35,000.00
214	Check	06/28/2011		Etrade Financial		Bank of America		34,900.00
				Etrade Financial		ETrade	34,900.00	
							34,900.00	34,900.00
215	Check	06/28/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
216	Check	06/28/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
217	Check	06/30/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
218	Deposit	07/05/2011		Guy Delta Penna	to cover 2nd Ctr. interest 2011	Bank of America	4,400.00	
				Guy Delta Penna	to cover 2nd Ctr. interest 2011	paid in capital		4,400.00
							4,400.00	4,400.00
219	Deposit	07/07/2011		Guy Delta Penna	Deposit	Bank of America	8,500.00	
				Guy Delta Penna	Deposit	paid in capital		8,500.00
							8,500.00	8,500.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
220	Check	07/07/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
221	Check	07/07/2011		Etrade Financial		Bank of America		8,500.00
				Etrade Financial		ETrade	8,500.00	
						8,500.00	8,500.00	
222	Check	07/07/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
223	Deposit	07/18/2011		Etrade Financial	Deposit	Bank of America	4,500.00	
				Etrade Financial	Deposit	ETrade		4,500.00
						4,500.00	4,500.00	
224	Check	07/18/2011		Guy Della Penna		Bank of America		4,500.00
				Guy Della Penna		Managing Member fees	4,500.00	
						4,500.00	4,500.00	
225	Check	07/18/2011		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
226	Check	07/18/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
227	Deposit	07/28/2011		Etrade Financial	Deposit	Bank of America	7,500.00	
				Etrade Financial	Deposit	ETrade		7,500.00
						7,500.00	7,500.00	
228	Check	07/28/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
229	Check	07/28/2011		Guy Della Penna		Bank of America		7,400.00
				Guy Della Penna		Managing Member fees	7,400.00	
							7,400.00	7,400.00
230	Check	07/28/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
231	Deposit	08/01/2011		Nancy and Douglas Downs	Deposit	Bank of America	60,000.00	
				Nancy and Douglas Downs	Deposit	Nancy and Douglas Downs		60,000.00
							60,000.00	60,000.00
232	Check	07/29/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
233	Check	08/05/2011		Etrade Financial		Bank of America		50,000.00
				Etrade Financial		ETrade	50,000.00	
							50,000.00	50,000.00
234	Check	08/15/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
235	Check	08/08/2011		Guy Della Penna		Bank of America		8,000.00
				Guy Della Penna		Managing Member fees	8,000.00	
							8,000.00	8,000.00
236	Check	08/08/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
237	Bill	08/12/2011		Andrea Smeltzer	Administrative Services	Accounts Payable		600.00
				Andrea Smeltzer	Administrative Services	Administrative Services	600.00	
							600.00	600.00
238	Bill Pmt-Check	08/12/2011	1016	Andrea Smeltzer	Administrative Services	Bank of America		600.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	600.00	
							600.00	600.00
239	Check	08/12/2011		Guy Della Penna		Bank of America		1,250.00
				Guy Della Penna		Managing Member fees	1,250.00	
							1,250.00	1,250.00
240	Check	08/12/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
241	Deposit	08/23/2011		Etrade Financial	Deposit	Bank of America	8,500.00	
				Etrade Financial	Deposit	ETrade		8,500.00
							8,500.00	8,500.00
242	Check	08/23/2011		Guy Della Penna		Bank of America		8,000.00
				Guy Della Penna		Managing Member fees	8,000.00	
							8,000.00	8,000.00
243	Check	08/23/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
244	Check	08/23/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
245	Check	08/24/2011		Sue Ellen Penner	VOID: Original Investment	Bank of America	0.00	

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Trans#	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Sue Ellen Penner	VOID: Original Investment	Sue Ellen Penner	0.00	
							0.00	0.00
246	Deposit	08/24/2011		Sue Ellen Penner	Original Investment	Bank of America	200,000.00	
				Sue Ellen Penner	Original Investment	Sue Ellen Penner		200,000.00
							200,000.00	200,000.00
247	Check	08/29/2011		Gaeton Capital Advisors, LLC		Bank of America		25,050.00
				Gaeton Capital Advisors, LLC		paid in capital	25,050.00	
							25,050.00	25,050.00
248	Check	08/29/2011		Bank of America	wire transfer fee	Bank of America		25.00
				Bank of America	wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
249	Check	08/31/2011		Etrade Financial		Bank of America		60,000.00
				Etrade Financial		ETrade	60,000.00	
							60,000.00	60,000.00
250	Check	08/31/2011		Guy Della Penna		Bank of America		5,000.00
				Guy Della Penna		Managing Member fees	5,000.00	
							5,000.00	5,000.00
251	Check	08/31/2011		Gaeton Capital Advisors, LLC	Louis Parker	Bank of America		110,000.00
				Gaeton Capital Advisors, LLC	Louis Parker	paid in capital	110,000.00	
							110,000.00	110,000.00
252	Check	08/31/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
253	Check	08/31/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
254	Check	08/31/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
255	Deposit	09/13/2011		Etrade Financial	Deposit	Bank of America	8,000.00	
				Etrade Financial	Deposit	ETrade		8,000.00
							8,000.00	8,000.00
256	Check	09/13/2011		Guy Della Perma		Bank of America		5,500.00
				Guy Della Penna		Managing Member fees	5,500.00	
							5,500.00	5,500.00
257	Check	09/13/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
258	Check	09/13/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
260	Check	09/19/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
261	Check	09/19/2011		Guy Della Penna		Bank of America		2,400.00
				Guy Della Penna		Managing Member fees	2,400.00	
							2,400.00	2,400.00
262	Bill	09/23/2011		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer		Administrative Services	400.00	
							400.00	400.00
263	Bill Pmt - Check	09/23/2011	1017	Andrea Smeltzer		Bank of America		400.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Andrea Smeltzer		Accounts Payable	400.00	
							400.00	400.00
264	Bill	09/30/2011		Valerie Lynch	Third Quarter Interest 2011	Accounts Payable		1,250.00
				Valerie Lynch	Third Quarter Interest 2011	Lynch	1,250.00	
							1,250.00	1,250.00
265	Bill	09/30/2011		A. Louis Parker, TTEE	Third Quarter Interest for 2011	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	Third Quarter Interest 2011	Parker	3,125.00	
							3,125.00	3,125.00
266	Bill	09/30/2011		Sue Ellen Penner	Third Quarter Interest For 2011	Accounts Payable		1,000.02
				Sue Ellen Penner	Third Quarter Interest for 2011	Sue Ellen Penner	1,000.02	
							1,000.02	1,000.02
267	Bill	09/30/2011		Nancy and Douglas Downs	Third Quarter Interest for 2011	Accounts Payable		500.00
				Nancy and Douglas Downs	Third Quarter Interest For 2011	Nancy and Douglas Downs	500.00	
							500.00	500.00
268	Bill Pmt-Check	09/30/2011	1018	A. Louis Parker, TTEE	Third Quarter Interest for 2011	Bank of America		3,125.00
				A. Louis Parker, TTEE	Third Quarter Interest for 2011	Accounts Payable	3,125.00	
							3,125.00	3,125.00
269	Bill Pmt-Check	09/30/2011	1019	Nancy and Douglas Downs	Third Quarter Interest for 2011	Bank of America		500.00
				Nancy and Douglas Downs	Third Quarter Interest for 2011	Accounts Payable	500.00	
							500.00	500.00
270	Bill Pmt-Check	09/30/2011	1020	Sue Ellen Penner	Third Quarter Interest For 2011	Bank of America		1,000.02
				Sue Ellen Penner	Third Quarter Interest For 2011	Accounts Payable	1,000.02	
							1,000.02	1,000.02
271	Bill Pmt-Check	09/30/2011	1021	Valerie Lynch	Third Quarter Interest 2011	Bank of America		1,250.00
				Valerie Lynch	Third Quarter Interest 2011	Accounts Payable	1,250.00	
							1,250.00	1,250.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
272	Deposit	09/29/2011		ETrade Financial	Deposit	Bank of America	9,500.00	
				ETrade Financial	Deposit	ETrade		9,500.00
							9,500.00	9,500.00
273	Check	09/29/2011		Bank of America	Incoming Wire Transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer fee	Bank Service Charges	12.00	
							12.00	12.00
274	Check	09/30/2011		Guy Della Penna		Bank of America		4,500.00
				Guy Della Penna		Managing Member fees	4,500.00	
							4,500.00	4,500.00
275	Check	09/30/2011		Bank of America	Outgoing Wire Transfer fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer fee	Bank Service Charges	25.00	
							25.00	25.00
276	Check	09/30/2011		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
277	Deposit	10/05/2011		ETrade Financial	Deposit	Bank of America	5,000.00	
				ETrade Financial	Deposit	ETrade		5,000.00
							5,000.00	5,000.00
278	Check	10/05/2011		Bank of America	Incoming Wire Transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer fee	Bank Service Charges	12.00	
							12.00	12.00
279	Check	10/05/2011		Guy Della Penna		Bank of America		4,000.00
				Guy Della Penna		Managing Member fees	4,000.00	
							4,000.00	4,000.00
280	Check	10/05/2011		Bank of America	Outgoing wire transfer fees	Bank of America		25.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Outgoing wire transfer fees	Bank Service Charges	25.00	
							25.00	25.00
281	Check	10/13/2011		Guy Delta Penna		Bank of America		1,300.00
				Guy Delta Penna		Managing Member fees	1,300.00	
							1,300.00	1,300.00
282	Check	10/13/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
283	Deposit	10/17/2011		Etrade Financial	Deposit	Bank of America	3,500.00	
				Etrade Financial	Deposit	ETrade		3,500.00
							3,500.00	3,500.00
284	Check	10/17/2011		Guy Delta Penna		Bank of America		2,260.00
				Guy Delta Penna		Managing Member fees	2,260.00	
							2,260.00	2,260.00
285	Check	10/17/2011		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
286	Check	10/17/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
287	Check	10/31/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
288	Deposit	11/21/2011		Guy Delta Penna	Deposit	Bank of America	600.00	
				Guy Delta Penna	Deposit	paid in capital		600.00
							600.00	600.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
289	Check	11/21/2011		Bank of America	Incoming Wire Fee	Bank of America		12.00
				Bank of America	Incoming Wire Fee	Bank Service Charges	12.00	
							12.00	12.00
290	Check	11/22/2011		Guy Della Penna	ATM Withdrawal	Bank of America		500.00
				Guy Della Penna	ATM Withdrawal	Managing Member fees	500.00	
							500.00	500.00
291	Check	11/30/2011		Guy Della Penna	ATM Withdrawal	Bank of America		80.00
				Guy Della Penna	ATM Withdrawal	Managing Member fees	80.00	
							80.00	80.00
292	Check	11/30/2011		Bank of America	Monthly Maintenance Fee	Bank of America		17.00
				Bank of America	Monthly Maintenance Fee	Bank Service Charges	17.00	
							17.00	17.00
293	Deposit	12/08/2011		Madison Nicole Penner Gifting Trust	Deposit	Bank of America	100,000.00	
				Madison Nicole Penner Gifting Trust	Deposit	Madison Nicole Penner		100,000.00
							100,000.00	100,000.00
294	Deposit	12/08/2011		Jordan Lee Penner Gifting Trust	Deposit	Bank of America	100,000.00	
				Jordan Lee Penner Gifting Trust	Deposit	Jordan Lee Penner		100,000.00
							100,000.00	100,000.00
295	Check	12/08/2011		The StreetCom "RealMoney"	Renewal	Bank of America		249.95
				The StreetCom "RealMoney"	Renewal	Dues and Subscriptions	249.95	
							249.95	249.95
296	Check	12/08/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
297	Check	12/08/2011		Bank of America	Incoming wire transfer fee	Bank of America		12.00

The Contrarian Fund  
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January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
298	Check	12/09/2011		ETrade Financial	Trading Account	Bank of America		125,000.00
				ETrade Financial	Trading Account	ETrade	125,000.00	
							125,000.00	125,000.00
299	Check	12/09/2011		Guy Delta Penna		Bank of America		26,000.00
				Guy Delta Penna		Managing Member fees	26,000.00	
							26,000.00	26,000.00
300	Check	12/09/2011		Bank of America	Outgoing Wire Transfer Fees	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fees	Bank Service Charges	25.00	
							25.00	25.00
301	Check	12/09/2011		Bank of America	Outgoing Wire Transfer Fees	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fees	Bank Service Charges	25.00	
							25.00	25.00
302	Check	12/13/2011		Gaeton Capital Advisors, LLC	to cover EMC investment	Bank of America		40,155.18
				Gaeton Capital Advisors, LLC	to cover EMC investment	paid in capital	40,155.18	
							40,155.18	40,155.18
303	Check	12/13/2011		Bank of America	Outgoing Wire Transfer Fees	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fees	Bank Service Charges	25.00	
							25.00	25.00
304	Deposit	12/18/2011		Guy Delta Penna	VOID: Deposit	Bank of America	0.00	
				Guy Delta Penna	VOID: Deposit	Managing Member fees	0.00	
							0.00	0.00
305	Check	12/19/2011		Bank of America	Outgoing wire transfer fees	Bank of America		25.00
				Bank of America	Outgoing wire transfer fees	Bank Service Charges	25.00	
							25.00	25.00

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The Contrarian Fund  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
306	Check	12/19/2011		Guy Della Penna		Bank of America		3,750.00
				Guy Della Penna		Managing Member fees	3,750.00	
							3,750.00	3,750.00
307	Bill	12/20/2011		Stock Cycles Forecast	Guy Della Penna - sstacay@aol.com - 6 month R	Accounts Payable		265.00
				Stock Cycles Forecast	Guy Della Penna - sstacay@aol.com - 6 month R	Dues and Subscriptions	265.00	
							265.00	265.00
308	Bill Print-Check	12/20/2011	1024	Stock Cycles Forecast	Guy Della Penna - sstacay@aol.com - 6 month R	Bank of America		265.00
				Stock Cycles Forecast	Guy Della Penna - sstacay@aol.com - 6 month R	Accounts Payable	265.00	
							265.00	265.00
309	Bill	12/31/2011		A. Louis Parker, TTEE	Fourth Quarter Interest 2011	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	Fourth Quarter 2011	Parker	3,125.00	
							3,125.00	3,125.00
311	Bill	12/31/2011		Sue Ellen Penner	Fourth Quarter Interest for 2011	Accounts Payable		2,500.00
				Sue Ellen Penner	Fourth Quarter Interest for 2011	Sue Ellen Penner	2,500.00	
							2,500.00	2,500.00
312	Bill	12/31/2011		Madison Nicole Penner Gifting Trust	Fourth Quarter Interest 2011	Accounts Payable		305.58
				Madison Nicole Penner Gifting Trust	Fourth Quarter Interest for 2011	Madison Nicole Penner Gifting T	305.58	
							305.58	305.58
313	Bill	12/31/2011		Jordan Lee Penner Gifting Trust	Fourth Quarter Interest 2011	Accounts Payable		305.58
				Jordan Lee Penner Gifting Trust	Fourth Quarter Interest	Jordan Lee Penner Gifting Trust	305.58	
							305.58	305.58
314	Bill	12/31/2011		Nancy and Douglas Downs	Fourth Quarter Interest for 2011	Accounts Payable		750.00
				Nancy and Douglas Downs	Fourth Quarter Interest	Nancy and Douglas Downs	750.00	
							750.00	750.00
315	Bill Print-Check	12/31/2011	1025	A. Louis Parker, TTEE	Fourth Quarter Interest 2011	Bank of America		3,125.00

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The Contrarian Fund  
Journal  
January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				A. Louis Parker, TTEE	Fourth Quarter Interest 2011	Accounts Payable	3,125.00	
							3,125.00	3,125.00
316	Bill Pmt-Check	12/31/2011	1026	Jordan Lee Penner Gifting Trust	Fourth Quarter Interest 2011	Bank of America		305.58
				Jordan Lee Penner Gifting Trust	Fourth Quarter Interest 2011	Accounts Payable	305.58	
							305.58	305.58
317	Bill Pmt-Check	12/31/2011	1027	Madison Nicole Penner Gifting Trust	Fourth Quarter Interest 2011	Bank of America		305.58
				Madison Nicole Penner Gifting Trust	Fourth Quarter Interest 2011	Accounts Payable	305.58	
							305.58	305.58
318	Bill Pmt-Check	12/31/2011	1028	Nancy and Douglas Downs	Fourth Quarter Interest for 2011	Bank of America		750.00
				Nancy and Douglas Downs	Fourth Quarter Interest for 2011	Accounts Payable	750.00	
							750.00	750.00
319	Bill Pmt-Check	12/31/2011	1029	Sue Ellen Penner	Fourth Quarter Interest for 2011	Bank of America		2,500.00
				Sue Ellen Penner	Fourth Quarter Interest for 2011	Accounts Payable	2,500.00	
							2,500.00	2,500.00
321	Check	12/23/2011	1023	Andrea Smeltzer	Christmas Bonus	Bank of America		250.00
				Andrea Smeltzer	Christmas Bonus	Administrative Services	250.00	
							250.00	250.00
322	Check	12/22/2011		Guy Della Penna		Bank of America		3,500.00
				Guy Della Penna		Managing Member fees	3,500.00	
							3,500.00	3,500.00
323	Check	12/22/2011		Bank of America	Outgoing wire Transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire Transfer fee	Bank Service Charges	25.00	
							25.00	25.00
324	Bill	12/30/2011		Andrea Smeltzer		Accounts Payable		600.00
				Andrea Smeltzer		Administrative Services	600.00	
							600.00	600.00

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The Contrarian Fund  
Journal

January through December 2011

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
325	Bill Pmt -Check	12/30/2011	1031	Andrea Smeltzer		Bank of America		600.00
				Andrea Smeltzer		Accounts Payable	600.00	
							600.00	600.00
326	Deposit	12/30/2011		Etrade Financial	Deposit	Bank of America	55,000.00	
				Etrade Financial	Deposit	ETrade		55,000.00
							55,000.00	55,000.00
327	Check	12/30/2011		Gaeton Capital Advisors, LLC	repay hadam/loan	Bank of America		50,100.00
				Gaeton Capital Advisors, LLC	repay hadam/loan	paid in capital	50,100.00	
							50,100.00	50,100.00
328	Check	12/30/2011		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
329	Check	12/30/2011		Bank of America	Outgoing Wire Transfer fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer fee	Bank Service Charges	25.00	
							25.00	25.00
589	General Journal	12/30/2011	14RRRRRR	Valerie Lynch		Valerie Lynch	100,000.00	
				Guy Della Penna		paid in capital		100,000.00
							100,000.00	100,000.00
TOTAL							2,560,405.73	2,560,405.73

















The Contrarian Fund  
General Ledger  
As of December 31, 2011

01/20/12  
Account Balak

	Type	Date	Mem	Notes	Debit	Credit	Balance
	Check	02/02/2011		Copy Check Payment	0.00		-18,000.00
	General Journal	02/02/2011	1	Copy Check Payment	49,000.00		31,000.00
	Deposit	02/02/2011		Copy Check Payment		49,000.00	80,000.00
	General Journal	02/02/2011	1R	Copy Check Payment		49,000.00	31,000.00
	General Journal	04/02/2011	68RR	Copy Check Payment		31,000.00	0.00
	Deposit	04/02/2011		Copy Check Payment		4,000.00	4,000.00
	Deposit	04/02/2011		Copy Check Payment		1,000.00	5,000.00
	Deposit	04/02/2011		Copy Check Payment		1,000.00	6,000.00
	Check	06/02/2011		Union Capital Advisors, LLC	25,000.00		-14,443.77
	Check	06/02/2011		Union Capital Advisors, LLC	110,000.00		-130,443.77
	Check	10/12/2011		Copy Check Payment	600.00		-131,043.77
	Check	10/12/2011		Union Capital Advisors, LLC	42,155.18		-173,198.95
	Check	10/12/2011		Union Capital Advisors, LLC	56,190.00		-229,388.95
	General Journal	12/30/2011	1RPRRRRR	Copy Check Payment	238,750.19		-45,638.76
	Contribution Income						45,638.76
	Total Contributions						45,638.76
	Administrative Income						0.00
	Total Administrative Income						0.00
	Service Income						0.00
	Total Service Income						0.00
	Cost of Goods Sold						0.00
	Total Cost of Goods						0.00
	Administrative Services						0.00
	Check	02/02/2011	1027	Copy Check Payment	850.00		-850.00
	Deposit	02/02/2011		Bank of America		850.00	0.00
	Check	02/02/2011		Bank of America	850.00		-850.00
	Check	02/02/2011		Bank of America	850.00		-1,700.00
	Check	02/02/2011		Bank of America	850.00		-2,550.00
	Check	02/02/2011		Bank of America	850.00		-3,400.00
	Check	02/02/2011		Bank of America	850.00		-4,250.00
	Check	02/02/2011		Bank of America	850.00		-5,100.00
	Check	02/02/2011		Bank of America	850.00		-5,950.00
	Check	02/02/2011		Bank of America	850.00		-6,800.00
	Check	02/02/2011		Bank of America	850.00		-7,650.00
	Check	02/02/2011		Bank of America	850.00		-8,500.00
	Check	02/02/2011		Bank of America	850.00		-9,350.00
	Check	02/02/2011		Bank of America	850.00		-10,200.00
	Check	02/02/2011		Bank of America	850.00		-11,050.00
	Check	02/02/2011		Bank of America	850.00		-11,900.00
	Check	02/02/2011		Bank of America	850.00		-12,750.00
	Check	02/02/2011		Bank of America	850.00		-13,600.00
	Check	02/02/2011		Bank of America	850.00		-14,450.00
	Check	02/02/2011		Bank of America	850.00		-15,300.00
	Check	02/02/2011		Bank of America	850.00		-16,150.00
	Check	02/02/2011		Bank of America	850.00		-17,000.00
	Check	02/02/2011		Bank of America	850.00		-17,850.00
	Check	02/02/2011		Bank of America	850.00		-18,700.00
	Check	02/02/2011		Bank of America	850.00		-19,550.00
	Check	02/02/2011		Bank of America	850.00		-20,400.00
	Check	02/02/2011		Bank of America	850.00		-21,250.00
	Check	02/02/2011		Bank of America	850.00		-22,100.00
	Check	02/02/2011		Bank of America	850.00		-22,950.00
	Check	02/02/2011		Bank of America	850.00		-23,800.00
	Check	02/02/2011		Bank of America	850.00		-24,650.00
	Check	02/02/2011		Bank of America	850.00		-25,500.00
	Check	02/02/2011		Bank of America	850.00		-26,350.00
	Check	02/02/2011		Bank of America	850.00		-27,200.00
	Check	02/02/2011		Bank of America	850.00		-28,050.00
	Check	02/02/2011		Bank of America	850.00		-28,900.00
	Check	02/02/2011		Bank of America	850.00		-29,750.00
	Check	02/02/2011		Bank of America	850.00		-30,600.00
	Check	02/02/2011		Bank of America	850.00		-31,450.00
	Check	02/02/2011		Bank of America	850.00		-32,300.00
	Check	02/02/2011		Bank of America	850.00		-33,150.00
	Check	02/02/2011		Bank of America	850.00		-34,000.00
	Check	02/02/2011		Bank of America	850.00		-34,850.00
	Check	02/02/2011		Bank of America	850.00		-35,700.00
	Check	02/02/2011		Bank of America	850.00		-36,550.00
	Check	02/02/2011		Bank of America	850.00		-37,400.00
	Check	02/02/2011		Bank of America	850.00		-38,250.00
	Check	02/02/2011		Bank of America	850.00		-39,100.00
	Check	02/02/2011		Bank of America	850.00		-39,950.00
	Check	02/02/2011		Bank of America	850.00		-40,800.00
	Check	02/02/2011		Bank of America	850.00		-41,650.00
	Check	02/02/2011		Bank of America	850.00		-42,500.00
	Check	02/02/2011		Bank of America	850.00		-43,350.00
	Check	02/02/2011		Bank of America	850.00		-44,200.00
	Check	02/02/2011		Bank of America	850.00		-45,050.00
	Check	02/02/2011		Bank of America	850.00		-45,900.00
	Check	02/02/2011		Bank of America	850.00		-46,750.00
	Check	02/02/2011		Bank of America	850.00		-47,600.00
	Check	02/02/2011		Bank of America	850.00		-48,450.00
	Check	02/02/2011		Bank of America	850.00		-49,300.00
	Check	02/02/2011		Bank of America	850.00		-50,150.00
	Check	02/02/2011		Bank of America	850.00		-51,000.00
	Check	02/02/2011		Bank of America	850.00		-51,850.00
	Check	02/02/2011		Bank of America	850.00		-52,700.00
	Check	02/02/2011		Bank of America	850.00		-53,550.00
	Check	02/02/2011		Bank of America	850.00		-54,400.00
	Check	02/02/2011		Bank of America	850.00		-55,250.00
	Check	02/02/2011		Bank of America	850.00		-56,100.00
	Check	02/02/2011		Bank of America	850.00		-56,950.00
	Check	02/02/2011		Bank of America	850.00		-57,800.00
	Check	02/02/2011		Bank of America	850.00		-58,650.00
	Check	02/02/2011		Bank of America	850.00		-59,500.00
	Check	02/02/2011		Bank of America	850.00		-60,350.00
	Check	02/02/2011		Bank of America	850.00		-61,200.00
	Check	02/02/2011		Bank of America	850.00		-62,050.00
	Check	02/02/2011		Bank of America	850.00		-62,900.00
	Check	02/02/2011		Bank of America	850.00		-63,750.00
	Check	02/02/2011		Bank of America	850.00		-64,600.00
	Check	02/02/2011		Bank of America	850.00		-65,450.00
	Check	02/02/2011		Bank of America	850.00		-66,300.00
	Check	02/02/2011		Bank of America	850.00		-67,150.00
	Check	02/02/2011		Bank of America	850.00		-68,000.00
	Check	02/02/2011		Bank of America	850.00		-68,850.00
	Check	02/02/2011		Bank of America	850.00		-69,700.00
	Check	02/02/2011		Bank of America	850.00		-70,550.00
	Check	02/02/2011		Bank of America	850.00		-71,400.00
	Check	02/02/2011		Bank of America	850.00		-72,250.00
	Check	02/02/2011		Bank of America	850.00		-73,100.00
	Check	02/02/2011		Bank of America	850.00		-73,950.00
	Check	02/02/2011		Bank of America	850.00		-74,800.00
	Check	02/02/2011		Bank of America	850.00		-75,650.00
	Check	02/02/2011		Bank of America	850.00		-76,500.00
	Check	02/02/2011		Bank of America	850.00		-77,350.00
	Check	02/02/2011		Bank of America	850.00		-78,200.00
	Check	02/02/2011		Bank of America	850.00		-79,050.00
	Check	02/02/2011		Bank of America	850.00		-79,900.00
	Check	02/02/2011		Bank of America	850.00		-80,750.00
	Check	02/02/2011		Bank of America	850.00		-81,600.00
	Check	02/02/2011		Bank of America	850.00		-82,450.00
	Check	02/02/2011		Bank of America	850.00		-83,300.00
	Check	02/02/2011		Bank of America	850.00		-84,150.00
	Check	02/02/2011		Bank of America	850.00		-85,000.00
	Check	02/02/2011		Bank of America	850.00		-85,850.00
	Check	02/02/2011		Bank of America	850.00		-86,700.00
	Check	02/02/2011		Bank of America	850.00		-87,550.00
	Check	02/02/2011		Bank of America	850.00		-88,400.00
	Check	02/02/2011		Bank of America	850.00		-89,250.00
	Check	02/02/2011		Bank of America	850.00		-90,100.00
	Check	02/02/2011		Bank of America	850.00		-90,950.00
	Check	02/02/2011		Bank of America	850.00		-91,800.00
	Check	02/02/2011		Bank of America	850.00		-92,650.00
	Check	02/02/2011		Bank of America	850.00		-93,500.00
	Check	02/02/2011		Bank of America	850.00		-94,350.00
	Check	02/02/2011		Bank of America	850.00		-95,200.00
	Check	02/02/2011		Bank of America	850.00		-96,050.00
	Check	02/02/2011		Bank of America	850.00		-96,900.00
	Check	02/02/2011		Bank of America	850.00		-97,750.00
	Check	02/02/2011		Bank of America	850.00		-98,600.00
	Check	02/02/2011		Bank of America	850.00		-99,450.00
	Check	02/02/2011		Bank of America	850.00		-100,300.00
	Check	02/02/2011		Bank of America	850.00		-101,150.00
	Check	02/02/2011		Bank of America	850.00		-102,000.00
	Check	02/02/2011		Bank of America	850.00		-102,850.00
	Check	02/02/2011		Bank of America	850.00		-103,700.00
	Check	02/02/2011		Bank of America	850.00		-104,550.00
	Check	02/02/2011		Bank of America	850.00		-105,400.00
	Check	02/02/2011		Bank of America	850.00		-106,250.00
	Check	02/02/2011		Bank of America	850.00		-107,100.00
	Check	02/02/2011		Bank of America	850.00		-107,950.00
	Check	02/02/2					





The Contrarian Fund  
General Ledger  
As of December 31, 2011

Type	Date	Num	Name	Memo	Split	Debit	Credit	Balance
Check	01/16/2011		Bank of America	Incoming wire transfer fee	Bank of America	12.00		1,024.00
Check	01/20/2011		Bank of America	Incoming wire transfer fee	Bank of America	12.00		1,006.00
Check	02/25/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,121.00
Check	02/23/2011		Bank of America	Monthly Maintenance Fee	Bank of America	17.00		1,173.00
Check	04/05/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,153.00
Check	05/08/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,138.00
Check	05/12/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,113.00
Check	05/23/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,238.00
Check	05/23/2011		Bank of America	Incoming wire transfer fee	Bank of America	12.00		1,250.00
Check	05/26/2011		Bank of America	wire transfer fee	Bank of America	25.00		1,275.00
Check	06/01/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,300.00
Check	06/15/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,325.00
Check	06/15/2011		Bank of America	Outgoing wire transfer fee	Bank of America	75.00		1,350.00
Check	06/13/2011		Bank of America	Incoming wire transfer fee	Bank of America	12.00		1,302.00
Check	09/13/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,287.00
Check	09/15/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,412.00
Check	09/29/2011		Bank of America	Incoming Wire Transfer fee	Bank of America	12.00		1,424.00
Check	09/30/2011		Bank of America	Outgoing Wire Transfer fee	Bank of America	25.00		1,499.00
Check	09/30/2011		Bank of America	Monthly Maintenance fee	Bank of America	17.00		1,458.00
Check	10/29/2011		Bank of America	Incoming Wire Transfer fee	Bank of America	12.00		1,478.00
Check	10/25/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,328.00
Check	10/13/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,353.00
Check	10/17/2011		Bank of America	Outgoing wire transfer fee	Bank of America	25.00		1,353.00
Check	10/17/2011		Bank of America	Incoming wire transfer fee	Bank of America	17.00		1,325.00
Check	10/21/2011		Bank of America	Monthly Maintenance Fee	Bank of America	17.00		1,322.00
Check	11/02/2011		Bank of America	Monthly Maintenance Fee	Bank of America	17.00		1,311.00
Check	12/03/2011		Bank of America	Incoming wire transfer fee	Bank of America	12.00		1,625.00
Check	12/03/2011		Bank of America	Outgoing Wire Transfer Fees	Bank of America	25.00		1,650.00
Check	12/09/2011		Bank of America	Outgoing Wire Transfer Fees	Bank of America	25.00		1,615.00
Check	12/13/2011		Bank of America	Outgoing Wire Transfer Fees	Bank of America	25.00		1,710.00
Check	12/13/2011		Bank of America	Outgoing wire transfer fees	Bank of America	25.00		1,735.00
Check	12/23/2011		Bank of America	Outgoing wire Transfer fee	Bank of America	25.00		1,760.00
Check	12/30/2011		Bank of America	Incoming Wire Transfer Fee	Bank of America	12.00		1,772.00
Check	12/30/2011		Bank of America	Outgoing Wire Transfer fee	Bank of America	25.00		1,747.00
Total Bank Service Charges - Other						1,822.00	25.00	1,797.00
Total Bank Service Charges						1,822.00	25.00	1,797.00
Business Licenses and Permits								0.00
UBR								0.00
General Journal	04/26/2011	4RRR	Florida Department of State	Annual Report for 2011	paid in Capital	143.75		143.75
Total UBR						143.75	0.00	143.75
Business Licenses and Permits - Other								0.00
Total Business Licenses and Permits - Other								0.00
Total Business Licenses and Permits						143.75	0.00	143.75





The Contrarian Fund  
 General Ledger  
 As of December 31, 2011

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 General Ledger

	Type	Dep	Memo	Debit	Credit	Balance
Money and Douglas Downs						
	DR	06/02/2011	Money and Douglas Downs	500.00		500.00
	CR	1/23/2011	Money and Douglas Downs		750.00	1,250.00
Total Money and Douglas Downs				1,250.00		1,250.00
Payroll						
	DR	03/12/2011	A. Leah Pifer-TTIE	450.00		450.00
	DR	05/25/2011	A. Leah Pifer-TTIE	3,125.00		3,575.00
	DR	08/08/2011	A. Leah Pifer-TTIE	1,125.00		4,700.00
	DR	10/12/2011	A. Leah Pifer-TTIE	1,125.00		5,825.00
Total Payroll				5,825.00		5,825.00
See Also Payroll						
	DR	06/02/2011	See Also Payroll	1,000.00		1,000.00
	DR	10/12/2011	See Also Payroll	2,000.00		3,000.00
Total See Also Payroll				3,000.00		3,000.00
Interest Expense - Other						
Total Interest Expense - Other						
Total Interest Expense						
Legal Fees						
Total Legal Fees						
Litigation, printing, filings						
Total Litigation, printing, filings						
Membership Renewal Fees						
	Check	8/11/2011	Our Debt Payers	400.00		400.00
	Check	8/11/2011	Our Debt Payers	5,000.00		5,400.00
	Check	8/11/2011	Our Debt Payers	2,000.00		7,400.00
	Check	8/29/2011	Our Debt Payers	1,000.00		8,400.00
	Deposit	8/29/2011	Deposits		18,200.00	26,600.00
	Check	10/18/2011	Our Debt Payers	715.00		27,315.00
	Check	10/24/2011	Our Debt Payers	1,500.00		28,815.00
	Check	10/27/2011	Our Debt Payers	1,000.00		29,815.00
	Check	10/29/2011	Our Debt Payers	7,500.00		37,315.00
	Check	10/31/2011	Our Debt Payers	12,000.00		49,315.00
	Check	10/31/2011	Our Debt Payers	2,000.00		51,315.00
	Check	10/31/2011	Our Debt Payers	3,000.00		54,315.00
	Check	10/31/2011	Our Debt Payers	3,000.00		57,315.00
	Check	10/31/2011	Our Debt Payers	500.00		57,815.00
	Deposit	06/02/2011	Deposits		14,000.00	71,815.00
	Check	06/11/2011	Our Debt Payers	14,000.00		57,815.00





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Accrual Basis

The Contrarian Fund  
Trial Balance  
As of December 31, 2011

	Dec 31, 11	
	Debit	Credit
Bank of America		2,049.57
Accounts Payable	0.00	
Note Payables:A. Louis Parker		260,000.00
Note Payables:Conrad Penner		215,000.00
Note Payables:Jordan Lee Penner		100,000.00
Note Payables:Madison Nicole Penner		100,000.00
Note Payables:Nancy and Douglas Downs		60,000.00
Note Payables:Nancy Hadam Downs IRA		50,000.00
Note Payables:Sue Ellen Penner		200,000.00
Note Payables:Valerie Lynch	0.00	
loan payables:Guy Della Penna	0.00	
Opening Bal Equity		50.00
Owners Equity	314,726.37	
paid in capital	20,061.43	
Administrative Services	4,500.00	
Bank:ETrade	300,650.00	
Bank Service Charges	1,797.00	
Business Licenses and Permits:UBR	143.75	
Dues and Subscriptions	514.95	
Interest Expense:Jordan Lee Penner Gifting Trust	305.58	
Interest Expense:Lynch	3,854.16	
Interest Expense:Madison Nicole Penner Gifting T	305.58	
Interest Expense:Nancy and Douglas Downs	1,250.00	
Interest Expense:Parker	9,895.83	
Interest Expense:Sue Ellen Penner	3,500.02	
Managing Member fees	265,185.00	
miscellaneous	410.00	
Ask My Accountant	50,000.00	
<b>TOTAL</b>	<b>977,099.67</b>	<b>977,099.67</b>

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The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
310	Bill	01/01/2012		Valerie Lynch	Fourth Quarter Interest	Accounts Payable		1,250.00
				Valerie Lynch	Fourth Quarter Interest	Lynch	1,250.00	1,250.00
320	Bill Pmt -Check	01/01/2012	1030	Valerie Lynch	Fourth Quarter Interest	Bank of America		1,250.00
				Valerie Lynch	Fourth Quarter Interest	Accounts Payable	1,250.00	1,250.00
330	Deposit	01/04/2012		ETrade Financial	Deposit	Bank of America	12,250.00	
				ETrade Financial	Deposit	ETrade		12,250.00
331	Check	01/04/2012		Guy Della Penna		Bank of America		9,500.00
				Guy Della Penna		Managing Member fees	9,500.00	9,500.00
332	Check	01/04/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	25.00
333	Check	01/04/2012		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	12.00
334	Deposit	01/09/2012		Etrade Financial	Deposit	Bank of America	5,000.00	
				Etrade Financial	Deposit	ETrade		5,000.00
335	Check	01/09/2012		Guy Della Penna		Bank of America		3,500.00
				Guy Della Penna		Managing Member fees	3,500.00	3,500.00
336	Check	01/09/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	

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The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
							25.00	25.00
337	Check	01/09/2012		Bank of America	Incoming Wire Transfer	Bank of America		12.00
				Bank of America	Incoming Wire Transfer	Bank Service Charges	12.00	
							12.00	12.00
338	Check	01/13/2012	1032	Andria Smeltzer		Bank of America		600.00
				Andria Smeltzer		Administrative Services	600.00	
							600.00	600.00
339	Deposit	01/17/2012		Etrade Financial	Deposit	Bank of America	15,800.00	
				Etrade Financial	Deposit	ETrade		15,900.00
							15,900.00	15,900.00
340	Check	01/17/2012		Gaeton Capital Advisors, LLC		Bank of America		15,000.00
				Gaeton Capital Advisors, LLC		paid in capital	15,000.00	
							15,000.00	15,000.00
341	Check	01/17/2012		Guy Della Penna		Bank of America		1,050.00
				Guy Della Penna		Managing Member fees	1,050.00	
							1,050.00	1,050.00
342	Check	01/17/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
343	Check	01/17/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
344	Check	01/17/2012		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00

The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
345	Bill	01/24/2012		Arthur H. Hobson III IRA	Reimbursement for Fees	Accounts Payable		50.00
				Arthur H. Hobson III IRA	Fees incurred for custodial expense	Miscellaneous	50.00	
							50.00	50.00
346	Bill Pmt - Check	01/24/2012	1034	Arthur H. Hobson III IRA	Reimbursement for Fees	Bank of America		50.00
				Arthur H. Hobson III IRA	Reimbursement for Fees	Accounts Payable	50.00	
							50.00	50.00
347	Bill	01/31/2012		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer		Administrative Services	400.00	
							400.00	400.00
348	Bill Pmt - Check	01/31/2012	1035	Andrea Smeltzer		Bank of America		400.00
				Andrea Smeltzer		Accounts Payable	400.00	
							400.00	400.00
349	Deposit	01/31/2012		Etrade Financial	Deposit	Bank of America	1,250.00	
				Etrade Financial	Deposit	ETrade		1,250.00
							1,250.00	1,250.00
350	Check	01/31/2012		Guy Della Penna		Bank of America		650.00
				Guy Della Penna		Managing Member fees	650.00	
							650.00	650.00
351	Check	01/31/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
352	Check	01/31/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
353	Check	02/01/2012		Advice Trade		Bank of America		149.95



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The Contrarian Fund  
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January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Advice Trade		Dues and Subscriptions	149.95	
							149.95	149.95
354	Deposit	02/07/2012		Etrade Financial	Deposit	Bank of America	700.00	
				Etrade Financial	Deposit	ETrade		700.00
							700.00	700.00
355	Check	02/07/2012		Guy Della Penna		Bank of America		700.00
				Guy Della Penna		Managing Member fees	700.00	
							700.00	700.00
356	Check	02/07/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
357	Deposit	03/01/2012		Guy Della Penna	Deposit	Bank of America	150.00	
				Guy Della Penna	Deposit	paid in capital		150.00
							150.00	150.00
358	Check	02/28/2012		Advice Trade		Bank of America		149.95
				Advice Trade		Dues and Subscriptions	149.95	
							149.95	149.95
359	Check	02/28/2012		Bank of America	Overdraft fee	Bank of America		35.00
				Bank of America	Overdraft fee	Bank Service Charges	35.00	
							35.00	35.00
360	Check	02/28/2012		Bank of America	Monthly Maintenance fee	Bank of America		17.00
				Bank of America	Monthly Maintenance fee	Bank Service Charges	17.00	
							17.00	17.00
361	Deposit	03/05/2012		Arthur H. Hobson III IRA	Deposit	Bank of America	300,000.00	
				Arthur H. Hobson III IRA	Deposit	Arthur H. Hobson III		300,000.00
							300,000.00	300,000.00

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The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
362	Check	03/05/2012		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
363	Check	03/05/2012		Guy Della Penna		Bank of America		24,000.00
				Guy Della Penna		Managing Member fees	24,000.00	
							24,000.00	24,000.00
364	Check	03/05/2012		Elrado Financial	Trading Account	Bank of America		250,000.00
				Elrado Financial	Trading Account	ETrade	250,000.00	
							250,000.00	250,000.00
365	Check	03/05/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
366	Check	03/05/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
367	Bill	03/08/2012		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer		Administrative Services	400.00	
							400.00	400.00
368	Bill Pmt -Check	03/08/2012	1036	Andrea Smeltzer		Bank of America		400.00
				Andrea Smeltzer		Accounts Payable	400.00	
							400.00	400.00
369	Bill	03/12/2012		Arthur H. Hobson III IRA	Reimbursement for fees	Accounts Payable		420.00
				Arthur H. Hobson III IRA	Fees Incurred to establish IRA with Advanta LLC	miscellaneous	420.00	
							420.00	420.00
370	Bill Pmt -Check	03/12/2012	1037	Arthur H. Hobson III IRA	Reimbursement for fees	Bank of America		420.00

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**The Contrarian Fund  
Journal  
January through December 2012**

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Arthur H. Hobson III IRA	Reimbursement for fees	Accounts Payable	420.00	
							420.00	420.00
371	Check	03/09/2012		Guy Della Penna		Bank of America		5,000.00
				Guy Della Penna		Managing Member fees	5,000.00	
							5,000.00	5,000.00
372	Check	03/09/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
373	Bill	04/01/2012		Jordan Lee Penner Gifting Trust	First Quarter Interest For 2012	Accounts Payable		1,250.00
				Jordan Lee Penner Gifting Trust	First Quarter Interest for 2012	Jordan Lee Penner Gifting Trust	1,250.00	
							1,250.00	1,250.00
374	Bill	04/01/2012		Madison Nicole Penner Gifting Trust	First Quarter Interest for 2012	Accounts Payable		1,250.00
				Madison Nicole Penner Gifting Trust	First Quarter Interest 2012	Madison Nicole Penner Gifting T	1,250.00	
							1,250.00	1,250.00
375	Bill	04/01/2012		Nancy and Douglas Downs	First Quarter Interest for 2012	Accounts Payable		750.00
				Nancy and Douglas Downs	First Quarter Interest 2012	Nancy and Douglas Downs	750.00	
							750.00	750.00
376	Bill	04/01/2012		Valerie Lynch	VOID: First Quarter Interest for 2012	Accounts Payable	0.00	
				Valerie Lynch	First Quarter Interest 2012	Lynch	0.00	
							0.00	0.00
377	Bill	04/01/2012		Sue Ellen Penner	First Quarter Interest for 2012	Accounts Payable		2,500.00
				Sue Ellen Penner	First Quarter Interest 2012	Sue Ellen Penner	2,500.00	
							2,500.00	2,500.00
378	Bill	04/01/2012		A. Louis Parker, TTEE	First Quarter Interest for 2012	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	First Quarter Interest 2012	Parker	3,125.00	
							3,125.00	3,125.00

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The Contrarian Fund  
Journal

January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
379	Bill Pmt -Check	04/01/2012	1038	Jordan Lee Penner Gifting Trust	First Quarter Interest For 2012	Bank of America		1,250.00
				Jordan Lee Penner Gifting Trust	First Quarter Interest For 2012	Accounts Payable	1,250.00	
							1,250.00	1,250.00
380	Bill Pmt -Check	04/01/2012	1039	Madison Nicole Penner Gifting Trust	First Quarter Interest for 2012	Bank of America		1,250.00
				Madison Nicole Penner Gifting Trust	First Quarter Interest for 2012	Accounts Payable	1,250.00	
							1,250.00	1,250.00
381	Bill Pmt -Check	04/01/2012	1040	Nancy and Douglas Downs	First Quarter Interest for 2012	Bank of America		750.00
				Nancy and Douglas Downs	First Quarter Interest for 2012	Accounts Payable	750.00	
							750.00	750.00
382	Bill Pmt -Check	04/01/2012	1041	A. Louis Parker, TTEE	First Quarter Interest for 2012	Bank of America		3,125.00
				A. Louis Parker, TTEE	First Quarter Interest for 2012	Accounts Payable	3,125.00	
							3,125.00	3,125.00
383	Bill Pmt -Check	04/01/2012	1042	Sue Ellen Penner	First Quarter Interest for 2012	Bank of America		2,500.00
				Sue Ellen Penner	First Quarter Interest for 2012	Accounts Payable	2,500.00	
							2,500.00	2,500.00
385	Check	03/26/2012		Guy Della Penna		Bank of America		5,000.00
				Guy Della Penna		Managing Member fees	5,000.00	
							5,000.00	5,000.00
386	Check	03/28/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
387	Check	04/02/2012		Adviso Trade		Bank of America		149.95
				Adviso Trade		Dues and Subscriptions	149.95	
							149.95	149.95
388	Deposit	04/02/2012		Etrade Financial	Deposit	Bank of America	50,000.00	

The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				ETrade Financial	Deposit	ETrade		50,000.00
							50,000.00	50,000.00
389	Check	04/02/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
390	Check	04/02/2012		Guy Delta Penna		Bank of America		50,000.00
				Guy Delta Penna		Managing Member fees	50,000.00	
							50,000.00	50,000.00
391	Check	04/02/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
392	Check	04/05/2012		Guy Delta Penna		Bank of America		3,500.00
				Guy Delta Penna		Managing Member fees	3,500.00	
							3,500.00	3,500.00
393	Bill	04/06/2012		Andrea Smeltzer	Administrative Services	Accounts Payable		400.00
				Andrea Smeltzer	Administrative Services	Administrative Services	400.00	
							400.00	400.00
394	Bill Pmt-Check	04/06/2012	1045	Andrea Smeltzer	Administrative Services	Bank of America		400.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	400.00	
							400.00	400.00
395	Check	04/05/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
398	Deposit	04/07/2012			This was deposited into this account in error	Bank of America	2,800.00	
					This was deposited into this account in error	Miscellaneous Income		2,800.00
							2,800.00	2,800.00

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The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
397	Bill	04/07/2012		A-g Hedge Group, LLC	Returning deposit made to Contrarian in error	Accounts Payable		2,800.00
				A-g Hedge Group, LLC	Deposit made in error returned	Miscellaneous Income	2,800.00	
							2,800.00	2,800.00
398	Bill Print -Check	04/07/2012	1046	A-g Hedge Group, LLC	Returning deposit made to Contrarian in error	Bank of America		2,800.00
				A-g Hedge Group, LLC	Returning deposit made to Contrarian in error	Accounts Payable	2,800.00	
							2,800.00	2,800.00
399	Deposit	04/09/2012		Etrade Financial	Deposit	Bank of America	60,000.00	
				Etra de Financial	Deposit	ETrade		60,000.00
							60,000.00	60,000.00
400	Check	04/09/2012		Guy Della Penna		Bank of America		60,000.00
				Guy Della Penna		Managing Member fees	60,000.00	
							60,000.00	60,000.00
401	Check	04/09/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
402	Check	04/09/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
403	Deposit	04/10/2012		Guy Della Penna	Deposit	Bank of America	50,000.00	
				Guy Della Penna	Deposit	Managing Member fees		50,000.00
							50,000.00	50,000.00
404	Check	04/10/2012		Etrade Financial		Bank of America		50,000.00
				Etrade Financial		ETrade	50,000.00	
							50,000.00	50,000.00
405	Check	04/10/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00

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The Contrarian Fund  
Journal

January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
406	Check	04/10/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
407	Check	04/17/2012		Guy Della Penna		Bank of America		1,900.00
				Guy Della Penna		Managing Member fees	1,900.00	
							1,900.00	1,900.00
408	Check	04/17/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
409	Bill	04/20/2012		Andrea Smeltzer	Administrative Services	Accounts Payable		400.00
				Andrea Smeltzer	Administrative Services	Administrative Services	400.00	
							400.00	400.00
410	Bill Pmt - Check	04/20/2012	1047	Andrea Smeltzer	Administrative Services	Bank of America		400.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	400.00	
							400.00	400.00
411	Deposit	04/24/2012		Etrade Financial	Deposit	Bank of America	2,400.00	
				Etrade Financial	Deposit	ETrade		2,400.00
							2,400.00	2,400.00
412	Check	04/24/2012		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
413	Check	04/24/2012		Guy Della Penna		Bank of America		2,000.00
				Guy Della Penna		Managing Member fees	2,000.00	
							2,000.00	2,000.00

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The Contrarian Fund  
Journal  
January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
414	Check	04/24/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
415	General Journal	04/26/2012	6RRR		2012 Annual Report	paid in capital		138.75
					2012 Annual Report	Licenses, permits, filings	138.75	
							138.75	138.75
416	Deposit	04/30/2012		ETrade Financial	Deposit	Bank of America	17,500.00	
				ETrade Financial	Deposit	ETrade		17,500.00
							17,500.00	17,500.00
417	Check	04/30/2012		Guy Della Penna		Bank of America		5,000.00
				Guy Della Penna		Managing Member fees	5,000.00	
							5,000.00	5,000.00
418	Check	04/30/2012		Bank of America	Outgoing Wire Transfer fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer fee	Bank Service Charges	25.00	
							25.00	25.00
419	Check	04/30/2012		Bank of America	Incoming Wire Transfer fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer fee	Bank Service Charges	12.00	
							12.00	12.00
420	Deposit	04/30/2012		Guy Della Penna	Deposit	Bank of America	150.00	
				Guy Della Penna	Deposit	paid in capital		150.00
							150.00	150.00
421	Check	04/30/2012		Advice Trade		Bank of America		149.95
				Advice Trade		Dues and Subscriptions	149.95	
							149.95	149.95
422	Check	05/02/2012		Guy Della Penna		Bank of America		12,000.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Guy Della Penna		Managing Member fees	12,000.00	
							12,000.00	12,000.00
423	Check	05/02/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
424	Bill	05/04/2012		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer		Administrative Services	400.00	
							400.00	400.00
425	Bill Pmt-Check	05/04/2012	1050	Andrea Smeltzer		Bank of America		400.00
				Andrea Smeltzer		Accounts Payable	400.00	
							400.00	400.00
426	Check	05/07/2012		Bank of America	Outgoing Wire Transfer Fee	Bank of America		25.00
				Bank of America	Outgoing Wire Transfer Fee	Bank Service Charges	25.00	
							25.00	25.00
427	Check	05/07/2012		Guy Della Penna		Bank of America		1,000.00
				Guy Della Penna		Managing Member fees	1,000.00	
							1,000.00	1,000.00
428	Deposit	05/08/2012		ETrade Financial	Deposit	Bank of America	1,450.00	
				ETrade Financial	Deposit	ETrade		1,450.00
							1,450.00	1,450.00
429	Check	05/08/2012		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
430	Bill	05/18/2012		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer	Administrative Services	Administrative Services	400.00	
							400.00	400.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
431	Bill Pmt -Check	05/18/2012	1051	Andrea Smeltzer		Bank of America		400.00
				Andrea Smeltzer		Accounts Payable	400.00	
							400.00	400.00
432	Check	05/18/2012		Lorghom Steakhouse		Bank of America		55.00
				Lorghom Steakhouse		Meals and Entertainment	55.00	
							55.00	55.00
433	Check	05/18/2012	ATM			Bank of America		102.95
						miscellaneous	102.95	
							102.95	102.95
434	Check	05/18/2012			ATM Withdrawal Fee	Bank of America		2.00
					ATM Withdrawal Fee	miscellaneous	2.00	
							2.00	2.00
435	Check	05/23/2012		New Dynasty		Bank of America		15.00
				New Dynasty		Meals and Entertainment	15.00	
							15.00	15.00
436	Deposit	05/22/2012		Guy Della Perna	Deposit	Bank of America	200.00	
				Guy Della Perna	Deposit	paid in capital		200.00
							200.00	200.00
437	Check	05/26/2012	ATM			Bank of America		200.00
						miscellaneous	200.00	
							200.00	200.00
438	Check	05/28/2012			VOID: GJE, RGJE created on 06/04/2012	Bank of America	0.00	
					VOID: GJE, RGJE created on 06/04/2012	miscellaneous	0.00	
							0.00	0.00
439	Check	05/25/2012				Bank of America		80.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
						miscellaneous	80.00	
							80.00	80.00
440	Deposit	05/30/2012		Sue Ellen Penner	VOID: Deposit	Bank of America	0.00	
				Sue Ellen Penner	VOID: Deposit	Miscellaneous Income	0.00	
							0.00	0.00
441	Check	05/30/2012		Gaeton Capital Advisors, LLC		Bank of America		30,000.00
				Gaeton Capital Advisors, LLC		paid in capital	30,000.00	
							30,000.00	30,000.00
442	Check	05/30/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	25.00
443	Check	05/30/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
444	Check	06/01/2012		Advice Trade		Bank of America		149.95
				Advice Trade		Dues and Subscriptions	149.95	
							149.95	149.95
445	Check	05/31/2012		Guy Delta Penna		Bank of America		5,000.00
				Guy Delta Penna		Managing Member fees	5,000.00	
							5,000.00	5,000.00
446	Check	05/31/2012		Bank of America		Bank of America		25.00
				Bank of America		Bank Service Charges	25.00	
							25.00	25.00
447	Check	06/04/2012		Guy Delta Penna		Bank of America		14,000.00
				Guy Delta Penna		Managing Member fees	14,000.00	
							14,000.00	14,000.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
448	Check	08/04/2012		Bank of America	Outgoing wire transfer fee	Bank of America		25.00
				Bank of America	Outgoing wire transfer fee	Bank Service Charges	25.00	
							25.00	26.00
449	Check	05/29/2012	ATM		withdrawal fee	Bank of America		2.00
					withdrawal fee	miscellaneous	2.00	
							2.00	2.00
450	Check	05/29/2012	ATM		Palmer Crossing cash withdrawa	Bank of America		100.00
					Palmer Crossing cash withdrawa	miscellaneous	100.00	
							100.00	100.00
451	Check	05/29/2012	ATM		MPX1	Bank of America		102.00
					MPX1	miscellaneous	102.00	
							102.00	102.00
452	Check	05/29/2012	ATM		Cash Withdrawal	Bank of America		200.00
					Cash Withdrawal	miscellaneous	200.00	
							200.00	200.00
453	General Journal	05/28/2012	7RRR		VOID: For CHK voided on 06/04/2012	Bank of America	0.00	
					VOID: For CHK voided on 06/04/2012	miscellaneous	0.00	
							0.00	0.00
454	General Journal	06/04/2012	7RRR		VOID: Reverse of GJE 7RRR -- For CHK voided on	Bank of America	0.00	
					VOID: Reverse of GJE 7RRR -- For CHK voided on	miscellaneous	0.00	
							0.00	0.00
455	Deposit	05/23/2012		Guy Delta Penna	Deposit	Bank of America	200.00	
				Guy Delta Penna	Deposit	paid in capital		200.00
							200.00	200.00
456	Bill	05/06/2012		Stock Cycles Forecast	Renewal for Email: elisastacy@aol.com	Accounts Payable		265.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Stock Cycles Fore cast	Renewal for Email: sleszczay@aol.com	Dues and Subscriptions	265.00	
							265.00	265.00
457	Bill Pmt-Check	06/06/2012	1052	Stock Cycles Forecast	Renewal for Email: sleszczay@aol.com	Bank of America		265.00
				Stock Cycles Forecast	Renewal for Email: sleszczay@aol.com	Accounts Payable	265.00	
							265.00	265.00
458	Bill	06/30/2012		Sue Ellen Penner	Second Quarter Interest 2012	Accounts Payable		2,708.34
				Sue Ellen Penner	Second Quarter Interest 2012	Sue Ellen Penner	2,708.34	
							2,708.34	2,708.34
459	Bill	06/30/2012		Jordan Lee Penner Gifting Trust	Second Quarter Interest 2012	Accounts Payable		1,250.00
				Jordan Lee Penner Gifting Trust	Second Quarter Interest 2012	Jordan Lee Penner Gifting Trust	1,250.00	
							1,250.00	1,250.00
460	Bill	06/30/2012		Valerie Lynch	VOID: Second Quarter Interest 2012	Accounts Payable	0.00	
				Valerie Lynch	Second Quarter Interest 2012	Lynch	0.00	
							0.00	0.00
461	Bill	06/30/2012		Madison Nicole Penner Gifting Trust	Second Quarter Interest in 2012	Accounts Payable		1,250.00
				Madison Nicole Penner Gifting Trust	Second Quarter Interest 2012	Madison Nicole Penner Gifting T	1,250.00	
							1,250.00	1,250.00
462	Bill	06/30/2012		Nancy and Douglas Downs	Second Quarter Interest 2012	Accounts Payable		750.00
				Nancy and Douglas Downs	Second Quarter Interest 2012	Nancy and Douglas Downs	750.00	
							750.00	750.00
463	Bill	08/30/2012		A. Louis Parker, TTEE	Second Quarter Interest 2012	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	Second Quarter Interest 2012	Parker	3,125.00	
							3,125.00	3,125.00
464	Bill Pmt-Check	08/28/2012	1054	A. Louis Parker, TTEE	Second Quarter Interest 2012	Bank of America		3,125.00
				A. Louis Parker, TTEE	Second Quarter Interest 2012	Accounts Payable	3,125.00	
							3,125.00	3,125.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
465	Bill Pmt -Check	06/28/2012	1055	Jordan Lee Penner Gifting Trust	Second Quarter Interest 2012	Bank of America		1,250.00
				Jordan Lee Penner Gifting Trust	Second Quarter Interest 2012	Accounts Payable	1,250.00	
							1,250.00	1,250.00
466	Bill Pmt -Check	06/28/2012	1056	Madison Nicole Penner Gifting Trust	Second Quarter Interest In 2012	Bank of America		1,250.00
				Madison Nicole Penner Gifting Trust	Second Quarter Interest In 2012	Accounts Payable	1,250.00	
							1,250.00	1,250.00
467	Bill Pmt -Check	06/28/2012	1057	Nancy and Douglas Downs	Second Quarter Interest 2012	Bank of America		750.00
				Nancy and Douglas Downs	Second Quarter Interest 2012	Accounts Payable	750.00	
							750.00	750.00
468	Bill Pmt -Check	06/28/2012	1058	Sue Ellen Penner	Second Quarter Interest 2012	Bank of America		2,708.34
				Sue Ellen Penner	Second Quarter Interest 2012	Accounts Payable	2,708.34	
							2,708.34	2,708.34
469	Bill Pmt -Check	06/28/2012	1059	Valerie Lynch	VOID: Second Quarter Interest 2012	Bank of America	0.00	
				Valerie Lynch	VOID: Second Quarter Interest 2012	Accounts Payable	0.00	
							0.00	0.00
470	Check	07/03/2012		Advice Trade		Bank of America		149.95
				Advice Trade		Dues and Subscriptions	149.95	
							149.95	149.95
471	Check	07/03/2012		Bank of America	Return Item Fee	Bank of America		35.00
				Bank of America	Return Item Fee	Bank Service Charges	35.00	
							35.00	35.00
472	Deposit	06/29/2012		Etrade Financial	Deposit	Bank of America	350.00	
				Etrade Financial	Deposit	ETrade		350.00
							350.00	350.00
473	Check	06/29/2012		Bank of America	Incoming wire transfer fee	Bank of America		12.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming wire transfer fee	Bank Service Charges	12.00	
							12.00	12.00
474	Check	06/28/2012	ATM		Cash Withdrawal	Bank of America		330.00
					Cash Withdrawal	miscellaneous	330.00	
							330.00	330.00
475	Check	06/28/2012	ATM		Cash Withdrawal	Bank of America		90.00
					Cash Withdrawal	miscellaneous	90.00	
							90.00	90.00
476	Deposit	07/04/2012		Guy DeJa Penna	Deposit	Bank of America	5,000.00	
				Guy DeJa Penna	Deposit	paid in capital		5,000.00
							5,000.00	5,000.00
477	Deposit	05/30/2012		Sue Ellen Penner	Deposit	Bank of America	50,000.00	
				Sue Ellen Penner	Deposit	Sue Ellen Penner		50,000.00
							50,000.00	50,000.00
478	Check	07/13/2012	1060	Andrea Smetzer		Bank of America		400.00
				Andrea Smetzer		Administrative Services	400.00	
							400.00	400.00
479	Check	07/25/2012			Cash withdrawal	Bank of America		400.00
					Cash withdrawal	miscellaneous	400.00	
							400.00	400.00
480	Check	07/27/2012		Bank of America	NSF Fees ck 1055	Bank of America		35.00
				Bank of America	NSF Fees ck 1055	Bank Service Charges	35.00	
							35.00	35.00
481	Check	07/27/2012		Bank of America	NSF Fees Ck 1056 returned	Bank of America		35.00
				Bank of America	NSF Fees Ck 1056 returned	Bank Service Charges	35.00	
							35.00	35.00

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Trans#	Type	Date	Num	Name	Memo	Account	Debit	Credit
482	Check	07/27/2012		Bank of America	NSF Fees check 1058 Returned	Bank of America		35.00
				Bank of America	NSF Fees check 1058 Returned	Bank Service Charges	35.00	
							35.00	35.00
483	Check	07/27/2012		Bank of America	Overdraft fee	Bank of America		35.00
				Bank of America	Overdraft fee	Bank Service Charges	35.00	
							35.00	35.00
484	Deposit	07/27/2012		Madison Nicole Penner Gifting Trust	Check 1056 returned	Bank of America	1,250.00	
				Madison Nicole Penner Gifting Trust	Check 1056 returned	Madison Nicole Penner Gifting T		1,250.00
							1,250.00	1,250.00
485	Deposit	07/27/2012		Sue Ellen Penner	Check 1058 returned	Bank of America	2,708.34	
				Sue Ellen Penner	Check 1058 returned	Sue Ellen Penner		2,708.34
							2,708.34	2,708.34
486	Check	07/27/2012	1056	Madison Nicole Penner Gifting Trust	VOID: Second Quarter 2012 GJE, RGJE created or	Bank of America	0.00	
				Madison Nicole Penner Gifting Trust	VOID: Second Quarter 2012 GJE, RGJE created or	Madison Nicole Penner Gifting T	0.00	
							0.00	0.00
487	Check	07/27/2012	1058	Sue Ellen Penner	VOID: Second quarter Interest 2012 GJE, RGJE cr	Bank of America	0.00	
				Sue Ellen Penner	VOID: Second quarter Interest 2012 GJE, RGJE cr	Sue Ellen Penner	0.00	
							0.00	0.00
488	Deposit	07/30/2012		Gaeton Capital Advisors, LLC	Deposit	Bank of America	7,500.00	
				Gaeton Capital Advisors, LLC	Deposit	paid in capital		7,500.00
							7,500.00	7,500.00
489	Check	07/30/2012		Advice Trade	July	Bank of America		149.95
				Advice Trade	July	Dues and Subscriptions	149.95	
							149.95	149.95
490	Check	07/30/2012		Bank of America	Incoming Wire Fee	Bank of America		12.00



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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Bank of America	Incoming Wire Fee	Bank Service Charges	12.00	
							12.00	12.00
491	Check	08/03/2012		Bank of America	Interest on Uncollected Balances	Bank of America		1.57
				Bank of America	Interest on Uncollected Balances	Bank Service Charges	1.57	
							1.57	1.57
492	General Journal	07/27/2012	8RRRR	Madison Nicole Penner Gifting Trust	For CHK 1058 voided on 08/07/2012	Bank of America		1,250.00
				Madison Nicole Penner Gifting Trust	For CHK 1068 voided on 08/07/2012	Madison Nicole Penner Gifting T	1,250.00	
							1,250.00	1,250.00
493	General Journal	08/07/2012	8RRRRR	Madison Nicole Penner Gifting Trust	Reverse of GJE 8RRRR - For CHK 1058 voided on	Bank of America	1,250.00	
				Madison Nicole Penner Gifting Trust	Reverse of GJE 8RRRR - For CHK 1058 voided on	Madison Nicole Penner Gifting T		1,250.00
							1,250.00	1,250.00
494	General Journal	07/27/2012	8RRRRR	Sue Ellen Penner	For CHK 1058 voided on 08/07/2012	Bank of America		2,708.34
				Sue Ellen Penner	For CHK 1058 voided on 08/07/2012	Sue Ellen Penner	2,708.34	
							2,708.34	2,708.34
495	General Journal	08/07/2012	8RRRRRR	Sue Ellen Penner	Reverse of GJE 8RRRRR - For CHK 1058 voided	Bank of America	2,708.34	
				Sue Ellen Penner	Reverse of GJE 8RRRRR - For CHK 1058 voided	Sue Ellen Penner		2,708.34
							2,708.34	2,708.34
496	Bill	08/07/2012		Madison Nicole Penner Gifting Trust	Second Quarter Interest 2012	Accounts Payable		1,275.00
				Madison Nicole Penner Gifting Trust	Second Qtr. Interest for 2012 plus rst charge reimb	Madison Nicole Penner Gifting T	1,275.00	
							1,275.00	1,275.00
497	Bill	08/07/2012		Sue Ellen Penner	Second Qtr. Interest for 2012	Accounts Payable		2,733.34
				Sue Ellen Penner	Second Qtr. Interest for 2012	Sue Ellen Penner	2,733.34	
							2,733.34	2,733.34
498	Bill Pmt - Check	08/07/2012	1061	Madison Nicole Penner Gifting Trust	Second Quarter Interest 2012	Bank of America		1,275.00
				Madison Nicole Penner Gifting Trust	Second Quarter Interest 2012	Accounts Payable	1,275.00	
							1,275.00	1,275.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
489	Bill Pmt-Check	08/07/2012	1062	Sue Ellen Penner	Second Qtr. Interest for 2012	Bank of America		2,733.34
				Sue Ellen Penner	Second Qtr. Interest for 2012	Accounts Payable	2,733.34	
							2,733.34	2,733.34
500	Bill	08/10/2012		Andrea Smeltzer	Administrative Services	Accounts Payable		400.00
				Andrea Smeltzer	Administrative Services	Administrative Services	400.00	
							400.00	400.00
501	Bill Pmt-Check	08/10/2012	1063	Andrea Smeltzer	Administrative Services	Bank of America		400.00
				Andrea Smeltzer	Administrative Services	Accounts Payable	400.00	
							400.00	400.00
502	Bill	08/24/2012		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer		Administrative Services	400.00	
							400.00	400.00
503	Bill Pmt-Check	08/24/2012	1064	Andrea Smeltzer		Bank of America		400.00
				Andrea Smeltzer		Accounts Payable	400.00	
							400.00	400.00
504	Check	08/30/2012		Advia Trade		Bank of America		149.95
				Advia Trade		Dues and Subscriptions	149.95	
							149.95	149.95
505	Bill	09/07/2012		Andrea Smeltzer		Accounts Payable		400.00
				Andrea Smeltzer		Administrative Services	400.00	
							400.00	400.00
506	Bill Pmt-Check	09/07/2012	1065	Andrea Smeltzer		Bank of America		400.00
				Andrea Smeltzer		Accounts	400.00	
							400.00	400.00
507	Check	09/11/2012		Guy Della Penna		Bank of America		600.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Guy Delta Penna		Martaging Number fees	600.00	
							600.00	600.00
508	Check	10/01/2012		Advoa Trade		Bank of America		149.95
				Advoa Trade		Dues and Subscriptions	149.95	
							149.95	149.95
509	Check	10/01/2012		Bank of America	Return Item Fee	Bank of America		35.00
				Bank of America	Return Item Fee	Bank Service Charges	35.00	
							35.00	35.00
510	Deposit	10/02/2012		Guy Delta Penna	Deposit	Bank of America	50.00	
				Guy Delta Penna	Deposit	paid in capital		50.00
							50.00	50.00
511	Bill	10/15/2012		Sue Ellen Penner	Third Quarter Interest for 2012	Accounts Payable		3,125.00
				Sue Ellen Penner	Third Quarter Interest for 2012	Sue Ellen Penner	3,125.00	
							3,125.00	3,125.00
512	Bill	10/15/2012		A. Louis Parker, TTEE	Third Quarter Interest for 2012	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	Third Quarter Interest 2012	Parker	3,125.00	
							3,125.00	3,125.00
513	Bill	10/15/2012		Nancy and Douglas Downs	Third Quarter Interest for 2012	Accounts Payable		750.00
				Nancy and Douglas Downs	Third Quarter Interest for 2012	Nancy and Douglas Downs	750.00	
							750.00	750.00
514	Bill	10/15/2012		Madison Nicole Penner Gifting Trust	Third Quarter Interest for 2012	Accounts Payable		1,250.00
				Madison Nicole Penner Gifting Trust	Third Quarter Interest for 2012	Madison Nicole Penner Gifting T	1,250.00	
							1,250.00	1,250.00
515	Bill	10/15/2012		Jordan Lee Penner Gifting Trust	Third Quarter Interest for 2012	Accounts Payable		1,250.00
				Jordan Lee Penner Gifting Trust	Third Quarter Interest for 2012	Jordan Lee Penner Gifting Trust	1,250.00	
							1,250.00	1,250.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
516	Bill Pmt -Check	10/15/2012	1069	A. Louis Parker, TTEE	Third Quarter Interest for 2012	Bank of America		3,125.00
				A. Louis Parker, TTEE	Third Quarter Interest for 2012	Accounts Payable	3,125.00	
							3,125.00	3,125.00
517	Bill Pmt -Check	10/15/2012	1070	Jordan Lee Penner Gifting Trust	VOID: Third Quarter Interest for 2012	Bank of America	0.00	
				Jordan Lee Penner Gifting Trust	VOID: Third Quarter Interest for 2012	Accounts Payable	0.00	
							0.00	0.00
518	Bill Pmt -Check	10/15/2012	1071	Madison Nicole Penner Gifting Trust	VOID: Third Quarter Interest for 2012	Bank of America	0.00	
				Madison Nicole Penner Gifting Trust	VOID: Third Quarter Interest for 2012	Accounts Payable	0.00	
							0.00	0.00
519	Bill Pmt -Check	10/15/2012	1072	Nancy and Douglas Downs	Third Quarter Interest for 2012	Bank of America		750.00
				Nancy and Douglas Downs	Third Quarter Interest for 2012	Accounts Payable	750.00	
							750.00	750.00
520	Bill Pmt -Check	10/15/2012	1068	Sue Ellen Penner	VOID: Third Quarter Interest for 2012	Bank of America	0.00	
				Sue Ellen Penner	VOID: Third Quarter Interest for 2012	Accounts Payable	0.00	
							0.00	0.00
521	Deposit	10/24/2012		Gaeton Capital Advisors, LLC	Deposit	Bank of America	4,100.00	
				Gaeton Capital Advisors, LLC	Deposit	paid in capital		4,100.00
							4,100.00	4,100.00
522	Check	10/24/2012		Bank of America	Incoming Wire Transfer Fee	Bank of America		12.00
				Bank of America	Incoming Wire Transfer Fee	Bank Service Charges	12.00	
							12.00	12.00
523	Check	11/01/2012		Advice Trade		Bank of America		149.95
				Advice Trade		Dues and Subscriptions	149.95	
							149.95	149.95
524	Bill	11/09/2012		Guy Della Penna	Reimbursement for Admin Services	Accounts Payable		50.00

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Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
				Guy Delta Penna	Reimbursement for Admin Services	Managing Member fees	50.00	
							50.00	50.00
525	Bill Pmt -Check	11/09/2012	1073	Guy Delta Penna	Reimbursement for Admin Services	Bank of America		50.00
				Guy Delta Penna	Reimbursement for Admin Services	Accounts Payable	50.00	
							50.00	50.00
526	Check	12/03/2012		Advisa Trade	December	Bank of America		149.95
				Advisa Trade	December	Dues and Subscriptions	149.95	
							149.95	149.95
527	Check	12/03/2012		Bank of America	Overdraft Fee	Bank of America		35.00
				Bank of America	Overdraft Fee	Bank Service Charges	35.00	
							35.00	35.00
528	Check	12/10/2012		Bank of America	Overdraft Fee	Bank of America		35.00
				Bank of America	Overdraft Fee	Bank Service Charges	35.00	
							35.00	35.00
529	Check	12/10/2012		Real Money		Bank of America		249.95
				Real Money		Dues and Subscriptions	249.95	
							249.95	249.95
530	Deposit	12/04/2012		Guy Delta Penna	Deposit	Bank of America	200.00	
				Guy Delta Penna	Deposit	Managing Member fees		200.00
							200.00	200.00
531	Deposit	12/13/2012		Guy Delta Penna	Deposit	Bank of America	300.00	
				Guy Delta Penna	Deposit	Managing Member fees		300.00
							300.00	300.00
532	Bill	12/31/2012		A. Louis Parker, TTEE	Fourth Quarter Interest 2012	Accounts Payable		3,125.00
				A. Louis Parker, TTEE	Fourth Quarter Interest 2012	Parker	3,125.00	
							3,125.00	3,125.00

12:34 PM  
01/31/14

The Contrarian Fund  
Journal

January through December 2012

Trans #	Type	Date	Num	Name	Memo	Account	Debit	Credit
533	Bill Pmt -Check	12/31/2012	1074	A. Louis Parker, TTEE	Fourth Quarter Interest 2012	Bank of America		3,125.00
				A. Louis Parker, TTEE	Fourth Quarter Interest 2012	Accounts Payable	3,125.00	
							3,125.00	3,125.00
535	Transfer	12/31/2012	ATM		Funds Transfer	Bank of America		50.00
					Funds Transfer	paid in capital	50.00	
							50.00	50.00
536	Bill	12/31/2012		Nancy and Douglas Downs	Fourth Qtr. Interest 2012	Accounts Payable		750.00
				Nancy and Douglas Downs	Fourth Quarter Interest	Nancy and Douglas Downs	750.00	
							750.00	750.00
537	Bill Pmt -Check	12/31/2012	1075	Nancy and Douglas Downs	Fourth Qtr. Interest 2012	Bank of America		750.00
				Nancy and Douglas Downs	Fourth Qtr. Interest 2012	Accounts Payable	750.00	
							750.00	750.00
<b>TOTAL</b>							<b>1,236,471.05</b>	<b>1,235,471.05</b>



The Comranan Fund  
General Ledger  
As of December 31, 2012

Type	Date	Num	Amount	Amount	Mem	SPR	Bank	Chgb	Balance
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge		17.00	53,994.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	50,000.00	5,984.48	5,984.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	29.00	5,955.48	5,955.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	3,000.00	2,955.48	2,955.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	25.00	2,930.48	2,930.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	450.00	2,480.48	2,480.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	2,800.00	2,480.48	2,480.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	60,000.00	63,444.48	63,444.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	60,000.00	2,444.48	2,444.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	28.00	2,396.48	2,396.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	12.00	2,307.48	2,307.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	50,000.00	82,907.48	82,907.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	50,000.00	2,907.48	2,907.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	1,000.00	1,907.48	1,907.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	25.00	1,882.48	1,882.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	1,800.00	70.48	70.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	25.00	45.48	45.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	650.00	2,345.48	2,345.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	2,400.00	2,105.48	2,105.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	2,000.00	33.48	33.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	28.00	5.48	5.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	5,000.00	17,208.48	17,208.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	5,000.00	12,208.48	12,208.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	25.00	12,183.48	12,183.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	17.00	12,166.48	12,166.48
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	146.36	12,020.12	12,020.12
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	13,000.00	471.76	471.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	450.00	21.76	21.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	25.00	48.76	48.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	1,400.00	478.76	478.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	12.00	466.76	466.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	400.00	66.76	66.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	55.00	4.76	4.76
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	102.50	49.42	49.42
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	2.00	-100.42	-100.42
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	200.00	80.58	80.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	15.00	65.58	65.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	80.00	204.58	204.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	500.00	4.58	4.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	0.00	4.58	4.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	0.00	4.58	4.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	2.00	2.58	2.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Bank Services Charge	180.00	47.58	47.58
Check	04/27/12		Bank of America		Accounting info transfer fee	Monthly Member Fee	100.00	-109.42	-109.42





UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
MIAMI REGIONAL OFFICE  
SUITE 1800  
801 BRICKELL AVENUE  
MIAMI, FLORIDA 33131  
Phone: (305) 982-6300  
Facsimile: (305) 536-4146  
Author's Direct Dial: (305) 982-6308

December 12, 2013

VIA UPS

Gaeton S. Della Penna



Re: In the Matter of Gaeton Capital Advisors, LLC (FL-3849)

Dear Mr. Della Penna:

The staff of the Securities and Exchange Commission is conducting an investigation in the matter identified above. The enclosed subpoena has been issued to you as part of this investigation. The subpoena requires you to give us documents and provide sworn testimony.

Please read the subpoena and this letter carefully. This letter answers some questions you may have about the subpoena. You should also read the enclosed SEC Form 1662. You must comply with the subpoena. You may be subject to a fine and/or imprisonment if you do not comply.

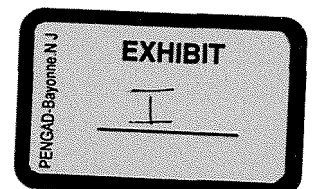
**Producing Documents**

*What materials do I have to produce?*

The subpoena requires you to give us the documents described in the attachment to the subpoena. **You must provide these documents by December 27, 2013.** The attachment to the subpoena defines some terms (such as "document") before listing what you must provide.

Please note that if copies of a document differ in any way, they are considered separate documents and you must send each one. For example, if you have two copies of the same letter, but only one of them has handwritten notes on it, you must send both the clean copy and the one with notes.

If you prefer, you may send us photocopies of the originals but you must maintain the originals. The Commission cannot reimburse you for the copying costs. The copies must be identical to the originals, including even faint marks or print. If you choose to send copies, you must keep the originals in a safe place. In addition, please preserve all computer resources utilized by you or any other persons working on your behalf, including but not limited to hard drives, floppy disks, servers and all other means of storage. We also request that all destruction



or disposal of any document or computer resource, whether such destruction or disposal is or would be in conformity with established retention policies or otherwise, cease forthwith and not resume without prior consultation with the Commission staff. The staff will notify you if and when your original records are required.

If you do send us photocopies, please put an identifying notation on each page of each document to indicate that it was produced by you, and number the pages of all the documents submitted. (For example, if Jane Doe sends documents to the staff, she may number the pages JD-1, JD-2, JD-3, etc., in a blank corner of the documents.) Please make sure the notation and number do not conceal any writing or marking on the document. If you send us originals, please do not add any identifying notations.

If you do not have documents responsive to the subpoena, please state so in a return letter. Also, please indicate in that letter whether a diligent search has been made for any responsive documents.

*Do I need to send anything else?*

You should enclose a list briefly describing each item you send. The list should state which paragraph(s) in the subpoena attachment each item responds to. A copy of the subpoena should be included with the documents that are produced.

Passwords for documents, files, compressed archives, and encrypted media should be provided separately either via email addressed to [ENF-CPU@sec.gov](mailto:ENF-CPU@sec.gov), or in a separate cover letter mailed separately from the data.

Please include a cover letter stating whether you believe you have met your obligations under the subpoena by searching carefully and thoroughly for everything called for by the subpoena, and sending it all to us.

*What if I do not send everything described in the attachment to the subpoena?*

The subpoena requires you to send all the materials described in it. If, for any reason -- including a claim of attorney-client privilege -- you do not produce something called for by the subpoena, you should submit a list of what you are not producing. The list should describe each item separately, noting:

- its author(s);
- its date;
- its subject matter;
- the name of the person who has the item now, or the last person known to have it;
- the names of everyone who ever had the item or a copy of it, and the names of everyone who was told the item's contents; and

- the reason you did not produce the item.

If you withhold anything on the basis of a claim of attorney-client privilege or attorney work product protection, it should also identify the attorney and client involved.

*Where should I send the materials?*

Please send the materials to:

ENF-CPU  
U.S. Securities and Exchange Commission  
100 F St., N.E., Mailstop 5973  
Washington, DC 20549-5973

For smaller electronic productions under 10MB in size, the materials may be emailed to the following email address: [ENF-CPU@sec.gov](mailto:ENF-CPU@sec.gov).

### **Testifying**

*Where and when do I testify?*

The subpoena requires you to come to the Commission's offices at 801 Brickell Avenue, Suite 1800, Miami, FL 33131, to testify under oath in the matter identified on the subpoena on **Thursday, January 9, 2014**.

### **Other Important Information**

*May I have a lawyer help me respond to the subpoena?*

Yes. You have the right to consult with and be represented by your own lawyer in this matter. We cannot give you legal advice.

*What will the Commission do with the materials I send?*

The enclosed SEC Form 1662 includes a List of Routine Uses of information provided to the Commission. This form has other important information for you. Please read it carefully.

*Has the Commission determined that anyone has done anything wrong?*

This investigation is a non-public, fact-finding inquiry. We are trying to determine whether there have been any violations of the federal securities laws. The investigation and the subpoena do not mean that we have concluded that you or anyone else has broken the law. Also, the investigation does not mean that we have a negative opinion of any person, entity or security.

*Important Policy Concerning Settlements*

Please note that, in any matter in which enforcement action is ultimately deemed to be warranted, the Division of Enforcement will not recommend any settlement to the Commission unless the party wishing to settle certifies, under penalty of perjury, that all documents responsive to Commission subpoenas and formal and informal document requests in this matter have been produced.

*I have read this letter, the subpoena, and the SEC 1662, but I still have questions. What should I do?*

If you have any other questions, please call me at (305) 982-6308. If you are represented by a lawyer, please have him/her contact us directly.

Sincerely,



Raynette R. Nicoleau  
Senior Counsel

Enclosures:

SEC Form 1662

Subpoena & Attachment



**UNITED STATES OF AMERICA**  
**SECURITIES AND EXCHANGE COMMISSION**

Gaeton Capital Advisors, LLC (FL-3849)

To: Gaeton S. Della Penna

[REDACTED]  
[REDACTED]

**YOU MUST PRODUCE** everything specified in the Attachment to this subpoena to officers of the Securities and Exchange Commission no later than **December 27, 2013** at the place specified below:

ENF-CPU  
U.S. Securities and Exchange Commission  
100 F St., N.E., Mailstop 5973  
Washington, DC 20549-5973

**YOU MUST TESTIFY** before officers of the Securities and Exchange Commission, 801 Brickell Avenue, Suite 1800, Miami, FL 33131 on **Thursday, January 9, 2014**.

**FEDERAL LAW REQUIRES YOU TO COMPLY WITH THIS SUBPOENA.**

Failure to comply may subject you to a fine and/or imprisonment.

By:

Handwritten signature of Raynette R. Nicoleau in cursive.

Raynette R. Nicoleau  
Senior Counsel

Date: December 12, 2013

I am an officer of the Securities and Exchange Commission authorized to issue subpoenas in this matter. The Securities and Exchange Commission has issued a formal order authorizing this investigation under Section 20(a) of the Securities Act of 1933 and Section 21(a) of the Securities Exchange Act of 1934.

NOTICE TO WITNESS: If you claim a witness fee or mileage, submit this subpoena with the claim voucher.

**SECURITIES AND EXCHANGE COMMISSION**  
**SUBPOENA ATTACHMENT**

**Gaeton S. Della Penna**

**I. INSTRUCTIONS AND DEFINITIONS**

This subpoena calls for the production of documents in accordance with the following general requirements:

**A. DUPLICATES**

Unless otherwise specified, each request for documents or other materials calls for the production of the original and all copies and drafts of the same. However, if two documents are exact duplicates, you are required to produce only one of them. Documents that contain written comments, notes, corrections or to which have been attached or appended additional material are not to be construed as an exact duplicate and, therefore, must be produced.

**B. POSSESSION, CUSTODY OR CONTROL**

You are required to submit all subpoenaed items that are in your possession, custody, or control. Items under your control or custody, but not in your immediate possession, are required to be obtained and submitted.

**C. DEFINITIONS**

“**Document**” means any written, printed, or typed matter in the possession, custody, or control of the subpoenaed entity or individual including but not limited to all drafts and copies bearing notations or marks not found in the original, letters and correspondence, interoffice communications, slips, tickets, records, worksheets, financial records, accounting documents, bookkeeping documents, memoranda, reports, manuals, telephone logs, telegrams, facsimiles, messages of any type, telephone messages, notices, instructions, minutes, summaries, notes of meetings, file folder markings, and any other organizational indicia, purchase orders, information recorded by photographic process, including microfilm and microfiche, computer printouts, spreadsheets, and other information filed or stored in computers on magnetic or optical media, or otherwise, which can be retrieved, obtained, manipulated, or translated.

“**Communication**” means any correspondence, contact, discussion, e-mail, instant message, or any other kind of oral or written exchange or transmission of information (in the form of facts, ideas, inquiries, or otherwise) and any response thereto between two or more Persons or entities, including, without limitation, all telephone conversations, face-to-face meetings or conversations, internal or external discussions, or exchanges of a Document or Documents.

**“Possession, custody or control”** of documents means documents within the actual or constructive possession, custody or control or within the possession, custody or control of the subpoenaed entity or individual, his/her employer, or any department, officer, employee, agent or attorney thereof.

**“Relating to” or “Referring to”** means concerning, responding to, containing, regarding, discussing, describing, reflecting, analyzing, constituting, disclosing, employing, defining, stating, explaining, in any way pertaining to, or summarizing.

**“Relevant Time Period”** means January 1, 2009 through the date upon which you complete your compliance with this subpoena.

**“Gaeton Capital”** means Gaeton Capital Advisors, LLC, its predecessors, subsidiaries, parent, successors, affiliates, related entities, partners, principals (including Gaeton S. Della Penna), directors, associates, associated persons, financial advisors, registered representatives, employees, agents, independent contractors, attorneys, accountants, experts, consultants, or any other person or entity acting or purporting to act on its behalf or subject to its control.

**“You” and “your”** means Gaeton S. Della Penna, and any of his companies, affiliates, employees, agents, representatives, consultants, independent contractors, and any other persons or entities acting, or purporting to act, on his behalf or subject to his control.

#### **D. PRIVILEGE LOG**

You are required to prepare a privilege log for all documents withheld on the grounds of the attorney-client privilege, work product doctrine or any other reason identifying the author(s), recipient(s), date of the document, and the basis for withholding the document.

#### **II. PRODUCTION OF DOCUMENTS**

Unless otherwise indicated, you are directed to produce all of the following documents in or subject to your possession, custody, or control for **Gaeton Capital Advisors, LLC, The New Economy Fund, LLC, The Contrarian Fund, LLC, and The A-G Hedge Group, LLC** (collectively referred to as **“Gaeton Entities”**) for the period of January 1, 2009 to the present:

1. Documents sufficient to disclose all of your employers from January 1, 2009 through present, as well as your title(s), dates of affiliation with each employer, and salary or other compensation.
2. Documents sufficient to identify the nature of your relationship with Gaeton Entities and all salary or other compensation you have received from Gaeton Entities for the relevant time period
3. All documents concerning agreements or contracts between you and the Gaeton Entities.
4. For each year from January 1, 2009 through present, document sufficient to disclose your annual income and all sources of income.

5. Documents sufficient to disclose all domestic and foreign bank, brokerage, or other financial accounts in your name or for your benefit, or over which you have any control.
6. Documents sufficient to disclose all of your other assets over \$1,000 in value, including the current location of all such assets.
7. Documents sufficient to disclose the corporate structure of Gaeton Entities, including, but not limited to, the date and place of establishment, organization, and, if applicable, incorporation.
8. Documents sufficient to identify all officers, directors, principals, owners shareholders, employees, and all others acting on behalf of Gaeton Entities, and documents sufficient to disclose, for each individual identified in response to this Item:
  - a. title;
  - b. dates of affiliation with Gaeton Entities;
  - c. current or last known home address and telephone number;
  - d. current or last known employment address and telephone number; and
  - e. salary or other compensation for each year from January 1, 2009 through present;
9. Documents sufficient to disclose all domestic and foreign bank, brokerage, or other financial accounts held by or on behalf of Gaeton Entities from January 1, 2009 through present;
10. Documents sufficient to disclose all other assets held by or on behalf of Gaeton Entities.
11. Documents sufficient to identify all individuals and entities for whom Gaeton Entities performs or has performed services of any kind and the nature of the services performed.
12. Documents sufficient to identify all Gaeton Entities' investors, including their names, addresses, and telephone numbers.
13. For each investor identified in response to Item 12 above, documents sufficient to disclose:
  - a. the amount invested,
  - b. the date(s) of investments, and
  - c. whether, when, and how much of each investors' principal has been returned to them;
14. For each investor identified in response to Item 12 above, all documents concerning agreements or contracts between Gaeton Entities and the investor and all documents that reflect terms of investments.



15. For each investor identified in response to Item 12 above, all periodic or other account statements.
16. For each investor identified in response to Item 12 above, all documents concerning the investment of (or other use of) their funds by Gaeton Entities and the current location of investor funds.
17. Any and all communications between Gaeton Entities and investors or potential investors in Gaeton Entities.

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**Supplemental Information for Persons Requested to Supply  
Information Voluntarily or Directed to Supply Information  
Pursuant to a Commission Subpoena**

**A. False Statements and Documents**

Section 1001 of Title 18 of the United States Code provides as follows:

[W]hoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully--

- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact;
- (2) makes any materially false, fictitious, or fraudulent statement or representation; or
- (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry;

shall be fined under this title, imprisoned not more than 5 years . . . or both.

**B. Testimony**

If your testimony is taken, you should be aware of the following:

1. *Record.* Your testimony will be transcribed by a reporter. If you desire to go off the record, please indicate this to the Commission employee taking your testimony, who will determine whether to grant your request. The reporter will not go off the record at your, or your counsel's, direction.
2. *Counsel.* You have the right to be accompanied, represented and advised by counsel of your choice. Your counsel may advise you before, during and after your testimony; question you briefly at the conclusion of your testimony to clarify any of the answers you give during testimony; and make summary notes during your testimony solely for your use. If you are accompanied by counsel, you may consult privately.

If you are not accompanied by counsel, please advise the Commission employee taking your testimony if, during the testimony, you desire to be accompanied, represented and advised by counsel. Your testimony will be adjourned once to afford you the opportunity to arrange to be so accompanied, represented or advised.

You may be represented by counsel who also represents other persons involved in the Commission's investigation. This multiple representation, however, presents a potential conflict of interest if one client's interests are or may be adverse to another's. If you are represented by counsel who also represents other persons involved in the investigation, the Commission will assume that you and counsel have discussed and resolved all issues concerning possible conflicts of interest. The choice of counsel, and the responsibility for that choice, is yours.

3. *Transcript Availability.* Rule 6 of the Commission's Rules Relating to Investigations, 17 CFR 203.6, states:

A person who has submitted documentary evidence or testimony in a formal investigative proceeding shall be entitled, upon written request, to procure a copy of his documentary evidence or a transcript of his testimony on payment of the appropriate fees: *Provided, however,* That in a nonpublic formal investigative proceeding the Commission may for good cause deny such request. In any event, any witness, upon proper identification, shall have the right to inspect the official transcript of the witness' own testimony.

If you wish to purchase a copy of the transcript of your testimony, the reporter will provide you with a copy of the appropriate form. Persons requested to supply information voluntarily will be allowed the rights provided by this rule.

4. *Perjury.* Section 1621 of Title 18 of the United States Code provides as follows:

Whoever--

- (1) having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate by him subscribed, is true, willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true; or

(2) in any declaration, certificate, verification, or statement under penalty of perjury as permitted under section 1746 of title 28, United States Code, willfully subscribes as true any material matter which he does not believe to be true;

is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both.

5. *Fifth Amendment and Voluntary Testimony.* Information you give may be used against you in any federal, state, local or foreign administrative, civil or criminal proceeding brought by the Commission or any other agency.

You may refuse, in accordance with the rights guaranteed to you by the Fifth Amendment to the Constitution of the United States, to give any information that may tend to incriminate you.

If your testimony is not pursuant to subpoena, your appearance to testify is voluntary, you need not answer any question, and you may leave whenever you wish. Your cooperation is, however, appreciated.

6. *Formal Order Availability.* If the Commission has issued a formal order of investigation, it will be shown to you during your testimony, at your request. If you desire a copy of the formal order, please make your request in writing.

### C. Submissions and Settlements

Rule 5(c) of the Commission's Rules on Informal and Other Procedures, 17 CFR 202.5(c), states:

Persons who become involved in . . . investigations may, on their own initiative, submit a written statement to the Commission setting forth their interests and position in regard to the subject matter of the investigation. Upon request, the staff, in its discretion, may advise such persons of the general nature of the investigation, including the indicated violations as they pertain to them, and the amount of time that may be available for preparing and submitting a statement prior to the presentation of a staff recommendation to the Commission for the commencement of an administrative or injunction proceeding. Submissions by interested persons should be forwarded to the appropriate Division Director or Regional Director with a copy to the staff members conducting the investigation and should be clearly referenced to the specific investigation to which they relate. In the event a recommendation for the commencement of an enforcement proceeding is presented by the staff, any submissions by interested persons will be forwarded to the Commission in conjunction with the staff memorandum.

The staff of the Commission routinely seeks to introduce submissions made pursuant to Rule 5(c) as evidence in Commission enforcement proceedings, when the staff deems appropriate.

Rule 5(f) of the Commission's Rules on Informal and Other Procedures, 17 CFR 202.5(f), states:

In the course of the Commission's investigations, civil lawsuits, and administrative proceedings, the staff, with appropriate authorization, may discuss with persons involved the disposition of such matters by consent, by settlement, or in some other manner. It is the policy of the Commission, however, that the disposition of any such matter may not, expressly or impliedly, extend to any criminal charges that have been, or may be, brought against any such person or any recommendation with respect thereto. Accordingly, any person involved in an enforcement matter before the Commission who consents, or agrees to consent, to any judgment or order does so solely for the purpose of resolving the claims against him in that investigative, civil, or administrative matter and not for the purpose of resolving any criminal charges that have been, or might be, brought against him. This policy reflects the fact that neither the Commission nor its staff has the authority or responsibility for instituting, conducting, settling, or otherwise disposing of criminal proceedings. That authority and responsibility are vested in the Attorney General and representatives of the Department of Justice.

### D. Freedom of Information Act

The Freedom of Information Act, 5 U.S.C. 552 (the "FOIA"), generally provides for disclosure of information to the public. Rule 83 of the Commission's Rules on Information and Requests, 17 CFR 200.83, provides a procedure by which a person can make a written request that information submitted to the Commission not be disclosed under the FOIA. That rule states that no determination as to the validity of such a request will be made until a request for disclosure of the information under the FOIA is received. Accordingly, no response to a request that information not be disclosed under the FOIA is necessary or will be given until a request for disclosure under the FOIA is received. If you desire an acknowledgment of receipt of your written request that information not be disclosed under the FOIA, please provide a duplicate request, together with a stamped, self addressed envelope.

#### **E. Authority for Solicitation of Information**

*Persons Directed to Supply Information Pursuant to Subpoena.* The authority for requiring production of information is set forth in the subpoena. Disclosure of the information to the Commission is mandatory, subject to the valid assertion of any legal right or privilege you might have.

*Persons Requested to Supply Information Voluntarily.* One or more of the following provisions authorizes the Commission to solicit the information requested: Sections 19 and/or 20 of the Securities Act of 1933; Section 21 of the Securities Exchange Act of 1934; Section 321 of the Trust Indenture Act of 1939; Section 42 of the Investment Company Act of 1940; Section 209 of the Investment Advisers Act of 1940; and 17 CFR 202.5. Disclosure of the requested information to the Commission is voluntary on your part.

#### **F. Effect of Not Supplying Information**

*Persons Directed to Supply Information Pursuant to Subpoena.* If you fail to comply with the subpoena, the Commission may seek a court order requiring you to do so. If such an order is obtained and you thereafter fail to supply the information, you may be subject to civil and/or criminal sanctions for contempt of court. In addition, if the subpoena was issued pursuant to the Securities Exchange Act of 1934, the Investment Company Act of 1940, and/or the Investment Advisers Act of 1940, and if you, without just cause, fail or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, correspondence, memoranda, and other records in compliance with the subpoena, you may be found guilty of a misdemeanor and fined not more than \$1,000 or imprisoned for a term of not more than one year, or both.

*Persons Requested to Supply Information Voluntarily.* There are no direct sanctions and thus no direct effects for failing to provide all or any part of the requested information.

#### **G. Principal Uses of Information**

The Commission's principal purpose in soliciting the information is to gather facts in order to determine whether any person has violated, is violating, or is about to violate any provision of the federal securities laws or rules for which the Commission has enforcement authority, such as rules of securities exchanges and the rules of the Municipal Securities Rulemaking Board. Facts developed may, however, constitute violations of other laws or rules. Information provided may be used in Commission and other agency enforcement proceedings. Unless the Commission or its staff explicitly agrees to the contrary in writing, you should not assume that the Commission or its staff acquiesces in, accedes to, or concurs or agrees with, any position, condition, request, reservation of right, understanding, or any other statement that purports, or may be deemed, to be or to reflect a limitation upon the Commission's receipt, use, disposition, transfer, or retention, in accordance with applicable law, of information provided.

#### **H. Routine Uses of Information**

The Commission often makes its files available to other governmental agencies, particularly United States Attorneys and state prosecutors. There is a likelihood that information supplied by you will be made available to such agencies where appropriate. Whether or not the Commission makes its files available to other governmental agencies is, in general, a confidential matter between the Commission and such other governmental agencies.

Set forth below is a list of the routine uses which may be made of the information furnished.

1. To appropriate agencies, entities, and persons when (a) it is suspected or confirmed that the security or confidentiality of information in the system of records has been compromised; (b) the SEC has determined that, as a result of the suspected or confirmed compromise, there is a risk of harm to economic or property interests, identity theft or fraud, or harm to the security or integrity of this system or other systems or programs (whether maintained by the SEC or another agency or entity) that rely upon the compromised information; and (c) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with the SEC's efforts to respond to the suspected or confirmed compromise and prevent, minimize, or remedy such harm.
2. To other federal, state, local, or foreign law enforcement agencies; securities self-regulatory organizations; and foreign financial regulatory authorities to assist in or coordinate regulatory or law enforcement activities with the SEC.
3. To national securities exchanges and national securities associations that are registered with the SEC, the Municipal Securities Rulemaking Board; the Securities Investor Protection Corporation; the Public Company Accounting Oversight Board; the federal banking authorities, including, but not limited to, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation; state securities regulatory agencies or organizations; or regulatory authorities of a foreign government in connection with their regulatory or enforcement responsibilities.

4. By SEC personnel for purposes of investigating possible violations of, or to conduct investigations authorized by, the federal securities laws.
5. In any proceeding where the federal securities laws are in issue or in which the Commission, or past or present members of its staff, is a party or otherwise involved in an official capacity.
6. In connection with proceedings by the Commission pursuant to Rule 102(e) of its Rules of Practice, 17 CFR 201.102(e).
7. To a bar association, state accountancy board, or other federal, state, local, or foreign licensing or oversight authority; or professional association or self-regulatory authority to the extent that it performs similar functions (including the Public Company Accounting Oversight Board) for investigations or possible disciplinary action.
8. To a federal, state, local, tribal, foreign, or international agency, if necessary to obtain information relevant to the SEC's decision concerning the hiring or retention of an employee; the issuance of a security clearance; the letting of a contract; or the issuance of a license, grant, or other benefit.
9. To a federal, state, local, tribal, foreign, or international agency in response to its request for information concerning the hiring or retention of an employee; the issuance of a security clearance; the reporting of an investigation of an employee; the letting of a contract; or the issuance of a license, grant, or other benefit by the requesting agency, to the extent that the information is relevant and necessary to the requesting agency's decision on the matter.
10. To produce summary descriptive statistics and analytical studies, as a data source for management information, in support of the function for which the records are collected and maintained or for related personnel management functions or manpower studies; may also be used to respond to general requests for statistical information (without personal identification of individuals) under the Freedom of Information Act.
11. To any trustee, receiver, master, special counsel, or other individual or entity that is appointed by a court of competent jurisdiction, or as a result of an agreement between the parties in connection with litigation or administrative proceedings involving allegations of violations of the federal securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)) or pursuant to the Commission's Rules of Practice, 17 CFR 201.100 – 900 or the Commission's Rules of Fair Fund and Disgorgement Plans, 17 CFR 201.1100-1106, or otherwise, where such trustee, receiver, master, special counsel, or other individual or entity is specifically designated to perform particular functions with respect to, or as a result of, the pending action or proceeding or in connection with the administration and enforcement by the Commission of the federal securities laws or the Commission's Rules of Practice or the Rules of Fair Fund and Disgorgement Plans.
12. To any persons during the course of any inquiry, examination, or investigation conducted by the SEC's staff, or in connection with civil litigation, if the staff has reason to believe that the person to whom the record is disclosed may have further information about the matters related therein, and those matters appeared to be relevant at the time to the subject matter of the inquiry.
13. To interns, grantees, experts, contractors, and others who have been engaged by the Commission to assist in the performance of a service related to this system of records and who need access to the records for the purpose of assisting the Commission in the efficient administration of its programs, including by performing clerical, stenographic, or data analysis functions, or by reproduction of records by electronic or other means. Recipients of these records shall be required to comply with the requirements of the Privacy Act of 1974, as amended, 5 U.S.C. 552a.
14. In reports published by the Commission pursuant to authority granted in the federal securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), which authority shall include, but not be limited to, section 21(a) of the Securities Exchange Act of 1934, 15 U.S.C. 78u(a)).
15. To members of advisory committees that are created by the Commission or by Congress to render advice and recommendations to the Commission or to Congress, to be used solely in connection with their official designated functions.
16. To any person who is or has agreed to be subject to the Commission's Rules of Conduct, 17 CFR 200.735-1 to 200.735-18, and who assists in the investigation by the Commission of possible violations of the federal securities laws (as such term is defined in section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), in the preparation or conduct of enforcement actions brought by the Commission for such violations, or otherwise in connection with the Commission's enforcement or regulatory functions under the federal securities laws.

17. To a Congressional office from the record of an individual in response to an inquiry from the Congressional office made at the request of that individual.

18. To members of Congress, the press, and the public in response to inquiries relating to particular Registrants and their activities, and other matters under the Commission's jurisdiction.

19. To prepare and publish information relating to violations of the federal securities laws as provided in 15 U.S.C. 78c(a)(47)), as amended.

20. To respond to subpoenas in any litigation or other proceeding.

21. To a trustee in bankruptcy.

22. To any governmental agency, governmental or private collection agent, consumer reporting agency or commercial reporting agency, governmental or private employer of a debtor, or any other person, for collection, including collection by administrative offset, federal salary offset, tax refund offset, or administrative wage garnishment, of amounts owed as a result of Commission civil or administrative proceedings.

\* \* \* \* \*

*Small Business Owners:* The SEC always welcomes comments on how it can better assist small businesses. If you have comments about the SEC's enforcement of the securities laws, please contact the Office of Chief Counsel in the SEC's Division of Enforcement at 202-551-4933 or the SEC's Small Business Ombudsman at 202-551-3460. If you would prefer to comment to someone outside of the SEC, you can contact the Small Business Regulatory Enforcement Ombudsman at <http://www.sba.gov/ombudsman> or toll free at 888-REG-FAIR. The Ombudsman's office receives comments from small businesses and annually evaluates federal agency enforcement activities for their responsiveness to the special needs of small business.

MIRO USERS 305-982-6353 SEC- MIAMI 801 BRICKELL AVE., SUITE 1800 MIAMI FL 33131	0.0 LBS LTR	1 OF 1
<b>SHIP TO:</b> GAETON S. DELLA PENNA [REDACTED]		
	<b>FL 335 0-01</b> 	
<b>UPS NEXT DAY AIR</b>		<b>1</b>
TRACKING #: 1Z A37 48W A2 9981 4111		
		
BILLING: P/P ADULT SIGNATURES REQUIRED-MIN 21		
Reference #: 66211	CS 15.6.12 WNTZ8045.0A 10/2013	





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1	APPEARANCES:	1	CONTENTS (CONT.)
2		2	
3		3	EXHIBITS: DESCRIPTION IDENTIFIED
4	On behalf of the Securities and Exchange Commission:	4	25 A-G Hedge Fund Group Account Statement, 38
5	RAYNETTE NICOLEAU, ESQ.	5	26 A-G Hedge Fund Group OptionsHouse 38
6	Securities and Exchange Commission	6	Statements, dated 2013
7	80I Brickell Avenue, Suite 1800	7	
8	Miami, Florida 33131	8	
9	(305) 982-6308	9	
10		10	
11		11	
12	On behalf of the Witness:	12	
13	THOMAS HAROLD OSTRANDER, ESQ.	13	
14	Law Offices of Thomas Harold Ostrander	14	
15	514 27th Street West	15	
16	Bradenton, Florida 34205	16	
17	(941) 526-9551	17	
18		18	
19		19	
20	Also Present:	20	
21	Mark Dee, SEC Analyst	21	
22	Netaly Masica, SEC Intern	22	
23		23	
24		24	
25		25	
Page 3		Page 5	
1	CONTENTS	1	PROCEEDINGS
2		2	MS. NICOLEAU: On the record at 11:00 a.m. on
3	WITNESS: EXAMINATION	3	Tuesday, March 11th, 2014. We are here to take the
4	Gaeton Della Penna 9	4	testimony of Mr. Gaeton Della Penna. I am located at the
5		5	SEC's office in Miami, Florida. And Mr. Della Penna is
6	EXHIBITS: DESCRIPTION IDENTIFIED	6	appearing today via video teleconferencing from the U.S.
7	10 SEC Subpoena 9	7	Attorney's office in Tampa, Florida.
8	11 Privates Offering Memorandum, 21	8	Mr. Della Penna, please raise your right hand.
9	The Contrarian Fund	9	Do you swear to tell the truth, the whole
10	12 Privates Offering Memorandum, 23	10	truth, and nothing but the truth?
11	New Economy Fund	11	MR. DELLA PENNA: Yes, I do.
12	13 Contrarian Fund Journal 25	12	Whereupon,
13	14 New Economy Fund Journal 25	13	GAETON DELLA PENNA
14	15 A-G Hedge Fund Group Journal 25	14	was called as a witness and, having been first duly
15	16 Contrarian Fund Quarterly Statements 30	15	sworn, was examined and testified as follows:
16	17 Contrarian Fund Account Statements, 2010 31	16	MS. NICOLEAU: Please state and spell your full
17	18 Contrarian Fund Account Statements, 2011 31	17	name for the record.
18	19 Contrarian Fund Account Statements, 2012 31	18	THE WITNESS: My name is Gaeton Stark Della
19	20 Contrarian Fund Account Statements, 2013 31	19	Penna, and it's spelled capital G-A-E-T-O-N. Stark is
20	21 Letter dated 5/31/2011 32	20	S-T-A-R-K. And Della Penna is capital D, as in David,
21	22 Letter dated 10/17/2012 33	21	E-L-L-A, capital P, as in Peter, E-N-N-A.
22	23 OptionsHouse Statement, 34	22	MS. NICOLEAU: Have you ever been known by an
23	dated 6/1/2013 to 6/30/2013	23	other name?
24	24 New Economy Fund document, 36	24	THE WITNESS: Yes. For ease my -- people call
25	dated 1/2/2013	25	me Guy.

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1 MS. NICOLEAU: Okay. My name is Raynette  
 2 Nicoleau. I am senior counsel with the Division of  
 3 Enforcement of the United States Securities and Exchange  
 4 Commission. I am an officer of the Commission for the  
 5 purposes of this proceeding.  
 6 Also observing testimony today is Mark Dee, an  
 7 analyst in our office, and Netyly Masica, a legal intern  
 8 in our office.  
 9 This is an investigation by the Commission in  
 10 the matter of Gaeton Capital Advisors, LLC, File No.  
 11 FL-3849, to determine whether there have been violations  
 12 of certain provisions of the federal securities laws.  
 13 However, the facts developed in this investigation might  
 14 constitute violations of other federal or state civil or  
 15 criminal laws.  
 16 Let me briefly explain the procedure we will  
 17 follow today. I will be asking you questions. At any  
 18 time if you want to take a short break, please feel free  
 19 to tell me and I will accommodate you.  
 20 THE WITNESS: Thank you.  
 21 MS. NICOLEAU: The court reporter transcribes  
 22 these proceedings and will create a transcript of your  
 23 testimony at the end. Please make sure to answer  
 24 verbally because the court reporter cannot pick up any  
 25 nodding or any other gestures. Do you understand?

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1 THE WITNESS: Yes.  
 2 MS. NICOLEAU: Also, if we have a conversation  
 3 about the case off the record, we will summarize that  
 4 conversation when we return on the record. Do you  
 5 understand?  
 6 THE WITNESS: Yes, I do.  
 7 MS. NICOLEAU: Okay.  
 8 (Video teleconference malfunction.)  
 9 MS. NICOLEAU: -- that would affect your memory  
 10 today?  
 11 THE REPORTER: I'm sorry? Would you repeat  
 12 that? You cut out at the very beginning.  
 13 MS. NICOLEAU: Okay. I said: Are you under  
 14 any medication that would affect your memory today?  
 15 THE WITNESS: I do take a prescribed one  
 16 milligram Clonopin for anxiety by a physician.  
 17 MS. NICOLEAU: Okay.  
 18 MR. OSTRANDER: So what's the answer to the  
 19 question?  
 20 MS. NICOLEAU: Do you have any reason to  
 21 believe that --  
 22 THE WITNESS: No.  
 23 MS. NICOLEAU: Do you --  
 24 THE WITNESS: I'm sorry.  
 25 MS. NICOLEAU: So my question was: Are you

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1 under any medication that would affect your memory today?  
 2 So do you believe that medication is affecting your  
 3 memory today?  
 4 THE WITNESS: No.  
 5 MS. NICOLEAU: Okay. Prior to the opening of  
 6 the record, you were provided with a copy of the formal  
 7 order of investigation in this matter. It will be  
 8 available for your examination during the course of this  
 9 proceeding.  
 10 Mr. Della Penna, have you had an opportunity to  
 11 review the formal order?  
 12 THE WITNESS: Yes, I have.  
 13 MS. NICOLEAU: Prior to the opening of the  
 14 record, you were also provided with a copy of the  
 15 Commission's Supplemental Information Form, Form 1662. A  
 16 copy of that document has been previously marked as  
 17 Exhibit 1.  
 18 Have you had an opportunity to read Exhibit 1?  
 19 THE WITNESS: Yes, I have.  
 20 MS. NICOLEAU: Do you have any questions  
 21 concerning that exhibit?  
 22 THE WITNESS: No, ma'am.  
 23 MS. NICOLEAU: Mr. Della Penna, are you  
 24 represented by counsel today?  
 25 THE WITNESS: Yes, I am.

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1 MS. NICOLEAU: Would counsel identify himself  
 2 for the record by stating your name, the name of your  
 3 firm, business address, and telephone number?  
 4 MR. OSTRANDER: Thomas Harold Ostrander of the  
 5 Law Office of Thomas Harold Ostrander. My address is 514  
 6 27th Street West, Bradenton, Florida 34205.  
 7 MS. NICOLEAU: Okay. And, Mr. Ostrander, are  
 8 you representing Mr. Della Penna as his counsel today?  
 9 MR. OSTRANDER: I am.  
 10 MS. NICOLEAU: And, Jen, if you could hand the  
 11 witness Exhibit No. 10, please.  
 12 (SEC Exhibit No. 10 was marked for  
 13 identification.)  
 14 (Video teleconference malfunction.)  
 15 MS. NICOLEAU: -- as Exhibit 10.  
 16 THE REPORTER: Ms. Nicoleau, you cut out at the  
 17 beginning again. Would you please repeat yourself?  
 18 MS. NICOLEAU: Sure. There may be a little  
 19 delay it seems. So my question -- what I said to Mr.  
 20 Della Penna was, a copy of the subpoena in front of you  
 21 has been marked as Exhibit 10.  
 22 EXAMINATION  
 23 BY MS. NICOLEAU:  
 24 Q Is this a copy of the subpoena you are  
 25 appearing pursuant to here today?

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1 A Yes.

2 **Q With regard to the copy of the subpoena in**  
 3 **front of you, the subpoena calls for the production of**  
 4 **certain documents. Have you produced all documents**  
 5 **called for by the subpoena?**

6 A I believe I've provided documents to the  
 7 Department of Justice. And I'm working on the e-mails  
 8 that you requested to clients or friends of mine that I  
 9 don't have with me today, but I'm working on them to be  
 10 provided to you.

11 **Q Okay. And please describe the search that you**  
 12 **did for the requested documents.**

13 A Well, I didn't have documents in my -- all  
 14 documents in my possession because my associate assistant  
 15 secretary lives in North Port. I live in Sarasota. And  
 16 she essentially kept the files and -- just to centralize  
 17 them there. And then she provided them to me -- what she  
 18 had.

19 **Q Okay. And what's the name -- what's the name**  
 20 **of your assistant?**

21 A Andrea Smeltzer.

22 **Q And have you conducted the search for the**  
 23 **e-mails yet?**

24 A I'm in the process because -- in one example  
 25 there's over a thousand of them, and I'm going through

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1 each one. And I'm a little technologically challenged so  
 2 I have learned that I have to go through each one, click  
 3 the ones that are appropriate, put them in a file, and  
 4 then I can export them to be printed to be provided to  
 5 you.

6 I don't know if that answers your question or  
 7 not.

8 **Q Yes. Have you withheld any documents we**  
 9 **requested on -- for any reason --**

10 A No.

11 **Q -- besides the documents that you are currently**  
 12 **gathering?**

13 A No. Not to my knowledge.

14 **Q Do you know of any documents that were in your**  
 15 **possession at a prior time but that was lost, destroyed,**  
 16 **or disposed of that would have been responsive to our**  
 17 **subpoena?**

18 A There may have been some over the past five  
 19 years, yes.

20 **Q Okay. Were any of those documents lost,**  
 21 **destroyed, or disposed of after you received our**  
 22 **subpoena?**

23 A No.

24 **Q Okay. Mr. Della Penna, what is your home**  
 25 **address?**

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1 A 6629 Peacock Road, Sarasota, Florida 34242.

2 **Q What is your date of birth?**

3 A October 19th, 1952.

4 **Q What is your telephone number?**

5 A My cell phone is (941)350-0919.

6 **Q Okay. Do you use any other telephone number?**

7 A Occasionally a house number which is area code  
 8 (941)346-1941, but on a very rare occasion.  
 9 (Brief telephonic interruption.)  
 10 MR. OSTRANDER: Sorry.  
 11 MS. NICOLEAU: Sure.  
 12 BY MS. NICOLEAU:

13 **Q Do you have a professional license?**

14 A No.

15 **Q Have you ever had a professional license?**

16 A Yes.

17 **Q Can you describe for me that professional**  
 18 **license or licenses you've had?**

19 A I have had the NASD Series 7, 22, 29 -- I'm --  
 20 22, 27 -- I'm sorry, not 29 -- 27, 28. I believe there  
 21 was another principal exam, Series 30 and a Series 63. I  
 22 had owned a registered -- as a subsidiary of my  
 23 broker-dealer a registered investment advisor, advisory  
 24 firm, and I had my life, health, and variable annuity  
 25 licenses.

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1 **Q Okay. Have any of those licenses ever been**  
 2 **revoked or suspended for any reason?**

3 A No.

4 **Q Are you an officer or director of any publicly**  
 5 **held company?**

6 A No.

7 **Q Have you ever been?**

8 A Yes.

9 **Q What's the name of that company?**

10 A I had a number of public offerings --  
 11 MR. OSTRANDER: All right. At this point we  
 12 would inject our -- our Fifth Amendment right -- or Mr.  
 13 Della Penna will. I'm advising him to.  
 14 Go ahead.  
 15 MS. NICOLEAU: Okay. And still I need to hear  
 16 from Mr. Della Penna.  
 17 A Okay. If I can get this right. On the advice  
 18 of counsel I am refusing to answer the question on the  
 19 grounds that it may incriminate me.  
 20 MR. OSTRANDER: Correct.  
 21 BY MS. NICOLEAU:

22 **Q Okay. And this is based on your Fifth**  
 23 **Amendment privilege against self-incrimination; is that**  
 24 **correct?**

25 A Yes.

1 Q Okay. Mr. Della Penna, I am not authorized to  
2 compel you to give evidence or testimony as to which you  
3 assert your privilege against self-incrimination, and I  
4 have no intention of doing so. In addition, I do not  
5 have the authority to compel your testimony by granting  
6 your -- you immunity from prosecution.

7 Any question that I ask hereafter will be with  
8 the understanding that if you wish to assert your  
9 privilege, you need merely state that you refuse to  
10 answer on the grounds that your answer may tend to  
11 incriminate you. In other words, you are not compelled  
12 to answer any further questions if you believe that a  
13 truthful answer to the question would tend to show that  
14 you committed a crime and you wish to assert your  
15 privilege against self-incrimination. Accordingly, if you  
16 answer any questions you will be doing so voluntarily.

17 Do you understand this?

18 A Yes, ma'am.

19 Q You should be aware that if you refuse to  
20 answer a question based on your Fifth Amendment  
21 privilege, a judge or a jury may take an adverse  
22 inference against you in a civil action that the SEC may  
23 determine to bring against you. This means that the  
24 judge would be permitted to infer that your answer to the  
25 questions might incriminate you.

1 Do you understand this?

2 A Yes.

3 MR. OSTRANDER: Can we go off the record for a  
4 second, Nicolette (sic)?

5 MS. NICOLEAU: Sure.

6 MR. OSTRANDER: Thank you.

7 MS. NICOLEAU: Sure. No problem. Off the  
8 record.

9 (A discussion was held off the record.)

10 MS. NICOLEAU: Let's go back on the record.  
11 During the break there was no substantive discussions  
12 between the witness and myself or the witness's counsel.

13 BY MS. NICOLEAU:

14 Q Mr. Della Penna, have you ever been the subject  
15 of any disciplinary action brought by the SEC?

16 A No. I did receive --

17 Q Have you ever been named a --

18 A I'm sorry. Years ago when I had sold my  
19 broker-dealer, I had received a Wells letter along with  
20 my potential future partner and there was no action taken  
21 and he was barred from the securities industry for life.

22 And on another occasion the SEC looked at a  
23 fund that I had sponsored and provided the SEC with all  
24 the information and there was no action. Those were the  
25 two instances, to my recollection.

1 Q Okay. And when did these instances happen?

2 A 2000-- I believe 2001 or 2002. It may have  
3 been -- between the period of 2000 and 2002. And the  
4 other one, I believe, was in 2007 or -- or 2008.

5 Q Have you ever been named as a defendant or  
6 respondent in any action brought by any other federal  
7 agency?

8 A I was in an arbitration filed by the NASD. The  
9 case -- it was a broker that I had in a branch office in  
10 Fort Lauderdale. And after the panel was seated, they  
11 added the branch manager and then subsequently added me  
12 as a control person. And the arbitration was against me.  
13 It was appealed twice and overturned -- the binding  
14 arbitration. And then the client found a judge to agree  
15 to it. And then the client unfortunately passed away on  
16 the operating table at the age of 30 from lung cancer  
17 operation. And that was the end of it.

18 Q Okay. Have you ever been named as a defendant  
19 or respondent in any action brought by a state securities  
20 agency?

21 A No. Not to my knowledge or recollection, no.

22 Q Or by any stock exchange?

23 A No.

24 Q Have you ever testified in any proceeding  
25 conducted by the staff of the SEC?

1 A Yes.

2 Q Okay. And when was that?

3 A That related to the -- just a very quick  
4 history: I had no -- in my broker deal I had no net  
5 capital violations and I had no complaints. And when  
6 they were -- when the SEC was unwinding Biltmore  
7 Securities, this fellow that I was going to merge my  
8 company with, we went to the NASD for approval. And I  
9 was intending to rehabilitate those brokers to no avail  
10 ultimately. And so I unwound the merger for that and  
11 other reasons. But that was it.

12 Q Okay. Besides the arbitration proceeding that  
13 you mentioned previously, have you ever participated in  
14 any other arbitration proceeding related to securities?

15 A No.

16 Q Have you ever testified in any proceeding in  
17 federal or state court?

18 A No.

19 Q Della Penna, who is your current employer?

20 A I'm self-employed.

21 Q How have you earned an income over the last ten  
22 years?

23 A I refuse to answer that on the grounds that it  
24 may tend to incriminate me.

25 Q What is Gacton Capital Advisors, LLC?

1 A Gaeton Capital Advisors, LLC, was a company  
 2 that I used to -- when I had my insurance license -- to  
 3 kind of centralize my income or revenues and other  
 4 transactions for tax-reporting purposes for income and  
 5 expenses.  
 6 **Q And when you say it's -- the company where you**  
 7 **centralize your revenues, what do you mean by that?**  
 8 A Well, if I got --  
 9 MR. OSTRANDER: Go ahead. Exercise your Fifth.  
 10 A I refuse to answer the question on the grounds  
 11 that it may tend to incriminate me.  
 12 BY MS. NICOLEAU:  
 13 **Q What does Gaeton Capital Advisors do?**  
 14 MR. OSTRANDER: Same thing.  
 15 A I refuse to answer on the advice of counsel on  
 16 the grounds that my -- that it may --  
 17 MR. OSTRANDER: Incriminate you.  
 18 A -- tend to incriminate me.  
 19 I wish I had that language right.  
 20 BY MS. NICOLEAU:  
 21 **Q Is Gaeton Capital Advisors registered with any**  
 22 **agency?**  
 23 A No.  
 24 **Q Who are the officers of Gaeton Capital**  
 25 **Advisors?**

1 MR. OSTRANDER: Take the Fifth.  
 2 A I refuse to answer the questions on the grounds  
 3 that it -- my answer -- the answers may tend to  
 4 incriminate me.  
 5 BY MS. NICOLEAU:  
 6 **Q Okay. So let's -- going forward to make it**  
 7 **easier for you, Mr. Della Penna --**  
 8 A Yes.  
 9 **Q -- if I ask you a question and your intention**  
 10 **is to take the Fifth Amendment, you can just say "Fifth**  
 11 **Amendment," and I'll understand that you mean you refuse**  
 12 **to answer under the grounds that it may incriminate you.**  
 13 A Thank you.  
 14 **Q Okay? Okay. Does Gaeton Capital Advisors earn**  
 15 **money through advisory fees?**  
 16 A Invoke the Fifth Amendment.  
 17 **Q Does Gaeton Capital Advisors give investment**  
 18 **advice to clients?**  
 19 MR. OSTRANDER: Same thing.  
 20 A Invoke the Fifth Amendment.  
 21 MR. OSTRANDER: Just say "Fifth Amendment."  
 22 THE WITNESS: Oh. I'm sorry.  
 23 A Fifth Amendment.  
 24 BY MS. NICOLEAU:  
 25 **Q Does Gaeton Capital Advisors give investment**

1 **advice to funds for which you are a managing member?**  
 2 A Fifth Amendment.  
 3 (Video teleconference malfunction.)  
 4 MS. NICOLEAU: -- the Contrarian Fund, LLC?  
 5 MR. OSTRANDER: Fifth. What's your question?  
 6 We didn't get the whole question.  
 7 BY MS. NICOLEAU:  
 8 **Q What is the Contrarian Fund?**  
 9 MR. OSTRANDER: Oh. Fifth Amendment.  
 10 A Fifth Amendment.  
 11 BY MS. NICOLEAU:  
 12 **Q Are you a managing member of the Contrarian**  
 13 **Fund?**  
 14 MR. OSTRANDER: Fifth.  
 15 A Fifth Amendment.  
 16 MS. NICOLEAU: Jen, can you locate the folder  
 17 that says "Private Offering Memorandums"? There's three  
 18 of them there.  
 19 THE REPORTER: I have it out.  
 20 MS. NICOLEAU: Okay. Great. There's three of  
 21 them there. The first one I'll do says "Contrarian  
 22 Fund." Do you see that? The Bates at the bottom is  
 23 001 -- starts with 001.  
 24 THE REPORTER: 00128?  
 25 MS. NICOLEAU: Well, that's one of them.

1 THE REPORTER: Oh, I see your --  
 2 MS. NICOLEAU: There's three of them.  
 3 THE REPORTER: Yes.  
 4 MS. NICOLEAU: Okay.  
 5 THE REPORTER: Contrarian Fund. All right.  
 6 MS. NICOLEAU: Well, no. That's not the right  
 7 folder. There's a -- the folder that you just had has  
 8 three documents in it. It should have three documents in  
 9 it.  
 10 THE REPORTER: Okay. And you want 001?  
 11 MS. NICOLEAU: Yes. That's the first one. And  
 12 then I'm going to do the 6938 as the second one and 128  
 13 as the third one. Okay. So the one that says "001" is  
 14 going to be marked as Exhibit 11, and it should have at  
 15 the top "Private Offering Memorandum. The Contrarian  
 16 Fund, LLC." That's Exhibit 11. Okay.  
 17 (SEC Exhibit No. 11 was marked for  
 18 identification.)  
 19 THE REPORTER: 11 is marked.  
 20 MS. NICOLEAU: Okay. Hand the witness Exhibit  
 21 11, please.  
 22 THE WITNESS: Thank you.  
 23 BY MS. NICOLEAU:  
 24 **Q Mr. Della Penna, do you recognize Exhibit 11?**  
 25 A Yes.

1 Q Can you explain to me what Exhibit 11 is?  
 2 A Fifth Amendment.  
 3 Q Is this a document that you gave to investors  
 4 in the Contrarian Fund?  
 5 MR. OSTRANDER: Take the Fifth.  
 6 A Fifth Amendment.  
 7 BY MS. NICOLEAU:  
 8 Q If you can turn to page 8 of that document, Mr.  
 9 Della Penna.  
 10 A Yes.  
 11 Q In the third paragraph under "Compensation to  
 12 members" –  
 13 A Yes.  
 14 Q – "to the members" –  
 15 A Yes.  
 16 Q It says – the third paragraph says that,  
 17 "Della Penna, as the managing member of the fund, may be  
 18 entitled to receive a one-time organizational fee of 3  
 19 percent." And then the next sentence starts with,  
 20 "Additionally, an annual 3 percent management fee will be  
 21 paid to the managing member." And do you see that?  
 22 A Yes.  
 23 Q Is this the – is this the fee that you charged  
 24 to investors in the Contrarian Fund?  
 25 A Fifth Amendment.

1 Q In fact, did you take more than the 3 percent  
 2 that you list in the private offering memorandum?  
 3 A Fifth Amendment.  
 4 Q The next document I'm going to show you is  
 5 entitled "Private Offering Memorandum. New Economy  
 6 Fund," as Exhibit No. 12.  
 7 (SEC Exhibit No. 12 was marked for  
 8 identification.)  
 9 BY MS. NICOLEAU:  
 10 Q Okay. Mr. Della Penna, do you recognize this  
 11 document?  
 12 A Yes.  
 13 Q And this document, did you also – did you give  
 14 this document to investors in the New Economy Fund?  
 15 A Fifth Amendment.  
 16 Q In this document, did you also state that as  
 17 the managing member you would take a 3 percent  
 18 organizational fee and a 3 percent management fee charged  
 19 against the market value of investments at year-end?  
 20 A Fifth Amendment.  
 21 Q And that's on page 11.  
 22 The next document I'm going to show you has  
 23 been previously marked as Exhibit 5. It's entitled  
 24 "Preliminary Private Offering Memorandum. A-G Hedge  
 25 Group."

1 A Yes.  
 2 Q Do you see this document?  
 3 A Yes. Yes.  
 4 Q Okay. Do you recognize it?  
 5 A Yes.  
 6 Q Did you give a finalized version of this  
 7 document to investors in A-G Hedge Group?  
 8 A Fifth Amendment. Fifth Amendment.  
 9 Q And in this document did it also contain  
 10 language as to the fee you would be entitled to as the  
 11 managing member of this fund?  
 12 A Fifth Amendment.  
 13 Q Mr. Della Penna, how did you get investors to  
 14 invest in your funds?  
 15 A Fifth Amendment.  
 16 Q Did you approach people at church about  
 17 investing in your funds?  
 18 A Fifth Amendment.  
 19 Q Did you approach people you knew about  
 20 investing in your funds?  
 21 A Fifth Amendment.  
 22 Q Did you solicit people at group meetings about  
 23 investing in your funds?  
 24 A Fifth Amendment.  
 25 Q Between January 1st, 2010, and November 2013,

1 did you raise approximately 3.1 million from investors to  
 2 invest in the Contrarian Fund, New Economy Fund, and A-G  
 3 Hedge Group?  
 4 A I'm sorry? Would you repeat that again?  
 5 Fifth Amendment. I'm sorry.  
 6 Q Did you also solicit investors to invest in  
 7 other private investments?  
 8 A Fifth Amendment.  
 9 MS. NICOLEAU: Okay. Let's go off the record  
 10 for a second.  
 11 (A brief recess was taken.)  
 12 (SEC Exhibit Nos. 13 through 15 were  
 13 marked for identification.)  
 14 MS. NICOLEAU: Let's go back on the record.  
 15 Okay. If you can hand the witness Exhibit 13.  
 16 BY MS. NICOLEAU:  
 17 Q Mr. Della Penna, Exhibit 13 is a composite  
 18 exhibit of the journal for the Contrarian Fund from  
 19 January 2010 through December 2013. Do you recognize  
 20 this document?  
 21 MR. OSTRANDER: Is this yours? Did you prepare  
 22 this?  
 23 A No.  
 24 BY MS. NICOLEAU:  
 25 Q Okay. Did you have your bookkeeper prepare

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1 account journals for each of the Contrarian Funds?  
 2 MR. OSTRANDER: Take the Fifth.  
 3 A Fifth Amendment.  
 4 BY MS. NICOLEAU:  
 5 Q In other words, did Andrea Smeltzer keep the  
 6 books for the three funds?  
 7 MR. OSTRANDER: Take the Fifth.  
 8 A Fifth Amendment.  
 9 MS. NICOLEAU: Okay. Could you hand the  
 10 witness Exhibit 14, please.  
 11 THE WITNESS: Thank you.  
 12 THE REPORTER: You're welcome.  
 13 BY MS. NICOLEAU:  
 14 Q Exhibit 14 says "New Economy Fund" at the top.  
 15 Do you recognize this spreadsheet?  
 16 A No.  
 17 Q Did you direct Andrea Smeltzer to keep the  
 18 books for New Economy Fund?  
 19 MR. OSTRANDER: Fifth.  
 20 A Fifth Amendment.  
 21 BY MS. NICOLEAU:  
 22 Q Okay. Can you please take a look at Exhibit  
 23 15.  
 24 (Video teleconference malfunction.)  
 25 MS. NICOLEAU: -- general ledger and journal

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1 for A-G Hedge Group --  
 2 THE WITNESS: Excuse me? I don't think we  
 3 heard you.  
 4 THE REPORTER: Ms. Nicoleau, would you  
 5 repeat --  
 6 MR. OSTRANDER: I don't think we heard you.  
 7 MS. NICOLEAU: Okay. I'll repeat it. Okay.  
 8 BY MS. NICOLEAU:  
 9 Q Exhibit 15 is the journal and general  
 10 ledger for the A-G Hedge Group. Do you recognize this  
 11 document?  
 12 A No.  
 13 Q Did you direct Andrea Smeltzer to keep the  
 14 books for A-G Hedge Group?  
 15 A Fifth Amendment.  
 16 Q Okay. I want to direct your attention back to  
 17 Exhibit 13. There should be -- the exhibits should be  
 18 tabbed --  
 19 A Yes.  
 20 Q -- for ease of reference. Okay.  
 21 If you can turn to the second tab, and that  
 22 would be page 8 of 10. And the second tab indicates  
 23 under "Managing Member Fees" that in December 2010 you  
 24 received \$50,000 -- \$50,740 in management fees from the  
 25 Contrarian Fund.

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1 How did you determine that your fees were  
 2 50,740 for 2010 for this fund?  
 3 A Fifth Amendment.  
 4 Q If you can take a look at Exhibit 14. Okay.  
 5 On Exhibit 14, if you could -- let's see -- turn to the  
 6 third tab. "Page 9 of 10," it should say at the bottom.  
 7 And it's -- if you could look under "Management Fees."  
 8 It actually starts on page 8 of 10 and it goes on to 9 of  
 9 10, managing member fees for 2013 under "New Economy  
 10 Fund." And the line total says "\$249,931.25."  
 11 Were you entitled to \$249,931.25 in management  
 12 fees for December 2013 in the Economy Fund?  
 13 A Fifth Amendment.  
 14 Q Okay. If you can look at Exhibit 15. The  
 15 first tab, I believe, would be page 9 of 10. Do you see  
 16 that?  
 17 A Yes, I do.  
 18 Q Okay. And under "Management Fees" it says  
 19 "403,700." Were you entitled to these management fees as  
 20 of 2009 in A-G Hedge Group?  
 21 A Fifth Amendment.  
 22 Q Okay. If you can turn to the third tab. It's  
 23 as of December 31st, 2010, and it's page 8 of 9.  
 24 A I'm sorry? The third tab?  
 25 MR. OSTRANDER: It's right here.

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1 BY MS. NICOLEAU:  
 2 Q Do you see that?  
 3 A Yes.  
 4 Q Okay. The total management fees for 2010 in  
 5 the A-G Hedge Group was \$152,750. Were you entitled to  
 6 receive those management fees?  
 7 A Fifth Amendment.  
 8 Q So between January 1st, 2010, and November of  
 9 2013, the records show that you raised about \$3.1 million  
 10 but took over \$800,000 in management fees. Were you  
 11 entitled to those management fees?  
 12 A Fifth Amendment.  
 13 Q Did you tell investors that the funds were  
 14 profitable?  
 15 A Fifth Amendment.  
 16 Q You conducted the trading in the trading  
 17 accounts; is that correct?  
 18 A Fifth Amendment.  
 19 Q Did the funds experience trading losses between  
 20 2010 and 2013?  
 21 A Fifth Amendment.  
 22 Q Did you advise investors -- advise investors of  
 23 these trading losses?  
 24 A Fifth Amendment.  
 25 MS. NICOLEAU: Okay. Jen, the next documents

1 I'm going to use is -- you can find them in the folder  
 2 entitled "Contrarian Fund." We can go off the record so  
 3 you can take a moment to find them.  
 4 (A brief recess was taken.)  
 5 MS. NICOLEAU: All right. We're back on the  
 6 record. During the break there were no substantive  
 7 conversations between myself and the witness or the  
 8 witness's counsel.  
 9 If you can mark the next exhibit as -- is it  
 10 16?  
 11 THE REPORTER: Yes, we're on 16. Which one did  
 12 you want to start with?  
 13 MS. NICOLEAU: The one that says, "Valuation as  
 14 of September 30, 2012." It's about seven pages.  
 15 (SEC Exhibit No. 16 was marked for  
 16 identification.)  
 17 THE REPORTER: It's marked.  
 18 BY MS. NICOLEAU:  
 19 Q Okay. Mr. Della Penna, you have in the front  
 20 of you Exhibit 16.  
 21 A Yes.  
 22 Q Exhibit 16 is a -- Exhibit 16 is a  
 23 composite exhibit with "Contrarian Fund, LLC," at the  
 24 top. It appears to be quarterly statements to Mr. Arthur  
 25 Hobson.

1 Do you recognize these documents?  
 2 A Yes.  
 3 Q Did you send these documents to Mr. Hobson?  
 4 A Fifth Amendment.  
 5 Q Did you claim to Mr. Hobson that he was making  
 6 an income in 2012 and 2013?  
 7 A Fifth Amendment.  
 8 Q Did you ever tell Mr. Hobson that the  
 9 Contrarian Fund was not profitable?  
 10 A Fifth Amendment.  
 11 MS. NICOLEAU: Jen, I'm going to change up what  
 12 I said. You can keep the others in the same order  
 13 because I will use them. So there are a few more  
 14 documents I want you to pull out, and we can go off the  
 15 record really quick so you can locate them.  
 16 (A brief recess was taken.)  
 17 (SEC Exhibit Nos. 17 through 20 were  
 18 marked for identification.)  
 19 MS. NICOLEAU: All right. Let's go back on the  
 20 record.  
 21 BY MS. NICOLEAU:  
 22 Q Okay. Mr. Della Penna, I'm going to show you  
 23 what has been marked as Exhibit 17, 18, 19 and 20.  
 24 A Yes.  
 25 Q Exhibits -- okay. Exhibits 17 through 20 are

1 monthly account statements for -- from E\*TRADE for the  
 2 Contrarian Fund, LLC, between the dates September 2010  
 3 and through -- let's see -- through September of -- I'm  
 4 sorry -- through October 2013.  
 5 Do you recognize these documents?  
 6 A Yes. Yes.  
 7 Q Can you tell me -- can you tell me between 2010  
 8 and 2013 where Contrarian Fund was profitable based on  
 9 these account statements?  
 10 A Fifth Amendment.  
 11 Q Isn't it true that the Contrarian Fund suffered  
 12 aggregate losses totaling over 800,000?  
 13 A Fifth Amendment.  
 14 MS. NICOLEAU: Jen, if you can mark the  
 15 document that says "The Contrarian Fund" at the top.  
 16 It's three pages or four pages.  
 17 THE REPORTER: Okay. That's Exhibit 21.  
 18 (SEC Exhibit No. 21 was marked for  
 19 identification.)  
 20 BY MS. NICOLEAU:  
 21 Q Okay. Mr. Della Penna, I'm showing you what's  
 22 been marked as Exhibit 21. Exhibit 21 is a composite  
 23 exhibit. It's a four-page exhibit of a letter dated May  
 24 31st, 2011, to Mr. A. Louis Parker with Bates  
 25 SEC-Parker-P-59 through 62.

1 Do you recognize this document?  
 2 A Yes.  
 3 Q On the third page it has a signature. Did you  
 4 sign this document?  
 5 A Fifth Amendment.  
 6 Q Okay. On the second page of that document at  
 7 the bottom, one paragraph before the bottom, the first  
 8 sentence says, "For the first quarter ending March 31st,  
 9 2011, the accrued increased" -- "or decreased in your  
 10 accounts has been approximately 4.3 percent."  
 11 Do you see that?  
 12 A Yes.  
 13 Q And how did you get that number based on the  
 14 trading records of the Contrarian Fund?  
 15 A Fifth Amendment.  
 16 MS. NICOLEAU: Okay. Jen, the next letter that  
 17 looks similar, we'll mark that one. It's dated October  
 18 17th, 2012.  
 19 THE REPORTER: That is Exhibit 22.  
 20 (SEC Exhibit No. 22 was marked for  
 21 identification.)  
 22 BY MS. NICOLEAU:  
 23 Q Okay. Mr. Della Penna, I'm showing you what  
 24 has been marked as Exhibit 22. It has "Contrarian Fund,  
 25 LLC," at the top. It's dated October 17th, 2012.



1 A Yes.

2 Q Do you recognize this document?

3 A Yes.

4 Q If you can turn to the third page. If you can  
5 turn to the third page. Is that your signature?

6 A Fifth Amendment.

7 Q Okay. In the second full paragraph it says,  
8 "For your information, the implied accrued value of your  
9 investment through September 30th, 2012, is \$257,513.50  
10 which represents an approximate percentage return of 19.7  
11 percent from the date of your investment."

12 How did you determine the 19.7 percent?

13 A Fifth Amendment.

14 Q In this note, 19.7 percent is not an accurate  
15 number; isn't that true?

16 A Fifth Amendment.

17 MS. NICOLEAU: Okay. Jen, the next one is a  
18 one-sheet OptionsHouse statement.

19 (SEC Exhibit No. 23 was marked for  
20 identification.)

21 THE REPORTER: That's marked as Exhibit 23.

22 MS. NICOLEAU: 23?

23 THE REPORTER: Yes.

24 THE WITNESS: Yes.

25 BY MS. NICOLEAU:

1 (SEC Exhibit No. 24 was marked for  
2 identification.)

3 BY MS. NICOLEAU:

4 Q Okay. Mr. Della Penna, you have Exhibit 24 in  
5 front of you. It's a one-page document with "New Economy  
6 Fund" at the top.

7 A Yes.

8 Q And it's some bullet points. And it's dated  
9 January 2nd, 2013. Do you recognize this document?

10 A Yes.

11 Q Did you give this document to Mr. Ken Seaton  
12 when you were making a pitch to him to invest in New  
13 Economy Fund?

14 A Fifth Amendment.

15 Q Did you represent to investors that you would  
16 not utilize margin when trading their funds in the  
17 accounts?

18 A Fifth Amendment.

19 BY MS. NICOLEAU:

20 Q I'm going to -- did you utilize a margin  
21 account when trading?

22 A Fifth Amendment.

23 THE WITNESS: Can I go off the record to talk  
24 to my attorney?

25 MR. OSTRANDER: Excuse us for a minute.

1 Q Okay. Mr. Della Penna, what you have in front  
2 of you has been labeled Exhibit 23. It is a one-sheet  
3 statement from OptionsHouse from June 1st, 2013, through  
4 June 30th, 2013.

5 Do you see that?

6 A Yes.

7 Q Do you recognize this document?

8 A Yes.

9 Q And what is this document?

10 A Fifth Amendment.

11 Q Do you know Ken Seaton?

12 A Fifth Amendment.

13 Q Is Ken Seaton an investor in the New Economy  
14 Fund?

15 A Fifth Amendment.

16 Q Did Mr. Ken Seaton's parents also invest in the  
17 New Economy Fund?

18 A Fifth Amendment.

19 Q Did you give Exhibit 23 to Ken Seaton and tell  
20 him that the value on the statement represents his  
21 family's investment in the New Economy Fund?

22 A Fifth Amendment.

23 MS. NICOLEAU: Okay. Jen, if you can mark the  
24 next exhibit, the one-page bullet points.

25 THE REPORTER: That's Exhibit 24.

1 MS. NICOLEAU: Sure. Sure. Let's go off the  
2 record.

3 (A discussion was held off the record.)

4 BY MS. NICOLEAU:

5 Q Okay. Mr. Della Penna, did you use new  
6 investor funds to pay interest to older investors?

7 A Fifth Amendment.

8 Q Did you use new investor funds to make  
9 principal repayment to investors who had already invested  
10 in the funds?

11 A Fifth Amendment.

12 Q Did you enter into a settlement agreement with  
13 Cliff and Susan Scholz in 2011?

14 A Fifth Amendment.

15 Q Investors in the A-G Hedge Group?

16 A Fifth Amendment.

17 Q Did you use new investor funds to pay money to  
18 Cliff and Susan Scholz under the settlement agreement?

19 A Fifth Amendment.

20 Q Did you receive management fees through Gaeton  
21 Capital Advisors, LLC?

22 A Fifth Amendment.

23 MS. NICOLEAU: Okay. There are two more

24 documents I want to put on the record, Jen. It's the

25 E\*TRADE for A-G Hedge Group and also the OptionsHouse

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1 account.

2 THE REPORTER: Did you want those marked as 25

3 and 26?

4 MS. NICOLEAU: Yes. You can do the E\*TRADE as

5 25.

6 (SEC Exhibit Nos. 25 and 26 were marked

7 for identification.)

8 THE REPORTER: All right. Those are marked.

9 BY MS. NICOLEAU:

10 Q Mr. Della Penna, you have in the front of you

11 Exhibit 25. Exhibit 25 is a composite exhibit of account

12 statements for A-G Hedge Group --

13 A Yes.

14 Q -- from July 2010, through September 30th of

15 2013. Do you recognize this document?

16 MR. OSTRANDER: Just for the record, it seems

17 that this is from June 30th. Was that the first trade?

18 July? Because -- well, at the top it says "July 1st,

19 2010." I'm sorry. We're looking in the wrong place.

20 Go ahead. I'm sorry.

21 MS. NICOLEAU: Okay. Okay. That's okay. All

22 right.

23 BY MS. NICOLEAU:

24 Q Did you, Mr. Della Penna, do the trading in the

25 E\*TRADE account for A-G Hedge Group?

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1 A Fifth Amendment.

2 Q Was your trading profitable between 2010 and

3 2013?

4 A Fifth Amendment.

5 Q Did you tell investors that your trading was

6 profitable in the A-G Hedge Group?

7 A Fifth Amendment.

8 Q I'm showing you --

9 MS. NICOLEAU: If you can give him Exhibit 26,

10 please.

11 BY MS. NICOLEAU:

12 Q Mr. Della Penna, I'm showing you what has been

13 marked as Exhibit 26. Exhibit 26 is a composite exhibit

14 of statements and OptionsHouse, and it's for various

15 months in 2013. Do you recognize this document?

16 A Most of it, yes.

17 Q Okay. Are there parts that you don't

18 recognize?

19 A Yes. Because -- yes.

20 Q And did you do the trading in the OptionsHouse

21 account?

22 A Fifth -- Fifth Amendment.

23 Q Do you know Richard Gillespie -- or Gillespie?

24 A Fifth Amendment.

25 Q Did you pay recurring payments to Richard

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1 Gillespie based on management fees that you purportedly

2 earned?

3 A Fifth Amendment.

4 Q Did you transfer only a portion of the funds

5 that you received from investors into the trading

6 accounts at E\*TRADE and OptionsHouse?

7 A Fifth Amendment.

8 MS. NICOLEAU: Okay. Let's go off the record

9 for a moment.

10 (A brief recess was taken.)

11 MS. NICOLEAU: Let's go back on the record.

12 BY MS. NICOLEAU:

13 Q Mr. Della Penna, I'm showing you, again,

14 Exhibit 13. And if you can take a look at -- I don't

15 believe it's marked, but it's past the last tab and it's

16 toward the end, page 12 of 14, and it's for the year

17 2012.

18 MR. OSTRANDER: What are we looking at? We've

19 got a page 12 of 14.

20 MS. NICOLEAU: It's -- yes. And it says "As of

21 December 31st, 2012" at the top.

22 MR. OSTRANDER: Okay.

23 MS. NICOLEAU: Under "Managing Member Fees."

24 You're there? Okay.

25 BY MS. NICOLEAU:

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1 Q Mr. Della Penna, under "Managing Member Fees,"

2 it has a total of 153,950 for the year of 2012 under the

3 Contrarian Fund.

4 Were you entitled to this amount in management

5 fees for 2012?

6 A Fifth.

7 Q Mr. Della Penna, other than your counsel, have

8 you discussed with anybody at any time how you might

9 respond to the Commission's investigation?

10 A No.

11 Q Aside from conversation with your counsel, have

12 you discussed with anyone the SEC investigation?

13 A It's come up in conversation, but I've been

14 told -- said that on the advice of counsel I could not

15 really discuss it.

16 Q Okay. And who -- who did that come up in

17 conversations with?

18 A A couple of the victims. Arthur Hobson.

19 Q Okay.

20 A Had preliminary -- just some talk with Louis

21 Parker, Brad Springstead, Ron and Christy Adam, I think

22 that -- maybe the Penners. And I can't recall anyone

23 further than that.

24 MS. NICOLEAU: Okay. Mr. Della Penna, I have

25 no further questions at this time. We may have to call

1 you again to testify in this investigation. And if  
2 that's necessary, I will contact your counsel.  
3 Do you wish to clarify any of your statements  
4 made today?  
5 THE WITNESS: No. But thank you for  
6 accommodating us not having to come over to Miami and for  
7 your patience on getting the data.  
8 MS. NICOLEAU: Sure. No problem.  
9 Mr. Ostrander, do you have any questions?  
10 MR. OSTRANDER: No. Thank you very much.  
11 MS. NICOLEAU: Okay. Then we're off the record  
12 at 12:18 p.m.  
13 Thank you.  
14 (Whereupon, at 12:18 p.m., the examination was  
15 concluded.)  
16 \* \* \* \* \*  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 PROOFREADER'S CERTIFICATE  
2  
3 In the Matter of: GAETON CAPITAL ADVISORS, LLC  
4 Witness: Gaeton (Guy) Della Penna  
5 File Number: FL-03849-A  
6 Date: Tuesday, March 11, 2014  
7 Location: Tampa, Florida 33602  
8  
9 This is to certify that I, Donna S. Raya,  
10 (the undersigned), do hereby swear and affirm that the  
11 attached proceedings before the U.S. Securities and  
12 Exchange Commission were held according to the record and  
13 that this is the original, complete, true and accurate  
14 transcript that has been compared to the reporting or  
15 recording accomplished at the hearing.  
16  
17 \_\_\_\_\_  
18 (Proofreader's Name) (Date)  
19  
20  
21  
22  
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<b>ultimately</b> 17:10	37:24 38:2	<b>\$152,750</b> 29:5	27:17 40:14	34:9 40:17	40:21
<b>undersigned</b> 43:10	<b>welcome</b> 26:12	<b>\$249,931.25</b> 28:10,11	<b>14</b> 3:13 26:10	40:21 41:2	<b>32</b> 3:20
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<b>941)350-09...</b>					
12:5					
<b>982-6308</b> 2:9					

## DECLARATION OF CONRAD PENNER

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

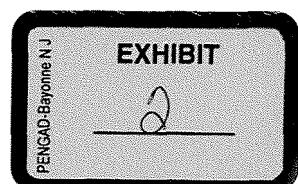
1. My name is Conrad Penner. I am over twenty-one years of age and have personal knowledge of the matters set forth herein. I reside at [REDACTED].

2. I met Gaeton "Guy" Della Penna about four years ago through a mutual friend. After getting to know Della Penna for about a year, I decided to invest in his fund, The Contrarian Fund, LLC.

3. Della Penna told me that the Contrarian Fund traded options in the QQQ market and that he had a formula for successful trading. He also told me that I would make a 5% return on my investment in the fund and that I could receive additional returns based on the profits he realized in trading. He said that my investment in the fund would be for an 18 month period. Della Penna gave me a Private Offering Memorandum for the Contrarian Fund, a copy of which is attached as Exhibit A.


4. On August 16, 2010, I signed a subscription agreement to invest \$215,000 into the Contrarian Fund, a copy of which is attached as Exhibit B. On September 2, 2010, I wired \$215,000 to the Contrarian Fund. In November 2010, I received a letter from the Contrarian Fund signed by Della Penna along with a signed promissory note, copies of which are attached as Exhibit C.

5. After investing, Della Penna sent me periodic letters that listed the current value of my account. A copy of one of the letters I received is attached as Exhibit D. Based on these letters, I believed my investment was doing well. After my 18 month period passed, Della Penna contacted me to say that he was extending my investment.



After receiving an opportunity for a different investment and...

6. In or around October 2013, after I was contacted by the U.S. Secret Service about Della Penna, my wife and I called Della Penna <sup>on OCT. 17, 2013</sup> about getting our money back. In November 2013, my wife and I met with Della Penna to ask again for our money back. Della Penna told us that he would need more time to return our funds. About a week later, during a telephone conversation, Della Penna told me that he was going to New York soon to meet with some potential investors to see if there was interest in his offering. He told me that the proceeds from the new investors, in whole or in part, would be used to cash us out of our investments in the Contrarian Fund. To date, we have not received our money back from Della Penna.

  
\_\_\_\_\_  
Conrad Penner

Executed on this 22 day of January 2014.

## PRIVATE OFFERING MEMORANDUM

NO. 16**THE CONTRARIAN FUND, LLC**  
**(a Florida limited liability company**  
**in formation and capitalization)****\$5,000,000 principal amount**  
**5% Participating Promissory Notes**

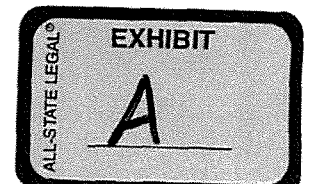
THE CONTRARIAN FUND, LLC (the "Fund") is a limited liability company formed in July 2010 under the Florida Limited Liability Company Act. The Managing Member of the Fund is Guy S. Della Penna who resides in Sarasota, Florida. Mr. Della Penna will be responsible for the day-to-day management of the investment activities of the Fund as described in this Private Offering Memorandum (the "Memorandum"). Dr. Ronald T. Hadam, who also resides in Sarasota, Florida is a non-Managing Member of the Fund.

The Fund is privately offering to suitable, sophisticated and Accredited Investors its 5% Participating Promissory Notes (the "Notes") in maximum principal amount of \$5,000,000. The Notes will be offered directly by the Fund as a result of the efforts of Mr. Della Penna and Dr. Hadam and may also be privately offered on a best efforts basis through one or more placement agents who are members of FINRA and qualified as broker-dealers in Florida and in other states in which the Notes may be lawfully offered on a limited and private basis. If the services of one or more placement agents are utilized by the Fund in the private offer and sale of the Notes, an appropriate placement agent agreement will be executed between the Fund and any such placement agents.

The Note proceeds, net of any placement fees and expenses and costs incurred in connection with the organization of the Fund and the placement of its Notes, will be invested and reinvested in equity securities and exchange traded funds which are listed and traded on the nation's major stock exchanges or derivatives thereof, including, without limitation, put and call options and Federally insured instruments of deposit (sometimes referred to in this Memorandum as "Investments") under the direction and supervision of Mr. Della Penna. In such activity, the Fund will generally utilize technical, as well as fundamental approaches and the intuitive discretionary investment techniques and analyses subsequently described herein. The Fund will not utilize margin in its investment and reinvestment activities.

There is no minimum Note proceeds requirement. However, Note proceeds will be accumulated by the Fund and when an increment of \$250,000 of gross Note proceeds has been received, such increment will be utilized in the Fund's investment activities.

The date of this Memorandum is July 15, 2010



An investment in the Notes and the investment activities of the Fund involves substantial risks. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED", page 10.

The Notes offered hereby will only be offered and sold to suitable, sophisticated and Accredited Investors, as determined in the exclusive judgment of the Managing Member of the Fund. Persons who are not deemed suitable, sophisticated or Accredited Investors will not be permitted to purchase Notes. The Notes being privately offered hereby may also be offered and sold to qualified entities or individuals who are residents of countries other than the United States. The Managing Member in any such private sale of Notes will determine that any such entities or individuals have the necessary qualifications to acquire and own Notes.

THE FUND HAS NOT REGISTERED THE NOTES OFFERED HEREBY UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "ACT") IN RELIANCE UPON THE EXEMPTIONS FROM REGISTRATION PROVIDED IN SUCH ACT AND REGULATION D THEREUNDER. ADDITIONALLY, THE FUND HAS NOT REGISTERED THE NOTES OFFERED HEREBY UNDER THE PROVISIONS OF ANY SECURITIES STATUTE OF ANY STATE IN WHICH THE NOTES MAY BE LAWFULLY OFFERED, INCLUDING FLORIDA. RELIANCE UPON SUCH EXEMPTIONS FROM REGISTRATION PROVIDED BY SUCH STATUTES, HOWEVER, DOES NOT INDICATE IN ANY WAY THAT THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITY REGULATORY AUTHORITY OR THAT THE COMMISSION OR ANY SUCH STATE AUTHORITY HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS MADE HEREIN.

While the Fund by definition may be an investment company under the Investment Company Act of 1940, it is relying upon an exemption provided in such Act from the registration requirements of such Act and will not be registered as an investment company under such Act. Accordingly, no more than 99 sophisticated and Accredited Investors will be permitted to acquire the Notes being privately offered hereby on a record and beneficial basis. Of such 99 investors, 65 will be required to be Accredited Investors.

The Fund, by action of its Managing Member, has (a) authorized the creation of this Memorandum and the related subscription and other documents (collectively the "Offering Documents") and (b) approved the use of the Offering Documents in connection with this limited and private offering of the Notes. The foregoing action has been taken in connection with the provisions of Section 18(d) of the Act and Rule 146 thereunder.

THE DELIVERY OF THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL AND SHALL CONSTITUTE AN OFFER ONLY TO THE OFFEREE WHOSE NAME APPEARS BELOW. EACH OFFEREE AGREES BY ACCEPTING THIS MEMORANDUM THAT HE WILL NOT DIVULGE ITS CONTENTS TO ANY OTHER PERSON EXCEPT A PURCHASER REPRESENTATIVE ACTING ON HIS BEHALF AND/OR WITH THE CONSENT OF THE MANAGING MEMBER AND THAT HE WILL RETURN THIS

MEMORANDUM PROMPTLY UPON REACHING A DECISION NOT TO INVEST IN THE NOTES DESCRIBED HEREIN.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY COMMUNICATION RELATING TO THIS PRIVATE OFFERING AS INVESTMENT, TAX OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN COUNSEL, ACCOUNTANT OR OTHER PROFESSIONAL ADVISORS AS TO LEGAL, INVESTMENT, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE NOTES OF THE FUND DESCRIBED HEREIN.

INTERESTED INVESTORS ARE ENCOURAGED TO ASK QUESTIONS OF THE MANAGING MEMBER CONCERNING THE FUND AND AN INVESTMENT IN ITS NOTES.

EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF ITS DATE. NO PERSON HAS BEEN AUTHORIZED BY THE MANAGING MEMBER OF THE FUND TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE MANAGING MEMBER.

THE FUND IS OFFERING ITS NOTES SUBJECT TO PRIOR SALE, WITHDRAWAL, CANCELLATION OR MODIFICATION OF THE OFFER WITHOUT NOTICE, AND TO THE FURTHER CONDITIONS SET FORTH IN THIS MEMORANDUM.

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## SUMMARY

The following is a summary of certain of the information set forth in this Memorandum. The summary information set forth below does not purport to be complete and is qualified in its entirety by and references made to the more detailed information contained subsequently in this Memorandum.

### The Fund

The Fund is a limited liability company formed under the Florida Limited Liability Company Act. The Managing Member of the Fund is Guy S. Della Penna of Sarasota, Florida. The sole other non-Managing Member of the Fund is Dr. Ronald T. Hadam who also resides in Sarasota, Florida. Mr. Della Penna and Dr. Hadam are sometimes collectively referred to herein as the "Members". The Fund will maintain its offices at 3438 North Salford Boulevard, North Port, Florida 34286. The purchasers of the Notes being privately offered by this Memorandum will not become Members of the Fund.

Capital received by the Fund in gross incremental Note amounts of \$250,000 may be invested in equity securities, exchange traded funds and derivatives thereof, as well as put and call options involving such securities and funds on the major exchanges providing for such investment activity as existing in the United States, as well as Federally-insured instruments of deposit. Such investment and reinvestment activity of the Fund will be carried out under the direction of Mr. Della Penna, the Managing Member. Margin will not be utilized in such investment Fund activities. The Note proceeds received by the Fund will be committed to the investment activities of the Fund in \$250,000 increments. Until an appropriate time, separate accounting of Trading Profits (as subsequently defined herein) for each Note increment will be maintained in order to assure that regardless of the time of investment, Note purchasers are treated equitably. The Managing Member reserves the right to alter such \$250,000 amount upward or downward.

Guy S. Della Penna is presently not registered as an investment advisor under Federal law or the Florida Securities and Investor Protection Act as a result of exemptions from the registration requirements of such statutes.

All management powers with respect to the investment activities of the Fund are vested in the Managing Member. Note purchasers will not have any rights to participate in the management of the investment activities of the Fund or in any other matters affecting the Fund.

The Fund has been formed to realize Trading Profits (as subsequently defined herein) for ultimate distribution to the holders of the Notes in the form of interest and Additional Interest and to the Managing Member. No assurance can be given that the Fund will be successful in its investment activities and losses may occur.

### Federal Income Tax Status of the Fund

The Fund has received an informal advisement from legal counsel (which advisement is not binding upon the Internal Revenue Service) to the effect that the Fund will be treated as a non-taxable entity for Federal income tax purposes. If such is the case, the Fund will not sustain Federal income tax consequences at Fund level and all Trading Profits or losses will be allocated to the Note holders and Members in accordance with their respective economic entitlements as set forth herein.

### The Note Offering

Solely by means of this Memorandum, the Fund is offering on a limited and private basis a maximum of \$5,000,000 principal amount of Notes. The Notes will be offered in a minimum purchase amount of \$250,000 and thereafter, in minimum principal increments of \$5,000. As of the date of this Memorandum, the Fund has not established any maximum Note subscription amount but reserves the right to do so. The Managing Member, on behalf of the Fund, may waive the minimum Note principal purchase requirement of \$250,000 in order to facilitate the completion of the private offering of the Notes.

The Notes will be privately offered to suitable, sophisticated and Accredited Investors. The term "Accredited Investors" is utilized in Regulation D as promulgated under the Act and is subsequently explained in this Memorandum in the Memorandum section captioned "PLAN, TERMS AND NATURE OF THE OFFERING".

In the limited and private offering of the Notes, the Fund may be assisted by one or more placement agents who are registered securities broker-dealers in Florida or other states and members of FINRA. Such assisting placement agents will be entitled to receive placement fees of 5% charged against the proceeds realized by the Fund as a result of such placement agent assistance. Accordingly, if the entire \$5,000,000 principal amount of Notes being privately offered were to be sold solely by such placement agents, the Fund would pay aggregate placement fees of \$250,000. Reasonable expense reimbursement to selling placement agents may also occur. No assurance can be given that the entire \$5,000,000 principal amount of Notes will be sold or that the Fund will receive any meaningful assistance from one or more placement agents.

The Members will also assist the Fund in the private sale of the Notes to suitable, sophisticated and Accredited Investors. As a result of such assistance, each Member may be entitled to receive fees equal to 5% of the Note proceeds resulting from such placement efforts or such fees may be waived. Placement fees to any assisting Placement Agent or to the Members will only be paid upon the completion of a successful \$250,000 Note offering increment and the receipt by the Fund of the representative proceeds. Dr. Hadam has substantial additional duties to the Fund in addition to rendering assistance in the private sale of the Notes.

The Fund has not established any minimum Note proceeds accumulation requirement in connection with this limited and private offering and no formal escrow arrangements exist between

the Fund, any placement agent or any escrow agent. The Fund will not commit Note proceeds, however, until such time as Note proceeds in increments of \$250,000 are received by the Fund (an "Increment" or "Increments"). As each gross Increment of \$250,000 is received by the Fund, such Increment will be utilized in the investment activities of the Fund which are described subsequently in this Memorandum. Any placement fees appropriately owing may be paid from such Increment amount.

Until the Note offering is completed in its entirety, or otherwise terminated by the Managing Member acting on behalf of the Fund, each Note Increment amount committed will be separately accounted for in order that Note purchasers receive appropriate and equitable allocations of the Trading Profits (or Losses) resulting from the investment activities conducted by the Fund utilizing each Increment of Note proceeds. At the time that the Note offering has been completed and when appropriate, such Increments will be integrated into a single fund for accounting and Trading Profits (Losses) calculation purposes.

The Note offering will be conducted until the earlier of (i) the sale of the entire \$5 million principal amount of Notes are sold; (ii) the Note offering is earlier terminated by the Managing Member; or (iii) January 15, 2011 subject to a one-time 90 day extension.

#### **Risk Factors**

The Fund's investment activities and the ownership of its Notes are subject to significant risks. Prospective investors are urged to carefully read the Memorandum section captioned "THE RISKS AND OTHER FACTORS TO BE CONSIDERED".

#### **Description of the Notes**

The Notes being privately offered by this Memorandum will represent the unsecured obligation of the Fund and will have a term to maturity of 18 months. The maturity date of the Notes privately sold will be calculated from the date that the Note offering is concluded. Note purchasers will be promptly advised of the Note maturity date. Accrued, simple interest will be paid on the outstanding principal amount of the Notes from the date of Note subscription acceptance by the Managing Member at an annual rate of 5% (the "Note Interest"). Note Interest will be payable quarterly. The principal amount of the Notes will be paid at Note maturity or sooner if so determined at the sole discretion of the Managing Member.

In addition to the repayment of the principal of the Note and the Note Interest, each Note holder will be entitled to receive, if the Fund has been profitable during its term, additional interest constituted by 80% of the Trading Profits (as defined below) which have been realized by the Fund in its investment activities with remaining 20% of Trading Profits being allocated to the Fund for further allocation between Mr. Della Penna and Dr. Hadam until such time as each Note holder has received additional interest representing a 100% return on the principal amount of each Note holder's Note. Thereafter, all Trading Profits will be retained by the Fund. The allocation and payment of

any Trading Profits among the holders of the Notes will be on the basis of each Note holder's principal amount of Notes held, as such relates to the total principal amount of Notes then outstanding. Such Trading Profit entitlement attributed to the Note holders is referred to herein as "Additional Interest".

**Definition of Trading Profits (Losses)**

At the conclusion of the Fund's term of existence, the Managing Member will liquidate the Investments then held in the Fund's portfolio. Deducted from such liquidation proceeds will be:

- transactional commissions attendant to the purchase and liquidation of the Fund's Investments;
- accrued but unpaid Note Interest and accrued but unpaid operating expenses of the Fund;
- accrued but unpaid items of compensation or expense reimbursement items owing to the Managing Member or Dr. Hadam; and
- any remaining unamortized costs relating to the organization of the Fund and this private offering of Notes.

The resultant amount will be further adjusted for investment profits or losses experienced by the Fund as a result of prior Investment purchases and liquidations, if any, which prior investment profits or losses will have been determined in a manner consistent with the foregoing described computation.

From Trading Profits (Losses) calculated at the time that the Fund is being terminated, there shall be deducted from such amount the aggregate Note proceeds received by the Fund (without any deduction for placement fees paid to assisting placement agents or the Members) from this limited and private offering of Notes. A positive balance will constitute "Trading Profits" from which Note Interest will be paid to the Note holders. Any Additional Interest will be paid in the percentage amounts indicated above to the Note holders and the Fund (for a further allocation among Mr. Della Penna and Dr. Hadam). Cash representative of Trading Profits, if Trading Profits exist at the time of the calculation, will be utilized to repay the then outstanding principal amount of Notes. If the calculation results in a negative balance, the entire balance and Fund available cash will be applied in repayment of the outstanding principal amount of the Notes. Under a negative balance situation, adequate proceeds may not be available to repay the entire principal amount of Notes then owing by the Fund.

The Fund investment policy provides that the Fund portfolio will be liquidated if at the end of any calendar quarter commencing at the time that all Increments have been integrated into a single investment and accounting fund, the market value of the Fund's securities portfolio is less than 70%

of the then net invested amounts. If such occurs, liquidation proceeds will be entirely applied to Note principal then unpaid. The calculation of the Fund portfolio value will be made on a calendar quarter basis subsequent to the time that all Increments have been integrated.

Also at the discretion of the Managing Member, the Fund's investment activities may be terminated and the Fund's portfolio liquidated prior to the 18 month Note maturity. Resulting proceeds will be applied to repayment of Note principal and if Trading Profits exist, to Note Interest and Additional Interest

#### Compensation to the Members

The Managing Member of the Fund will be entitled to participate in the Trading Profits as described above and elsewhere in this Memorandum if Trading Profits are realized by the Fund at the termination of the Fund's investment activities.

The Managing Member will be entitled to receive reimbursement for any costs and expenses which he has advanced in connection with the organization of the Fund and this limited and private offering of Notes. As of the date of this Memorandum, Mr. Della Penna, the Managing Member, may pay legal fees which have been incurred in connection with the organization of the Fund and the preparation of this Memorandum and the Offering Documents. Such legal fees paid or accrued are anticipated to be in the approximate amount of \$12,500. These fees and any other costs paid by Mr. Della Penna will be reimbursed by the Fund utilizing Note proceeds during the Note offering, as well as at the conclusion of the offering. As indicated above in the discussion of "Trading Profits", the organizational costs incidental to the formation and capitalization of the Fund will be amortized during the period commencing from the date that this Note offering is concluded to the date of Note maturity. Any of such costs not fully amortized at the conclusion of the Fund's investment program will be taken into account in determining final Trading Profits.

Guy S. Della Penna, as Managing Member of the Fund, may be entitled to receive a one time organizational fee of 3% charged against the actual Note proceeds received by the Fund at the successful conclusion of each Increment of the Note offering. Additionally, an annual 3% management fee will be paid to the Managing and non-Managing Members charged against the market value of the Investments contained in the Fund's portfolio at the conclusion of each calendar year or partial calendar year of the Fund's existence. Such annual 3% management fee may be calculated and paid on a calendar quarter basis with appropriate adjustments being made in the fourth calendar quarter calculation in order to assure that the fee does not exceed the amount of 3% of the market value of the Fund's Investments at the conclusion of each calendar year or partial calendar year.

For additional information concerning the Managing Member, see "FUND MANAGEMENT" and "PRIOR ACTIVITIES OF THE MANAGING MEMBER".

**Procedure to Acquire Notes**

Investors determined qualified to acquire Notes pursuant to the sole judgment of the Managing Member may effect a Note subscription by executing both copies of the Subscription Agreement which is included with this Memorandum as Exhibit A. The Subscription Agreement solicits information concerning each Note subscriber's Accredited Investor status or such investor's investment experience and risk tolerance. Both copies of the Subscription Agreement fully executed by the subscriber with a check representing the subscription obligation should be directed to the Managing Member at the address indicated herein and in the Subscription Agreement or may be delivered to any assisting placement agent. The minimum subscription to Notes which will be accepted by the Managing Member acting on behalf of the Fund is to \$250,000 principal amount. Thereafter, sophisticated and Accredited Investors may subscribe to Notes in Note principal increments of \$5,000. The Managing Member may increase or decrease such minimum subscription requirement as he deems appropriate and to facilitate the successful conclusion of the private Note offering.

Upon receipt of a Note Subscription Agreement, the Managing Member, on behalf of the Fund, will either accept or reject such subscription. If acceptance occurs, the attendant Note subscription proceeds will be accumulated until an offering increment as earlier described has been attained at which time such Note subscription proceeds, net of any placement fees and the organizational fee paid to the Managing Member, will be utilized in the Fund's investment activities. If Note subscription rejection occurs, the Note subscription amount will be promptly refunded to the subscriber without reduction, but also without interest thereon.

**[END OF SUMMARY]**

## THE RISKS AND OTHER FACTORS TO BE CONSIDERED

The ownership of the Notes of the Fund and the intended investment activity of the Fund which will involve the purchase, sale and dealing in Investments are subject to risks. The risks which have been identified by the Managing Member as possibly adversely affecting the ownership of Notes and the intended investment activities of the Fund are described below:

### Relative to the Note Offering and the Notes

Best Efforts. The offering of the Notes of the Fund will be administered by the Managing Member, Guy S. Della Penna and the sole non-Managing Member of the Fund, Dr. Ronald T. Hadam. The Members may receive placement fees as a result of the sale of Notes by them. The Members have substantial additional other duties to the Fund. While the Fund anticipates that it may receive sales assistance from placement agents, no firm or best efforts underwriting arrangements exist between the Fund and any such placement agents with respect to the private offer and sale of the Notes. Accordingly, there can be no assurance that the Fund will encounter significant success in the sale of the Notes. See "PLAN, TERMS AND NATURE OF THE OFFERING" and "INVESTMENT ACTIVITIES OF THE FUND".

Terms of the Notes. The terms of the Notes with respect to Note maturity, the Note Interest rate and participation in Trading Profits by way of Additional Interest have been solely determined by the Managing Member and have not resulted from arm's length negotiations.

No Market for the Notes. The Notes being privately offered to sophisticated and Accredited Investors have not been registered under the Act or any state securities statute, including FIPA. Accordingly, the Notes constitute Restricted Securities as that term is defined under the Act and the sale or transfer of a Note may only occur on a limited basis. No market for the Notes exists and no market for the Notes will come into existence at any time in the future due to the restricted character of the Notes. Accordingly, Note purchasers will be required to hold their Notes during the term to maturity thereof. Under limited circumstances, Note holders may sell or transfer their Notes but only in the event that such sale or transfer transaction is exempt from the registration requirements of the Act and applicable state securities statutes, including FIPA. Such determination will be exclusively made by the Managing Member, Guy S. Della Penna, after consulting with legal counsel for the Fund.

No Redemption Provisions. Note holders will be required to hold their Notes during the entire term to maturity. Such 18 month term will commence from the date that the Note offering is successfully concluded. While the Managing Member, on behalf of the Fund, may terminate the investment activities of the Fund prior to the time of Note maturity and to the extent of then available proceeds pay the obligation represented by Notes then outstanding, the terms of issuance of the Notes do not provide for a right of presentment on behalf of Note holders.

Compliance with State and Federal Securities Laws. As indicated in this Memorandum, the Notes have not been registered pursuant to the provisions of the Act, FIPA or any other state blue sky statute in reliance upon certain exemptions from registration provided by such statutes (commonly referred to as the "private offering" exemption). While the Managing Member and legal counsel for the Fund believe that the Fund's reliance upon such exemptions from registration is reasonable, no absolute assurance can be given that the Note offering being privately made by this Memorandum presently qualifies or will continue to qualify under the exemptions from registration being relied upon.

Note Subscription Obligation. Sophisticated and Accredited Investors effecting subscriptions to Notes will be required to remit their entire subscription obligation at the time of subscription submission. Installment payments are not permitted. The minimum subscription to Notes which will be accepted by the Fund is \$250,000, although such minimum subscription requirement may be waived by the Managing Member in order to facilitate the successful conclusion of this private offer of Notes.

Effective Note Maturity Date. Each Note privately sold under the auspices of this Memorandum will incorporate a maturity date of 18 months. Such 18 month maturity date will be calculated from the date that the Note offering is concluded in its entirety, earlier terminated by the Managing Member or on January 15, 2011, subject to a one-time 90 day extension, whichever first occurs. Accordingly, the effective Note maturity date will involve a period of time which is 18 months plus the period of time that the Note offering is conducted to a successful conclusion.

Appropriateness of Investment. The Notes represent a suitable investment only for those sophisticated and Accredited Investors who can assume the risk of the loss of their entire investment in Notes. Because of the speculative aspects of the Fund's intended investment activities, the risk of loss of such investment amount is significant.

Absence of Trust Indenture - Notes Unsecured. The Notes are not being issued pursuant to a trust indenture. As a result, Note holders will not have the protective measures which are usually provided by a trust indenture. The Notes are unsecured and will represent the general obligation of the Fund. No guarantee or credit enhancement is in place with respect to the Notes. Accordingly, the repayment of principal of the Notes and interest thereon (in the manner described in this Memorandum), will be entirely dependent upon the profitability of the Fund's investment activities.

#### Relative to the Fund

Fund Newly Formed. The Fund is being formed under the provisions of the Florida Limited Liability Company Act. The Fund has no operating history. There can be no assurance that the Fund will generate Trading Profits from its investment activities and the Fund may, in fact, sustain losses. If, during the Fund's existence, the market value of the Fund's portfolio of Investments has a value of 70% or less of the then net invested amounts, the Fund may terminate its investment activities and liquidate. Liquidation proceeds will be applied to the repayment of the Note principal.



Under such circumstances, investors will not receive a return of their entire investment in Notes and will not receive Note Interest or Additional Interest. Such calculation of value will only be made on a calendar quarter basis on the last trading day of each such quarter subsequent to the time when each Note Increment proceeds amount (\$250,000) has been integrated into a single fund for purposes of calculating the portfolio value.

Management of the Fund. Under the Organizational Documents which govern the formation, existence and operation of the Fund, all management responsibilities and powers are vested in the Managing Member, Guy S. Della Penna. Holders of Notes will not have any voice or ability to control the operational activities of the Fund or any of its other activities. The Managing Member or affiliates of the Managing Member will own the equity securities of the Fund which will consist of the Fund's membership interests. Mr. Della Penna has participated in the formation, capitalization and operation of previous Funds having the same or similar investment policies intended for the Fund. See "PRIOR ACTIVITIES OF THE MANAGING MEMBER".

Reliance on Managing Member. In the initiation and carrying out of the Fund's activities, the Fund will be entirely dependent upon the continuing availability of the services of Guy S. Della Penna, who serves as Managing Member of the Fund. See "FUND MANAGEMENT".

Investment of Note Proceeds Increments. As indicated elsewhere in this Memorandum, the Managing Member will accumulate Note proceeds as Notes are privately offered and sold. As Note proceeds are accumulated to an amount of \$250,000 less any placement fees, the organizational fee owing to Mr. Della Penna and the unpaid organizational expenses of the Fund, such Note proceeds increment (an "Increment") will be committed to the investment activities of the Fund in accordance with the investment techniques described in the Memorandum section captioned "INVESTMENT ACTIVITIES OF THE FUND". If all of the Notes are sold over the course of the Note offering period, it is anticipated that 20 Increments will be accumulated for investment by the Managing Member. The Increments will not be less than \$250,000 prior to the payment of placement and organizational fees but may be more. Until a time subsequent to the conclusion of the Note offering, each of such Increments will be separately accounted for in order that investors receive an equitable allocation of any Trading Profits (or losses) which occur as a result of their Increment Investment performance results as well as being insulated from losses which may be experienced by other Note holders who purchase Notes in other Increments. Accordingly, at least for a period of time subsequent to the conclusion of the Note offering, different performance results may accrue to the Note holders, depending upon the amount of Trading Profits or Losses experienced by a Note holder's Increment. Immediately subsequent to the conclusion of the Note offering, the Managing Member may (but is not required to) liquidate the portfolios then attributable to each Increment in order to calculate Trading Profits (or losses) and to allocate same to the appropriate Note holders. After such action, the Managing Member will integrate all of the Increments which will then constitute one combined account for purposes of calculating Trading Profits (Losses) and portfolio value.

Fund Investment Activities. In the carrying out of its investment activities, index funds which are listed for trading on the nation's major exchanges and put and call options contracts relating thereto will be the investment media primarily utilized by the Fund. In such investment activities, the Fund will utilize a trading approach which is largely based upon the analysis of technical and fundamental information available with respect to such securities as listed and traded on the securities markets of the United States. The investment techniques intended to be utilized by the Fund through the activities of Mr. Della Penna, as Managing Member, have been employed by Mr. Della Penna on a smaller scale utilizing his own funds. At the request of any interested Note holder, information concerning such activity or prior fund activities will be provided by Mr. Della Penna, but interested investors should be aware that such information is unaudited and is not necessarily indicative of the Fund's future performance. See "INVESTMENT ACTIVITIES OF THE FUND" and "PRIOR ACTIVITIES OF THE MANAGING MEMBER".

Investment Company Act Considerations. While the Fund meets the definitional test of a "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"), the Managing Member and Fund counsel believe that the Fund will be exempt from the registration and other provisions of such statute by virtue of Section 3(c)(1) thereof, which exempts from the requirement of registration as an investment company under the 1940 Act and the application of the provisions thereof, investment companies which do not intend to conduct a public offering and the securities of which are held of record and beneficially by 100 or fewer persons. The 1940 Act is the statute which governs the activities of investment companies commonly referred to as mutual funds. The purchasers of Notes will not have the benefits of the protective measures provided by the 1940 Act. In order to assure that the Fund does not have more than 100 record and beneficial holders of its Notes, the Managing Member will strictly police Note subscriptions to assure that the Note subscriber is an individual and not an entity constituted by several individuals. The 100 record and beneficial holder limitation will be applicable to the Fund's private offer and sale of the Notes, whether made to sophisticated and Accredited Investors residing in the United States or to individuals and entities resident or domiciled in countries other than the United States. Additionally, in the Fund's investment activities as described elsewhere in this Memorandum, the Fund will not be permitted to invest in the securities of any issuer which is deemed to be an investment company under the 1940 Act.

Anti-Money Laundering Laws and Regulations. The Fund will have the responsibility to exercise its reasonable efforts to comply with that body of statutes commonly referred to as the "anti-money laundering laws" and regulations thereunder. In carrying out such responsibility, the Managing Member of the Fund may require a detailed verification of a prospective Note investor's identity, as well as the identity of any beneficial owner of the prospective Note investor and the source of the funds to be utilized in the prospective Note purchase transaction.

## Relative to Federal Income Tax Matters

Classification of the Fund as a Non-taxable Entity. The Managing Member, on behalf of the Fund, has received an advisement of Fund legal counsel to the effect that, more likely than not, the Fund will be treated as a non-taxable entity for Federal income tax purposes as opposed to an association taxable as a corporation. Such advisement, however, is not binding upon the Internal Revenue Service and the Managing Member is not seeking a written opinion from counsel nor will the Managing Member request a ruling from the Internal Revenue Service regarding the classification of the Fund for Federal income tax purposes. If the Fund is treated as a non-taxable entity, which is expected, the Fund will constitute an entity which is not an association taxable as a corporation, the effect of which will be to permit any Trading Profits (Losses) while determined at the Fund level to not be taxable at the Fund level, such being allocated to the holders of the Notes and the Fund (and indirectly the Managing Member and the sole, non-Managing Member) in accordance with the percentage allocations of such Trading Profits (Losses) described elsewhere in this Memorandum. If such is not the case, the Trading Profits which the Fund may experience will be subject to Federal corporate income tax, thereby reducing the amount of Note Interest and Additional Interest which may be received by Note holders. Note Interest and Additional Interest are expected to constitute income to each Note holder taxable at ordinary income rates although a portion of such items may possibly be taxable at capital gains rates in the event that the source of such items are capital gains experienced by the Fund from its investment activities. Each interested Note investor should consult with his own tax advisor with respect to the Federal income tax consequences attributable to such Note investors.

## WHO SHOULD INVEST

The Notes being privately offered by this Memorandum to sophisticated and Accredited Investors, and possibly, individuals or entities resident or domiciled in foreign nations, are only suitable for investors who are able to assume, on a continuing basis, the risks inherent to the investment activities to be conducted by the Fund in anticipation of realizing Additional Interest as a result of Trading Profits, as well as Note Interest. While the Notes also incorporate an annual, simple, Interest Rate of five percent (5%) in order to permit Note holders to receive some return on their investment over the term of the Notes, which Note Interest will be paid quarterly, the Fund will be required to realize Trading Profits in order to pay such Note Interest as well. The possibility exists that Trading Profits will only be sufficient to pay the Note Interest but not any Additional Interest. The risk is also present that the Fund's investment results will be such that Note Interest and Additional Interest will not be paid and the Fund may also not be able to repay all or any of the entire principal amount of Notes when due.

The Notes are not a suitable investment for persons desiring to assure, to the extent possible, the safety of their invested principal, the continuing receipt on a regular basis of interest income, and

the ability to liquidate the investment within a short period of time when required to do so at a price equal to the invested amount.

## PLAN, TERMS AND NATURE OF THE OFFERING

### Plan of Offering

The offering of Notes set forth in this Memorandum shall be administered and conducted on behalf of the Fund by the Managing Member, Guy S. Della Penna, with the assistance of the non-Managing Member, Dr. Ronald T. Hadam. Mr. Della Penna and Dr. Hadam may be entitled to receive placement fees equal to 5% of the Note proceeds resulting from their placement efforts upon the attainment of each Note offering Increment but may waive such fees. Such Members have substantial additional duties to the Fund. It is anticipated that such placement fees paid to the Members will only be paid with respect to Note investments which occur in the State of Florida or which may occur in states where the Notes can be lawfully offered and sold and with respect to Note purchases made by individuals or entities resident or domiciled in countries other than the United States. There are no firm or best efforts underwriting arrangements existing with respect to the Note offering.

The Fund may receive assistance from one or more placement agents who are registered securities brokers and members in good standing of FINRA and are duly licensed as securities broker-dealers under the securities laws of those states in which the Notes may be lawfully offered on a private basis. As of the date of this Memorandum, the Managing Member of the Fund is unable to predict whether the Fund will receive significant assistance from securities broker-dealers in the private offer and sale of the Notes, or if any assistance will be received by the Fund. The Fund will compensate such assisting placement agents by way of placement fees which will be a negotiated percentage of Note proceeds received by the Fund as a result of such placement agent assistance. The Managing Member of the Fund estimates that such placement fees payable to any assisting placement agent will not exceed 5% of the Note proceeds realized by the Fund as a result of such assistance. If all of the Notes offered hereby are privately offered and sold by assisting placement agents at such 5% placement fee amount, maximum placement fees of \$250,000 could be paid by the Fund. Such is considered unlikely by the Managing Member. While the Managing Member will assist in the private offer and sale of the Notes, he will not be compensated for such efforts. The Managing Member is otherwise compensated by the Fund in the form of an organization fee. See "FUND MANAGEMENT".

The minimum subscription to Notes which will be accepted by the Fund is for a principal amount of Notes of \$250,000. Thereafter, investors may purchase Notes in \$5,000 Increments. Such minimum Note subscription requirement may be waived in the sole discretion of the Managing Member when such waiver will, in the opinion of the Managing Member, facilitate the successful conclusion of a Note offering Increment or the entire note offering in maximum principal amount

of \$5 million. The Managing Member may also establish a maximum Note purchase amount. The Managing Member, on behalf of the Fund, also reserves the right to refuse any subscription to Notes for any reason whatsoever, to reduce any subscription to Notes to a principal amount less than subscribed for and to terminate this offering at any time without notice. In the event of such reduction or termination, subscribers will receive prompt, appropriate refunds of Note subscription proceeds without interest.

#### Terms of Offering

The Managing Member on behalf of the Fund has not established any formal escrow arrangements whereby Note proceeds will be accumulated pursuant to an escrow agreement administered by an independent escrow agent until certain specified amounts of proceeds are timely received. The Note offering terms, as established by the Managing Member, however, provide that Note proceed shall be accumulated until such time as Note proceed Increments of \$250,000 (prior to the payment of any placement and organizational fees) have been accumulated. As earlier explained in this Memorandum, Note proceeds Increments will be invested and separately accounted for until the Note offering is concluded and it is appropriate to integrate all Increments into a single account. For information as to the duration of the Offering Period, see the Memorandum section captioned "SUMMARY INFORMATION". Pending the accumulation of Note proceeds Increments, the Managing Member, on behalf of the Fund, will accumulate Note subscription proceeds in an FDIC insured institution, most likely a commercial bank having offices in Sarasota, Florida, before directly sending and employing investable funds with a third party broker-dealer that is a member of FINRA, SPIC and the New York Stock Exchange selected by the Managing Member. During each period of Increment accumulation, the Managing Member may invest and reinvest Note subscription proceeds in investments assuring the integrity of the invested principal.

Upon receipt of each Note proceeds Increment, the Managing Member, on behalf of the Fund, will prepare, execute and deliver the form of Note evidencing the 5% Participating Promissory Notes being privately offered by this Memorandum. The Note instrument will bear a restrictive endorsement. See "DESCRIPTION OF THE NOTES".

#### The Nature of the Note Offering

The Notes offered hereby have not been registered pursuant to the registration requirements of the federal Securities Act of 1933, as amended (the "Act") or the securities statutes of states in which Notes may be offered and sold in reliance upon exemptions from registration under the Act and such statutes. It is anticipated that the Notes will primarily be privately offered and sold in Florida.

Section 4(2) of the Act exempts from the registration requirements of the Act transactions by an issuer (such as the Fund) not involving any public offering. Regulation D promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to its authority under the Act provides within the rules contained therein specific requirements to be met by issuers engaged

in the offer and sale of unregistered securities claimed exempt from the registration requirements of the Act and represents a "safe harbor" for issuers who comply with all applicable requirements of Regulation D.

In summary, Regulation D and Rule 506 thereunder (the Rule considered applicable to the Fund's Note offering) permit the unregistered offer and sale of an issuer's securities if the following requirements of the Regulation and the Rule are met:

(i) Rule 506, as contained in Regulation D, does not impose any dollar limitation on the amount of securities which may be offered pursuant to the Rule without registration, assuming that all other applicable provisions of the Rule and Regulation D are complied with. Rule 506 does require, however, that upon the conclusion of the offering, the issuer of the securities claimed exempt pursuant to Rule 506 and other applicable provisions of Regulation D reasonably believe that the purchasers of such securities, either acting alone or with a Purchaser Representative, have such knowledge and experience in financial and business matters that such purchaser (acting alone or with his Purchaser Representative) is capable of evaluating the merits and risks of the investment.

(ii) Regulation D and Rule 506 require the issuer of the securities claimed exempt from the registration requirements of the Act to provide to prospective investors, during the course of the offering and prior to the sale of its securities, the same kind of information as would be required of the issuer and furnished to prospective investors if the securities being offered were registered under the Act, thereby affording to prospective investors accurate and complete disclosure of material information concerning the issuer, the securities being offered and all other material matters.

(iii) At the conclusion of the offering of its securities under Regulation D and Rule 506, the issuer must reasonably believe that there are no more than 35 purchasers of its securities. Excluded from such 35 purchaser calculation are Regulation D defined "Accredited Investors", including but not limited to (a) certain financial institutions, (b) certain employee benefit plans, (c) persons affiliated with the issuer, (d) investors meeting certain net worth and/or purchase requirements (only under applicable Florida law), (e) persons meeting specified current and anticipated income requirements and (f) purchasing entities comprised solely of Accredited Investors. See the Subscription Agreement included as Exhibit A to this Memorandum, which includes a description of certain Accredited Investor categories.

(iv) The securities being offered by any issuer in reliance upon Regulation D and Rule 506 must not be offered by means of any general solicitation or advertising.

(v) The purchasers of the issuer's securities must purchase for their own account, for investment purposes and not with a view to any resale in connection with any distribution of the security purchased. Such securities may not be resold by the purchasers thereof unless

registered under the Act or an exemption from registration is then available under the Act with respect to such resale. A legend indicating the restrictions on any subsequent resale or transfer of the issuer's securities must be affixed on the certificate issued evidencing ownership of the issuer's securities. See "DESCRIPTION OF THE NOTES".

(vi) Regulation D contemplates that the issuer of the securities claimed exempt from registration pursuant to the Regulation will comply with certain notice requirements with the United States Securities and Exchange Commission. The Fund has or will comply with such notice provisions of Regulation D.

The Florida Securities and Investor Protection Act ("FIPA") exempts from registration offers and sales of securities by an issuer if (a) there are no more than 35 purchasers of the issuer's securities within any consecutive 12 month period (excluding purchasers who acquire \$100,000 or more of the issuer's securities or who are defined by FIPA as "Accredited Investors"), (b) such securities are not sold by means of any general advertising or solicitation conducted in Florida, (c) each purchaser of the issuer's securities, prior to the sale of the issuer's securities, is provided with or given access to full and fair disclosure of all material information concerning the issuer, the securities being offered and other matters, (d) commissions paid on account of the sale of the issuer's securities in Florida are only paid to persons registered as securities dealers under FIPA or are otherwise qualified to receive commissions, and (e) purchasers of the issuer's securities are afforded a three-day right to rescind the investment transaction and receive a return of their entire investment amount. See the cover pages of this Memorandum and the concluding paragraph of this Memorandum section for further information concerning such right of rescission. Pursuant to Rule adoption, Florida has also adopted the definition of an Accredited Investor as utilized in the Federal securities laws and under Regulation D.

#### Certain Legislation

Certain important amendments were made to the Act by the National Securities Markets Improvement Act of 1996 ("NSMIA") which became effective on October 11, 1996. NSMIA reallocated regulatory responsibility relating to securities offerings between the Federal government and the state governments based on the nature of the security or the offering. Among other things, NSMIA introduced the concept of a "Federal covered security". Section 18 of the Act, as amended by NSMIA, defines a "Federal covered security", among other things, as being a security which is issued under the provisions of Section 4(2) of the Act and rules and regulations promulgated by the SEC under such section. Rules and regulations promulgated by the SEC under such section include Rule 506 of Regulation D. Rule 506 provides the exemption from registration under the Act which is being relied upon by the Fund with respect to this limited and private offering of Notes. Accordingly, the Fund has been advised that the Notes being privately offered hereby constitute "Federal covered securities" as defined by the Act as amended by NSMIA.

The Fund, accordingly, believes that Florida, the state in which the Notes will be privately offered and sold, has no authority to regulate the conduct of the limited and private offering of the

Notes or effect any regulation or impose any conditions with respect to the utilization of this Memorandum and the contents thereof. As indicated on the cover pages of this Memorandum, the preparation and utilization of such Memorandum has been duly authorized by the Fund. Accordingly, it is the view of the Fund that the provisions of Rule 506 and the other applicable rules of Regulation D and the Federal securities laws will be the sole governing source and authority with respect to this limited and private offering of Notes and the contents of this Memorandum. The provisions of NSMIA have been recognized by most states, including Florida. NSMIA does not preclude the states from imposing notice filing requirements with respect to a limited and private offering being conducted under Rule 506 or the authority of any state to collect a fee which is incidental to such notice filing. The Fund will comply with all applicable notice filing and fee payment requirements imposed by any state, including the state of Florida. NSMIA also does not preclude the states from engaging in activities intended to deter fraudulent conduct in connection with the sale of securities.

#### Use of a Purchaser Representative

Persons not vested with knowledge and experience with respect to financial and business matters sufficient to allow them to evaluate the proposed investment activities of the Fund and the merits and risks of an investment in the Notes should not purchase Notes, or should only effect a purchase of Notes upon utilization of a qualified purchaser representative who assists any such persons in an evaluation of the appropriateness of an investment in the Notes, taking into account all of the factors and characteristics attributable to the person's financial and other circumstances. Such purchaser representative must be independent of the Fund, the Managing Member, the non-Managing Member and their affiliates. Under certain circumstances and on a case by case basis, the Fund may pay the reasonable fees (as determined in the exclusive judgment of the Managing Member) of a Note investor's purchaser representative.

The Managing Member and its counsel believe that the method, nature and circumstances attendant to the Fund's offering of its Notes will allow the Fund and persons acting on its behalf, including the Managing Member, to reasonably rely upon the exemptions from registration afforded by Section 4(2) of the Act and Regulation D thereunder, as well as the analogous exemptions afforded by FIPA.

PERSONS PURCHASING THE NOTES DESCRIBED IN THIS MEMORANDUM IN A TRANSACTION CONSUMMATED WITHIN THE STATE OF FLORIDA MAY EFFECT A RESCISSION OF THE TRANSACTION WITHIN THREE (3) DAYS FROM THE TIME THAT PAYMENT FOR THE NOTES IS MADE TO THE FUND OR FROM THE DATE OF THEIR RECEIPT OF THIS MEMORANDUM, WHICHEVER IS LATER. UPON THE EVENT OF SUCH RESCISSION, ALL SUBSCRIPTION PROCEEDS DELIVERED SHALL BE RETURNED WITHOUT DEDUCTION OR INTEREST TO THE SUBSCRIBER. ANY SUCH RESCISSION SHOULD BE EFFECTED BY A WRITTEN COMMUNICATION TO THE FUND AT THE ADDRESS SET FORTH IN THE MEMORANDUM SECTION CAPTIONED "SUMMARY".



THE FUND INTENDS TO HONOR THE THREE DAY RESCISSION RIGHT SET FORTH IN THE FOREGOING PARAGRAPH AND ON THE COVER PAGES TO THIS MEMORANDUM, EVEN THOUGH, MOST LIKELY, SUCH THREE DAY RESCISSION RIGHT IS NO LONGER AVAILABLE UNDER THE PROVISIONS OF FIPA IN THE LIGHT OF THE ENACTMENT OF NSMIA.

#### Note Purchases by Foreign Individuals or Entities

As indicated elsewhere in this Memorandum, the Notes may be privately offered and sold to qualified, sophisticated investors who are individuals or entities resident or domiciled in countries other than the United States. The Fund's private Note offering activities may be subject to the securities laws and regulations of any such foreign nations and compliance with respect to such laws and/or regulations will be determined by the Fund on a case-by-case basis.

#### Investment Company Act Matters

The 1940 Act contains a definition of an investment company. Investment companies are commonly described as mutual funds in the securities industry and are known by such term by the public. The 1940 Act regulates the affairs, operations and management of investment companies and the statute is also applicable to other entities which engage, for the most part, in investment holding, disposition and reinvestment in investment securities. The provisions of the 1940 Act, among other things, require that an investment company register as such with the SEC and be governed by the provisions of the 1940 Act and regulations thereunder as exercised by the SEC. The public policy underlying the 1940 Act is intended to protect investors who purchase the securities of investment companies.

The Fund most likely falls within the definitional provisions of the 1940 Act as such relate to an investment company. The Managing Member of the Fund believes, however, that the Fund will not be required to be registered as an investment company under the 1940 Act by virtue of the provisions of Section 3(c)(1) thereof which section provides an exemption from registration for entities otherwise falling within the definition of an investment company but which are not engaged in or contemplating a public offering of securities and the securities of which are held of record and beneficially by 100 or less persons. In order to assure the availability of such exemption, the Notes will not be sold to more than 99 investors, 65 of whom will be required to be Accredited Investors.

#### USE OF PROCEEDS

The amount of Note proceeds which may be received by the Fund as a result of the private offer and sale of the Notes will range from a minimum amount of \$250,000, which will represent a single Increment of Note Proceeds from which will be deducted any placement fees payable to assisting broker-dealers and to the Members, as well as the organizational expenses of the Fund. The

organizational fee payable to Mr. Della Penna, as Managing Member of the Fund and in the amount of 3% of Note proceeds received, may also be deducted. Such charges will be made with respect to each Note Increment which is realized by the Fund and committed to the Fund's Investment trading activity. The gross maximum amount of Note proceeds which may be received by the Fund as a result of the private offer and sale of the Notes is \$5 million.

The Note proceeds which will constitute an Increment will be accumulated in an FDIC insured deposit institution or deposited in an interest bearing account with a securities broker-dealer which is a member of the New York Stock Exchange and SIPC. At the time that Note proceeds with respect to the first and subsequent Increments total the amount of \$250,000 or more, Guy S. Della Penna, as Managing Member of the Fund, will commit such Increment proceeds to the investment activities of the Fund which are described in the Memorandum section captioned "INVESTMENT ACTIVITIES OF THE FUND".

If so determined by the Managing Member, a capitalized interest reserve may be established from Note proceeds equal to 12 months Note Interest (at the Note Interest rate of 5% per annum) with respect to each Increment achieved. During the course of the Note offering, Mr. Della Penna, as the Managing Member, is expected to effect his reimbursement for the organizational costs and fees which he may have advanced and paid. Such organizational costs and fees are anticipated and constituted primarily by legal fees in the approximate amount of \$12,500.

Mr. Della Penna, as Managing Member, together with the non-Managing Member of the Fund, Dr. Ronald T. Hadam, will be responsible for the administration of the affairs of the Fund which will relate, but not necessarily be limited to, record keeping, reports to the Note holders, required regulatory and governmental filings, negotiations with securities broker-dealers as to transactional fees, commissions and costs, the establishment and maintenance of Fund securities trading accounts with one or more securities broker-dealers and other matters. The expenses and costs incurred in connection with such activities will be paid from the Note proceeds and to the extent that Trading Profits are available to the Fund at any time, from such Trading Profits. Accordingly, in order that the Fund have sufficient liquidity to meet such expenses, the Managing Member, together with the assistance of Member Dr. Ronald T. Hadam, is expected to establish cash reserves from each Note proceeds Increment in order to provide for such costs and expenses.

The Fund may also enter into a contractual arrangement whereby one or more service providers, be it affiliates of the Managing Member or third parties who will provide to the Fund computer technology, office space, telephone, reception and other support services on a "turn key" basis. Presently, the Managing Member fully anticipates sources of such support services to be from direct affiliates and an agreement may be consummated during the Note offering and would not be an arm's-length transaction.

## INVESTMENT ACTIVITIES OF THE FUND

### Background

As indicated earlier in this Memorandum, the Fund is being organized pursuant to the provisions of the Florida Limited Liability Company Act. Mr. Della Penna, who is the Managing Member of the Fund, is acting as the promoter of the Fund as that term is used in the Act. Mr. Della Penna is the sole Managing Member of the Fund and Dr. Ronald T. Hadam is the sole non-Managing Member of the Fund. The Fund, in the carrying out of its securities trading activities, will be a non-diversified fund and its investments will be concentrated. The Fund will also be closed end.

The Fund will be formed and capitalized to purchase, sell and deal in equity securities and put/call/straddle/spread option contracts relating to such equity securities, as well as the dealing in indices relating to equity securities which are listed for trading on the major exchanges of the United States, including, without limitation, the New York Stock Exchange ("NYSE"), the American Stock Exchange ("ASE") and the various exchange listing facilities operated by NASDAQ (collectively "NASDAQ"), as well as Federally insured instruments of deposit. The Fund will not at any time during the conduct of its investment activities, deal in the securities of any registered investment company which is registered under the 1940 Act.

The Fund is totally dependent upon the sale of the Notes being privately offered and sold under the auspices of this Memorandum in order to commence its investment activities and Note proceeds will only be committed to such investment activities in increments of \$250,000 less any placement, organizational fees payable to any placement agent and Mr. Della Penna, as well as the organizational expenses of the Fund. The Fund will engage in its investment activities in accordance with the trading methods and system described below with a view to realizing Trading Profits.

In carrying out the investment activities of the Fund, Guy S. Della Penna, as Managing Member, will be rendering investment advice to the Fund. Mr. Della Penna, while having owned, directly and indirectly, Federal and state registered investment advisors in the past, such is not presently the case and he is not registered as an investment advisor under Federal law or the Florida Securities and Investor Protection Act ("FIPA"). Mr. Della Penna believes that he does not meet the threshold requirement necessitating his registration as an investment advisor under the Federal statute, the Investment Advisors Act of 1940. With respect to FIPA, Mr. Della Penna believes that he is exempt from the registration requirements dealing with investment advisors since he does not hold himself out to the general public as an investment advisor and has and will have less than the number of clients requiring registration.

### Investment Activities of the Fund

Utilizing the net proceeds from the limited and private sale of the Notes (invested initially in increments as explained elsewhere in this Memorandum), the Fund is expected to employ an active investment and trading approach which will utilize:

- Index funds which are listed for trading on the nation's major stock exchanges (the NYSE, the ASE and NASDAQ);
- The acquisition, writing and liquidation of put and call contracts for such listed exchange traded index funds ("ETF") and other exchange listed equity securities; and
- The purchase, sale and dealing in other exchange listed equity securities and their options.

The investment approach to be utilized by the Fund as a result of the action of the Managing Member is not a computer driven "trading system". Essentially the investment approach in the Fund's securities trading activities can be considered fundamental and one that utilizes technical tools, along with informational considerations. Mr. Della Penna, in conducting Fund trading, expects to utilize exchange traded funds such as NASDAQ 100 QQQQ's, since such are believed to be well diversified from a fundamental investment perspective, skewed to new technology, "new economy" companies and are actively traded, relatively volatile and liquid. These criteria have resulted in the development of independent research resources, proprietary technical charts, indicators, disciplines, along with an inherent, subjective trading sense on the part of Mr. Della Penna as to market movements upward or downward. Active oversight and management will be employed in the trading activities of the Fund and such will attempt to identify the overall directional moves of markets and the underlying security fund and then positioning the Fund's Investments "in the money, out in time", puts and calls, as well as the spreads and straddles relating to the Investment positions established by the Fund. Such directional trade positions to be established for the Fund will utilize puts or calls on the exchange trading funds and such will be continually monitored in order to determine the appropriateness and timing of putting on a position or positions and/or their liquidation.

In such approach, the Fund may establish contrary or opposite positions by utilizing put or call options contracts on NYSE or NASDAQ listed index funds liquidating a portion of such positions when general market movement (upward or downward) is identified and realized by the Managing Member. Such identification process is highly judgmental, subjective and discretionary and the Managing Member may not accurately identify a market value trend which may be on-going.

The Fund may use index funds and put and call options contracts relating to such funds because index funds may mirror or mimic an entire market performance or direction or a significant segment thereof. One index fund which may be utilized is the Diamond Trust Series I ("DIA") which mirrors and mimics the common stocks comprising the Dow Jones Indices (sometimes called the "Diamonds"). A second index fund which may be utilized will be the NASDAQ 100 Index Tracking Stock ("QQQQ") (sometimes called the "Quad Qs"). The NASDAQ 100 Index Tracking Stock mirrors or mimics the performance of common stock comprising the NASDAQ Index. The Fund may also utilize the Standard and Poors Depository Receipts ("SPY") (sometimes called the "Spiders"). The Fund may also seek investment results which may be inverse to the negative performance of the NASDAQ Index or other referenced indices. The Fund may engage in securities

related to stock indexes and exchange traded funds thereof, but primarily in the option contracts of such securities or exchange traded funds.

Unlike mutual funds which only permit share purchases or sales at the close of a trading day at the most recent net asset value per share, shares of index funds and their related put and call options contracts permit share purchase or sale on what is essentially an instantaneous basis. Such is also the case with respect to put and call options contracts of index fund shares. In the opinion of the Managing Member, these features present an effective means to address volatility and liquidity risks regardless of whether a market trend is upward or downward.

By utilizing this investment approach, the Managing Member believes that the Fund will enhance its ability to realize Trading Profits in both upward and downward market value circumstances. Interested investors should realize that such investment approach may change or be enhanced during the time of its utilization by the Fund and should be viewed as being characterized with flexibility.

In its investment activities as described above, the Fund will incur transactional costs for the purchase and sale of index fund shares and put and call options. The Managing Member, on behalf of the Fund, has or will identify several securities broker-dealers which the Managing Member believes will permit execution of the Fund's purchase and sale transactions at minimal transaction commissions and costs. The Managing Member, on behalf of the Fund, will use these securities broker transaction services on a continuing basis so long as such securities broker-dealers are an appropriate source of minimal transactional costs. The Managing Member will not participate in or receive any portion of such transactional costs.

As indicated in the Memorandum section captioned "PRIOR ACTIVITIES OF THE MANAGING MEMBER", Mr. Della Penna has participated in the capitalization and decision making process with respect to prior fund investment activities. During the recent past, Mr. Della Penna, for his own account and utilizing his own funds, has endeavored to more fully perfect and develop the trading techniques and systems which are intended for the Fund. Upon request of any sophisticated and Accredited interested Note Investor, Mr. Della Penna will provide information with respect to the trading results experienced by Mr. Della Penna. **In examining such results, interested investors should keep in mind that the data reflecting such performance is unaudited and that such performance does not assure in any manner that the Fund's Investment activity will be profitable and losses may occur.**

The Managing Member reserves the right to terminate Fund investment activities at any time and in connection therewith to liquidate and terminate the Fund.

## FUND MANAGEMENT

The Fund is anticipated to be formed under the Florida Limited Liability Company Act during July 2010. The Articles of Organization and the Operating Agreement of the Fund will designate Guy S. Della Penna as the Managing Member of the Fund and Dr. Ronald T. Hadam as the sole non-Managing Member of the Fund. Mr. Della Penna will be responsible for the Investment activities of the Fund and Mr. Della Penna and Dr. Hadam will be jointly responsible for the capitalization and the administration of the daily affairs of the Fund. Purchasers of Notes will not have any management powers with respect to the Fund's activities and its administration.

Mr. Della Penna, age 57, resides in Sarasota, Florida. Mr. Della Penna has been active in the financial industry for over 30 years. Mr. Della Penna, until early 2002, was an associated person of the National Association of Securities Dealers, Inc. (the "NASD") pursuant to its Rules. The NASD has been succeeded by FINRA. In 1989, Mr. Della Penna purchased Executive Securities, Inc., a securities broker-dealer member firm based in Sarasota, Florida as a private investor. In 1999, Executive Securities, Inc. was ultimately combined in a business combination transactions and became FAS Wealth Management Services, Inc. ("FAS"). FAS was a wholly-owned subsidiary of FAS Group, Inc. FAS continued and enlarged the securities brokerage business of Executive Securities, Inc. until such time that it sold substantially all of its assets, client accounts and investment advisory, insurance and affinity marketing affiliates to another NASD member securities broker-dealer. Such sale of certain assets occurred in late 2001. FAS is presently inactive. Mr. Della Penna served as President and Chief Executive Officer of both such entities until 2002 when he resigned such positions. FAS Group, Inc. was and is a holding company which is presently inactive.

As controlling shareholder and investment banker, Mr. Della Penna founded, formed, structured and capitalized various public and private corporate entities and was a control person of such entities, including HomeVestors of America, Inc. ("We Buy Ugly Houses") and DinnerwareDepot.com., among others.

During the period April 1980 to January 1986, Mr. Della Penna served as the Assistant to the Chairman of the Board of Snelling & Snelling, Inc., as well as Assistant Treasurer. Snelling & Snelling, Inc., during such period, was a franchisor of an employee recruitment business franchise. While with such firm, Mr. Della Penna also served as a member of the Executive, Acquisition and Pension and Profit Sharing Committees. Mr. Della Penna also served as the personal business manager and financial advisor to the Snelling family and affiliated entities and in such capacity, was responsible for cash management, tax and investment analysis and commitments.

From 1977 through April 1978, Mr. Della Penna trained in the underwriting and secondary market trading of municipal bonds at Wertheim and Co., Inc. in New York City. During the period April 1978 through February 1980, Mr. Della Penna was an investment banker with Lehman Brothers, New York, New York, where he was involved in the structuring, documentation and marketing of tax exempt bonds issued by state and local governments. Mr. Della Penna holds a

Bachelor of Science degree in Business Administration from Ithaca College, Ithaca, New York, and received a Master of Business Administration degree in Finance from the State University of New York, Albany, New York. He has held the NASD Series 7, 22, 24, 27, 39 and 63 securities licenses. Such securities licenses are no longer active.

Dr. Ronald T. Hadam, age 55, has lived in Florida for 28 years, of which the last 23 years he has resided in Sarasota, Florida. He has been an active investor in equities, bonds, real estate and natural gas. Dr. Hadam graduated from the University of Cincinnati in Cincinnati, Ohio in 1976 and was a Medical Tech at the Cleveland Clinic Foundation from 1975 to 1982. In 1982 to 1983 he did his Post Graduate Surgical Residency in foot and ankle surgery at Westchester General Hospital in Miami, Florida. Since 1984, Dr. Hadam has had a private practice in surgery of the foot and ankle, sports medicine and a general podiatric practice in Bradenton, Florida. In 1987 he was Board Certified in surgery of the foot and ankle by the American Board of Podiatric Surgery and also in 1987 became a Fellow of the American College of Foot Surgeons. Dr. Hadam is and will be the sole non-Managing Member of the Fund. Dr. Hadam will not be active in the day-to-day activities of the Fund.

#### **PRIOR ACTIVITIES OF THE MANAGING MEMBER**

During the past approximate eight years the Managing Member of the Fund, Guy S. Della Penna, has been involved in the formation and capitalization of several private funds which engaged in securities investment and trading activities similar to those intended for the Fund.

Interested sophisticated and Accredited Investors wishing to have further information about such prior funds should make a request for information to Mr. Della Penna. Mr. Della Penna may require written confidentiality undertakings from such requesting investors due to the confidential and private nature of such prior funds.

The results experienced by such prior funds with respect to which investment decisions were made by Mr. Della Penna are not necessarily indicative at all of the results that the Fund will experience if capitalized.

#### **DESCRIPTION OF THE NOTES**

##### **In General**

Solely by means of this Memorandum, the Fund is privately offering to sophisticated and Accredited Investors its 5% Participating Promissory notes which will be offered in maximum principal amount of \$5 million and Note Increment proceeds amounts of \$250,000. Proceeds

received as a result of Note purchases by sophisticated and Accredited Investors will be accumulated and invested in the Fund's Investment activities in such \$250,000 Increments as such proceeds Increments are received by the Fund. Deducted from each Increment will be applicable organizational costs, items of expense reimbursement to the Managing Member and possibly the non-Managing Member, Dr. Hadam, the payment of any placement fees due and the organizational fee attributable to such Increment payable to Guy S. Della Penna as Managing Member. Twenty Note proceeds Increments may be accumulated if the aggregate Note offering amount of \$5 million is privately sold.

The Notes will not be issued under any trust indenture or note agreement and a trustee will not be present who will provide collective representation to the several holders of the Notes anticipated to be outstanding. Accordingly, each Note holder will have to act on his or her own behalf in the event that default in the payment of the principal and Note Interest occurs. The terms of Note issuance provide that any remedies pursued by a Note holder be initiated and conducted in the Circuit Court for the Twelfth Judicial Circuit in and for Sarasota County, Florida.

The Notes, when issued, will represent the general, unsecured obligation of the Fund and will be of equal rank in terms of right of payment with the general creditors of the Fund, as such exist from time to time. No other person or entity, including Guy S. Della Penna and/or Dr. Ronald T. Hadam will be obligated to the Note holders in any respect.

The Note holders are entitled to receive Note Interest charged on the outstanding principal amount of Notes at an annual rate of 5%, which interest will be payable quarterly and will commence and will be calculated with respect to each Note from the date that the Note subscription is accepted by the Managing Member, acting on behalf of the Fund. The Note offering may not be concluded in the entire \$5 million principal amount. Note holders are also entitled to participate in Trading Profits, as such are earned as a result of the investment activities of the Fund. The term "Trading Profits" is defined and explained in the Memorandum section captioned "SUMMARY - Definition of Trading Profits (Losses)". To the extent that adequate Trading Profits are earned, each Note holder will be entitled to participate and receive Additional Interest constituted and sourced by 80% of the Trading Profits which have been realized by the Fund in its investment activities as such Trading Profits are calculated and available at the termination of the Fund's Investment trading activities and after deducting from such Trading Profits the entire principal amount of Notes then outstanding and unpaid. Trading Profits remaining after such allocation and payments to the Note holders, if any, will inure to the benefit of the Fund (and the Managing and non-Managing Member). The Additional Interest will be calculated and paid at Note maturity and may differ with respect to the several holders of Notes outstanding as a result of the investment of Note proceeds in Increments. Such Increment investing activities will occur until the Note offering is concluded and all Note proceeds Increments are integrated into a single investment fund for accounting purposes and the calculation of Trading Profits (Losses).

The term to maturity of each Note to be outstanding will be 18 months calculated from the date that the Note offering is concluded. Accordingly, the actual term to maturity of the Notes is



expected to be more than 18 months since the private Note offering is not required to terminate until January 15, 2011, subject to a one-time 90 day extension. Simple interest with respect to the Note Rate will be calculated on the basis of a 365 day year.

Default on the part of the Fund with respect to the outstanding Notes will only have occurred in the event that the Fund fails to pay Note Interest within 90 days of a Note Interest payment date which is at the end of each calendar quarter commencing with the first calendar quarter subsequent to the conclusion of the Note Offering or failure to pay the principal amount of the Notes when due. Each Note holder's entitlement to Trading Profits is contingent and the failure to earn Trading Profits on the part of the Fund for allocation and distribution to the holders of the Notes as Additional Interest will not constitute an event of default.

#### Nature of Note Issuance

As indicated in "PLAN, TERMS AND NATURE OF THE OFFERING", the Notes will not be registered under the Act or FIPA. The Notes will primarily be offered to sophisticated and Accredited Investors in Florida and other states in which the Notes may be privately offered and sold, as well as to individuals or entities who are residents or domiciled in countries in addition to the United States. In recognition of the restricted circumstances incidental to the private offer and sale of the Notes, the following legend will be affixed to each Note issued to a suitable or Accredited Investor:

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes. Additionally, any proposed sale or transfer of the 5% Participating Promissory Note represented by this Note is subject to the provisions of the Articles of Organization and the Operating Agreement of THE CONTRARIAN FUND, LLC, as amended to date.

#### Transfer Agent

The Fund will act as its own Transfer Agent with respect to Notes which are outstanding. Any proposed transferee of a Note will be required to demonstrate such transferee's suitability as an owner of a Note to the satisfaction of the Managing Member of the Fund.

## FEDERAL INCOME TAX MATTERS

The Managing Member, Guy S. Della Penna, is acting as the promoter of the Fund as such term is defined in the Act. In carrying out such promotional activities, the Managing Member desired to utilize a business entity which would be a non-taxable and "pass through" entity from the standpoint of Federal corporate income tax. In considering the most appropriate entity for the intended business activity of the Fund, the Managing Member considered the limited liability company and limited partnership forms of entities. The limited liability company form of entity was selected since it combines the attributes of being a non-taxable and "pass through" entity from the standpoint of the Internal Revenue Code of 1986, as amended to date (the "Code"), as well as the managerial efficiencies available under the corporate form of business organization. Additionally, the limited liability company form of entity provides limited liability to all members of the entity, including a managing member. The Managing Member is also advised that past action of the Internal Revenue Service (the "Service") with respect to limited liability companies has created a greater degree of certainty as to entity status classification of limited liability companies under the Code.

The Fund should not be viewed by interested Note investors as a "tax shelter". The Fund will be organized to receive the capital represented by the sale of its Notes and will use such capital in the carrying out of its investment activities. The investment activities of the Fund are intended to create Trading Profits. It is expected that Trading Profits will constitute, in large part, ordinary income to the holders of the Notes since the Note holders are entitled to receive the Note Interest at 5% annual rate and Additional Interest which results from the allocations made to the Note holders from Trading Profits after the payment of the outstanding principal amount of the Notes as such exists at the termination of the Fund. The possibility exists that a portion of the Trading Profits allocated to holders of the Notes as Additional Interest may constitute short, mid or long term capital gains or losses to the Note holders. The Managing Member has not sought any professional advice as to this possible treatment and Note holders are encouraged to consult with their own tax advisors.

The basic documents which govern the creation and operation of the Fund are the Articles of Organization and the Operating Agreement. The Articles of Organization are being filed with the Department of State, State of Florida and will name Guy S. Della Penna as the sole Managing Member of the Fund and Dr. Ronald T. Hadam as the sole non-Managing Member of the Fund. Purchasers of Notes will not become Members of the Fund. The Operating Agreement will govern the operations of the Fund.

The Federal income tax treatment of limited partnerships, limited liability companies and individuals (as well as other business entities for profit) is governed by the Code and the current regulations thereunder (the "Regulations").

Status of the Fund. The Managing Member, on behalf of the Fund, has been advised by legal counsel to the Fund that more likely than not the Fund will be recognized as a non-taxable entity

under the Code. Such advisement is informal in nature and the Managing Member will not seek a written opinion of counsel. Also, such advisement is not binding upon the Internal Revenue Service.

The advisement of counsel dealing with the non-taxable status of the Fund and other matters is premised on the assumptions that the Fund has been organized and will operate in the manner described in this Memorandum and will be governed by the Florida Limited Liability Fund Act and the Articles of Organization and Operating Agreement of the Fund.

Under current Regulations, the manner and procedure pursuant to which entity status under the Code is determined eliminated the requirement that an analysis be conducted as to whether the entity in question had more corporate characteristics than not and if so, whether such entity should be classified as an association taxable as a corporation under the Code. Such current Regulations are sometimes referred to as "check-the-box". Under current Regulations, a business entity such as the Fund that is not required to be treated as a corporation is an "eligible entity" that may choose its entity classification. Generally an "eligible entity" is a business entity other than a Federal or state chartered corporation, joint stock company, insurance company, state chartered bank, state owned business entity and certain foreign business entities. Moreover, most "eligible entities" are classified by default as partnerships (pass through entities) if they do not choose to make an election. For example, the default rules set forth in the check-the-box regulations provide that a domestic "eligible entity" will be treated as a partnership (a pass through entity) if it has two or more members and disregarded as an entity separate from its owner if it has a single owner. The Fund intends to make appropriate elections under the check-the-box Regulations in order to assure its status as a partnership (pass through entity) under the Code. Such election will not alter the Fund's status as a limited liability company formed under Chapter 608, Florida Statutes, as amended.

#### Allocations of Trading Profits

The Fund's income will be constituted by Trading Profits which are realized during the course of its existence and will be calculated during the existence of the Fund and at the termination of the Fund. Such Trading Profits will be utilized as the source to pay the Note Interest at the annual rate of 5%. After providing for the complete repayment of the principal amount of Notes then outstanding, the holders of the Notes will be entitled to receive Additional Interest which will be in the amount of the 80% allocation of such remaining Trading Profits as explained in the Memorandum section captioned "SUMMARY". Any Trading Profits remaining after the allocation made to the Note holders will be allocated to the Fund for further allocation between Mr. Della Penna and Dr. Hadam. Cash payments made by the Fund to Note holders and the Managing Member will be representative of repayment of Note principal, Note Interest, Additional Interest and the Fund's (and the Managing Member and non-Managing Member's) entitlement. While, as indicated, a portion of the Trading Profits earned by the Fund may constitute short, mid and long term capital gain, the Managing Member believes that the allocations of Trading Profits as Additional Interest will, most likely, be taxed as ordinary income in the form of interest received by the Note holders. The Fund will provide appropriate information when appropriate or required indicating the character of the Trading Profits which it has experienced. Comprehensive information will be provided to

Note holders at the conclusion of the Fund's investment activities, which will be two years from the date that the Note offering is completed.

Florida Entity Tax. The Fund has been advised that it will not be subject to any Florida corporate tax.

Note Investors Who Are Other Than United States Citizens or Domestic Entities

General. A Note investor not subject to United States taxation will not be subject to United States federal income tax on Note Interest or Additional Interest paid to such Note investor or with respect to gains realized on the sale or other disposition of a Note unless (i) such Note Interest or Additional Interest or gain is effectively connected with the conduct by the Note investor of a U.S. Business (and is attributable to a permanent establishment maintained in the United States by such Note investor, if any applicable income tax treaty so requires as a condition for such Note investor to be subject to United States taxation on a net income basis in respect of income from or gain from the sale of a Note or Notes), in which case the Note investor generally will be subject to tax in respect of such Note Interest or Additional Interest or gains in the same manner as a U.S. Investor, or (ii) in the case of gain realized by an individual Note investor, the Note investor is present in the United States for a specified number of days or more during the taxable year of the sale and certain other conditions are met.

Back-Up Withholding and Information Reporting. In general, information reporting and back-up withholding will not apply to Note Interest and Additional Interest payments (or other taxable distributions) in respect of Notes, although Note investors may be required to establish their exemption from information reporting and back-up withholding by certifying their status on IRS Form W-8 BEN or other applicable Form W-8.

In general, payment of the proceeds from the sale of a Note or Notes to or through a United States office of a broker is subject to both United States back-up withholding and information reporting unless the Note investor or beneficial owner certifies his or its non-U.S. tax status under penalties of perjury or otherwise establishes an exemption. United States information reporting and back-up withholding generally will not apply to a payment made outside the United States if the proceeds of a sale of a Note or Notes through an office outside the United States of a non-U.S. broker. However, U.S. information reporting requirements (but not back-up withholding) will apply to a payment made outside the United States of the proceeds of a sale of a Note or Notes through an office outside the United States of certain brokers, unless the broker has documentary evidence in its files that the Note investor or beneficial owner is not a U.S. Person<sup>1</sup> and certain other conditions are met or the Note investor or beneficial owner otherwise establishes an exemption.

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<sup>1</sup> As utilized in Regulation S as promulgated under the Securities Act of 1933, as amended.

Amounts withheld under the backup withholding rules may be credited against a Note investor's tax liability and a Note investor may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS.

For purposes of the foregoing discussion, a "Note investor" is any beneficial owner of a Note or Notes that is an individual or is treated for U.S. tax purposes as a corporation, estate or trust, and that is not (i) a citizen or resident of the United States, (ii) a corporate or other entity taxable as a corporation created or organized under the laws of the United States or any State, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust, if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decision of the trust or (ii) it was in existence on August 20, 1996 and validly elected to be treated as a United States person thereafter.

THE SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES SET FORTH IN THIS MEMORANDUM IS NOT INTENDED TO BE A COMPLETE SUMMARY OF THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES AND THE CONSEQUENCES RESULTING FROM THE CONDUCT OF THE FUND'S INTENDED ACTIVITIES. SUCH SUMMARY SHOULD NOT BE RELIED ON AS TAX ADVICE. ADDITIONALLY, SUCH SUMMARY DOES NOT TAKE INTO ACCOUNT ANY TAX CONSEQUENCES RESULTING FROM THE IMPOSITION OF FLORIDA OR OTHER STATE LAW OR THE TAXATION LAWS OF ANY FOREIGN JURISDICTION. ACCORDINGLY, INVESTORS SHOULD CONSULT WITH THEIR OWN TAX COUNSEL OR ADVISOR CONCERNING THE TAX ASPECTS OF THE PURCHASE OF A NOTE.

#### ANTI-MONEY LAUNDERING

The following discussion is a summary of the Managing Member's understanding of the Fund's responsibility to assure compliance with that body of statutory law (and regulations promulgated thereunder) and which are commonly referred to as "anti-money laundering" laws.

To ensure compliance with such statutory requirements relating to anti-money laundering and anti-terrorism initiatives, the Managing Member may require verification of identity from all prospective Note investors. Depending on the circumstances of each subscription, it is not normally necessary to obtain full documentary evidence of identity, in particular where a prospective Note investor makes the subscription payment from an account held in its own name in a jurisdiction recognized by the Managing Member, or where a prospective Note investor is introduced by a qualified financial institution. Prospective Note investors who do not make payment for their Notes from an account held in their own name or who are not introduced by a qualified financial institution may be required to provide the documentation described below, as is relevant to their circumstances.

Individual Investors. Individual Note investors may be required to provide a certified copy of their passport or national identity card (with a clear copy of the photograph), a bank reference letter, and verification of address.

Partnerships. Partnerships may be required to produce a mandate or evidence of authority from the partnership authorizing the subscription and conferring authority on those persons executing the subscription agreement, a certified copy of the partnership agreement, certificate of existence and good standing as well as the identities of at least two partners and of all those authorized to issue instructions. The two partners and authorized persons must provide the same information as for individual investors.

Corporations. Corporations that are not quoted on a stock exchange in a jurisdiction recognized by the Managing Member or that are not known to be the subsidiary of such a quoted corporation may be required to provide the original or certified copy of the certificate of incorporation and information as required for individual Note investors on at least two of their directors, an authorized signature list, and a properly authorized resolution of the directors authorizing the subscription and conferring authority on those persons executing the Note subscription agreement.

Private Corporations. Private corporations may be required to provide additional information to that required for corporations, including a list of names and addresses of shareholders holding 10% or more of the issued voting capital stock of the corporation and, in the case of individual shareholders, the same information as required for an individual investor or, if a corporate shareholder, details on that entity until the identities of the beneficial owners holding 10% or more of the voting capital stock of such corporate shareholder are ultimately identified.

Trusts. Trusts may be required to provide a certified copy of the trust deed or other organizing instrument, a certified list of directors of the trustee if the trustee is an entity, with identification of at least two directors, if individuals, they must provide the same information as required for an individual investor and if a corporation the applicable information as noted above together with information on settlors as required for an individual investor.

The Managing Member reserves the right to request such information as is necessary to verify the identity of a subscriber and the underlying prospective beneficial owner of the Notes subscribed to. To ensure compliance with statutory and other requirements relating to money laundering applicable to the Fund, the Managing Member or any of the Fund's other service providers may require verification of identity from any person submitting a completed Note subscription agreement. Pending the provision of evidence satisfactory to the Managing Member as to identity, the evidence of title in respect of Notes subscribed to may be retained at the absolute discretion of the Managing Member. If within a reasonable period of time following a request for verification of identity, the Managing Member has not received evidence satisfactory to it as aforesaid, he may, in his absolute discretion, refuse to issue the Notes subscribed to in which event all subscription proceeds will be returned to the Note subscriber.

The Managing Member also reserves the right to request such information as is necessary to verify the identity of a Note investor and the underlying beneficial owners of an investor's Note or Notes. In the event of delay or failure by the investor to produce any information required for verification purposes, the Managing Member may refuse to accept a Note subscription or may cause the withdrawal of such investor as a Note holder of the Fund. In the event that the Managing Member determines that it is appropriate to effect the withdrawal of any Note holder from the Fund, the Managing Member may suspend the payment of the principal amount of the Note involved, as well as any Note Interest or Additional Interest which has accrued but which is unpaid to such Note holder as of the time of such withdrawal if the Managing Member reasonably deems it necessary in order to assure compliance with statutory and other requirements relating to money laundering matters.

Each Note subscriber will be required to make such representations to the Fund as the Managing Member will require in connection with such anti-money laundering requirements, including, without limitation, representations to the Fund that such Note subscriber is not a prohibited country, territory, individual or entity names on an OFAC list or with whom dealings are prohibited under any OFAC regulations. Such Note subscriber will also be required to represent to the Fund that amounts contributed by it to the Fund were not directly or indirectly derived from activities that may contravene U.S. Federal, state or international laws and regulations, including, without limitation, anti-money laundering and anti-terrorism laws and regulations.

#### REPORTS TO NOTE HOLDERS

The Managing Member will cause the Fund to provide periodic reports to the holders of Notes. Such reports will contain information concerning the investment securities portfolio of the Fund or if the Fund is still investing Note proceeds in Increments, the information will relate to each Increment. The reports will also indicate the amount of Trading Profits (losses) which have been experienced by the Fund in the various Increments and during the period covered by such reports. The expenses of the Fund relating to administration and investing activities will also be included in such reports as will be the items of compensation and reimbursement paid to the Managing Member. As indicated earlier in this Memorandum, the Managing Member is entitled to receive reimbursement for any expenses and costs which he has advanced in connection with the organization and capitalization of the Fund and is also entitled to an organizational fee equal to 3% of gross Note proceeds which the Managing Member may waive. A 3% management fee charged against the market value of the Fund's investment portfolio will also be paid to Mr. Della Penna. Such reports will be unaudited. Upon the conclusion of the Fund's term of existence, an audited financial statement reflecting the Fund's condition will be provided to Note holders.

### SUPPLEMENTAL INFORMATION

The Managing Member, on behalf of the Fund, may deliver to interested investors with this Memorandum supplemental information which is descriptive of the Fund's intended Investment activities and other related matters. Such supplemental information, if any, does not constitute an offer to sell or a solicitation of an offer to purchase the Notes being privately offered by this Memorandum. The offering of the Notes is made only by this Memorandum and to the persons to whom such Memorandum is delivered.



THE CONTRARIAN FUND, LLC

SUBSCRIPTION AGREEMENT  
TO 5% PARTICIPATING PROMISSORY NOTES  
IN MAXIMUM PRINCIPAL AMOUNT OF  
\$5,000,000

EXHIBIT A

**THE CONTRARIAN FUND, LLC**  
(a Florida limited liability company  
in formation and capitalization)

**\$5,000,000 principal amount**  
**5% Participating Promissory Notes**

**SUBSCRIPTION AGREEMENT**  
**TO 5% PARTICIPATING PROMISSORY NOTES**

Guy S. Della Penna, Managing Member of  
THE CONTRARIAN FUND, LLC

Dear Mr. Della Penna:

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated July 15, 2010 with exhibits (the "Memorandum") of THE CONTRARIAN FUND, LLC, a Florida limited liability company in the process of organization and capitalization (the "Fund") relating to the limited offering of 5% Participating Promissory Notes (the "Notes") of the Fund, the intended investment activities of the Fund and other material information. In connection with the undersigned's examination of the Memorandum, the undersigned represents to you as Managing Member of the Fund, Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund and to the Fund that:

1. The undersigned understands that an investment in Notes and the intended investment activities of the Fund are subject to certain risks and other factors beyond the control of the Fund.

2. The undersigned understands that if the undersigned's Note purchase is consummated within the State of Florida, the undersigned has an absolute right to rescind such Note purchase transaction by directing notice to you of such desire to rescind within three (3) days of the undersigned's payment for Notes or his receipt of the Memorandum, whichever last occurs and that, upon such rescission, the undersigned shall receive a full refund of all Note proceeds, without interest, tendered by the undersigned to the Fund, all of which is in accordance with Section 517.061(11)(a)5, Florida Statutes, as amended (the Florida Securities and Investor Protection Act) ("FIPA"). With respect to such right of rescission, the undersigned understands that the Fund intends to honor the provisions of the referenced section, even though it may not be required to do so in accordance with the

provisions of the National Securities Markets Improvement Act of 1996, as described in the Memorandum.

3. The undersigned understands that the Managing Member and the non-Managing Member of the Fund, Dr. Hadam, will be compensated by way of participation in any Trading Profits (as defined in the Memorandum) realized by the Fund from time to time, which Trading Profits are intended to be distributed to the holders of the Notes in the form of Note Interest and Additional Interest (as such terms are defined in the Memorandum), and if Trading Profits exist after such distribution, to the Fund for further allocation among the Managing Member and the non-Managing Member and that the Managing Member and the non-Managing Member may receive placement, organization and management fees as a result of their services rendered to the Fund, all as is more specifically described in the Memorandum.

4. The undersigned understands that the minimum subscription which will be accepted by the Fund is to a principal amount of Notes of \$250,000. Thereafter, sophisticated and Accredited Investors may subscribe to Notes in \$5,000 Increments.

5. The undersigned understands that by virtue of the execution and delivery of this Subscription Agreement will, upon acceptance of such subscription to Notes, become a holder of a Note only and will not become a member of the Fund, the sole members of the Fund being the Managing Member, Guy S. Della Penna and Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund.

6. The undersigned understands and acknowledges that Note subscription proceeds will be utilized in the Investment activities intended to be conducted by the Fund and that Note proceeds will not be committed to such activities except in Increments (as defined in the Memorandum) of \$250,000 and that for a period of time, each Increment of Note proceeds will be separately invested and accounted for and further, that upon the conclusion of the Note offering, the Managing Member is empowered to integrate the various Note proceeds Increments into a single investment fund for accounting purposes and for purposes of calculating Trading Profits (Losses). Pending the utilization of Note proceeds in the investment activities of the Fund in Increments, Note subscription proceeds may be invested on a temporary basis in insured certificates of deposit or other debt securities assuring safety of principal. Deducted from Note proceeds will be any placement fees owing to any placement agent or Dr. Ronald T. Hadam and organizational fees to which the Managing Member is entitled, all as is more fully explained in the Memorandum.

7. The undersigned understands that all of the managerial powers and responsibilities with respect to the conduct of the investment activities of the Fund are vested in you as the Managing Member and that Note holders will not be members of the Fund but will be creditors thereof and as such, will have no rights to participate in the management of the investment activities of the Fund.

In accordance with the terms hereof, the undersigned hereby subscribes to \$ \_\_\_\_\_ principal amount of Notes. With regard to such Note subscription, the undersigned, in accordance with the terms of the Note offering, tenders herewith his check in the aggregate amount of \$ \_\_\_\_\_ to the order of THE CONTRARIAN FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned further represents to the Managing Member, the non-Managing Member and the Fund that the undersigned is acquiring the Notes for his own account, for investment purposes and not with a view to or for resale in connection with any distribution thereof. The undersigned understands that an investment in the Notes will be an illiquid investment and that the undersigned will be required to hold the Notes until Note maturity unless the Notes are earlier paid at the sole option of the Managing Member of the Fund. Additionally, and in connection with the offer and sale of the Notes, the undersigned further represents that the undersigned (a) is experienced in investment and business matters, (b) understands that an investment in the Notes and the holding thereof is subject to risks, and (c) understands that the transfer of such Notes is restricted.

With regard to such transfer restrictions, the undersigned understands that the following endorsement will be affixed on the Notes:

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes.

The undersigned understands that the Notes have not been registered pursuant to the registration requirements of the United States Securities Act of 1933, as amended (the "Act") by reason of exemptions provided by such Act, including but not limited to the exemption provided by Section 4(2) of the Act and by Regulation D and Rule 506 contained therein. Regulation D as well as FIPA allow an issuer offering securities pursuant to Rule 506 and FIPA to exclude from the 35 purchaser limitation purchasers who qualify as "Accredited Investors" as defined in Regulation D and FIPA. The following material describes the qualifications of certain types of Accredited Investors as defined in Rule 501 of Regulation D and FIPA as believed most applicable to the limited and private offering of the Notes. By initialing the line opposite each applicable description, the undersigned represents and warrants to the Fund and the Managing Member that he meets the qualifications described. If none of the descriptions are applicable to the undersigned, no such indication has been made. However, the undersigned is qualified to invest in the Notes of the Fund

by reason of the other information made the subject of the representations set forth elsewhere in this Subscription Agreement.

<u>Initial</u>	<u>Description</u>
_____	1. An individual whose net worth or joint net worth with that of his spouse currently exceeds \$1,000,000 and will continue to exceed \$1,000,000 through the end of the Note offering period as defined in the Memorandum.
_____	2. A natural person whose individual income exceeded \$200,000 in each of the two most recent years and who reasonably expects his individual income to exceed \$200,000 in the current year or who has joint income with such person's spouse in excess of \$300,000 for such years with the reasonable expectation of the continuance of such income in the current year.
_____	3. An entity in which all of the equity owners qualify as accredited investors under one or more of the foregoing descriptions.

If the undersigned Note subscriber is a citizen or an entity resident or domiciled in a country other than the United States, the undersigned has made no indication as to his or its Accredited Investor status but represents to the Managing Member, the Non-Managing Member and the Fund that the undersigned is suitable and qualified to invest in the Notes as a result of the undersigned's business and investment experience.

If the undersigned Note subscriber is a citizen or entity resident or domiciled in a country other than the United States, the undersigned Note subscriber must complete the applicable IRS Form which Forms are:

**Form W-8BEN**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8ben.pdf>

**Instructions for W-8BEN**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8ben.pdf>

**Form W-8ECI**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8eci.pdf>

**Instructions for W-8ECI**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8eci.pdf>

**Form W-8EXP**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8exp.pdf>

**Instructions for Form W-8EXP**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8exp.pdf>

**Form W-8IMY**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8imv.pdf>

**Instructions for W-8IMY**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8imv.pdf>

Such identified IRS Forms are available from the United States Treasury web sites listed above. It should be noted that with respect to Note subscribers subscribing to a Note as either joint tenants with right of survivorship or tenants in common, each individual must sign and complete the appropriate IRS Form.

The undersigned further understands that while the Fund may be an investment company as such term is defined in the Investment Company Act of 1940 (the "1940 Act"), Fund will not be registered as such under the 1940 Act as a result of its reliance on certain exemptive provisions contained therein. Reliance on such exemptive provisions will preclude the Fund from having more than 99 beneficial holders of its Notes, 65 of which holders will be required to be Accredited Investors.

The undersigned subscriber acknowledges that the Managing Member, in connection with the Note subscription governed by this Subscription Agreement, may require the undersigned subscriber to complete and furnish to the Managing Member a questionnaire, which questionnaire may elicit certain information concerning the undersigned subscriber relative to his investment and business experience and other matters. If such questionnaire is required by the Managing Member and provided by the undersigned subscriber to the Managing Member and the Fund, the undersigned subscriber represents and warrants that the information contained in such questionnaire is true and complete in all material respects and does not omit to state any information possibly responsive to any question set forth and contained in the questionnaire.

As explained in the Memorandum section captioned "ANTI-MONEY LAUNDERING", the Managing Member, on behalf of the Fund, may require that Note investors furnish the following documentation:

For Note investors that are entities (corporations, partnerships, limited partnerships, limited liability companies, trusts, etc.), such entities may be required to include two copies of (i) a certificate of incorporation, partnership agreement, limited partnership agreement, limited liability company agreement or other similar document and (ii) a mandate or certificate of authority of such entity authorizing the Note subscription such as a certified resolution that includes naming authorized signatories derived from an authorized signatory list;

2. For investors that are individuals, such investors may be required to include two copies of (i) a passport with picture page; (ii) a recent utility bill (other than a mobile phone bill) verifying the Note investor's current address; and (iii) a reference letter from a bank with which the individual has a current relationship for at least two years or from a respected professional;
3. For investors that are trusts, such trust may be required to provide identification identifying each of the trustees of such trust and the settlor(s) of such trust as appropriate for entities or individuals, as applicable, and as set forth in items 1 and 2 above.

Note investors may be requested to furnish other or additional documentation evidencing the authority to invest in the Notes of the Fund.

The undersigned acknowledges that counterparts of this Subscription Agreement may be received by the Fund from other Note subscribers and that such counterparts may constitute a single, completed Agreement between the Fund, the undersigned and such other Note subscribers.

This Subscription Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and shall be binding upon the successors, assigns, heirs and personal representatives of the Managing Member, the Fund and the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on the \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

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Subscriber

---

Title (if Entity)

---

Social Security Number or  
Employer Identification Number

**ISSUE INSTRUCTIONS** (Please Print)

1. SUBSCRIBER \_\_\_\_\_
2. SUBSCRIBE \_\_\_\_\_
3. ADDRESS \_\_\_\_\_
4. CITY, STATE & ZIP CODE \_\_\_\_\_
5. HOME PHONE \_\_\_\_\_ BUSINESS PHONE \_\_\_\_\_

**INSTRUCTIONS TO THE CONTRARIAN FUND, LLC:**

Please issue the 5% Participating Promissory Notes::

- \_\_\_\_\_ Individually to the name on line \_\_\_\_\_;
- \_\_\_\_\_ Both names on Lines 1 and 2 as \_\_\_\_\_ JOINT TENANTS with right of survivorship;
- \_\_\_\_\_ TENANTS IN COMMON;
- \_\_\_\_\_ TENANTS BY THE ENTIRETIES;
- \_\_\_\_\_ or otherwise \_\_\_\_\_.

**PLEASE COMPLETE IF APPLICABLE:**

In determining to invest in the Notes of the Fund, the advisory services of the following were utilized:

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

OCCUPATION: \_\_\_\_\_

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by Guy S. Della Penna, the Managing Member of THE CONTRARIAN FUND, LLC.

THE CONTRARIAN FUND, LLC

By \_\_\_\_\_  
Guy S. Della Penna, its Managing Member



THE CONTRARIAN FUND, LLC

FORM OF 5% PARTICIPATING PROMISSORY NOTES

EXHIBIT B

EXHIBIT B

FORM OF 5% PARTICIPATING PROMISSORY NOTE

NO. \_\_\_\_\_

**THE CONTRARIAN FUND, LLC**  
**(a Florida limited liability company**  
**in formation and capitalization)**  
**5% PARTICIPATING PROMISSORY NOTES**  
**\$5,000,000 MAXIMUM PRINCIPAL AMOUNT**

This Note evidences the obligation of THE CONTRARIAN FUND, LLC (the "Fund") to pay to \_\_\_\_\_ ("Payee") the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) together with interest thereon at the annual rate of 5% (the "Note Interest"). The principal sum of this Note shall be due and payable on a date which is 18 months from the conclusion of the limited and private offering of the 5% Participating Promissory Notes of the Fund (the "Notes") which is solely made by the Private Offering Memorandum of the Fund dated July 15, 2010 (the "Memorandum"). The Payee shall be promptly advised as to the maturity date of this Note upon the completion of the limited and private offering of the Notes as provided in the Memorandum. The Note Interest shall commence to accrue on this Note on the date that the Note subscription made by a Note purchaser is accepted by the Managing Member of the Fund and shall be paid to the Payee on a calendar quarter basis, with the first calendar quarter Note interest being possibly less than a full calendar quarter Note Interest amount. The Payee shall also be entitled to receive Additional Interest which shall be allocated from the Trading Profits, as such are earned by the Fund during its term. Additional Interest and Trading Profits are defined terms, with such definitions being set forth in the Memorandum and such definitions are specifically incorporated in this Note. Any Additional Interest to which the Payee of this Note may be entitled shall be determined and paid in the manner set forth in the Memorandum. The proceeds received by the Fund as a result of the issuance of this Note may be invested by the Fund in Increments, all as is more fully explained in the Memorandum.

The principal obligation and the obligation of the Fund to pay the Note Interest represent unsecured obligations of the Fund equal to the obligations of the Fund owing to its general creditors. This Note and other Notes of like kind are not being issued pursuant to the provisions of a trust indenture or note agreement. The Fund will only have defaulted with respect to its obligation under this Note and all Notes of like kind in the event that it fails to pay the principal obligation of this Note when due or fails to pay Note Interest at the times when such Note Interest has accrued and is payable. Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. Any action taken by the Payee of this Note and holders of like Notes shall be undertaken by such Payee on an individual basis for such holders and venue and jurisdiction of such action shall be vested in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida.

The Fund shall establish and maintain a register which shall reflect the record Payees of all Notes which have been issued by the Fund which are of this single series. The Managing Member of the Fund shall only be required to refer to such Note registry in order to determine such record ownership. Any proposed transfer which is permitted under the terms of issuance of the Notes must be reflected in such register in order that the transferee of a Payee to be recognized by the Fund as a record owner of a Note. It shall be the sole responsibility of the Payee to advise the Managing Members of the Fund of any change in record ownership of a Note.

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note instrument have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes.

This Note is made and executed at \_\_\_\_\_, Florida this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

THE CONTRARIAN FUND, LLC

By \_\_\_\_\_  
Guy S. Della Penna, its Managing Member

READ AND APPROVED June 8/16/2010 PAGES 1 TO 7 INCLUSIVE

NO. 1600

**THE CONTRARIAN FUND, LLC**  
(a Florida limited liability company  
in formation and capitalization)

**\$5,000,000 principal amount**  
**5% Participating Promissory Notes**

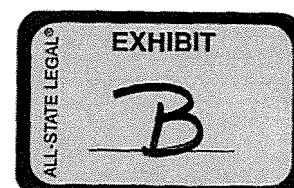
**SUBSCRIPTION AGREEMENT**  
**TO 5% PARTICIPATING PROMISSORY NOTES**

Guy S. Della Penna, Managing Member of  
THE CONTRARIAN FUND, LLC

Dear Mr. Della Penna:

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated July 15, 2010 with exhibits (the "Memorandum") of THE CONTRARIAN FUND, LLC, a Florida limited liability company in the process of organization and capitalization (the "Fund") relating to the limited offering of 5% Participating Promissory Notes (the "Notes") of the Fund, the intended Investment activities of the Fund and other material information. In connection with the undersigned's examination of the Memorandum, the undersigned represents to you as Managing Member of the Fund, Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund and to the Fund that:

1. The undersigned understands that an investment in Notes and the intended investment activities of the Fund are subject to certain risks and other factors beyond the control of the Fund.
2. The undersigned understands that if the undersigned's Note purchase is consummated within the State of Florida, the undersigned has an absolute right to rescind such Note purchase transaction by directing notice to you of such desire to rescind within three (3) days of the undersigned's payment for Notes or his receipt of the Memorandum, whichever last occurs and that, upon such rescission, the undersigned shall receive a full refund of all Note proceeds, without interest, tendered by the undersigned to the Fund, all of which is in accordance with Section 517.061(11)(a)5, Florida Statutes, as amended (the Florida Securities and Investor Protection Act) ("FIPA"). With respect to such right of rescission, the undersigned understands that the Fund intends to honor the provisions of the referenced section, even though it may not be required to do so in accordance with the



provisions of the National Securities Markets Improvement Act of 1996, as described in the Memorandum.

3. The undersigned understands that the Managing Member and the non-Managing Member of the Fund, Dr. Hadam, will be compensated by way of participation in any Trading Profits (as defined in the Memorandum) realized by the Fund from time to time, which Trading Profits are intended to be distributed to the holders of the Notes in the form of Note Interest and Additional Interest (as such terms are defined in the Memorandum), and if Trading Profits exist after such distribution, to the Fund for further allocation among the Managing Member and the non-Managing Member and that the Managing Member and the non-Managing Member may receive placement, organization and management fees as a result of their services rendered to the Fund, all as is more specifically described in the Memorandum.

4. The undersigned understands that the minimum subscription which will be accepted by the Fund is to a principal amount of Notes of \$250,000. Thereafter, sophisticated and Accredited Investors may subscribe to Notes in \$5,000 increments.

5. The undersigned understands that by virtue of the execution and delivery of this Subscription Agreement will, upon acceptance of such subscription to Notes, become a holder of a Note only and will not become a member of the Fund, the sole members of the Fund being the Managing Member, Guy S. Della Penna and Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund.

6. The undersigned understands and acknowledges that Note subscription proceeds will be utilized in the investment activities intended to be conducted by the Fund and that Note proceeds will not be committed to such activities except in increments (as defined in the Memorandum) of \$250,000 and that for a period of time, each increment of Note proceeds will be separately invested and accounted for and further, that upon the conclusion of the Note offering, the Managing Member is empowered to integrate the various Note proceeds increments into a single investment fund for accounting purposes and for purposes of calculating Trading Profits (Losses). Pending the utilization of Note proceeds in the investment activities of the Fund in increments, Note subscription proceeds may be invested on a temporary basis in insured certificates of deposit or other debt securities assuring safety of principal. Deducted from Note proceeds will be any placement fees owing to any placement agent or Dr. Ronald T. Hadam and organizational fees to which the Managing Member is entitled, all as is more fully explained in the Memorandum.

7. The undersigned understands that all of the managerial powers and responsibilities with respect to the conduct of the investment activities of the Fund are vested in you as the Managing Member and that Note holders will not be members of the Fund but will be creditors thereof and as such, will have no rights to participate in the management of the investment activities of the Fund.



In accordance with the terms hereof, the undersigned hereby subscribes to \$ 215,000.00 <sup>72x</sup> principal amount of Notes. With regard to such Note subscription, the undersigned, in accordance with the terms of the Note offering, tenders herewith his check in the aggregate amount of \$ 215,000.00 <sup>72x</sup> to the order of THE CONTRARIAN FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned further represents to the Managing Member, the non-Managing Member and the Fund that the undersigned is acquiring the Notes for his own account, for investment purposes and not with a view to or for resale in connection with any distribution thereof. The undersigned understands that an investment in the Notes will be an illiquid investment and that the undersigned will be required to hold the Notes until Note maturity unless the Notes are earlier paid at the sole option of the Managing Member of the Fund. Additionally, and in connection with the offer and sale of the Notes, the undersigned further represents that the undersigned (a) is experienced in investment and business matters, (b) understands that an investment in the Notes and the holding thereof is subject to risks, and (c) understands that the transfer of such Notes is restricted.

With regard to such transfer restrictions, the undersigned understands that the following endorsement will be affixed on the Notes:

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes.

The undersigned understands that the Notes have not been registered pursuant to the registration requirements of the United States Securities Act of 1933, as amended (the "Act") by reason of exemptions provided by such Act, including but not limited to the exemption provided by Section 4(2) of the Act and by Regulation D and Rule 506 contained therein. Regulation D as well as FIPA allow an issuer offering securities pursuant to Rule 506 and FIPA to exclude from the 35 purchaser limitation purchasers who qualify as "Accredited Investors" as defined in Regulation D and FIPA. The following material describes the qualifications of certain types of Accredited Investors as defined in Rule 501 of Regulation D and FIPA as believed most applicable to the limited and private offering of the Notes. By initialing the line opposite each applicable description, the undersigned represents and warrants to the Fund and the Managing Member that he meets the qualifications described. If none of the descriptions are applicable to the undersigned, no such indication has been made. However, the undersigned is qualified to invest in the Notes of the Fund



by reason of the other information made the subject of the representations set forth elsewhere in this Subscription Agreement.

<u>Initial</u>	<u>Description</u>
<u>8</u>	1. An individual whose net worth or joint net worth with that of his spouse currently exceeds \$1,000,000 and will continue to exceed \$1,000,000 through the end of the Note offering period as defined in the Memorandum.
_____	2. A natural person whose individual income exceeded \$200,000 in each of the two most recent years and who reasonably expects his individual income to exceed \$200,000 in the current year or who has joint income with such person's spouse in excess of \$300,000 for such years with the reasonable expectation of the continuance of such income in the current year.
_____	3. An entity in which all of the equity owners qualify as accredited investors under one or more of the foregoing descriptions.

If the undersigned Note subscriber is a citizen or an entity resident or domiciled in a country other than the United States, the undersigned has made no indication as to his or its Accredited Investor status but represents to the Managing Member, the Non-Managing Member and the Fund that the undersigned is suitable and qualified to invest in the Notes as a result of the undersigned's business and investment experience.

If the undersigned Note subscriber is a citizen or entity resident or domiciled in a country other than the United States, the undersigned Note subscriber must complete the applicable IRS Form which Forms are:

**Form W-8BEN**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8ben.pdf>

**Instructions for W-8BEN**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8ben.pdf>

**Form W-8ECI**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8eci.pdf>

**Instructions for W-8ECI**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8eci.pdf>

**Form W-8EXP**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8exp.pdf>

**Instructions for Form W-8EXP**

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<http://www.irs.ustreas.gov/pub/irs-pdf/jw8exp.pdf>

**Form W-8IMY**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8imy.pdf>

**Instructions for W-8IMY**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8imy.pdf>

Such identified IRS Forms are available from the United States Treasury web sites listed above. It should be noted that with respect to Note subscribers subscribing to a Note as either joint tenants with right of survivorship or tenants in common, each individual must sign and complete the appropriate IRS Form.

The undersigned further understands that while the Fund may be an investment company as such term is defined in the Investment Company Act of 1940 (the "1940 Act"), Fund will not be registered as such under the 1940 Act as a result of its reliance on certain exemptive provisions contained therein. Reliance on such exemptive provisions will preclude the Fund from having more than 99 beneficial holders of its Notes, 65 of which holders will be required to be Accredited Investors.

The undersigned subscriber acknowledges that the Managing Member, in connection with the Note subscription governed by this Subscription Agreement, may require the undersigned subscriber to complete and furnish to the Managing Member a questionnaire, which questionnaire may elicit certain information concerning the undersigned subscriber relative to his investment and business experience and other matters. If such questionnaire is required by the Managing Member and provided by the undersigned subscriber to the Managing Member and the Fund, the undersigned subscriber represents and warrants that the information contained in such questionnaire is true and complete in all material respects and does not omit to state any information possibly responsive to any question set forth and contained in the questionnaire.

As explained in the Memorandum section captioned "ANTI-MONEY LAUNDERING", the Managing Member, on behalf of the Fund, may require that Note investors furnish the following documentation:

1. For Note investors that are entities (corporations, partnerships, limited partnerships, limited liability companies, trusts, etc.), such entities may be required to include two copies of (i) a certificate of incorporation, partnership agreement, limited partnership agreement, limited liability company agreement or other similar document and (ii) a mandate or certificate of authority of such entity authorizing the Note subscription such as a certified resolution that includes naming authorized signatories derived from an authorized signatory list;



2. For investors that are individuals, such investors may be required to include two copies of (i) a passport with picture page; (ii) a recent utility bill (other than a mobile phone bill) verifying the Note investor's current address; and (iii) a reference letter from a bank with which the individual has a current relationship for at least two years or from a respected professional;
3. For investors that are trusts, such trust may be required to provide identification identifying each of the trustees of such trust and the settlor(s) of such trust as appropriate for entities or individuals, as applicable, and as set forth in items 1 and 2 above.

Note investors may be requested to furnish other or additional documentation evidencing the authority to invest in the Notes of the Fund. —

The undersigned acknowledges that counterparts of this Subscription Agreement may be received by the Fund from other Note subscribers and that such counterparts may constitute a single, completed Agreement between the Fund, the undersigned and such other Note subscribers.

This Subscription Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and shall be binding upon the successors, assigns, heirs and personal representatives of the Managing Member, the Fund and the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

*[Handwritten Signature]* 8/16/2010

**ENTRUST OF TAMPA BAY, LLC FBO:**

Conrad Penner IRA# [REDACTED]  
Subscriber

*[Handwritten Signature]*  
Title (if Entity)

[REDACTED]  
Security Number or  
Employer Identification Number

**ISSUE INSTRUCTIONS (Please Print)**

- 1. SUBSCRIBER TRUST OF TAMPA BAY LLC FBO CONRAD LEE PENNER
- 2. SUBSCRIBER \_\_\_\_\_
- 3. ADDRESS \_\_\_\_\_
- 4. CITY, STATE & ZIP CODE \_\_\_\_\_
- 5. HOME PHONE \_\_\_\_\_ PHONE \_\_\_\_\_

**INSTRUCTIONS TO THE CONTRARIAN FUND, LLC:**

Please issue the 5% Participating Promissory Notes::

- \_\_\_\_\_ Individually to the name on line \_\_\_\_\_;
- \_\_\_\_\_ Both names on Lines 1 and 2 as \_\_\_\_\_ JOINT TENANTS with right of survivorship;
- \_\_\_\_\_ TENANTS IN COMMON;
- \_\_\_\_\_ TENANTS BY THE ENTIRETIES;
- or otherwise

**PLEASE COMPLETE IF APPLICABLE:**

In determining to invest in the Notes of the Fund, the advisory services of the following were utilized:

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
\_\_\_\_\_

OCCUPATION: \_\_\_\_\_

Accepted this 16<sup>th</sup> day of August, 20 10 by Guy S. Della Penna, the Managing Member of THE CONTRARIAN FUND, LLC.

THE CONTRARIAN FUND, LLC

By Guy S. Della Penna, its Managing Member  
Guy S. Della Penna, its Managing Member

# THE CONTRARIAN FUND, LLC

---

November 12, 2010

Mr. Conrad Penner  
[REDACTED]  
[REDACTED]

Dear Conrad:

Enclosed please find a copy of your investment in The Contrarian Fund, LLC as evidenced by an executed note agreement. In some instances these notes have been made to the order of specific retirement account administrators and/or trustees if they are within a retirement account. Otherwise, they are made to individuals and/or joint accounts as designated. Please put these documents in safekeeping.

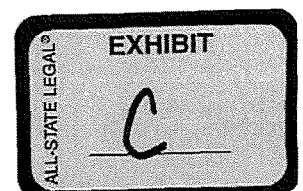
Your participation is sincerely appreciated and we look forward to a successful program. Should you have any questions or otherwise, please feel free to call the undersigned at 941-350-0919.

Very truly yours,



Guy S. Della Penna  
Managing Member

Enclosure



**EXHIBIT B**

**FORM OF 5% PARTICIPATING PROMISSORY NOTE**

**NO. 16**

**THE CONTRARIAN FUND, LLC  
(a Florida limited liability company  
in formation and capitalization)  
5% PARTICIPATING PROMISSORY NOTES  
\$5,000,000 MAXIMUM PRINCIPAL AMOUNT**

This Note evidences the obligation of THE CONTRARIAN FUND, LLC (the "Fund") to pay to **ENTRUST OF TAMPA BAY LLC FBO CONRAD LEE PENNER IRA # 08-3084** ("Payee") the principal sum of **TWO HUNDRED FIFTEEN THOUSAND DOLLARS (\$215,000.00)** together with interest thereon at the annual rate of 5% (the "Note Interest"). The principal sum of this Note shall be due and payable on a date which is 18 months from the conclusion of the limited and private offering of the 5% Participating Promissory Notes of the Fund (the "Notes") which is solely made by the Private Offering Memorandum of the Fund dated July 15, 2010 (the "Memorandum"). The Payee shall be promptly advised as to the maturity date of this Note upon the completion of the limited and private offering of the Notes as provided in the Memorandum. The Note Interest shall commence to accrue on this Note on the date that the Note subscription made by a Note purchaser is accepted by the Managing Member of the Fund and shall be paid to the Payee on a calendar quarter basis, with the first calendar quarter Note interest being possibly less than a full calendar quarter Note Interest amount. The Payee shall also be entitled to receive Additional Interest which shall be allocated from the Trading Profits, as such are earned by the Fund during its term. Additional Interest and Trading Profits are defined terms, with such definitions being set forth in the Memorandum and such definitions are specifically incorporated in this Note. Any Additional Interest to which the Payee of this Note may be entitled shall be determined and paid in the manner set forth in the Memorandum. The proceeds received by the Fund as a result of the issuance of this Note may be invested by the Fund in Increments, all as is more fully explained in the Memorandum.

The principal obligation and the obligation of the Fund to pay the Note Interest represent unsecured obligations of the Fund equal to the obligations of the Fund owing to its general creditors. This Note and other Notes of like kind are not being issued pursuant to the provisions of a trust indenture or note agreement. The Fund will only have defaulted with respect to its obligation under this Note and all Notes of like kind in the event that it fails to pay the principal obligation of this Note when due or fails to pay Note Interest at the times when such Note Interest has accrued and is payable. Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. Any action taken by the Payee of this Note and holders of like Notes shall be undertaken by such Payee on an individual basis for such holders and venue and jurisdiction of such action shall be vested in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida.

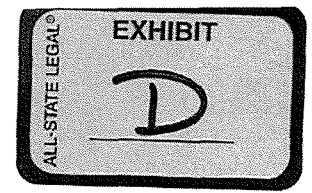
The Fund shall establish and maintain a register which shall reflect the record Payees of all Notes which have been issued by the Fund which are of this single series. The Managing Member of the Fund shall only be required to refer to such Note registry in order to determine such record ownership. Any proposed transfer which is permitted under the terms of issuance of the Notes must be reflected in such register in order that the transferee of a Payee to be recognized by the Fund as a record owner of a Note. It shall be the sole responsibility of the Payee to advise the Managing Members of the Fund of any change in record ownership of a Note.

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note instrument have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes.

This Note is made and executed at SARASOTA, Florida this 2<sup>ND</sup> day of SEPTEMBER, 2010.

THE CONTRARIAN FUND, LLC

By Guy S. Della Penna, Managing Member  
Guy S. Della Penna, its Managing Member



## THE CONTRARIAN FUND, LLC

October 17, 2012

Conrad Penner  
Conrad Penner IRA # [REDACTED]

Dear Conrad:

It has been one of the most interesting periods of time in our history with all that has transpired and continues to develop. The challenges which are being faced by not only our country but the world as a whole, have certainly dramatically changed the environment in which we make decisions. We are experiencing unprecedented changes in the Eurozone, China, and the United States and of course, other nations throughout the world. It is interesting to observe that we are so interconnected now as our relationships on an economic, political and social basis have become irreversibly interlinked.

Over the past six months, our economy has begun to slow again and we are facing an election which optimistically will show a change of cooperation between our leaders in Washington, DC. The Federal Reserve has initiated quantitative easing to a point of essentially being open-ended in purchasing government and mortgage backed securities and in turn, is effectively funding our fiscal debt being incurred at approximately one trillion dollars per year. Historically, albeit perhaps temporary this has been an effective alternative to the policies instituted during the Great Depression. However, we are in uncharted territories and one end result will eventually be rampant inflation or tremendous deflation. Deflation, as we have seen in the housing market and in other markets such as the stock market during the tech era bubble bust during other incidences of deflation is of great concern to our government. However, the only increase in inflation currently that seems apparent on a daily basis, is the price of gas and the price of food. In my opinion, the only resolution is dramatic structural changes in our federal government in terms of its efficiency, the economics and restructuring or elimination of certain programs, the "realignment" of our Tax Code as well as halting the flood of liquidity, certain regulations and narrowing of our budget and trade imbalances. I certainly cannot even begin believing that I have full knowledge of solutions to all of our problems, but from a macro standpoint I believe that getting our fiscal house in order as a country is a start. I also believe that in our future there will be tremendous pain in different sectors of our economy and that the Great Recession will continue in some forums for years to come. The massive amounts of debt, a declining youthful population to support our older population, and the restructuring of our economy in terms of job opportunities and geographical mobility are just some of the basic demographic issues which make our challenges that much more daunting. With regards to China, as Europe and the United States being the two largest import markets for Chinese goods, they have experienced 11 consecutive months of decline in their manufacturing base. The Eurozone is in disarray and one only needs to listen to the news or read written reports as to the situation there. Again, a concern that I have is that the Fed is continuing the quantitative easing for our own domestic debt financings, and thus the fiscal issues will not be addressed constructively because of again, the "conflicts" that seem to continue to occur within Washington. The ultimate result could be financial calamity and social unrest. Please keep in mind that I am not trying to be a doomsday type of prognosticator, but I think as a whole, our policy

makers as it has been said repeatedly, kicked the proverbial can down the road and now it is coming up against the wall.

I have heard from so many of you that there is a sense of unease in this current environment as to what one does to minimize their exposure from a financial standpoint whether it be investments, mortgages, expenditures and personal planning. I want you to know that I am very sensitive to your needs and always willing to help in any way of which I may be able. The Fund has essentially been flat for the last five to six months due to a change in how normal markets operate such as the "sell in May and go away". The market did sell off slightly in June and then rebounded again, shortly thereafter. Typically, September is the worse month of the year but remained relatively elevated. So the old rules and correlations can and do change.

When I first went to Wall Street approximately 35 years ago as a fixed income investment banker the environment was such that when money supply increased it was considered inflationary and if one can recall the era of high inflation and high interest rates, this was detrimental for the stock market. We then did a 180 degree turn and it now appears that the more money supply and available capital in the marketplace may be a continuum of a bullish move in the stock markets. This has worked primarily through the first two Federal Reserve quantitative easing programs but this latest one has not necessarily followed suit. Another observation is that aside from the Federal Reserve not only subsidizing or allowing our fiscal house not to be put back in order by buying all of the Treasury securities to support our monthly deficits, but that if something were to happen geopolitically, say for example an Israeli-Iranian conflict or another 9/11 incident and/or cyber-attack, I am unsure as to how the government could respond from a financial perspective. The end result of such a conflict may perhaps be one of worldwide terrorism and prices of oil escalating along with a major economic impact and a general sense of lost confidence internationally.

I believe that it is important to be diligent and vigilant in these markets. I want to reiterate that there is a time to be invested or to seek taking advantage of opportunities and times to be in cash. Active management, essentially on a daily basis is critical, in my opinion and the next six to nine months will be extraordinary times. Having heard of similar concerns from most of you, it has been determined that the end date of the Fund will be on or before June 30, 2013. The reasoning is that we are moving into again uncharted waters and regardless of who gets elected as our President and with the concerns of who will dominate our representation in Congress, we have some very difficult challenges ahead.

There have been other inquiries as to the expiring of the Bush era tax cuts and perhaps an increase in the capital gains tax, etc. I wanted to let you know that in our Funds, that particular change in tax policy will have no effect in terms of capital gains. Distributions, whether they be in the form of interest and/or profits are essentially short-term and continue their flow-through characteristics as short term gains and/or ordinary income. In retirement accounts, this is not an issue as we know that retirement vehicles are tax deferred in terms of any income whether it be interest, dividends or capital gain. From a personal perspective, one may be concerned about an increase in income tax rates but that should not necessarily be a driving force in one's investment decisions. Therefore, we will reassess as we approach June 30, 2013 as to where markets are and to where one might expect the directions of the trends to be moving and reassess our positions. Upon conclusion of the Funds, I will work personally with each individual, if so desired, to assist re-allocations of their portfolio(s) whereby they could perhaps be liquid, income producing and insulated to some degree to any perceived downside or potential upside at that time from any market turbulence and the worldwide economic outlook, in general. I am always available for any questions or

comments and I look forward to hearing from you from time to time as I learn from you and in addition, I do enjoy educating each of you as to my perceptions through the research that we purchase, read, and the network of people active in the market with whom I confer.

I am enclosing a supplement just to notice each of you per what has been indicated to me that you acknowledge that the Fund is to be terminated by June 30, 2013. There are two copies one which is for your file and one is for your signature(s) to be returned in the pre-addressed stamped envelope which is enclosed. I am also including some recent research commentaries for your reference.

For your information, the implied accrued value of your investment through September 30, 2012 is \$257,513.50 which represents an approximate percentage return of 19.7% from the date of your investment. Again, as mentioned in prior correspondence, retirement accounts are based on an accrual basis. In taxable accounts, there have been distributions as you know on a quarterly periodic basis. Upon the conclusion of the Fund, we seek the return of principal and any additional accrued profits net of fees and costs, accordingly.

Again, I encourage you to call me at 941-350-0919 should you have any questions whatsoever, whether it is in regards to the Fund, its activities or other investment alternatives through a third party or otherwise.

As the times remain challenging, yet exciting, I continue to diligently monitor these markets for you and sincerely appreciate the opportunity to be of assistance and service to you.

Very truly yours,



Guy S. De la Penna  
Managing Member

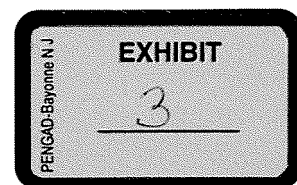
Enclosures



## DECLARATION OF A. LOUIS PARKER

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Louis Parker. I am over twenty-one years of age and have personal knowledge of the matters set forth herein. I reside at [REDACTED].
2. I met Gaeton "Guy" Della Penna at church in or around November 2010 and we became friends. He told me about his experience in investing and said he wanted to help me with my investments. Della Penna told me about a fund he operated called The Contrarian Fund, LLC, that traded options in the QQQ market. He said that he already had \$4 million in his fund and that the fund would close once he received \$5 million in investments. Della Penna told me that the minimum investment was \$250,000 for an 18 month period.
3. Della Penna said that I would receive a 5% annual return on my investment, to be paid quarterly, and that my expected profit after the 5% annual return would be 20% to 30% annually. Della Penna gave me a private offering memorandum for the Contrarian Fund, a copy of which is attached as Exhibit A.
4. Della Penna also gave me some profit and loss statements, which he said represented profits that he made in the past through trading options in the QQQ market. Copies of the profit and loss statements I got from Della Penna are attached as Exhibit B.
5. In March 2011, I decided to invest \$250,000 in the Contrarian Fund and signed a subscription agreement for my investment in the fund, a copy of which is attached as Exhibit C. A short time later, I received a letter from the Contrarian Fund signed by Della Penna, along with a signed promissory note in the name of the "A. Louis Parker Revocable Living Trust", copies of which are attached as Exhibit D.
6. After investing with the Contrarian Fund, I began receiving dividend check of 5% each quarter along with a letter from the fund that included my rate of return for the quarter or the



current market value of my investment. Copies of these letters are attached as Composite Exhibit E.

7. In or around December 2012, Della Penna convinced me to extend my investment in the Contrarian Fund for another six months. He said that many of his investors were extending their investments because the market was doing well. In June 2013, I decided to cash out of the Contrarian Fund and received a check from the fund for \$289,531.28.

8. In October 2013, Della Penna asked me if I wanted to invest again with the Contrarian Fund. He reminded me how well I had done investing with him in the past and told me that I could do a short term investment until March 2014. Based on this, I decided to invest \$250,000 again with the Contrarian Fund. In October 2013, I signed a "Supplement to the Private Offering Memorandum," a copy of which is attached as Exhibit F.

9. A few weeks later, after I was contacted by the U.S. Secret Service about Della Penna, I asked him for my money back. At first, Della Penna said that he would try to cash me out of the fund early. However, he told me later that his lawyer advised him that if he cashed out before the end date of my investment, he would have to make an early cash-out option available to all investors. Again, I told Della Penna that I wanted him to cash me out of the Contrarian Fund and that I would like my money back by Christmas. He replied that he had friends in the New York area that could possibly buy me out of the fund. About a week or so later, I contacted

Della Penna again about getting my money back, but he continued to make excuses for why he could not cash out my investment at this time. To date, I have not received my money back from Della Penna.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.



A. Louis Parker

Executed on this 17 day of January 2014.

\* Mr. Della Penna informed me by text on Jan 8, 2014 that I would not be receiving my scheduled 5% <sup>quarterly</sup> dividend because the account is frozen.



## PRIVATE OFFERING MEMORANDUM

**THE CONTRARIAN FUND, LLC**  
**(a Florida limited liability company**  
**in formation and capitalization)**

**\$5,000,000 principal amount**  
**5% Participating Promissory Notes**

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THE CONTRARIAN FUND, LLC (the "Fund") is a limited liability company 2010 under the Florida Limited Liability Company Act. The Managing Member of the Fund is S. Della Penna who resides in Sarasota, Florida. Mr. Della Penna will be responsible for the day to day management of the investment activities of the Fund as described in this Private Offering Memorandum (the "Memorandum"). Dr. Ronald T. Hadam, who also resides in Sarasota, Florida, is a non-Managing Member of the Fund.

The Fund is privately offering to suitable, sophisticated and Accredited Investors 5% Participating Promissory Notes (the "Notes") in maximum principal amount of \$5,000,000. The Notes will be offered directly by the Fund as a result of the efforts of Mr. Della Penna and may also be privately offered on a best efforts basis through one or more placement agents who are members of FINRA and qualified as broker-dealers in Florida and in other states in which the Notes may be lawfully offered on a limited and private basis. If the services of more placement agents are utilized by the Fund in the private offer and sale of the Notes, an appropriate placement agent agreement will be executed between the Fund and any such placement agents.

The Note proceeds, net of any placement fees and expenses and costs incurred in connection with the organization of the Fund and the placement of its Notes, will be invested in equity securities and exchange traded funds which are listed and traded on the New York Stock Exchange or derivatives thereof, including, without limitation, put and call options, and Federally insured instruments of deposit (sometimes referred to in this Memorandum as "Investments") under the direction and supervision of Mr. Della Penna. In such investments, the Fund will generally utilize technical, as well as fundamental approaches and the intuitive investment techniques and analyses subsequently described herein. The Fund will not invest in its investment and reinvestment activities.

There is no minimum Note proceeds requirement. However, Note proceeds will be accumulated by the Fund and when an increment of \$250,000 of gross Note proceeds has been received, such increment will be utilized in the Fund's investment activities.

**The date of this Memorandum is July 15, 2010**

statement in the Notes and the investment activities of the Fund involves. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED", page

es offered hereby will only be offered and sold to suitable, sophisticated and investors, as determined in the exclusive judgment of the Managing Member of the who are not deemed suitable, sophisticated or Accredited Investors will not be purchase Notes. The Notes being privately offered hereby may also be offered illfied entities or individuals who are residents of countries other than the The Managing Member in any such private sale of Notes will determine that s or individuals have the necessary qualifications to acquire and own Notes.

ND HAS NOT REGISTERED THE NOTES OFFERED HEREBY UNDER IES ACT OF 1933 AS AMENDED (THE "ACT") IN RELIANCE UPON THE FROM REGISTRATION PROVIDED IN SUCH ACT AND REGULATION ER. ADDITIONALLY, THE FUND HAS NOT REGISTERED THE NOTES REBY UNDER THE PROVISIONS OF ANY SECURITIES STATUTE OF WHICH THE NOTES MAY BE LAWFULLY OFFERED, INCLUDING RELIANCE UPON SUCH EXEMPTIONS FROM REGISTRATION SUCH STATUTES, HOWEVER, DOES NOT INDICATE IN ANY WAY OTES HAVE BEEN APPROVED OR DISAPPROVED BY THE UNITED RTIES AND EXCHANGE COMMISSION OR ANY STATE SECURITY Y AUTHORITY OR THAT THE COMMISSION OR ANY SUCH STATE HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE MADE HEREIN.

Fund by definition may be an investment company under the Investment Company Act of 1940, but if the Fund is relying upon an exemption provided in such Act from the registration requirements will not be registered as an investment company under such Act. Accordingly, no sophisticated and Accredited Investors will be permitted to acquire the Notes being offered hereby on a record and beneficial basis. Of such 99 investors, 65 will be required Accredited Investors.

ly, by action of its Managing Member, has (a) authorized the creation of this and the related subscription and other documents (collectively the "Offering Documents") and (b) approved the use of the Offering Documents in connection with this limited offering of the Notes. The foregoing action has been taken in connection with the provisions 18(d) of the Act and Rule 146 thereunder.

DELIVERY OF THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL AND SHALL CONSTITUTE AN OFFER ONLY TO THE PERSONS WHOSE NAMES ARE LISTED BELOW. EACH OFFEREE AGREES BY ACCEPTING THIS MEMORANDUM THAT HE WILL NOT DIVULGE ITS CONTENTS TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGING MEMBER AND THAT HE WILL RETURN THIS

MEMORANDUM PROMPTLY UPON REACHING A DECISION NOT TO INVEST IN THE NOTES DESCRIBED HEREIN.

PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY COMMUNICATION RELATING TO THIS PRIVATE OFFERING AS INVESTMENT, TAX OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN COUNSEL, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR AS TO LEGAL, INVESTMENT, TAX AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE NOTES OF THE FUND DESCRIBED HEREIN.

INTERESTED INVESTORS ARE ENCOURAGED TO ASK QUESTIONS OF THE MANAGING MEMBER CONCERNING THE FUND AND AN INVESTMENT IN ITS

EXCEPT AS OTHERWISE INDICATED, THIS MEMORANDUM SPEAKS AS OF THE DATE HEREOF. NO PERSON HAS BEEN AUTHORIZED BY THE MANAGING MEMBER OF THE FUND TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM AND, IF GIVEN OR MADE, ANY INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE MANAGING MEMBER.

THE FUND IS OFFERING ITS NOTES SUBJECT TO PRIOR SALE, WITH THE RIGHT OF CANCELLATION OR MODIFICATION OF THE OFFER WITHOUT NOTICE, AND IS SUBJECT TO FURTHER CONDITIONS SET FORTH IN THIS MEMORANDUM.

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## SUMMARY

Following is a summary of certain of the information set forth in this Memorandum. The information set forth below does not purport to be complete and is qualified in its entirety by the references made to the more detailed information contained subsequently in this

### The Fund

The Fund is a limited liability company formed under the Florida Limited Liability Company Act. The Managing Member of the Fund is Guy S. Della Penna of Sarasota, Florida. The sole other Member of the Fund is Dr. Ronald T. Hadam who also resides in Sarasota, Florida. Guy S. Della Penna and Dr. Hadam are sometimes collectively referred to herein as the "Members". The Fund maintains its offices at 3438 North Salford Boulevard, North Port, Florida 34286. The Notes being privately offered by this Memorandum will not become Members of

The Fund may receive by the Fund in gross incremental Note amounts of \$250,000 may be invested in securities, exchange traded funds and derivatives thereof, as well as put and call options on securities and funds on the major exchanges providing for such investment activity in the United States, as well as Federally-insured instruments of deposit. Such investment activity of the Fund will be carried out under the direction of Mr. Della Penna, the Managing Member. Margin will not be utilized in such investment Fund activities. The Notes offered by the Fund will be committed to the investment activities of the Fund in increments. Until an appropriate time, separate accounting of Trading Profits (as defined herein) for each Note increment will be maintained in order to assure that at the time of investment, Note purchasers are treated equitably. The Managing Member has the right to alter such \$250,000 amount upward or downward.

Mr. Della Penna is presently not registered as an investment advisor under Federal law under the Securities and Investor Protection Act as a result of exemptions from the registration requirements of such statutes.

The management powers with respect to the investment activities of the Fund are vested in the Managing Member. Note purchasers will not have any rights to participate in the management or investment activities of the Fund or in any other matters affecting the Fund.

The Fund has been formed to realize Trading Profits (as subsequently defined herein) for the benefit of the holders of the Notes in the form of interest and Additional Interest and Distributions to the Managing Member. No assurance can be given that the Fund will be successful in its investment activities and losses may occur.

## Federal Income Tax Status of the Fund

The Fund has received an informal advisement from legal counsel (which advice is binding upon the Internal Revenue Service) to the effect that the Fund will be treated as a taxable entity for Federal income tax purposes. If such is the case, the Fund will not sustain income tax consequences at Fund level and all Trading Profits or losses will be allocated to the Note holders and Members in accordance with their respective economic entitlements as set forth

### The Note Offering

Solely by means of this Memorandum, the Fund is offering on a limited and private basis a maximum of \$5,000,000 principal amount of Notes. The Notes will be offered in a purchase amount of \$250,000 and thereafter, in minimum principal increments of \$5,000. As of the date of this Memorandum, the Fund has not established any maximum Note subscription limit and reserves the right to do so. The Managing Member, on behalf of the Fund, may waive the minimum Note principal purchase requirement of \$250,000 in order to facilitate the completion of the offering of the Notes.

The Notes will be privately offered to suitable, sophisticated and Accredited Investors. The term "Accredited Investors" is utilized in Regulation D as promulgated under the Securities Act of 1933, and is subsequently explained in this Memorandum in the Memorandum section captioned "TERMS AND NATURE OF THE OFFERING".

In the limited and private offering of the Notes, the Fund may be assisted by one or more placement agents who are registered securities broker-dealers in Florida or other states and members of FINRA. Such assisting placement agents will be entitled to receive placement fees of up to 5% against the proceeds realized by the Fund as a result of such placement agent efforts. Accordingly, if the entire \$5,000,000 principal amount of Notes being privately offered is sold solely by such placement agents, the Fund would pay aggregate placement fees of up to 5% of the total principal amount of Notes. Reasonable expense reimbursement to selling placement agents may also occur. No assurance can be given that the entire \$5,000,000 principal amount of Notes will be sold or that the Fund will receive any meaningful assistance from one or more placement agents.

The Members will also assist the Fund in the private sale of the Notes to suitable, sophisticated and Accredited Investors. As a result of such assistance, each Member may be entitled to receive fees equal to 5% of the Note proceeds resulting from such placement efforts. Such fees may be waived. Placement fees to any assisting Placement Agent or to the Members will not be paid upon the completion of a successful \$250,000 Note offering increment and the Fund will retain the representative proceeds. Dr. Hadam has substantial additional duties to the Fund in addition to rendering assistance in the private sale of the Notes.

The Fund has not established any minimum Note proceeds accumulation requirement in connection with this limited and private offering and no formal escrow arrangements exist

placement agent or any escrow agent. The Fund will not commit Note proceeds, but such time as Note proceeds in increments of \$250,000 are received by the Fund (and such increments). As each gross Increment of \$250,000 is received by the Fund, such Increment shall be utilized in the investment activities of the Fund which are described subsequently hereunder. Any placement fees appropriately owing may be paid from such Increment.

When the Note offering is completed in its entirety, or otherwise terminated by the Managing Member on behalf of the Fund, each Note Increment amount committed will be separately liquidated in order that Note purchasers receive appropriate and equitable allocations of the Net (or Losses) resulting from the investment activities conducted by the Fund utilizing the proceeds of Note proceeds. At the time that the Note offering has been completed and when such increments will be integrated into a single fund for accounting and Trading Profits liquidation purposes.

The Note offering will be conducted until the earlier of (i) the sale of the entire \$5 million amount of Notes are sold; (ii) the Note offering is earlier terminated by the Managing Member on January 15, 2011 subject to a one-time 90 day extension.

#### Risk Factors

The Fund's investment activities and the ownership of its Notes are subject to significant risks. Prospective investors are urged to carefully read the Memorandum section captioned "OTHER FACTORS TO BE CONSIDERED".

#### Description of the Notes

The Notes being privately offered by this Memorandum will represent the unsecured debt of the Fund and will have a term to maturity of 18 months. The maturity date of the Notes will be calculated from the date that the Note offering is concluded. Note purchasers shall be timely advised of the Note maturity date. Accrued, simple interest will be paid on the principal amount of the Notes from the date of Note subscription acceptance by the Member at an annual rate of 5% (the "Note Interest"). Note Interest will be payable on the principal amount of the Notes will be paid at Note maturity or sooner if so determined by the discretion of the Managing Member.

In addition to the repayment of the principal of the Note and the Note Interest, each Note holder is entitled to receive, if the Fund has been profitable during its term, additional interest equal to 80% of the Trading Profits (as defined below) which have been realized by the Fund from its investment activities with remaining 20% of Trading Profits being allocated to the Fund for the benefit of the investment between Mr. Della Penna and Dr. Hadam until such time as each Note holder has received a total interest representing a 100% return on the principal amount of each Note holder's investment. After that time, all Trading Profits will be retained by the Fund. The allocation and payment of

any Trading Profits among the holders of the Notes will be on the basis of each Note holder's principal amount of Notes held, as such relates to the total principal amount of Notes outstanding. Such Trading Profit entitlement attributed to the Note holders is referred to as "Additional Interest".

#### Definition of Trading Profits (Losses)

At the conclusion of the Fund's term of existence, the Managing Member will liquidate the Investments then held in the Fund's portfolio. Deducted from such liquidation proceeds shall be:

- transactional commissions attendant to the purchase and liquidation of Investments;
- accrued but unpaid Note Interest and accrued but unpaid operating expenses of the Fund;
- accrued but unpaid items of compensation or expense reimbursement to the Managing Member or Dr. Hadam; and
- any remaining unamortized costs relating to the organization of the Fund's private offering of Notes.

The resultant amount will be further adjusted for investment profits or losses experienced by the Fund as a result of prior Investment purchases and liquidations, if any, which prior investment profits or losses will have been determined in a manner consistent with the foregoing computation.

From Trading Profits (Losses) calculated at the time that the Fund is being terminated, the Fund shall be deducted from such amount the aggregate Note proceeds received by the Fund (net of deduction for placement fees paid to assisting placement agents or the Members) from the Fund's private offering of Notes. A positive balance will constitute "Trading Profits" from the Fund. Interest will be paid to the Note holders. Any Additional Interest will be paid in the amounts indicated above to the Note holders and the Fund (for a further allocation among Mr. Della Penna and Dr. Hadam). Cash representative of Trading Profits, if Trading Profits exist at the conclusion of the calculation, will be utilized to repay the then outstanding principal amount of the Notes. If the calculation results in a negative balance, the entire balance and Fund available cash will be applied in repayment of the outstanding principal amount of the Notes. Under a negative balance, adequate proceeds may not be available to repay the entire principal amount of Notes to the Fund.

The Fund investment policy provides that the Fund portfolio will be liquidated at the end of any calendar quarter commencing at the time that all Increments have been integrated into a single investment and accounting fund, the market value of the Fund's securities portfolio is

et invested amounts. If such occurs, liquidation proceeds will be entirely applied to al then unpaid. The calculation of the Fund portfolio value will be made on a calendar subsequent to the time that all Increments have been integrated.

at the discretion of the Managing Member, the Fund's investment activities may be ad the Fund's portfolio liquidated prior to the 18 month Note maturity. Resulting be applied to repayment of Note principal and if Trading Profits exist, to Note Interest al Interest

#### Compensation to the Members

Managing Member of the Fund will be entitled to participate in the Trading Profits as ve and elsewhere in this Memorandum if Trading Profits are realized by the Fund at on of the Fund's investment activities.

Managing Member will be entitled to receive reimbursement for any costs and expenses advanced in connection with the organization of the Fund and this limited and private otes. As of the date of this Memorandum, Mr. Della Penna, the Managing Member, l fees which have been incurred in connection with the organization of the Fund and on of this Memorandum and the Offering Documents. Such legal fees paid or accrued d to be in the approximate amount of \$12,500. These fees and any other costs paid by ma will be reimbursed by the Fund utilizing Note proceeds during the Note offering, the conclusion of the offering. As indicated above in the discussion of "Trading organizational costs incidental to the formation and capitalization of the Fund will be ing the period commencing from the date that this Note offering is concluded to the maturity. Any of such costs not fully amortized at the conclusion of the Fund's ogram will be taken into account in determining final Trading Profits.

. Della Penna, as Managing Member of the Fund, may be entitled to receive a one time l fee of 3% charged against the actual Note proceeds received by the Fund at the nclusion of each Increment of the Note offering. Additionally, an annual 3% fee will be paid to the Managing and non-Managing Members charged against the of the Investments contained in the Fund's portfolio at the conclusion of each calendar l calendar year of the Fund's existence. Such annual 3% management fee may be l paid on a calendar quarter basis with appropriate adjustments being made in the fourth ter calculation in order to assure that the fee does not exceed the amount of 3% of the of the Fund's Investments at the conclusion of each calendar year or partial calendar

additional information concerning the Managing Member, see "FUND ENT" and "PRIOR ACTIVITIES OF THE MANAGING MEMBER".

#### Procedure to Acquire Notes

Investors determined qualified to acquire Notes pursuant to the sole judg Managing Member may effect a Note subscription by executing both copies of the Agreement which is included with this Memorandum as Exhibit A. The Subscription solicits information concerning each Note subscriber's Accredited Investor status or su investment experience and risk tolerance. Both copies of the Subscription Agreement fi by the subscriber with a check representing the subscription obligation should be di Managing Member at the address indicated herein and in the Subscription Agreeeme delivered to any assisting placement agent. The minimum subscription to Notes w accepted by the Managing Member acting on behalf of the Fund is to \$250,000 princ Thereafter, sophisticated and Accredited Investors may subscribe to Notes in N increments of \$5,000. The Managing Member may increase or decrease such minimum requirement as he deems appropriate and to facilitate the successful conclusion of the offering.

Upon receipt of a Note Subscription Agreement, the Managing Member, on l Fund, will either accept or reject such subscription. If acceptance occurs, the att subscription proceeds will be accumulated until an offering increment as earlier descri attained at which time such Note subscription proceeds, net of any placement ; organizational fee paid to the Managing Member, will be utilized in the Fund's investm If Note subscription rejection occurs, the Note subscription amount will be promptly re subscriber without reduction, but also without interest thereon.

[END OF SUMMARY]



## THE RISKS AND OTHER FACTORS TO BE CONSIDERED

ownership of the Notes of the Fund and the intended investment activity of the Fund involve the purchase, sale and dealing in Investments are subject to risks. The risks have been identified by the Managing Member as possibly adversely affecting the ownership of the intended investment activities of the Fund are described below:

### Private Note Offering and the Notes

Efforts. The offering of the Notes of the Fund will be administered by the Managing Member, Guy S. Della Penna and the sole non-Managing Member of the Fund, Dr. Ronald T. Della Penna. Members may receive placement fees as a result of the sale of Notes by them. The Managing Member has no substantial additional other duties to the Fund. While the Fund anticipates that it may receive assistance from placement agents, no firm or best efforts underwriting arrangements have been made with the Fund and any such placement agents with respect to the private offer and sale of the Notes. Accordingly, there can be no assurance that the Fund will encounter significant success in the offering of the Notes. See "PLAN, TERMS AND NATURE OF THE OFFERING" and "RISKS AND OTHER FACTORS TO BE CONSIDERED" of the OFFERING MEMORANDUM.

Terms of the Notes. The terms of the Notes with respect to Note maturity, the Note Interest rate and the participation in Trading Profits by way of Additional Interest have been solely determined by the Managing Member and have not resulted from arm's length negotiations.

Market for the Notes. The Notes being privately offered to sophisticated and Accredited Investors have not been registered under the Act or any state securities statute, including FIPA. The Notes constitute Restricted Securities as that term is defined under the Act and the sale of a Note may only occur on a limited basis. No market for the Notes exists and no secondary market for the Notes will come into existence at any time in the future due to the restricted character of the Notes. Accordingly, Note purchasers will be required to hold their Notes during the term to maturity. Under limited circumstances, Note holders may sell or transfer their Notes but only if such sale or transfer transaction is exempt from the registration requirements of the applicable state securities statutes, including FIPA. Such determination will be exclusively made by the Managing Member, Guy S. Della Penna, after consulting with legal counsel for the Fund.

Redemption Provisions. Note holders will be required to hold their Notes during the term to maturity. Such 18 month term will commence from the date that the Note offering is concluded. While the Managing Member, on behalf of the Fund, may terminate the investment activities of the Fund prior to the time of Note maturity and to the extent of then available assets, the obligation represented by Notes then outstanding, the terms of issuance of the Notes and the right of presentment on behalf of Note holders.

Compliance with State and Federal Securities Laws. As indicated in this Memorandum, the Notes have not been registered pursuant to the provisions of the Act, FIPA or any other applicable state statute in reliance upon certain exemptions from registration provided by the Act (commonly referred to as the "private offering" exemption). While the Managing Member and legal counsel for the Fund believe that the Fund's reliance upon such exemptions from registration is reasonable, no absolute assurance can be given that the Note offering being privately offered is presently qualified or will continue to qualify under the exemptions from registration to which the Fund is presently relying upon.

Note Subscription Obligation. Sophisticated and Accredited Investors effecting purchases of Notes will be required to remit their entire subscription obligation at the time of submission. Installment payments are not permitted. The minimum subscription to be accepted by the Fund is \$250,000, although such minimum subscription requirement may be waived by the Managing Member in order to facilitate the successful conclusion of the offering of Notes.

Effective Note Maturity Date. Each Note privately sold under the auspices of this Memorandum will incorporate a maturity date of 18 months. Such 18 month maturity date will be calculated from the date that the Note offering is concluded in its entirety, earlier term to maturity if the Managing Member or on January 15, 2011, subject to a one-time 90 day extension, whichever occurs first. Accordingly, the effective Note maturity date will involve a period of time of 18 months plus the period of time that the Note offering is conducted to a successful conclusion.

Appropriateness of Investment. The Notes represent a suitable investment only for sophisticated and Accredited Investors who can assume the risk of the loss of their entire investment in Notes. Because of the speculative aspects of the Fund's intended investment activities, the loss of such investment amount is significant.

Absence of Trust Indenture - Notes Unsecured. The Notes are not being issued under a trust indenture. As a result, Note holders will not have the protective measures which are provided by a trust indenture. The Notes are unsecured and will represent the general liability of the Fund. No guarantee or credit enhancement is in place with respect to the Notes. The repayment of principal of the Notes and interest thereon (in the manner described in the Memorandum), will be entirely dependent upon the profitability of the Fund's investment activities.

### Relative to the Fund

Fund Newly Formed. The Fund is being formed under the provisions of the Florida Limited Liability Company Act. The Fund has no operating history. There can be no assurance that the Fund will generate Trading Profits from its investment activities and the Fund may, in fact, incur losses. If, during the Fund's existence, the market value of the Fund's portfolio of Investments falls to a value of 70% or less of the then net invested amounts, the Fund may terminate its investment activities and liquidate. Liquidation proceeds will be applied to the repayment of the Notes.

circumstances, investors will not receive a return of their entire investment in Notes and will receive only their proportionate share of the Net Asset Value of the Fund. Such calculation of value will only be made on a quarterly basis on the last trading day of each such quarter subsequent to the time when each such amount (\$250,000) has been integrated into a single fund for purposes of the portfolio value.

**Management of the Fund.** Under the Organizational Documents which govern the formation and operation of the Fund, all management responsibilities and powers are vested in the Managing Member, Guy S. Della Penna. Holders of Notes will not have any voice or ability to interfere with the operational activities of the Fund or any of its other activities. The Managing Member will own the equity securities of the Fund which will consist of the Managing Member's membership interests. Mr. Della Penna has participated in the formation, operation and operation of previous Funds having the same or similar investment policies as the Fund. See "PRIOR ACTIVITIES OF THE MANAGING MEMBER".

**Dependence on Managing Member.** In the initiation and carrying out of the Fund's activities, the Fund will be entirely dependent upon the continuing availability of the services of Guy S. Della Penna, who serves as Managing Member of the Fund. See "FUND MANAGEMENT".

**Accumulation of Note Proceeds Increments.** As indicated elsewhere in this Memorandum, the Fund will accumulate Note proceeds as Notes are privately offered and sold. As Note proceeds are accumulated to an amount of \$250,000 less any placement fees, the organizational fee and the unpaid organizational expenses of the Fund, such Note proceeds ("Increment") will be committed to the investment activities of the Fund in accordance with the investment techniques described in the Memorandum section captioned "INVESTMENT ACTIVITIES OF THE FUND". If all of the Notes are sold over the course of the Note offering, it is anticipated that 20 Increments will be accumulated for investment by the Managing Member. Each Increment will not be less than \$250,000 prior to the payment of placement and organizational fees but may be more. Until a time subsequent to the conclusion of the Note offering, each Increment will be separately accounted for in order that investors receive an equitable share of any Trading Profits (or losses) which occur as a result of their Increment Investment. Investors will be insulated from losses which may be experienced by other Note holders who purchase Notes in other Increments. Accordingly, at least for a period of time after the conclusion of the Note offering, different performance results may accrue to investors depending upon the amount of Trading Profits or Losses experienced by a Note holder. Immediately subsequent to the conclusion of the Note offering, the Managing Member (but is not required to) liquidate the portfolios then attributable to each Increment in order to allocate Trading Profits (or losses) and to allocate same to the appropriate Note holders. In the event of liquidation, the Managing Member will integrate all of the Increments which will then be combined account for purposes of calculating Trading Profits (Losses) and portfolio

**Fund Investment Activities.** In the carrying out of its investment activities which are listed for trading on the nation's major exchanges and put and call options relating thereto will be the investment media primarily utilized by the Fund. In such activities, the Fund will utilize a trading approach which is largely based upon both technical and fundamental information available with respect to such securities as listed on the securities markets of the United States. The investment techniques intended to be used by the Fund through the activities of Mr. Della Penna, as Managing Member, have been developed by Mr. Della Penna on a smaller scale utilizing his own funds. At the request of any investor or holder, information concerning such activity or prior fund activities will be provided to the investor or holder, but interested investors should be aware that such information is unaudited and is not necessarily indicative of the Fund's future performance. See "INVESTMENT ACTIVITIES OF THE FUND" and "PRIOR ACTIVITIES OF THE MANAGING MEMBER".

**Investment Company Act Considerations.** While the Fund meets the definition of an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"), the Managing Member and Fund counsel believe that the Fund will be exempt from the registration requirements of such statute by virtue of Section 3(c)(1) thereof, which exempts from the requirement of registration as an investment company under the 1940 Act and the applicable provisions thereof, investment companies which do not intend to conduct a public offering of securities of which are held of record and beneficially by 100 or fewer persons. The Fund is organized under the laws of the State of New York, which statute which governs the activities of investment companies commonly referred to as "Investment Companies Act". The purchasers of Notes will not have the benefits of the protective measures provided by the 1940 Act. In order to assure that the Fund does not have more than 100 record and beneficial holders of its Notes, the Managing Member will strictly police Note subscriptions to assure that each subscriber is an individual and not an entity constituted by several individuals. The 100 beneficial holder limitation will be applicable to the Fund's private offer and sale of Notes, whether made to sophisticated and Accredited Investors residing in the United States or to individuals and entities resident or domiciled in countries other than the United States. In the Fund's investment activities as described elsewhere in this Memorandum, the Fund will be permitted to invest in the securities of any issuer which is deemed to be an investment company under the 1940 Act.

**Anti-Money Laundering Laws and Regulations.** The Fund will have the responsibility to exercise its reasonable efforts to comply with that body of statutes commonly referred to as "anti-money laundering laws" and regulations thereunder. In carrying out such responsibilities, the Managing Member of the Fund may require a detailed verification of a prospective investor's identity, as well as the identity of any beneficial owner of the prospective Note investment, and the source of the funds to be utilized in the prospective Note purchase transaction.

## Federal Income Tax Matters

Classification of the Fund as a Non-taxable Entity. The Managing Member, on behalf of the Fund, has received an advisement of Fund legal counsel to the effect that, more likely than not, the Fund will be treated as a non-taxable entity for Federal income tax purposes as opposed to an association taxable as a corporation. Such advisement, however, is not binding upon the Internal Revenue Service and the Managing Member is not seeking a written opinion from counsel nor will the Managing Member request a ruling from the Internal Revenue Service regarding the classification of the Fund for Federal income tax purposes. If the Fund is treated as a non-taxable entity as expected, the Fund will constitute an entity which is not an association taxable as an association, the effect of which will be to permit any Trading Profits (Losses) while determined to be taxable at the Fund level, such being allocated to the holders of the Notes (and indirectly the Managing Member and the sole, non-Managing Member) in proportion to the percentage allocations of such Trading Profits (Losses) described elsewhere in the Offering Memorandum. If such is not the case, the Trading Profits which the Fund may experience will be taxable as Federal corporate income tax, thereby reducing the amount of Note Interest and Additional Interest which may be received by Note holders. Note Interest and Additional Interest will not constitute income to each Note holder taxable at ordinary income rates although a portion of such items may possibly be taxable at capital gains rates in the event that the source of such capital gains experienced by the Fund from its investment activities. Each interested investor should consult with his own tax advisor with respect to the Federal income tax consequences attributable to such Note investors.

## WHO SHOULD INVEST

Notes being privately offered by this Memorandum to sophisticated and Accredited Investors, possibly, individuals or entities resident or domiciled in foreign nations, are only for those investors who are able to assume, on a continuing basis, the risks inherent to the investment activities to be conducted by the Fund in anticipation of realizing Additional Interest as well as Trading Profits, as well as Note Interest. While the Notes also incorporate an annual, fixed Rate of five percent (5%) in order to permit Note holders to receive some return on their investment over the term of the Notes, which Note Interest will be paid quarterly, the Fund will not realize Trading Profits in order to pay such Note Interest as well. The possibility that Trading Profits will only be sufficient to pay the Note Interest but not any Additional Interest is also present that the Fund's investment results will be such that Note Interest will not be paid and the Fund may also not be able to repay all or any of the principal amount of Notes when due.

Notes are not a suitable investment for persons desiring to assure, to the extent possible, the preservation of their invested principal, the continuing receipt on a regular basis of interest income, and

the ability to liquidate the investment within a short period of time when required to do so, the amount equal to the invested amount.

## PLAN, TERMS AND NATURE OF THE OFFERING

### Plan of Offering

The offering of Notes set forth in this Memorandum shall be administered and conducted on behalf of the Fund by the Managing Member, Guy S. Della Penna, with the assistance of the Managing Member, Dr. Ronald T. Hadam. Mr. Della Penna and Dr. Hadam may be entitled to receive placement fees equal to 5% of the Note proceeds resulting from their placement of the Notes at the attainment of each Note offering Increment but may waive such fees. Such Members will only be paid with respect to Note investments which occur in the State of New York which may occur in states where the Notes can be lawfully offered and sold and with respect to purchases made by individuals or entities resident or domiciled in countries other than the United States. There are no firm or best efforts underwriting arrangements existing with respect to the offering.

The Fund may receive assistance from one or more placement agents who are securities brokers and members in good standing of FINRA and are duly licensed as broker-dealers under the securities laws of those states in which the Notes may be lawfully offered on a private basis. As of the date of this Memorandum, the Managing Member of the Fund does not intend to predict whether the Fund will receive significant assistance from securities broker-dealers in the private offer and sale of the Notes, or if any assistance will be received by the Fund. The Fund will compensate such assisting placement agents by way of placement fees which will be a percentage of Note proceeds received by the Fund as a result of such placement agent assistance. The Managing Member of the Fund estimates that such placement fees payable to a placement agent will not exceed 5% of the Note proceeds realized by the Fund as a result of such assistance. If all of the Notes offered hereby are privately offered and sold by assisting placement agents at such 5% placement fee amount, maximum placement fees of \$250,000 could be received by the Fund. Such is considered unlikely by the Managing Member. While the Managing Member will assist in the private offer and sale of the Notes, he will not be compensated for such assistance. The Managing Member is otherwise compensated by the Fund in the form of an organization known as "FUND MANAGEMENT".

The minimum subscription to Notes which will be accepted by the Fund is for an amount of Notes of \$250,000. Thereafter, investors may purchase Notes in \$5,000 Increments. The minimum Note subscription requirement may be waived in the sole discretion of the Managing Member when such waiver will, in the opinion of the Managing Member, facilitate the conclusion of a Note offering Increment or the entire note offering in maximum principal

The Managing Member may also establish a maximum Note purchase amount. The member, on behalf of the Fund, also reserves the right to refuse any subscription to Notes whatsoever, to reduce any subscription to Notes to a principal amount less than and to terminate this offering at any time without notice. In the event of such termination, subscribers will receive prompt, appropriate refunds of Note subscription amount interest.

#### Escrow

The Managing Member on behalf of the Fund has not established any formal escrow whereby Note proceeds will be accumulated pursuant to an escrow agreement with an independent escrow agent until certain specified amounts of proceeds are timely received pursuant to the offering terms, as established by the Managing Member, however, provide that all Note proceeds shall be accumulated until such time as Note proceeds increments of \$250,000 (prior to the offering) have been accumulated. As earlier stated in this Memorandum, Note proceeds increments will be invested and separately accounted for until the offering is concluded and it is appropriate to integrate all increments into a single investment. For information as to the duration of the Offering Period, see the Memorandum section entitled "SUMMARY INFORMATION". Pending the accumulation of Note proceeds, the Managing Member, on behalf of the Fund, will accumulate Note subscription proceeds in an FDIC insured institution, most likely a commercial bank having offices in Sarasota, Florida, directly sending and employing investable funds with a third party broker-dealer that is a member of FINRA, SPIC and the New York Stock Exchange selected by the Managing Member. At the end of the period of increment accumulation, the Managing Member may invest and reinvest Note proceeds in investments assuring the integrity of the invested principal.

At the receipt of each Note proceeds increment, the Managing Member, on behalf of the Fund, will execute and deliver the form of Note evidencing the 5% Participating Promissory Note privately offered by this Memorandum. The Note instrument will bear a restrictive legend. See "DESCRIPTION OF THE NOTES".

#### The Note Offering

The Notes offered hereby have not been registered pursuant to the registration requirements of the Securities Act of 1933, as amended (the "Act") or the securities statutes of states in which they may be offered and sold in reliance upon exemptions from registration under the Act. It is anticipated that the Notes will primarily be privately offered and sold in

reliance upon Section 4(2) of the Act (which exempts from the registration requirements of the Act transactions such as the Fund) not involving any public offering. Regulation D promulgated by the Securities and Exchange Commission (the "SEC") pursuant to its authority under the Securities Act of 1933, as amended, and the rules contained therein specific requirements to be met by issuers engaged

in the offer and sale of unregistered securities claimed exempt from the registration requirements of the Act and represents a "safe harbor" for issuers who comply with all applicable requirements of Regulation D.

In summary, Regulation D and Rule 506 thereunder (the Rule considered applicable to the Fund's Note offering) permit the unregistered offer and sale of an issuer's securities if the requirements of the Regulation and the Rule are met:

(i) Rule 506, as contained in Regulation D, does not impose any dollar limitation on the amount of securities which may be offered pursuant to the Rule without registration, assuming that all other applicable provisions of the Rule and Regulation D are complied with. Rule 506 does require, however, that upon the conclusion of the offering, the issuer must reasonably believe that the purchasers of such securities, either individually or with a Purchaser Representative, have such knowledge and experience in financial business matters that such purchaser (acting alone or with his Purchaser Representative) is capable of evaluating the merits and risks of the investment.

(ii) Regulation D and Rule 506 require the issuer of the securities claimed exempt from the registration requirements of the Act to provide to prospective investors in the course of the offering and prior to the sale of its securities, the same kind of information that would be required of the issuer and furnished to prospective investors if the securities offered were registered under the Act, thereby affording to prospective investors the same complete disclosure of material information concerning the issuer, the securities offered and all other material matters.

(iii) At the conclusion of the offering of its securities under Regulation D and Rule 506, the issuer must reasonably believe that there are no more than 35 purchasers of securities. Excluded from such 35 purchaser calculation are Regulation D "Accredited Investors", including but not limited to (a) certain financial institutions, (b) certain employee benefit plans, (c) persons affiliated with the issuer, (d) investors meeting certain net worth and/or purchase requirements (only under applicable Florida law), (e) persons meeting specified current and anticipated income requirements and (f) entities comprised solely of Accredited Investors. See the Subscription Agreement attached as Exhibit A to this Memorandum, which includes a description of certain Accredited Investor categories.

(iv) The securities being offered by any issuer in reliance upon Regulation D and Rule 506 must not be offered by means of any general solicitation or advertisement.

(v) The purchasers of the issuer's securities must purchase for their own investment purposes and not with a view to any resale in connection with any other offering of the security purchased. Such securities may not be resold by the purchasers to

ered under the Act or an exemption from registration is then available under the Act respect to such resale. A legend indicating the restrictions on any subsequent resale or offer of the issuer's securities must be affixed on the certificate evidencing ownership of the issuer's securities. See "DESCRIPTION OF THE NOTES".

(vi) Regulation D contemplates that the issuer of the securities claimed exempt from registration pursuant to the Regulation will comply with certain notice requirements of the United States Securities and Exchange Commission. The Fund has or will comply with such notice provisions of Regulation D.

Florida Securities and Investor Protection Act ("FIPA") exempts from registration offers of securities by an issuer if (a) there are no more than 35 purchasers of the issuer's securities in any consecutive 12 month period (excluding purchasers who acquire \$100,000 or more of the issuer's securities or who are defined by FIPA as "Accredited Investors"), (b) such securities are not sold by means of any general advertising or solicitation conducted in Florida, (c) a legend on the cover of the issuer's securities, prior to the sale of the issuer's securities, is provided which discloses in full and fair disclosure of all material information concerning the issuer, the offering and other matters, (d) commissions paid on account of the sale of the issuer's securities in Florida are only paid to persons registered as securities dealers under FIPA or are authorized to receive commissions, and (e) purchasers of the issuer's securities are afforded the right to rescind the investment transaction and receive a return of their entire investment. See the cover pages of this Memorandum and the concluding paragraph of this section for further information concerning such right of rescission. Pursuant to Rule 506, Florida has also adopted the definition of an Accredited Investor as utilized in the Federal Securities Act and under Regulation D.

#### Registration

Significant amendments were made to the Act by the National Securities Markets Improvement Act of 1996 ("NSMIA") which became effective on October 11, 1996. NSMIA transferred regulatory responsibility relating to securities offerings between the Federal government and state governments based on the nature of the security or the offering. Among other things, NSMIA introduced the concept of a "Federal covered security". Section 18 of the Act, as amended, defines a "Federal covered security", among other things, as being a security which is covered by the provisions of Section 4(2) of the Act and rules and regulations promulgated by the SEC under such section. Rules and regulations promulgated by the SEC under such section include Regulation D. Rule 506 provides the exemption from registration under the Act which is relied upon by the Fund with respect to this limited and private offering of Notes. Pursuant to Rule 506, the Fund has been advised that the Notes being privately offered hereby constitute "Federal covered securities" as defined by the Act as amended by NSMIA.

The Fund, accordingly, believes that Florida, the state in which the Notes will be privately sold, has no authority to regulate the conduct of the limited and private offering of the

Notes or effect any regulation or impose any conditions with respect to the utilization of this Memorandum and the contents thereof. As indicated on the cover pages of this Memorandum, the preparation and utilization of such Memorandum has been duly authorized. Accordingly, it is the view of the Fund that the provisions of Rule 506 and the other provisions of Regulation D and the Federal securities laws will be the sole governing source and authority with respect to this limited and private offering of Notes and the contents of this Memorandum. No provision of NSMIA has been recognized by most states, including Florida. No provision of NSMIA preclude the states from imposing notice filing requirements with respect to a limited offering being conducted under Rule 506 or the authority of any state to collect fees incidental to such notice filing. The Fund will comply with all applicable notice filing and payment requirements imposed by any state, including the state of Florida. NSMIA does not preclude the states from engaging in activities intended to deter fraudulent conduct with the sale of securities.

#### Use of a Purchaser Representative

Persons not vested with knowledge and experience with respect to financial matters sufficient to allow them to evaluate the proposed investment activities of the Fund, the merits and risks of an investment in the Notes should not purchase Notes, or should not purchase of Notes upon utilization of a qualified purchaser representative who is not a person in an evaluation of the appropriateness of an investment in the Notes, taking into account all of the factors and characteristics attributable to the person's financial and other circumstances. Such purchaser representative must be independent of the Fund, the Managing Member and their affiliates. Under certain circumstances and on a case by case basis, the Fund may pay the reasonable fees (as determined in the exclusive judgment of the Managing Member) of a Note investor's purchaser representative.

The Managing Member and its counsel believe that the method, nature and terms of the offering attendant to the Fund's offering of its Notes will allow the Fund and persons acting on its behalf, including the Managing Member, to reasonably rely upon the exemptions from registration provided by Section 4(2) of the Act and Regulation D thereunder, as well as the analogous exemptions afforded by FIPA.

**PERSONS PURCHASING THE NOTES DESCRIBED IN THIS MEMORANDUM SHALL HAVE THE RIGHT TO RESCIND THE TRANSACTION CONSUMMATED WITHIN THE STATE OF FLORIDA MAINTAINING THE RIGHT TO RESCIND THE TRANSACTION WITHIN THREE (3) DAYS FROM THE DATE OF RECEIPT OF THIS MEMORANDUM, WHICHEVER IS LATER. UPON THE RECEIPT OF THIS MEMORANDUM, ALL SUBSCRIPTION PROCEEDS DELIVERED SHALL BE WITHOUT DEDUCTION OR INTEREST TO THE SUBSCRIBER. ANY SUCH RESCINDMENT SHOULD BE EFFECTED BY A WRITTEN COMMUNICATION TO THE FUND AT THE ADDRESS SET FORTH IN THE MEMORANDUM SECTION CAPTIONED "SUSPENSION OF PAYMENT OF INTEREST AND PRINCIPAL"**

FUND INTENDS TO HONOR THE THREE DAY RESCISSION RIGHT SET FORTH IN THE FOREGOING PARAGRAPH AND ON THE COVER PAGES TO THIS DOCUMENT, EVEN THOUGH, MOST LIKELY, SUCH A THREE DAY RESCISSION RIGHT IS NOT AVAILABLE UNDER THE PROVISIONS OF FIPA IN THE LIGHT OF THE INTENT OF NSMIA.

#### Offerings by Foreign Individuals or Entities

As indicated elsewhere in this Memorandum, the Notes may be privately offered and sold to sophisticated investors who are individuals or entities resident or domiciled in countries outside the United States. The Fund's private Note offering activities may be subject to the laws and regulations of any such foreign nations and compliance with respect to such laws and regulations will be determined by the Fund on a case-by-case basis.

#### Investment Company Act Matters

The Investment Company Act of 1940 contains a definition of an investment company. Investment companies are described as mutual funds in the securities industry and are known by such term by the provisions of the 1940 Act which regulates the affairs, operations and management of investment companies. The Act is also applicable to other entities which engage, for the most part, in investment activities and reinvestment in investment securities. The provisions of the 1940 Act, in certain respects, require that an investment company register as such with the SEC and be subject to the provisions of the 1940 Act and regulations thereunder as exercised by the SEC. The purpose underlying the 1940 Act is intended to protect investors who purchase the securities of investment companies.

The Fund most likely falls within the definitional provisions of the 1940 Act as such relate to an investment company. The Managing Member of the Fund believes, however, that the Fund is not required to be registered as an investment company under the 1940 Act by virtue of the exemption provided in Section 3(c)(1) thereof which section provides an exemption from registration for investment companies whose securities are held of record and beneficially owned by 100 or less persons. In order to assure the availability of such exemption, the Notes being offered to more than 99 investors, 65 of whom will be required to be Accredited Investors.

#### USE OF PROCEEDS

The amount of Note proceeds which may be received by the Fund as a result of the private offering of the Notes will range from a minimum amount of \$250,000, which will represent the net amount of Note Proceeds from which will be deducted any placement fees payable to broker-dealers and to the Members, as well as the organizational expenses of the Fund. The

organizational fee payable to Mr. Della Penna, as Managing Member of the Fund and interest of 3% of Note proceeds received, may also be deducted. Such charges will be made out of each Note Increment which is realized by the Fund and committed to the Fund's Investment activity. The gross maximum amount of Note proceeds which may be received by the Fund as a result of the private offer and sale of the Notes is \$5 million.

The Note proceeds which will constitute an Increment will be accumulated in a segregated insured deposit institution or deposited in an interest bearing account with a securities broker-dealer which is a member of the New York Stock Exchange and SIPC. At the time that Note Proceeds are received in respect to the first and subsequent Increments total the amount of \$250,000 or more, the Managing Member, Mr. Della Penna, as Managing Member of the Fund, will commit such Increment proceeds to the activities of the Fund which are described in the Memorandum section captioned "INVESTMENT ACTIVITIES OF THE FUND".

If so determined by the Managing Member, a capitalized interest reserve may be established from Note proceeds equal to 12 months Note Interest (at the Note Interest rate of 5% per annum) with respect to each Increment achieved. During the course of the Note offering, Mr. Della Penna, as the Managing Member, is expected to effect his reimbursement for the organizational costs and fees which he may have advanced and paid. Such organizational costs and fees are expected to be constituted primarily by legal fees in the approximate amount of \$12,500.

Mr. Della Penna, as Managing Member, together with the non-Managing Member of the Fund, Dr. Ronald T. Hadam, will be responsible for the administration of the affairs of the Fund which will relate, but not necessarily be limited to, record keeping, reports to the SEC, the required regulatory and governmental filings, negotiations with securities broker-dealers, transactional fees, commissions and costs, the establishment and maintenance of Fund's trading accounts with one or more securities broker-dealers and other matters. The costs incurred in connection with such activities will be paid from the Note proceeds to the extent that Trading Profits are available to the Fund at any time, from such Trading Profits. Accordingly, in order that the Fund have sufficient liquidity to meet such expenses, the Managing Member, together with the assistance of Member Dr. Ronald T. Hadam, is expected to set aside reserves from each Note proceeds Increment in order to provide for such costs and expenses.

The Fund may also enter into a contractual arrangement whereby one or more service providers, be it affiliates of the Managing Member or third parties who will provide computer technology, office space, telephone, reception and other support services on an as-needed basis. Presently, the Managing Member fully anticipates sources of such support services from direct affiliates and an agreement may be consummated during the Note offering and the offering is an arm's-length transaction.

## INVESTMENT ACTIVITIES OF THE FUND

licated earlier in this Memorandum, the Fund is being organized pursuant to the Florida Limited Liability Company Act. Mr. Della Penna, who is the Managing Fund, is acting as the promoter of the Fund as that term is used in the Act. Mr. Della Penna is the Managing Member of the Fund and Dr. Ronald T. Hadam is the sole non-Managing Member of the Fund. The Fund, in the carrying out of its securities trading activities, will be a non-registered investment fund and its investments will be concentrated. The Fund will also be closed end.

The Fund will be formed and capitalized to purchase, sell and deal in equity securities and exchange traded funds, as well as the dealing in and writing of spread option contracts relating to such equity securities, as well as the dealing in and writing of equity securities which are listed for trading on the major exchanges of the United States, without limitation, the New York Stock Exchange ("NYSE"), the American Stock Exchange ("AMEX") and the various exchange listing facilities operated by NASDAQ (collectively "Exchanges") as well as Federally insured instruments of deposit. The Fund will not at any time conduct or participate in the carrying out of its investment activities, deal in the securities of any registered investment fund which is registered under the Investment Company Act of 1940 Act.

The Fund is totally dependent upon the sale of the Notes being privately offered and sold pursuant to the terms and conditions set forth in the prospectus and offering circular. The Fund will only be committed to such investment activities in increments of \$250,000 less any organizational fees payable to any placement agent and Mr. Della Penna, as well as the expenses of the Fund. The Fund will engage in its investment activities in accordance with the investment strategy and methods and system described below with a view to realizing Trading Profits.

In carrying out the investment activities of the Fund, Guy S. Della Penna, as Managing Member, will be rendering investment advice to the Fund. Mr. Della Penna, while having owned, operated and managed, directly, Federal and state registered investment advisors in the past, such is not the case and he is not registered as an investment advisor under Federal law or the Florida Investment Adviser Act ("FIPA"). Mr. Della Penna believes that he does not meet the requirements necessitating his registration as an investment advisor under the Investment Advisers Act of 1940. With respect to FIPA, Mr. Della Penna believes that he is exempt from the registration requirements dealing with investment advisors since he does not hold himself out to the general public as an investment advisor and has and will have less than the minimum assets requiring registration.

### Investment Activities of the Fund

From the net proceeds from the limited and private sale of the Notes (invested initially as explained elsewhere in this Memorandum), the Fund is expected to employ an active investment and trading approach which will utilize:

- Index funds which are listed for trading on the nation's major stock exchanges (NYSE, the AMEX and NASDAQ);
- The acquisition, writing and liquidation of put and call contracts for exchange traded index funds ("ETF") and other exchange listed equity securities;
- The purchase, sale and dealing in other exchange listed equity securities and options.

The investment approach to be utilized by the Fund as a result of the action of the Managing Member is not a computer driven "trading system". Essentially the investment approach in carrying out securities trading activities can be considered fundamental and one that utilizes technical analysis along with informational considerations. Mr. Della Penna, in conducting Fund trading, expects to trade exchange traded funds such as NASDAQ 100 QQQQ's, since such are believed to be diversified from a fundamental investment perspective, skewed to new technology, "new" companies and are actively traded, relatively volatile and liquid. These criteria have resulted in the development of independent research resources, proprietary technical charts, indicators and signals along with an inherent, subjective trading sense on the part of Mr. Della Penna to identify market movements upward or downward. Active oversight and management will be employed in carrying out the activities of the Fund and such will attempt to identify the overall directional moves of the underlying security fund and then positioning the Fund's Investments "in the right time", puts and calls, as well as the spreads and straddles relating to the Investments established by the Fund. Such directional trade positions to be established for the Fund will be in puts or calls on the exchange trading funds and such will be continually monitored to determine the appropriateness and timing of putting on a position or positions and liquidation.

In such approach, the Fund may establish contrary or opposite positions by utilizing put and call options contracts on NYSE or NASDAQ listed index funds liquidating a position when general market movement (upward or downward) is identified and reversed by the Managing Member. Such identification process is highly judgmental, subjective and and the Managing Member may not accurately identify a market value trend which may

The Fund may use index funds and put and call options contracts relating to exchange traded funds because index funds may mirror or mimic an entire market performance or direction or segment thereof. One index fund which may be utilized is the Diamond Trust Series which mirrors and mimics the common stocks comprising the Dow Jones Indices (sometimes called the "Diamonds"). A second index fund which may be utilized will be the NASDAQ Tracking Stock ("QQQQ") (sometimes called the "Quad Qs"). The NASDAQ 100 Index Stock mirrors or mimics the performance of common stock comprising the NASDAQ 100 Index Fund may also utilize the Standard and Poors Depository Receipts ("SPY") (sometimes called "Spiders"). The Fund may also seek investment results which may be inverse to the performance of the NASDAQ Index or other referenced indices. The Fund may engage

... indexes and exchange traded funds thereof, but primarily in the option contracts of  
... or exchange traded funds.

... mutual funds which only permit share purchases or sales at the close of a trading day  
... cent net asset value per share, shares of index funds and their related put and call  
... cts permit share purchase or sale on what is essentially an instantaneous basis. Such  
... with respect to put and call options contracts of index fund shares. In the opinion  
... g Member, these features present an effective means to address volatility and liquidity  
... s of whether a market trend is upward or downward.

... izing this investment approach, the Managing Member believes that the Fund will  
... bility to realize Trading Profits in both upward and downward market value  
... . Interested investors should realize that such investment approach may change or be  
... g the time of its utilization by the Fund and should be viewed as being characterized  
... /.

... vestment activities as described above, the Fund will incur transactional costs for the  
... ale of index fund shares and put and call options. The Managing Member, on behalf  
... as or will identify several securities broker-dealers which the Managing Member  
... ermit execution of the Fund's purchase and sale transactions at minimal transaction  
... nd costs. The Managing Member, on behalf of the Fund, will use these securities  
... tion services on a continuing basis so long as such securities broker-dealers are an  
... rce of minimal transactional costs. The Managing Member will not participate in or  
... tion of such transactional costs.

... icated in the Memorandum section captioned "PRIOR ACTIVITIES OF THE  
... MEMBER", Mr. Della Penna has participated in the capitalization and decision  
... s with respect to prior fund investment activities. During the recent past, Mr. Della  
... own account and utilizing his own funds, has endeavored to more fully perfect and  
... ding techniques and systems which are intended for the Fund. Upon request of any  
... nd Accredited interested Note Investor, Mr. Della Penna will provide information  
... the trading results experienced by Mr. Della Penna. In examining such results,  
... estors should keep in mind that the data reflecting such performance is  
... d that such performance does not assure in any manner that the Fund's  
... ctivity will be profitable and losses may occur.

... naging Member reserves the right to terminate Fund investment activities at any time  
... ion therewith to liquidate and terminate the Fund.

## FUND MANAGEMENT

The Fund is anticipated to be formed under the Florida Limited Liability C  
during July 2010. The Articles of Organization and the Operating Agreement of t  
designate Guy S. Della Penna as the Managing Member of the Fund and Dr. Ronald  
the sole non-Managing Member of the Fund. Mr. Della Penna will be responsible for th  
activities of the Fund and Mr. Della Penna and Dr. Hadam will be jointly respon  
capitalization and the administration of the daily affairs of the Fund. Purchasers of F  
have any management powers with respect to the Fund's activities and its administra

Mr. Della Penna, age 57, resides in Sarasota, Florida. Mr. Della Penna has been  
financial industry for over 30 years. Mr. Della Penna, until early 2002, was an associ  
the National Association of Securities Dealers, Inc. (the "NASD") pursuant to its Rule:  
has been succeeded by FINRA. In 1989, Mr. Della Penna purchased Executive Secu  
securities broker-dealer member firm based in Sarasota, Florida as a private invest  
Executive Securities, Inc. was ultimately combined in a business combination tra  
became FAS Wealth Management Services, Inc. ("FAS"). FAS was a wholly-owned  
FAS Group, Inc. FAS continued and enlarged the securities brokerage business  
Securities, Inc. until such time that it sold substantially all of its assets, client  
investment advisory, insurance and affinity marketing affiliates to another NASD mem  
broker-dealer. Such sale of certain assets occurred in late 2001. FAS is presently i  
Della Penna served as President and Chief Executive Officer of both such entities un  
he resigned such positions. FAS Group, Inc. was and is a holding company which  
inactive.

As controlling shareholder and investment banker, Mr. Della Penna foun  
structured and capitalized various public and private corporate entities and was a con  
such entities, including HomeVestors of America, Inc. ("We Buy Ugly H  
DinnerwareDepot.com., among others.

During the period April 1980 to January 1986, Mr. Della Penna served as the A  
Chairman of the Board of Snelling & Snelling, Inc., as well as Assistant Treasurer  
Snelling, Inc., during such period, was a franchisor of an employee recruitment busin  
While with such firm, Mr. Della Penna also served as a member of the Executive, Ac  
Pension and Profit Sharing Committees. Mr. Della Penna also served as the pers  
manager and financial advisor to the Snelling family and affiliated entities and in such  
responsible for cash management, tax and investment analysis and commitments.

From 1977 through April 1978, Mr. Della Penna trained in the underwriting a  
market trading of municipal bonds at Wertheim and Co., Inc. in New York City. Dur  
April 1978 through February 1980, Mr. Della Penna was an investment banker  
Brothers, New York, New York, where he was involved in the structuring, docun  
marketing of tax exempt bonds issued by state and local governments. Mr. Della I



science degree in Business Administration from Ithaca College, Ithaca, New York, and a Master of Business Administration degree in Finance from the State University of New York, New York. He has held the NASD Series 7, 22, 24, 27, 39 and 63 securities licenses. His licenses are no longer active.

Ronald T. Hadam, age 55, has lived in Florida for 28 years, of which the last 23 years he has lived in Sarasota, Florida. He has been an active investor in equities, bonds, real estate and other securities. Dr. Hadam graduated from the University of Cincinnati in Cincinnati, Ohio in 1976 and worked as a Radiologist and Radiology Tech at the Cleveland Clinic Foundation from 1975 to 1982. In 1982 to 1983 he did a Postgraduate Surgical Residency in foot and ankle surgery at Westchester General Hospital in Westchester, New York. Since 1984, Dr. Hadam has had a private practice in surgery of the foot and ankle, orthopedics and a general podiatric practice in Bradenton, Florida. In 1987 he was Board Certified in Surgery of the foot and ankle by the American Board of Podiatric Surgery and also in Orthopedics by the American Board of Podiatric Surgery. Dr. Hadam is and will be the sole Managing Member of the Fund. Dr. Hadam will not be active in the day-to-day activities of the Fund.

#### PRIOR ACTIVITIES OF THE MANAGING MEMBER

During the past approximate eight years the Managing Member of the Fund, Guy S. Della Penna, was involved in the formation and capitalization of several private funds which engaged in investment and trading activities similar to those intended for the Fund.

The Fund is being offered to sophisticated and Accredited Investors wishing to have further information about the Fund should make a request for information to Mr. Della Penna. Mr. Della Penna may not be able to disclose certain confidential information from such requesting investors due to the confidential nature of such prior funds.

The results experienced by such prior funds with respect to which investment decisions were made by Mr. Della Penna are not necessarily indicative of the results that the Fund will experience if it is capitalized.

#### DESCRIPTION OF THE NOTES

By means of this Memorandum, the Fund is privately offering to sophisticated and Accredited Investors its 5% Participating Promissory notes which will be offered in maximum amount of \$5 million and Note Increment proceeds amounts of \$250,000. Proceeds

received as a result of Note purchases by sophisticated and Accredited Investors will be used to pay the Fund's expenses and invested in the Fund's investment activities in such \$250,000 Increments as such Increments are received by the Fund. Deducted from each Increment will be the Fund's organizational costs, items of expense reimbursement to the Managing Member and non-Managing Member, Dr. Hadam, the payment of any placement fees due and the fee attributable to such Increment payable to Guy S. Della Penna as Managing Member. Note proceeds Increments may be accumulated if the aggregate Note offering amount is privately sold.

The Notes will not be issued under any trust indenture or note agreement and there will not be a Trustee or Trustee-in-Trust who will provide collective representation to the several holders of Notes anticipated to be outstanding. Accordingly, each Note holder will have to act on his own behalf in the event that default in the payment of the principal and Note Interest occurs. The terms of Note issuance provide that any remedies pursued by a Note holder be initiated and enforced in the Circuit Court for the Twelfth Judicial Circuit in and for Sarasota County, Florida.

The Notes, when issued, will represent the general, unsecured obligation of the Fund of equal rank in terms of right of payment with the general creditors of the Fund, from time to time. No other person or entity, including Guy S. Della Penna and/or Dr. Hadam will be obligated to the Note holders in any respect.

The Note holders are entitled to receive Note Interest charged on the outstanding amount of Notes at an annual rate of 5%, which interest will be payable quarterly and will be calculated with respect to each Note from the date that the Note is subscribed for by the Managing Member, acting on behalf of the Fund. The Note offering may not be for the entire \$5 million principal amount. Note holders are also entitled to participate in Trading Profits, as such are earned as a result of the investment activities of the Fund. The term "Trading Profits" is defined and explained in the Memorandum section captioned "SUMMARY of Trading Profits (Losses)". To the extent that adequate Trading Profits are earned, each Note holder will be entitled to participate and receive Additional Interest constituted and so calculated from the Trading Profits which have been realized by the Fund in its investment activities. Trading Profits are calculated and available at the termination of the Fund's investment activities and after deducting from such Trading Profits the entire principal amount of Notes outstanding and unpaid. Trading Profits remaining after such allocation and payment to Note holders, if any, will inure to the benefit of the Fund (and the Managing and non-Managing Members). The Additional Interest will be calculated and paid at Note maturity and may differ from the interest on the several holders of Notes outstanding as a result of the investment of Note proceeds. Such Increment investing activities will occur until the Note offering is concluded. Note proceeds Increments are integrated into a single investment fund for accounting purposes and calculation of Trading Profits (Losses).

The term to maturity of each Note to be outstanding will be 18 months calculated from the date that the Note offering is concluded. Accordingly, the actual term to maturity of

more than 18 months since the private Note offering is not required to terminate until 1, subject to a one-time 90 day extension. Simple interest with respect to the Note calculated on the basis of a 365 day year.

on the part of the Fund with respect to the outstanding Notes will only have occurred if the Fund fails to pay Note Interest within 90 days of a Note Interest payment date and of each calendar quarter commencing with the first calendar quarter subsequent to the Note Offering or failure to pay the principal amount of the Notes when due. The holder's entitlement to Trading Profits is contingent and the failure to earn Trading Profits will constitute an event of default.

#### Issuance

As stated in "PLAN, TERMS AND NATURE OF THE OFFERING", the Notes will not be registered under the Act or FIPA. The Notes will primarily be offered to sophisticated investors in Florida and other states in which the Notes may be privately offered and to individuals or entities who are residents or domiciled in countries in addition to the United States. In recognition of the restricted circumstances incidental to the private offer and sale, the following legend will be affixed to each Note issued to a suitable or Accredited

Participating Promissory Notes of THE CONTRARIAN FUND, LLC created by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder on his own account, for investment, and may not be sold or transferred in the United States without an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the opinion of THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes. Additionally, any proposed sale or transfer of the 5% Participating Promissory Note represented by this Note is subject to the provisions of the Articles of Organization and the Operating Agreement of THE CONTRARIAN FUND, LLC, as amended to date.

The Fund will act as its own Transfer Agent with respect to Notes which are outstanding. The transferee of a Note will be required to demonstrate such transferee's suitability as an investor to the satisfaction of the Managing Member of the Fund.

#### FEDERAL INCOME TAX MATTERS

The Managing Member, Guy S. Della Penna, is acting as the promoter of the Fund. The term "Fund" is defined in the Act. In carrying out such promotional activities, the Managing Member desired to utilize a business entity which would be a non-taxable and "pass through" entity for the standpoint of Federal corporate income tax. In considering the most appropriate entity for the intended business activity of the Fund, the Managing Member considered the limited liability company and limited partnership forms of entities. The limited liability company form of entity was selected since it combines the attributes of being a non-taxable and "pass through" entity for the standpoint of the Internal Revenue Code of 1986, as amended to date (the "Code"), as well as the managerial efficiencies available under the corporate form of business organization. A limited liability company form of entity provides limited liability to all members of the company, including a managing member. The Managing Member is also advised that past a certain point, the Internal Revenue Service (the "Service") with respect to limited liability companies has shown a greater degree of certainty as to entity status classification of limited liability companies under the Code.

The Fund should not be viewed by interested Note investors as a "tax shelter". The Fund will be organized to receive the capital represented by the sale of its Notes and will use such capital in the carrying out of its investment activities. The investment activities of the Fund are intended to create Trading Profits. It is expected that Trading Profits will constitute, in large part, the income to the holders of the Notes since the Note holders are entitled to receive the Note Interest at a 5% annual rate and Additional Interest which results from the allocations made to the Note holders from Trading Profits after the payment of the outstanding principal amount of the Notes. The possibility exists at the termination of the Fund that a portion of the Trading Profits will be allocated to holders of the Notes as Additional Interest may constitute short, mid or long term gains or losses to the Note holders. The Managing Member has not sought any professional advice as to this possible treatment and Note holders are encouraged to consult with their own

The basic documents which govern the creation and operation of the Fund are the Articles of Organization and the Operating Agreement. The Articles of Organization are being filed with the Department of State, State of Florida and will name Guy S. Della Penna as the sole Managing Member of the Fund and Dr. Ronald T. Hadam as the sole non-Managing Member. Purchasers of Notes will not become Members of the Fund. The Operating Agreement governs the operations of the Fund.

The Federal income tax treatment of limited partnerships, limited liability companies, and individuals (as well as other business entities for profit) is governed by the Code and the Regulations thereunder (the "Regulations").

Status of the Fund. The Managing Member, on behalf of the Fund, has been advised by tax counsel to the Fund that more likely than not the Fund will be recognized as a non-t

e. Such advisement is informal in nature and the Managing Member will not seek a 1 of counsel. Also, such advisement is not binding upon the Internal Revenue Service.

visement of counsel dealing with the non-taxable status of the Fund and other matters 1 the assumptions that the Fund has been organized and will operate in the manner is Memorandum and will be governed by the Florida Limited Liability Fund Act and ' Organization and Operating Agreement of the Fund.

current Regulations, the manner and procedure pursuant to which entity status under etermined eliminated the requirement that an analysis be conducted as to whether the ion had more corporate characteristics than not and if so, whether such entity should s an association taxable as a corporation under the Code. Such current Regulations referred to as "check-the-box". Under current Regulations, a business entity such as s not required to be treated as a corporation is an "eligible entity" that may choose its ation. Generally an "eligible entity" is a business entity other than a Federal or state oration, joint stock company, insurance company, state chartered bank, state owned and certain foreign business entities. Moreover, most "eligible entities" are classified partnerships (pass through entities) if they do not choose to make an election. For sfault rules set forth in the check-the-box regulations provide that a domestic "eligible treated as a partnership (a pass through entity) if it has two or more members and an entity separate from its owner if it has a single owner. The Fund intends to make ections under the check-the-box Regulations in order to assure its status as a sss through entity) under the Code. Such election will not alter the Fund's status as ity company formed under Chapter 608, Florida Statutes, as amended.

#### Trading Profits

nd's income will be constituted by Trading Profits which are realized during the istance and will be calculated during the existence of the Fund and at the termination 1ch Trading Profits will be utilized as the source to pay the Note Interest at the annual 1ter providing for the complete repayment of the principal amount of Notes then e holders of the Notes will be entitled to receive Additional Interest which will be in f the 80% allocation of such remaining Trading Profits as explained in the ection captioned "SUMMARY". Any Trading Profits remaining after the allocation ote holders will be allocated to the Fund for further allocation between Mr. Della 1adam. Cash payments made by the Fund to Note holders and the Managing Member 1ntative of repayment of Note principal, Note Interest, Additional Interest and the 1 Managing Member and non-Managing Member's) entitlement. While, as indicated, 1 Trading Profits earned by the Fund may constitute short, mid and long term capital 1nging Member believes that the allocations of Trading Profits as Additional Interest ly, be taxed as ordinary income in the form of interest received by the Note holders. 1rovide appropriate information when appropriate or required indicating the character 1 Profits which it has experienced. Comprehensive information will be provided to

Note holders at the conclusion of the Fund's investment activities, which will be two y, date that the Note offering is completed.

Florida Entity Tax. The Fund has been advised that it will not be subject to corporate tax.

#### Note Investors Who Are Other Than United States Citizens or Domestic Entities

General. A Note investor not subject to United States taxation will not be subj States federal income tax on Note Interest or Additional Interest paid to such Note inv respect to gains realized on the sale or other disposition of a Note unless (i) such No Additional Interest or gain is effectively connected with the conduct by the Note inve Business (and is attributable to a permanent establishment maintained in the United S Note investor, if any applicable income tax treaty so requires as a condition for such 1 to be subject to United States taxation on a net income basis in respect of income from the sale of a Note or Notes), in which case the Note investor generally will be subj respect of such Note Interest or Additional Interest or gains in the same manner as a 1 or (ii) in the case of gain realized by an individual Note investor, the Note investor is 1 United States for a specified number of days or more during the taxable year of the sal other conditions are met.

Back-Up Withholding and Information Reporting. In general, information r back-up withholding will not apply to Note Interest and Additional Interest payme taxable distributions) in respect of Notes, although Note investors may be required to e exemption from information reporting and back-up withholding by certifying their s Form W-8 BEN or other applicable Form W-8.

In general, payment of the proceeds from the sale of a Note or Notes to or thro States office of a broker is subject to both United States back-up withholding and reporting unless the Note investor or beneficial owner certifies his or its non-U.S. tax penalties of perjury or otherwise establishes an exemption. United States informati 1 back-up withholding generally will not apply to a payment made outside the United proceeds of a sale of a Note or Notes through an office outside the United States o broker. However, U.S. information reporting requirements (but not back-up withholdi 1 to a payment made outside the United States of the proceeds of a sale of a Note or Not office outside the United States of certain brokers, unless the broker has documentar 1 its files that the Note investor or beneficial owner is not a U.S. Person<sup>1</sup> and certain oth are met or the Note investor or beneficial owner otherwise establishes an exemption.

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<sup>1</sup> As utilized in Regulation S as promulgated under the Securities Act of 193 amended.

its withheld under the backup withholding rules may be credited against a Note liability and a Note investor may obtain a refund of any excess amounts withheld up withholding rules by filing the appropriate claim for refund with the IRS.

poses of the foregoing discussion, a "Note investor" is any beneficial owner of a Note an individual or is treated for U.S. tax purposes as a corporation, estate or trust, and citizen or resident of the United States, (ii) a corporate or other entity taxable as a stated or organized under the laws of the United States or any State, (iii) an estate the ch is subject to U.S. federal income tax without regard to its source or (iv) a trust, if ert within the United States is able to exercise primary supervision over the of the trust, and one or more United States persons have the authority to control all sion of the trust or (ii) it was in existence on August 20, 1996 and validly elected to United States person thereafter.

**SUMMARY OF FEDERAL INCOME TAX CONSEQUENCES SET FORTH IN THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE SUMMARY OF THE TAX IMPLICATIONS OF AN INVESTMENT IN THE NOTES AND THE CONSEQUENCES FROM THE CONDUCT OF THE FUND'S INTENDED ACTIVITIES. SUCH SUMMARY SHOULD NOT BE RELIED ON AS TAX ADVICE. ADDITIONALLY, SUCH SUMMARY DOES NOT TAKE INTO ACCOUNT ANY TAX CONSEQUENCES RESULTING FROM THE PROVISION OF FLORIDA OR OTHER STATE LAWS OR THE TAXATION LAWS OF ANY FOREIGN JURISDICTION. ACCORDINGLY, INVESTORS SHOULD CONSULT THEIR OWN TAX COUNSEL OR ADVISOR CONCERNING THE TAX ASPECTS OF AN INVESTMENT IN A NOTE.**

### **ANTI-MONEY LAUNDERING**

Following discussion is a summary of the Managing Member's understanding of the applicability to assure compliance with that body of statutory law (and regulations thereunder) and which are commonly referred to as "anti-money laundering" laws.

In order to ensure compliance with such statutory requirements relating to anti-money laundering and related initiatives, the Managing Member may require verification of identity from all prospective investors. Depending on the circumstances of each subscription, it is not normally required to obtain full documentary evidence of identity, in particular where a prospective Note investor makes the subscription payment from an account held in its own name in a jurisdiction approved by the Managing Member, or where a prospective Note investor is introduced by a qualified financial institution. Prospective Note investors who do not make payment for their Notes through a financial institution held in their own name or who are not introduced by a qualified financial institution are required to provide the documentation described below, as is relevant to their circumstances.

**Individual Investors.** Individual Note investors may be required to provide a copy of their passport or national identity card (with a clear copy of the photograph), a bank letter, and verification of address.

**Partnerships.** Partnerships may be required to produce a mandate or evidence from the partnership authorizing the subscription and conferring authority on those persons executing the subscription agreement, a certified copy of the partnership agreement, certificate of good standing as well as the identities of at least two partners and of all those authorized persons. The two partners and authorized persons must provide the same information for individual investors.

**Corporations.** Corporations that are not quoted on a stock exchange in a jurisdiction recognized by the Managing Member or that are not known to be the subsidiary of such corporation may be required to provide the original or certified copy of the certificate of incorporation and information as required for individual Note investors on at least two directors, an authorized signature list, and a properly authorized resolution of the board authorizing the subscription and conferring authority on those persons executing the subscription agreement.

**Private Corporations.** Private corporations may be required to provide additional information to that required for corporations, including a list of names and addresses of shareholders holding 10% or more of the issued voting capital stock of the corporation and, in the case of a private corporation, the same information as required for an individual investor or, if the corporation is a shareholder, details on that entity until the identities of the beneficial owners holding 10% or more of the voting capital stock of such corporate shareholder are ultimately identified.

**Trusts.** Trusts may be required to provide a certified copy of the trust document, a copy of the organizing instrument, a certified list of directors of the trustee if the trustee is an individual, an identification of at least two directors, if individuals, they must provide the same information as required for an individual investor and if a corporation the applicable information as required for a corporation together with information on settlors as required for an individual investor.

The Managing Member reserves the right to request such information as is necessary to verify the identity of a subscriber and the underlying prospective beneficial owner of the Note. To ensure compliance with statutory and other requirements relating to money laundering, the Managing Member or any of the Fund's other service providers may require verification of identity from any person submitting a completed Note subscription agreement. Pending the provision of evidence satisfactory to the Managing Member as to identity, title in respect of Notes subscribed to may be retained at the absolute discretion of the Managing Member. If within a reasonable period of time following a request for verification of identity the Managing Member has not received evidence satisfactory to it as aforesaid, he may, in his discretion, refuse to issue the Notes subscribed to in which event all subscription proceeds returned to the Note subscriber.

Managing Member also reserves the right to request such information as is necessary to the identity of a Note investor and the underlying beneficial owners of an investor's Note or in the event of delay or failure by the investor to produce any information required for other purposes, the Managing Member may refuse to accept a Note subscription or may cause the withdrawal of such investor as a Note holder of the Fund. In the event that the Managing Member determines that it is appropriate to effect the withdrawal of any Note holder from the Fund, the Managing Member may suspend the payment of the principal amount of the Note involved, as well as any Interest or Additional Interest which has accrued but which is unpaid to such Note holder at the time of such withdrawal if the Managing Member reasonably deems it necessary in order to be in compliance with statutory and other requirements relating to money laundering.

Each Note subscriber will be required to make such representations to the Fund as the Managing Member will require in connection with such anti-money laundering requirements, without limitation, representations to the Fund that such Note subscriber is not a resident of a prohibited country, territory, individual or entity names on an OFAC list or with whom dealings are prohibited under any OFAC regulations. Such Note subscriber will also be required to represent that the amounts contributed by it to the Fund were not directly or indirectly derived from any source that may contravene U.S. Federal, state or international laws and regulations, including, but not limited to, anti-money laundering and anti-terrorism laws and regulations.

#### REPORTS TO NOTE HOLDERS

The Managing Member will cause the Fund to provide periodic reports to the holders of the Fund. Such reports will contain information concerning the investment securities portfolio of the Fund. If the Fund is still investing Note proceeds in Increments, the information will relate to each Increment. Such reports will also indicate the amount of Trading Profits (losses) which have been realized by the Fund in the various Increments and during the period covered by such reports. Financial statements of the Fund relating to administration and investing activities will also be included in such reports. Such reports will also include the items of compensation and reimbursement paid to the Managing Member. As stated earlier in this Memorandum, the Managing Member is entitled to receive compensation for any expenses and costs which he has advanced in connection with the formation and capitalization of the Fund and is also entitled to an organizational fee equal to 3% of the net proceeds which the Managing Member may waive. A 3% management fee charged on the market value of the Fund's investment portfolio will also be paid to Mr. Della Penna. Such compensation will be unaudited. Upon the conclusion of the Fund's term of existence, an audited financial statement reflecting the Fund's condition will be provided to Note holders.

#### SUPPLEMENTAL INFORMATION

The Managing Member, on behalf of the Fund, may deliver to interested investors a Memorandum supplemental information which is descriptive of the Fund's intended investment activities and other related matters. Such supplemental information, if any, does not constitute an offer to sell or a solicitation of an offer to purchase the Notes being privately offered by the Fund. The offering of the Notes is made only by this Memorandum and to the extent to whom such Memorandum is delivered.

**EXHIBIT A**

**SUBSCRIPTION AGREEMENT  
TO 5% PARTICIPATING PROMISSORY NOTES  
IN MAXIMUM PRINCIPAL AMOUNT OF  
\$5,000,000**

**THE CONTRARIAN FUND, LLC**

NO. \_\_\_\_

**THE CONTRARIAN FUND, LLC**  
**(a Florida limited liability company**  
**in formation and capitalization)**

**\$5,000,000 principal amount**  
**5% Participating Promissory Notes**

**SUBSCRIPTION AGREEMENT**  
**TO 5% PARTICIPATING PROMISSORY NOTES**

Guy S. Della Penna, Managing Member of  
THE CONTRARIAN FUND, LLC  
3300 Salford Boulevard  
Tampa, Florida 34286

Guy S. Della Penna:

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated July 15, 2010 with exhibits (the "Memorandum") of THE CONTRARIAN FUND, LLC, a Florida limited liability company in the process of organization and capitalization relating to the limited offering of 5% Participating Promissory Notes (the "Notes") of the Fund and other material information. In connection with the undersigned's examination of the Memorandum, the undersigned represents to you, the Managing Member of the Fund, Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund that:

1. The undersigned understands that an investment in Notes and the intended investment activities of the Fund are subject to certain risks and other factors beyond the control of the Fund.

2. The undersigned understands that if the undersigned's Note purchase is consummated within the State of Florida, the undersigned has an absolute right to rescind the Note purchase transaction by directing notice to you of such desire to rescind within (3) days of the undersigned's payment for Notes or his receipt of the Memorandum, whichever last occurs and that, upon such rescission, the undersigned shall receive a full refund of all Note proceeds, without interest, tendered by the undersigned to the Fund, all of which is in accordance with Section 517.061(11)(a)5, Florida Statutes, as amended (the Florida Securities and Investor Protection Act) ("FIPA"). With respect to such right of rescission, the undersigned understands that the Fund intends to honor the provisions of the referenced section, even though it may not be required to do so in accordance with the

provisions of the National Securities Markets Improvement Act of 1996, as defined in the Memorandum.

3. The undersigned understands that the Managing Member of the Fund, Dr. Hadam, will be compensated by way of any Trading Profits (as defined in the Memorandum) realized by the Fund from which Trading Profits are intended to be distributed to the holders of the Notes of Note Interest and Additional Interest (as such terms are defined in the Memorandum). If Trading Profits exist after such distribution, to the Fund for further allocation to the Managing Member and the non-Managing Member and that the Managing Member and non-Managing Member may receive placement, organization and management of the Fund as a result of their services rendered to the Fund, all as is more specifically defined in the Memorandum.

4. The undersigned understands that the minimum subscription accepted by the Fund is to a principal amount of Notes of \$250,000. Thereafter, Accredited Investors may subscribe to Notes in \$5,000 Increments.

5. The undersigned understands that by virtue of the execution of this Subscription Agreement will, upon acceptance of such subscription to the Fund, the holder of a Note only and will not become a member of the Fund, the sole non-Managing Member of the Fund being the Managing Member, Guy S. Della Penna and Dr. Ronald T. Hadam.

6. The undersigned understands and acknowledges that Note proceeds will be utilized in the Investment activities intended to be conducted and that Note proceeds will not be committed to such activities except in the amount (as defined in the Memorandum) of \$250,000 and that for a period of time, each Note proceeds will be separately invested and accounted for and further, at the conclusion of the Note offering, the Managing Member is empowered to integrate Note proceeds Increments into a single investment fund for accounting purposes of calculating Trading Profits (Losses). Pending the utilization of the Note proceeds in the investment activities of the Fund in Increments, Note subscription proceeds will be invested on a temporary basis in insured certificates of deposit or other instruments assuring safety of principal. Deducted from Note proceeds will be any placement fees to any placement agent or Dr. Ronald T. Hadam and organizational fees. The Managing Member is entitled, all as is more fully explained in the Memorandum.

7. The undersigned understands that all of the managerial responsibilities with respect to the conduct of the investment activities of the Fund will be in you as the Managing Member and that Note holders will not be members of the Fund and will be creditors thereof and as such, will have no rights to participate in the investment activities of the Fund.

accordance with the terms hereof, the undersigned hereby subscribes to \$ \_\_\_\_\_ amount of Notes. With regard to such Note subscription, the undersigned, in accordance with the terms of the Note offering, tenders herewith his check in the aggregate amount of \_\_\_\_\_ to the order of THE CONTRARIAN FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned further represents and warrants that he is the sole owner of the Notes, that he is not a Managing Member, the non-Managing Member and the Fund that the undersigned has subscribed to the Notes for his own account, for investment purposes and not with a view to or for the distribution thereof. The undersigned understands that an investment in the Notes will be an illiquid investment and that the undersigned will be required to hold the Notes until maturity unless the Notes are earlier paid at the sole option of the Managing Member of the Fund. Additionally, and in connection with the offer and sale of the Notes, the undersigned represents and warrants that the undersigned (a) is experienced in investment and business matters, (b) is not an investment in the Notes and the holding thereof is subject to risks, and (c) the transfer of such Notes is restricted.

With regard to such transfer restrictions, the undersigned understands that the following restrictions will be affixed on the Notes:

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC issued by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the approval by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities laws.

The undersigned understands that the Notes have not been registered pursuant to the requirements of the United States Securities Act of 1933, as amended (the "Act") by the options provided by such Act, including but not limited to the exemption provided by the Act and by Regulation D and Rule 506 contained therein. Regulation D as well as the issuer offering securities pursuant to Rule 506 and FIPA to exclude from the 35% limitation purchasers who qualify as "Accredited Investors" as defined in Regulation D. The following material describes the qualifications of certain types of Accredited Investors defined in Rule 501 of Regulation D and FIPA as believed most applicable to the limited offering of the Notes. By initialing the line opposite each applicable description, the undersigned represents and warrants to the Fund and the Managing Member that he meets the requirements described. If none of the descriptions are applicable to the undersigned, no such representation has been made. However, the undersigned is qualified to invest in the Notes of the Fund

by reason of the other information made the subject of the representations set forth elsewhere in the Subscription Agreement.

<u>Initial</u>	<u>Description</u>
_____	1. An individual whose net worth or joint net worth with that of the undersigned currently exceeds \$1,000,000 and will continue to exceed \$1,000,000 at the end of the Note offering period as defined in the Memorandum of Understanding.
_____	2. A natural person whose individual income exceeded \$200,000 in two of the two most recent years and who reasonably expects his individual income to exceed \$200,000 in the current year or who has joint income with the undersigned's spouse in excess of \$300,000 for such years with the reasonable expectation of the continuance of such income in the current year.
_____	3. An entity in which all of the equity owners qualify as accredited investors under one or more of the foregoing descriptions.

If the undersigned Note subscriber is a citizen or an entity resident or domiciled in a country other than the United States, the undersigned has made no indication as to his or its Investor status but represents to the Managing Member, the Non-Managing Member and the Fund that the undersigned is suitable and qualified to invest in the Notes as a result of the undersigned's business and investment experience.

If the undersigned Note subscriber is a citizen or entity resident or domiciled in a country other than the United States, the undersigned Note subscriber must complete the appropriate Form which Forms are:

**Form W-8BEN**  
<http://www.irs.ustreas.gov/pub/irs-pdf/fw8ben.pdf>

**Instructions for W-8BEN**  
<http://www.irs.ustreas.gov/pub/irs-pdf/iw8ben.pdf>

**Form W-8ECI**  
<http://www.irs.ustreas.gov/pub/irs-pdf/fw8eci.pdf>

**Instructions for W-8ECI**  
<http://www.irs.ustreas.gov/pub/irs-pdf/iw8eci.pdf>

**Form W-8EXP**  
<http://www.irs.ustreas.gov/pub/irs-pdf/fw8exp.pdf>

**Instructions for Form W-8EXP**



[www.irs.ustreas.gov/pub/irs-pdf/iw8exp.pdf](http://www.irs.ustreas.gov/pub/irs-pdf/iw8exp.pdf)

**W-8IMY**

[www.irs.ustreas.gov/pub/irs-pdf/fw8imy.pdf](http://www.irs.ustreas.gov/pub/irs-pdf/fw8imy.pdf)

**Instructions for W-8IMY**

[www.irs.ustreas.gov/pub/irs-pdf/iw8imy.pdf](http://www.irs.ustreas.gov/pub/irs-pdf/iw8imy.pdf)

All IRS Forms are available from the United States Treasury web sites listed above. It is noted that with respect to Note subscribers subscribing to a Note as either joint tenants with right of survivorship or tenants in common, each individual must sign and complete the S Form.

The undersigned further understands that while the Fund may be an investment company as defined in the Investment Company Act of 1940 (the "1940 Act"), Fund will not be treated as such under the 1940 Act as a result of its reliance on certain exemptive provisions of the Act. Reliance on such exemptive provisions will preclude the Fund from having more than 100 beneficial holders of its Notes, 65 of which holders will be required to be Accredited

The undersigned subscriber acknowledges that the Managing Member, in connection with the subscription governed by this Subscription Agreement, may require the undersigned to complete and furnish to the Managing Member a questionnaire, which questionnaire will contain information concerning the undersigned subscriber relative to his investment and other matters. If such questionnaire is required by the Managing Member by the undersigned subscriber to the Managing Member and the Fund, the undersigned subscriber represents and warrants that the information contained in such questionnaire is true and correct in all material respects and does not omit to state any information possibly responsive to the questions set forth and contained in the questionnaire.

As stated in the Memorandum section captioned "ANTI-MONEY LAUNDERING", the Managing Member, on behalf of the Fund, may require that Note investors furnish the following information:

For Note investors that are entities (corporations, partnerships, limited partnerships, limited liability companies, trusts, etc.), such entities may be required to include two copies of (i) a certificate of incorporation, partnership agreement, limited partnership agreement, limited liability company agreement or other similar document and (ii) a mandate or certificate of authority of such entity authorizing the Note subscription such as a certified resolution that includes naming authorized signatories derived from an authorized signatory list;

2. For investors that are individuals, such investors may be required to provide copies of (i) a passport with picture page; (ii) a recent utility bill (other than a phone bill) verifying the Note investor's current address; and (iii) a reference letter from a bank with which the individual has a current relationship for at least six months or from a respected professional;
3. For investors that are trusts, such trust may be required to provide information identifying each of the trustees of such trust and the settlor(s) of such trust, as appropriate for entities or individuals, as applicable, and as set forth in Section 2 above.

Note investors may be requested to furnish other or additional documentation evidencing authority to invest in the Notes of the Fund.

The undersigned acknowledges that counterparts of this Subscription Agreement received by the Fund from other Note subscribers and that such counterparts may constitute a completed Agreement between the Fund, the undersigned and such other Note subscribers.

This Subscription Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and shall be binding upon the successors, assigns, heirs and representatives of the Managing Member, the Fund and the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
Subscriber

\_\_\_\_\_  
Title (if Entity)

\_\_\_\_\_  
Social Security Number  
Employer Identification Number

**INSTRUCTIONS** (Please Print)

SCRIBER \_\_\_\_\_

SCRIBE \_\_\_\_\_

RESS \_\_\_\_\_

, STATE & ZIP CODE \_\_\_\_\_

TEPHONE \_\_\_\_\_ BUSINESS PHONE \_\_\_\_\_

**IONS TO THE CONTRARIAN FUND, LLC:**

the 5% Participating Promissory Notes::

- Individually to the name on line \_\_\_\_\_;
- Both names on Lines 1 and 2 as \_\_\_\_\_ JOINT TENANTS with right of survivorship;
- TENANTS IN COMMON;
- TENANTS BY THE ENTIRETIES;
- or otherwise \_\_\_\_\_.

**COMPLETE IF APPLICABLE:**

etermining to invest in the Notes of the Fund, the advisory services of the following were

IE: \_\_\_\_\_

RESS: \_\_\_\_\_

\_\_\_\_\_

UPATION: \_\_\_\_\_

sted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by Guy S. Della Penna, the  
ember of THE CONTRARIAN FUND, LLC.

THE CONTRARIAN FUND, LLC

By \_\_\_\_\_  
Guy S. Della Penna, its Managing Member

THE CONTRARIAN FUND, LLC

FORM OF 5% PARTICIPATING PROMISSORY NOTES

EXHIBIT B

**EXHIBIT B**

**FORM OF 5% PARTICIPATING PROMISSORY NOTE**

NO. \_\_\_\_\_

**THE CONTRARIAN FUND, LLC**  
**(a Florida limited liability company**  
**in formation and capitalization)**  
**5% PARTICIPATING PROMISSORY NOTES**  
**\$5,000,000 MAXIMUM PRINCIPAL AMOUNT**

Note evidences the obligation of THE CONTRARIAN FUND, LLC (the "Fund") to pay \_\_\_\_\_ ("Payee") the principal sum of \_\_\_\_\_ (\$ \_\_\_\_\_) together with interest on the annual rate of 5% (the "Note Interest"). The principal sum of this Note shall be payable on a date which is 18 months from the conclusion of the limited and private offering of 5% Participating Promissory Notes of the Fund (the "Notes") which is solely made pursuant to the Offering Memorandum of the Fund dated July 15, 2010 (the "Memorandum"). The Payee shall be promptly advised as to the maturity date of this Note upon the completion of the private offering of the Notes as provided in the Memorandum. The Note Interest shall accrue on this Note on the date that the Note subscription made by a Note purchaser is recorded by the Managing Member of the Fund and shall be paid to the Payee on a calendar basis, with the first calendar quarter Note interest being possibly less than a full calendar quarter interest amount. The Payee shall also be entitled to receive Additional Interest which shall be allocated from the Trading Profits, as such are earned by the Fund during its term. Interest and Trading Profits are defined terms, with such definitions being set forth in the Memorandum and such definitions are specifically incorporated in this Note. Any Additional Interest which the Payee of this Note may be entitled shall be determined and paid in the manner set forth in the Memorandum. The proceeds received by the Fund as a result of the issuance of this Note shall be invested by the Fund in Increments, all as is more fully explained in the Memorandum.

The principal obligation and the obligation of the Fund to pay the Note Interest represent the primary obligations of the Fund equal to the obligations of the Fund owing to its general creditors. No other Notes of like kind are not being issued pursuant to the provisions of a trust agreement. The Fund will only have defaulted with respect to its obligation under this Note if it fails to pay all Notes of like kind in the event that it fails to pay the principal obligation of this Note or fails to pay Note Interest at the times when such Note Interest has accrued and Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. Any action taken by the Payee of this Note and holders of like Notes shall be undertaken on an individual basis for such holders and venue and jurisdiction of such action shall be in and for the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida.

The Fund shall establish and maintain a register which shall reflect the record ownership of Notes which have been issued by the Fund which are of this single series. The Managing Member of the Fund shall only be required to refer to such Note registry in order to determine ownership. Any proposed transfer which is permitted under the terms of issuance of the Notes shall be reflected in such register in order that the transferee of a Payee to be recognized as a record owner of a Note. It shall be the sole responsibility of the Payee to advise the Members of the Fund of any change in record ownership of a Note.

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note instrument have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities Investor Protection Act, as amended. The Notes have been acquired by the holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of legal counsel to the effect that registration of such Notes in connection with the transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes.

This Note is made and executed at \_\_\_\_\_, Florida this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

THE CONTRARIAN FUND, LLC

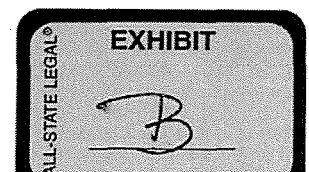
By \_\_\_\_\_  
Guy S. Della Penna, its Managing Member

FOR DISCUSSIONAL PURPOSES ONLY

### P & L Statement

Account XXXXXXXXXX  
 From 07/15/2007 To 09/10/2007

Symbol	Buy	Trade	Settle	Quantity		Amount		Comm	P & L	Partial Match	Original Quantity
	Sell	Date	Date	Bought	Sold	Purchase	Sales				
QQQ IQ	B	08/03/2007	08/06/2007	125		65,101.75		101.75			
QQQ IQ	S	08/06/2007	08/07/2007		125		68,647.19	101.75			
<i>QQQ IQ had 2 trades</i>				125	125	65,101.75	68,647.19	203.5	3,545.44		
QQQ IR	B	08/07/2007	08/08/2007	50		23,045.50		45.5			
QQQ IR	B	08/07/2007	08/08/2007	50		23,045.50		45.5			
QQQ IR	B	08/07/2007	08/08/2007	25		11,776.75		26.75			
QQQ IR	S	08/07/2007	08/08/2007		25		11,973.06	26.75			
QQQ IR	S	08/07/2007	08/08/2007		100		47,916.26	83			
<i>QQQ IR had 5 trades</i>				125	125	57,867.75	59,889.32	227.5	2,021.57		
QQQ IS	B	07/30/2007	07/31/2007	20		7,923.00		23			
QQQ IS	S	07/30/2007	07/31/2007		20		8,576.86	23			
<i>QQQ IS had 2 trades</i>				20	20	7,923.00	8,576.86	46	653.86		
QQQ IV	B	08/30/2007	08/31/2007	700		91,533.00		533			
QQQ IV	S	08/30/2007	08/31/2007		200		27,041.58	158			
QQQ IV	S	08/30/2007	08/31/2007		200		27,441.57	158			
QQQ IV	S	08/30/2007	08/31/2007		100		13,716.78	83			
QQQ IV	S	08/30/2007	08/31/2007		200		26,241.59	158			
<i>QQQ IV had 5 trades</i>				700	700	91,533.00	94,441.52	1090	2,908.52		
QQQ JS	B	08/14/2007	08/15/2007	220		79,373.00		173			
QQQ JS	B	08/14/2007	08/15/2007	10		3,565.50		15.5			
QQQ JS	B	08/15/2007	08/16/2007	100		31,083.00		83			
QQQ JS	B	08/15/2007	08/16/2007	100		29,983.00		83			
QQQ JS	B	08/15/2007	08/16/2007	100		30,083.00		83			
QQQ JS	S	08/15/2007	08/16/2007		30		9,869.34	30.5			
QQQ JS	B	08/16/2007	08/17/2007	100		25,483.00		83			
QQQ JS	B	08/16/2007	08/17/2007	30		7,650.50		30.5			
QQQ JS	B	08/17/2007	08/20/2007	5		1,331.75		11.75			
QQQ JS	S	08/20/2007	08/21/2007		35		10,815.58	34.25			
QQQ JS	S	08/22/2007	08/23/2007		100		36,316.44	83			
QQQ JS	S	08/22/2007	08/23/2007		100		36,416.44	83			
QQQ JS	S	08/22/2007	08/23/2007		100		36,816.43	83			
QQQ JS	S	08/22/2007	08/23/2007		2		730.48	9.5			
QQQ JS	S	08/22/2007	08/23/2007		48		17,523.73	44			
QQQ JS	S	08/23/2007	08/24/2007		50		17,354.23	45.5			
QQQ JS	S	08/24/2007	08/27/2007		100		38,378.41	83			
QQQ JS	S	08/24/2007	08/27/2007		100		40,916.37	83			
<i>QQQ JS had 18 trades</i>				665	665	208,552.75	245,135.45	1141.5	38,582.70		
QQQ KR	B	08/27/2007	08/28/2007	150		78,120.50		120.5			
QQQ KR	S	08/29/2007	08/30/2007		50		25,954.10	45.5			
QQQ KR	S	08/31/2007	09/04/2007		100		59,916.08	83			
<i>QQQ KR had 3 trades</i>				150	150	78,120.50	85,870.18	249	7,749.68		
QQQ KS	B	08/23/2007	08/24/2007	100		40,083.00		83			



# P & L Statement

Account XXXXXXXXXX  
 From 07/15/2007 To 09/10/2007

Symbol	Buy Sell	Trade Date	Settle Date	Quantity		Amount		Comm	P & L	Partial Match	Original Quantity
				Bought	Sold	Purchase	Sales				
QQQ KS	B	08/23/2007	08/24/2007	100		40,083.00		83			
QQQ KS	B	08/23/2007	08/24/2007	50		20,045.50		45.5			
QQQ KS	B	08/23/2007	08/24/2007	50		19,895.50		45.5			
QQQ KS	B	08/23/2007	08/24/2007	20		7,823.00		23			
QQQ KS	B	08/24/2007	08/27/2007	70		27,360.50		60.5			
QQQ KS	S	08/24/2007	08/27/2007		40		17,161.73	38			
QQQ KS	B	08/27/2007	08/28/2007	45		19,616.75		41.75			
QQQ KS	S	08/29/2007	08/30/2007		150		65,878.49	120.5			
QQQ KS	S	08/29/2007	08/30/2007		45		19,757.94	41.75			
QQQ KS	S	08/31/2007	09/04/2007		100		50,916.21	83			
QQQ KS	S	08/31/2007	09/04/2007		100		51,916.20	83			
<i>QQQ KS had 12 trades</i>				435	435	174,907.25	205,630.57	748.5	30,723.32		
QQQ UA	B	07/30/2007	07/31/2007	15		6,769.25		19.25			
QQQ UA	S	07/31/2007	08/01/2007		10		5,484.41	15.5			
QQQ UA	S	07/31/2007	08/01/2007		5		2,738.20	11.75			
<i>QQQ UA had 3 trades</i>				15	15	6,769.25	8,222.61	46.5	1,453.36		
QQQ UX	B	08/13/2007	08/14/2007	500		131,883.00		383			
QQQ UX	B	08/13/2007	08/14/2007	100		25,983.00		83			
QQQ UX	B	08/13/2007	08/14/2007	2		523.50		9.5			
QQQ UX	B	08/13/2007	08/14/2007	8		2,070.00		14			
QQQ UX	S	08/13/2007	08/14/2007		310		83,458.21	240.5			
QQQ UX	B	08/14/2007	08/15/2007	325		83,128.75		251.75			
QQQ UX	S	08/14/2007	08/15/2007		325		93,996.80	251.75			
QQQ UX	S	08/14/2007	08/15/2007		200		59,841.08	158			
QQQ UX	S	08/14/2007	08/15/2007		100		30,916.52	83			
<i>QQQ UX had 9 trades</i>				935	935	243,586.25	268,212.61	1474.5	24,628.36		
QQQ VX	B	08/15/2007	08/16/2007	300		99,233.00		233			
QQQ VX	S	08/15/2007	08/16/2007		100		36,916.43	83			
QQQ VX	S	08/15/2007	08/16/2007		100		37,016.43	83			
QQQ VX	S	08/15/2007	08/16/2007		100		37,916.41	83			
<i>QQQ VX had 4 trades</i>				300	300	99,233.00	111,849.27	482	12,816.27		
QQQ VZ	B	08/02/2007	08/03/2007	25		10,451.75		28.75			
QQQ VZ	S	08/03/2007	08/06/2007		25		11,473.07	28.75			
QQQ VZ	B	08/07/2007	08/08/2007	100		41,083.00		83			
QQQ VZ	B	08/07/2007	08/08/2007	50		20,545.50		45.5			
QQQ VZ	B	08/07/2007	08/08/2007	150		58,620.50		120.5			
QQQ VZ	B	08/09/2007	08/10/2007	50		19,045.50		45.5			
QQQ VZ	S	08/09/2007	08/10/2007		150		64,378.51	120.5			
QQQ VZ	S	08/09/2007	08/10/2007		100		44,916.31	83			
QQQ VZ	S	08/10/2007	08/13/2007		100		49,916.23	83			
<i>QQQ VZ had 9 trades</i>				375	375	149,746.25	170,884.12	634.5	20,937.87		
QQQ WY	B	08/22/2007	08/23/2007	30		10,830.50		30.5			

# P & L Statement

Account XXXXXXXXXX

From 07/15/2007 To 09/10/2007

Symbol	Buy	Trade	Sell	Q. Price		Amount		Comm	Pct	Status	Quantity
				Bought	Sold	Purchase	Sales				
QQQ WY	B	08/23/2007	08/24/2007	70		25,190.50		60.5			
QQQ WY	S	08/23/2007	08/24/2007		100		37,616.42	83			
QQQ WY had 3 trades				100	100	36,021.00	37,616.42	174	1,595.42		
QQQ WZ	B	08/31/2007	08/04/2007	200		70,158.00		158			
QQQ WZ	B	08/31/2007	08/04/2007	100		34,983.00		83			
QQQ WZ	B	08/31/2007	08/04/2007	25		8,776.75		28.75			
QQQ WZ	B	08/04/2007	08/05/2007	250		79,691.71		364.25		Partial	475
QQQ WZ	S	08/05/2007	08/06/2007		25		8,123.12	28.75			
QQQ WZ	S	08/05/2007	08/08/2007		50		16,454.24	45.5			
QQQ WZ	S	08/05/2007	08/08/2007		50		16,954.23	45.5			
QQQ WZ	S	08/07/2007	08/10/2007		450		188,651.60	345.5			
QQQ WZ had 8 trades				575	575	193,609.46	230,183.19	1095.25	36,573.73		
<b>Total Matched Trades - 83</b>				<b>4,520</b>	<b>4,520</b>	<b>1,412,971.21</b>	<b>1,694,959.31</b>	<b>7612.75</b>	<b>181,988.10</b>		

ACCOUNT VALUE(S)

7/30/07	BEGINNING CAPITAL	\$ 75,000
	PROFIT (LOSS) NET	\$ 181,988
9/10/07	ENDING CAPITAL	\$ 256,988

ROI > 200%

FOR DISCUSSION PURPOSES ONLY

P & L Statement

Account: [REDACTED]  
From 10/22/2007 To 11/02/2007

Symbol	Buy/Sell	Trade Date	Strike	Quantity Bought	Quantity Sold	Amount Purchase	Amount Sales	Comm.	P & L	Partial Match	Original Quantity
QQQ KA	B	10/25/2007	10/28/2007	100		14,783.00		83			
QQQ KA	B	10/28/2007	10/29/2007	200		37,158.00		158			
QQQ KA	S	10/31/2007	11/01/2007		150		35,128.98	120.5			
QQQ KA	S	10/31/2007	11/01/2007		50		12,054.31	45.5			
QQQ KA	S	10/31/2007	11/01/2007		100		24,816.61	83			
QQQ KA had 5 trades				300	300	51,941.00	72,098.88	490	20,158.88		
QQQ KB	S	10/29/2007	10/30/2007		300		41,168.36	233			
QQQ KB	B	10/30/2007	10/31/2007	300		37,433.00		233			
QQQ KB	B	10/31/2007	11/01/2007	28		4,089.00		29			
QQQ KB	B	10/31/2007	11/01/2007	272		40,754.00		212			
QQQ KB	S	10/31/2007	11/01/2007		300		43,868.32	233			
QQQ KB had 5 trades				600	600	82,276.00	85,032.68	940	2,756.68		
QQQ KC	B	10/29/2007	10/30/2007	251		19,774.25		196.25			
QQQ KC	S	10/29/2007	10/30/2007		251		21,389.41	196.25			
QQQ KC had 2 trades				251	251	19,774.25	21,389.41	392.5	1,615.16		
QQQ WZ	B	10/24/2007	10/25/2007	250		18,945.50		195.5			
QQQ WZ	S	10/24/2007	10/25/2007		100		7,416.88	83			
QQQ WZ	S	10/24/2007	10/25/2007		100		10,616.83	83			
QQQ WZ	S	10/24/2007	10/25/2007		150		15,979.25	120.5			
QQQ WZ	B	10/25/2007	10/26/2007	50		4,385.50		45.5			
QQQ WZ	B	10/25/2007	10/26/2007	100		8,283.00		83			
QQQ WZ	B	10/25/2007	10/26/2007	100		8,483.00		83			
QQQ WZ	S	10/25/2007	10/26/2007		150		9,482.55	195.5			
QQQ WZ had 8 trades				500	500	40,107.00	43,445.51	689	3,338.51		
QQQ XZ	B	10/22/2007	10/23/2007	250		42,695.50		195.5			
QQQ XZ	S	10/25/2007	10/26/2007		250		41,633.86	195.5			
QQQ XZ had 2 trades				250	250	42,695.50	41,633.86	391	-1,061.64		
Total Matched Trades - 22				1,901	1,901	238,793.75	263,601.34	3102.5	28,807.59		

ACCOUNT VALUES

10/22/07	BEGINNING CAPITAL		\$75,000
	Profit (Loss) NET	28,807	
11/02/07	ENDING CAPITAL		\$103,807

ROI > 30%

**THE CONTRARIAN FUND, LLC  
(a Florida limited liability company  
in formation and capitalization)**

**\$5,000,000 principal amount  
5% Participating Promissory Notes**

**SUBSCRIPTION AGREEMENT  
TO 5% PARTICIPATING PROMISSORY NOTES**

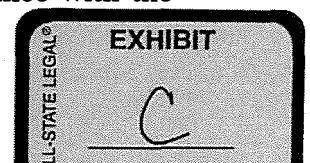
Guy S. Della Penna, Managing Member of  
THE CONTRARIAN FUND, LLC

Dear Mr. Della Penna:

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated July 15, 2010 with exhibits (the "Memorandum") of THE CONTRARIAN FUND, LLC, a Florida limited liability company in the process of organization and capitalization (the "Fund") relating to the limited offering of 5% Participating Promissory Notes (the "Notes") of the Fund, the intended Investment activities of the Fund and other material information. In connection with the undersigned's examination of the Memorandum, the undersigned represents to you as Managing Member of the Fund, Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund and to the Fund that:

1. The undersigned understands that an investment in Notes and the intended investment activities of the Fund are subject to certain risks and other factors beyond the control of the Fund.

2. The undersigned understands that if the undersigned's Note purchase is consummated within the State of Florida, the undersigned has an absolute right to rescind such Note purchase transaction by directing notice to you of such desire to rescind within three (3) days of the undersigned's payment for Notes or his receipt of the Memorandum, whichever last occurs and that, upon such rescission, the undersigned shall receive a full refund of all Note proceeds, without interest, tendered by the undersigned to the Fund, all of which is in accordance with Section 517.061(11)(a)5, Florida Statutes, as amended (the Florida Securities and Investor Protection Act) ("FIPA"). With respect to such right of rescission, the undersigned understands that the Fund intends to honor the provisions of the referenced section, even though it may not be required to do so in accordance with the





provisions of the National Securities Markets Improvement Act of 1996, as described in the Memorandum.

3. The undersigned understands that the Managing Member and the non-Managing Member of the Fund, Dr. Hadam, will be compensated by way of participation in any Trading Profits (as defined in the Memorandum) realized by the Fund from time to time, which Trading Profits are intended to be distributed to the holders of the Notes in the form of Note Interest and Additional Interest (as such terms are defined in the Memorandum), and if Trading Profits exist after such distribution, to the Fund for further allocation among the Managing Member and the non-Managing Member and that the Managing Member and the non-Managing Member may receive placement, organization and management fees as a result of their services rendered to the Fund, all as is more specifically described in the Memorandum.

4. The undersigned understands that the minimum subscription which will be accepted by the Fund is to a principal amount of Notes of \$250,000. Thereafter, sophisticated and Accredited Investors may subscribe to Notes in \$5,000 Increments.

5. The undersigned understands that by virtue of the execution and delivery of this Subscription Agreement will, upon acceptance of such subscription to Notes, become a holder of a Note only and will not become a member of the Fund, the sole members of the Fund being the Managing Member, Guy S. Della Penna and Dr. Ronald T. Hadam, the sole non-Managing Member of the Fund.

6. The undersigned understands and acknowledges that Note subscription proceeds will be utilized in the Investment activities intended to be conducted by the Fund and that Note proceeds will not be committed to such activities except in Increments (as defined in the Memorandum) of \$250,000 and that for a period of time, each Increment of Note proceeds will be separately invested and accounted for and further, that upon the conclusion of the Note offering, the Managing Member is empowered to integrate the various Note proceeds Increments into a single investment fund for accounting purposes and for purposes of calculating Trading Profits (Losses). Pending the utilization of Note proceeds in the investment activities of the Fund in Increments, Note subscription proceeds may be invested on a temporary basis in insured certificates of deposit or other debt securities assuring safety of principal. Deducted from Note proceeds will be any placement fees owing to any placement agent or Dr. Ronald T. Hadam and organizational fees to which the Managing Member is entitled, all as is more fully explained in the Memorandum.

7. The undersigned understands that all of the managerial powers and responsibilities with respect to the conduct of the investment activities of the Fund are vested in you as the Managing Member and that Note holders will not be members of the Fund but will be creditors thereof and as such, will have no rights to participate in the management of the investment activities of the Fund.

In accordance with the terms hereof, the undersigned hereby subscribes to \$ 250,000.00 principal amount of Notes. With regard to such Note subscription, the undersigned, in accordance with the terms of the Note offering, tenders herewith his check in the aggregate amount of \$ 250,000.00 to the order of THE CONTRARIAN FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned further represents to the Managing Member, the non-Managing Member and the Fund that the undersigned is acquiring the Notes for his own account, for investment purposes and not with a view to or for resale in connection with any distribution thereof. The undersigned understands that an investment in the Notes will be an illiquid investment and that the undersigned will be required to hold the Notes until Note maturity unless the Notes are earlier paid at the sole option of the Managing Member of the Fund. Additionally, and in connection with the offer and sale of the Notes, the undersigned further represents that the undersigned (a) is experienced in investment and business matters, (b) understands that an investment in the Notes and the holding thereof is subject to risks, and (c) understands that the transfer of such Notes is restricted.

With regard to such transfer restrictions, the undersigned understands that the following endorsement will be affixed on the Notes:

The 5% Participating Promissory Notes of THE CONTRARIAN FUND, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by the registered holder hereof for his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), or the receipt by THE CONTRARIAN FUND, LLC of an opinion of its legal counsel to the effect that registration of such Notes in connection with any such transaction is not required under the Securities Act of 1933, as amended, or applicable state securities statutes.

The undersigned understands that the Notes have not been registered pursuant to the registration requirements of the United States Securities Act of 1933, as amended (the "Act") by reason of exemptions provided by such Act, including but not limited to the exemption provided by Section 4(2) of the Act and by Regulation D and Rule 506 contained therein. Regulation D as well as FIPA allow an issuer offering securities pursuant to Rule 506 and FIPA to exclude from the 35 purchaser limitation purchasers who qualify as "Accredited Investors" as defined in Regulation D and FIPA. The following material describes the qualifications of certain types of Accredited Investors as defined in Rule 501 of Regulation D and FIPA as believed most applicable to the limited and private offering of the Notes. By initialing the line opposite each applicable description, the undersigned represents and warrants to the Fund and the Managing Member that he meets the qualifications described. If none of the descriptions are applicable to the undersigned, no such indication has been made. However, the undersigned is qualified to invest in the Notes of the Fund

by reason of the other information made the subject of the representations set forth elsewhere in this Subscription Agreement.

Initial

Description



1. An individual whose net worth or joint net worth with that of his spouse currently exceeds \$1,000,000 and will continue to exceed \$1,000,000 through the end of the Note offering period as defined in the Memorandum.
2. A natural person whose individual income exceeded \$200,000 in each of the two most recent years and who reasonably expects his individual income to exceed \$200,000 in the current year or who has joint income with such person's spouse in excess of \$300,000 for such years with the reasonable expectation of the continuance of such income in the current year.
3. An entity in which all of the equity owners qualify as accredited investors under one or more of the foregoing descriptions.

If the undersigned Note subscriber is a citizen or an entity resident or domiciled in a country other than the United States, the undersigned has made no indication as to his or its Accredited Investor status but represents to the Managing Member, the Non-Managing Member and the Fund that the undersigned is suitable and qualified to invest in the Notes as a result of the undersigned's business and investment experience.

If the undersigned Note subscriber is a citizen or entity resident or domiciled in a country other than the United States, the undersigned Note subscriber must complete the applicable IRS Form which Forms are:

**Form W-8BEN**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8ben.pdf>

**Instructions for W-8BEN**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8ben.pdf>

**Form W-8ECI**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8eci.pdf>

**Instructions for W-8ECI**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8eci.pdf>

**Form W-8EXP**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8exp.pdf>

**Instructions for Form W-8EXP**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8exp.pdf>

**Form W-8IMY**

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8imy.pdf>

**Instructions for W-8IMY**

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8imy.pdf>

Such identified IRS Forms are available from the United States Treasury web sites listed above. It should be noted that with respect to Note subscribers subscribing to a Note as either joint tenants with right of survivorship or tenants in common, each individual must sign and complete the appropriate IRS Form.

The undersigned further understands that while the Fund may be an investment company as such term is defined in the Investment Company Act of 1940 (the "1940 Act"), Fund will not be registered as such under the 1940 Act as a result of its reliance on certain exemptive provisions contained therein. Reliance on such exemptive provisions will preclude the Fund from having more than 99 beneficial holders of its Notes, 65 of which holders will be required to be Accredited Investors.

The undersigned subscriber acknowledges that the Managing Member, in connection with the Note subscription governed by this Subscription Agreement, may require the undersigned subscriber to complete and furnish to the Managing Member a questionnaire, which questionnaire may elicit certain information concerning the undersigned subscriber relative to his investment and business experience and other matters. If such questionnaire is required by the Managing Member and provided by the undersigned subscriber to the Managing Member and the Fund, the undersigned subscriber represents and warrants that the information contained in such questionnaire is true and complete in all material respects and does not omit to state any information possibly responsive to any question set forth and contained in the questionnaire.

As explained in the Memorandum section captioned "ANTI-MONEY LAUNDERING", the Managing Member, on behalf of the Fund, may require that Note investors furnish the following documentation:

1. For Note investors that are entities (corporations, partnerships, limited partnerships, limited liability companies, trusts, etc.), such entities may be required to include two copies of (i) a certificate of incorporation, partnership agreement, limited partnership agreement, limited liability company agreement or other similar document and (ii) a mandate or certificate of authority of such entity authorizing the Note subscription such as a certified resolution that includes naming authorized signatories derived from an authorized signatory list;

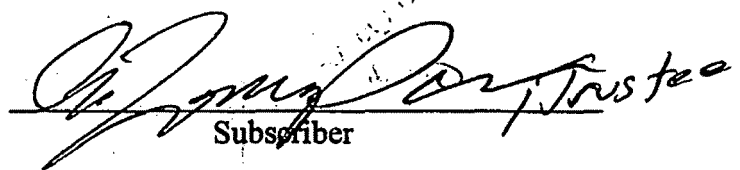
2. For investors that are individuals, such investors may be required to include two copies of (i) a passport with picture page; (ii) a recent utility bill (other than a mobile phone bill) verifying the Note investor's current address; and (iii) a reference letter from a bank with which the individual has a current relationship for at least two years or from a respected professional;
3. For investors that are trusts, such trust may be required to provide identification identifying each of the trustees of such trust and the settlor(s) of such trust as appropriate for entities or individuals, as applicable, and as set forth in items 1 and 2 above.

Note investors may be requested to furnish other or additional documentation evidencing the authority to invest in the Notes of the Fund.

The undersigned acknowledges that counterparts of this Subscription Agreement may be received by the Fund from other Note subscribers and that such counterparts may constitute a single, completed Agreement between the Fund, the undersigned and such other Note subscribers.

This Subscription Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and shall be binding upon the successors, assigns, heirs and personal representatives of the Managing Member, the Fund and the undersigned.

IN WITNESS WHEREOF, the undersigned has executed this Subscription Agreement on the 9<sup>th</sup> day of MARCH, 2011.

  
 \_\_\_\_\_  
 Subscriber

TRUSTEE  
 \_\_\_\_\_  
 Title (if Entity)



Social Security Number or  
 Employer Identification Number

**ISSUE INSTRUCTIONS (Please Print)**

- 1. SUBSCRIBER A. LOUIS PARKER REVOCABLE LIVING TRUST DTD JULY 30, 2010
- 2. SUBSCRIBER \_\_\_\_\_
- 3. ADDRESS [REDACTED]
- 4. CITY, STATE & ZIP CODE [REDACTED]
- 5. HOME PHONE [REDACTED] BUSINESS PHONE \_\_\_\_\_

**INSTRUCTIONS TO THE CONTRARIAN FUND, LLC:**

Please issue the 5% Participating Promissory Notes::

- Individually to the name on line \_\_\_\_\_;
- Both names on Lines 1 and 2 as \_\_\_\_\_ JOINT TENANTS with right of survivorship;
- TENANTS IN COMMON;
- TENANTS BY THE ENTIRETIES;
- or otherwise REV. LIVING TRUST DTD JULY 30, 2010

**PLEASE COMPLETE IF APPLICABLE:**

In determining to invest in the Notes of the Fund, the advisory services of the following were utilized:

NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

OCCUPATION: \_\_\_\_\_

Accepted this 9th day of MARCH, 2011 by Guy S. Della Penna, the Managing Member of THE CONTRARIAN FUND, LLC.

THE CONTRARIAN FUND, LLC

By Guy S. Della Penna, Managing MBR.  
Guy S. Della Penna, its Managing Member

# THE CONTRARIAN FUND, LLC

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April 7, 2011

Mr. A. Louis Parker, TTEE  
The A. Louis Parker Revocable Living Trust Dtd. July 30, 2010

[REDACTED]  
[REDACTED]

Dear Louis:

Enclosed please find copies of your investment in The Contrarian Fund, LLC as evidenced by an executed Note agreement and Subscription Document. In some instances these notes have been made to the order of specific retirement account administrators and/or trustees if they are within a retirement account. Otherwise, they are made to individuals and/or joint accounts as designated. Please put these documents in safekeeping.

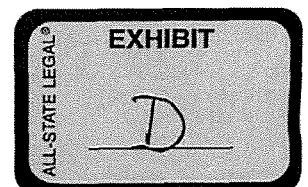
Your participation is sincerely appreciated and we look forward to a successful program. Should you have any questions or otherwise, please feel free to call the undersigned at 941-350-0919.

Very truly yours,



Guy S. Della Penna  
Managing Member

Enclosures



**EXHIBIT B**

**FORM OF 5% PARTICIPATING PROMISSORY NOTE**

NO. 33

**THE CONTRARIAN FUND, LLC**  
**(a Florida limited liability company**  
**in formation and capitalization)**  
**5% PARTICIPATING PROMISSORY NOTES**  
**\$5,000,000 MAXIMUM PRINCIPAL AMOUNT**

This Note evidences the obligation of **THE CONTRARIAN FUND, LLC** (the "Fund") to pay to **A. LOUIS PARKER REVOCABLE LIVING TRUST DTD. JULY 30, 2010** ("Payee") the principal sum of **TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000)** together with interest thereon at the annual rate of 5% (the "Note Interest"). The principal sum of this Note shall be due and payable on a date which is 18 months from the conclusion of the limited and private offering of the 5% Participating Promissory Notes of the Fund (the "Notes") which is solely made by the Private Offering Memorandum of the Fund dated July 15, 2010 (the "Memorandum"). The Payee shall be promptly advised as to the maturity date of this Note upon the completion of the limited and private offering of the Notes as provided in the Memorandum. The Note Interest shall commence to accrue on this Note on the date that the Note subscription made by a Note purchaser is accepted by the Managing Member of the Fund and shall be paid to the Payee on a calendar quarter basis, with the first calendar quarter Note interest being possibly less than a full calendar quarter Note Interest amount. The Payee shall also be entitled to receive Additional Interest which shall be allocated from the Trading Profits, as such are earned by the Fund during its term. Additional Interest and Trading Profits are defined terms, with such definitions being set forth in the Memorandum and such definitions are specifically incorporated in this Note. Any Additional Interest to which the Payee of this Note may be entitled shall be determined and paid in the manner set forth in the Memorandum. The proceeds received by the Fund as a result of the issuance of this Note may be invested by the Fund in Increments, all as is more fully explained in the Memorandum.

The principal obligation and the obligation of the Fund to pay the Note Interest represent unsecured obligations of the Fund equal to the obligations of the Fund owing to its general creditors. This Note and other Notes of like kind are not being issued pursuant to the provisions of a trust indenture or note agreement. The Fund will only have defaulted with respect to its obligation under this Note and all Notes of like kind in the event that it fails to pay the principal obligation of this Note when due or fails to pay Note Interest at the times when such Note Interest has accrued and is payable. Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. Any action taken by the Payee of this Note and holders of like Notes shall be undertaken by such Payee on an individual basis for such holders and venue and jurisdiction of such action shall be vested in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida.



Fund shall establish and maintain a register which shall reflect the Payees of  
o ch have been issued by the Fund which are of this single series. e Managing  
Member of the Fund shall only be required to refer to such Note registry in order to determine  
such record ownership. Any proposed transfer which is permitted under the terms of issuance of  
the Notes must be reflected in such register in order that the transferee of a Payee to be  
recognized by the Fund as a record owner of a Note. It shall be the sole responsibility of the  
Payee to advise the Managing Members of the Fund of any change in record ownership of a  
Note.

The 5% Participating Promissory Notes of THE CONTRARIAN FUND,  
LLC represented by this Note instrument have not been registered under the  
Securities Act of 1933, as amended, or various state statutes, including the Florida  
Securities and Investor Protection Act, as amended. The Notes have been  
acquired by the registered holder hereof for his own account, for investment, and  
may not be sold or transferred in the absence of an effective registration statement  
for such Notes under the Securities Act of 1933, as amended (and/or the various  
state securities statutes as required), or the receipt by THE CONTRARIAN  
FUND, LLC of an opinion of its legal counsel to the effect that registration of  
such Notes in connection with any such transaction is not required under the  
Securities Act of 1933, or applicable securities statutes.

MARCH, 20 11.

SARASOTA

gsp

By Guy S. Della Penna MANAGING MEMBER  
Guy S. Della Penna, its Managing Member



## THE CONTRARIAN FUND, LLC

May 31, 2011

Mr. A. Louis Parker, TTEE  
The A. Louis Parker Revocable Living Trust Dtd. July 30, 2010

Dear Louis:

The first calendar quarter of 2011 ending March 31<sup>st</sup> has continued to reflect the ongoing thesis presented in our letter of February 17, 2011 in the fact that "these are most uncertain times". The first three months of this year have been witness to some of the most unusual geo-political events. These most dramatic events have been the devastating earthquake and resultant tsunami experienced in Japan as well as the unprecedented political unrest and upheaval in the Middle East. In addition, events in China in regards to their overall economic and social system have created not only uncertainty but intermittent supply and demand issues in various markets. The Eurozone continues a seemingly downward spiral in the economies of its respective members. All the aforementioned in combination with the actions or inactions of our own federal government have created exceptional volatility in the marketplaces. In turn, there is opportunity for a trading style investment approach, yet a need for ever increasing vigilance and management.

Some marketplaces that have been dramatically effected have been the gold and silver markets, oil and other commodities as well as currencies.

One only needs to watch the daily nightly news and/or reflect upon the newspaper headlines to see that we live in a co-dependent and interdependent world. Not only have we seen the effects of the aforementioned, there have also been questions of moral leadership in various governments around the world. The net result in the United States has been an inflation in the stock market, gasoline prices, food prices and other manufacturing input necessities and otherwise. The core problematic issues of federal budget deficits, burgeoning debt, high unemployment, and ever decreasing real estate market values particularly in the residential sector has only exacerbated and confirm the proverbial "kicking the can down the road". The political system continues to be in gridlock and somewhat in denial to the urgency of the matters at hand. It is not my intent to use this quarterly letter as a soapbox but the overall political, financial and social environment must be considered when making investment decisions or when employing a particular investment style and/or vehicle.

I thought it would be helpful to include a few sampling of reports which I receive and review which are reflective of what I believe to be insightful, educational and perhaps helpful in your respective views of the world marketplace. In addition, one piece is a more in depth look at what is referred to as buying and selling climaxes and is published by the same service that reports the weekly Advisors Sentiment. Also from a very purely technical perspective, I am also enclosing the Stock Cycles Forecast so as to further provide you with some of the information which is available on a subscription basis and utilized when performing trend analysis for investment decisions.

In terms of overall securities investment, I believe that mutual funds are somewhat antiquated and that exchange traded funds or "ETF"s are perhaps a better vehicle as addressed in our previous letter of February 17, 2011.

In addition, it is the opinion of the undersigned that a relatively stable investment alternative would be utilities. These utilities could include communications and/or electric utilities, among others. Utilizing the electric utilities, in some instances, such investment can provide a good current income and/or quarterly reinvestment opportunities that when reinvested in the underlying stock or security of a utility company can overtime create a compounding effect for growth. The following utilities are for your review and for ease of your own research, I am providing the stock exchange symbols only. If you are to review them, I would recommend that you pay close attention to price volatility and yield at the current market price relative to the dollar amount of dividend payout.

As the Federal Reserve has undertaken a policy of quantitative easing, the increase in the money supply has shown to be directly correlated to the increase or rise in the overall equity markets as well as the commodity markets. It is the expressed intent of Federal Reserve to end this quantitative easing at the end of June, 2011, as they have been effectively underwriting our government's monthly budget deficits and therefore one might expect an increase in commodities prices and fixed income investment yields as well as other asset classes which again could exacerbate any glimmer of hope for ultimate recovery. Our Secretary of the Treasury, Timothy Geithner, has recently made a most valid point in that sentiment is more expensive to recover than it is to maintain. This was stated as we are facing a federal debt ceiling limit and a gridlock standoff in Washington in an attempt to tie any increases in the debt limit to budgetary cuts. Essentially, the saga continues.

Looking ahead we may see continued political unrest in the Middle East which would affect oil prices which would affect the overall general economy. In terms of interest rates, however and the value of currencies, one might suspect that a result of an increase in oil prices would have a further detrimental effect on Europe and the United States as well as the other developing countries and taking that scenario one step further, there could be a flight to safety to the United States dollar which in turn would keep interest rates at historical lows as there would be a "risk off" trade. Going full cycle however, there would potentially be a decrease in demand for oil and a resultant decrease in price which may be beneficial in the aforementioned instance of investment in electric utilities utilizing fossil fuels, as their costs may either increase or decrease. With an overall decrease in interest rates under either scenario may create stability for an investment such as utilities.

For the first quarter ending March 31, 2011 the accrued increase (decrease) in your account(s) has been approximately 4.13 % period. Again, I reiterate that with the volatilities of the markets this does change on a moment to moment basis and/or daily basis. I will continue to attempt to "scalp" profits and /or mitigate losses if markets move against us. Again, the objective of the Fund is to realize a net profit at the end of the program.

Thank you for your continued participation and support. I have received a number of inquiries with regards to increasing an investment in the Fund. If you desire to do so, you must contact me no later than June 15, 2011 to discuss the logistics and necessary protocol. After that date, without supplemental extension, no additional funds will be accepted under any circumstances.

As always, we hope that this information has provided you with some further insight as to the many variables and resultant uncertainties in today's worldwide marketplace. Should you have any questions or otherwise, I encourage you to always feel free to contact the undersigned at 941-350-0919. It is with ongoing gratitude that I wish you continued good health and happiness and do sincerely appreciate your participation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Guy". The signature is written in a cursive, flowing style.

Guy S. Della Penna  
Managing Member

Enclosures

**LIST OF UTILITIES ETF SYMBOLS**

**SJI**

**NJR**

**CNP**

**GAS**

**SRE**

**AVA**

**DUK**

**NVE**

**XEL**

**UPW-ETF**

**XLU-ETF**

## THE CONTRARIAN FUND, LLC

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Mr. A. Louis Parker, TTEE  
The A. Louis Parker Rev. Living Trust

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██████████ ██████████

As has been addressed in prior correspondence, there are a number of challenges in today's international securities marketplaces. The current discussion is centered upon the budget deficits and proposed spending cuts, the national debt ceiling, unemployment as well as the slowing overall economies in general.

Having provided to you in previous reports, research resources and observed crises and interrelated market indicators, the purpose of this letter will simply serve as an update to your account without further detailed commentary.

For your information, the implied accrued value of your investment is \$253,645.00 as of June 30, 2011. Upon conclusion of the Fund, a summary, net of any related costs, will be provided to you upon final distribution of your investment to each respective account.

Sincerely yours,

Contrarian Fund, LLC

## THE CONTRARIAN FUND, LLC

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Mr. A. Louis Parker, TTEE  
The A. Louis Parker Rev. Living Trust

As has been addressed in prior correspondence, there are a number of challenges in today's international securities marketplaces. The current discussion is centered upon the Eurozone, budget deficits and proposed spending cuts, the national debt ceiling, unemployment as well as the slowing overall economies in general.

Having provided to you in previous reports, research resources such as higher yielding dividend equities and observed crises and interrelated market indicators, the purpose of this letter will simply serve as an update to your account without further detailed commentary.

For your information, the implied accrued value of your investment is \$256,770.00 as of September 30, 2011. Upon conclusion of the Fund, a summary, net of any related costs, will be provided to you upon final distribution of your investment to each respective account which can be anticipated no later than and most likely, prior to December 31, 2012, as indicated.

Sincerely yours,

Contrarian Fund, LLC

**SUPPLEMENT TO PRIVATE OFFERING MEMORANDUM  
DATED SEPTEMBER 30, 2012**

**NO. 16**

**THE CONTRARIAN FUND, LLC**  
(a Florida limited liability company)

**\$5,000,000 principal amount  
5% Participating Promissory Notes**

This Supplement relates to the private and limited offering being made by THE CONTRARIAN FUND, LLC (the "Fund") with respect to its 5% Participating Promissory Notes in aggregate principal amount of \$5 million (the "Notes").

This Supplement needs to be read in conjunction with the Private Offering Memorandum of the Fund dated July 15, 2010.

Capitalized terms have the meanings set forth in the referenced Private Offering Memorandum unless otherwise indicated in this Supplement.

The terms of the Note Offering provide that the private Note offering will be conducted until the earlier of (i) the sale of the entire \$5 million principal amount of Notes; (ii) the Note offering is earlier terminated by the Managing Member or (iii) January 15, 2012, subject to a one-time 90 day extension. The 90 day extension period was utilized by the Managing Member of the Fund, Guy S. Della Penna of Sarasota, Florida. Additionally, the Note Offering period as extended concluded on or about April 15, 2012.

Mr. Della Penna, acting in his capacity as the sole Managing Member of the Fund along with Note holders have determined that it is appropriate to further extend the period of time that the notes may be outstanding. The Note offering will now conclude on or before March 31, 2014.

This Supplement will be provided to all persons who have previously invested in Notes.

*Guy S. Della Penna*

10/9/13

EXHIBIT

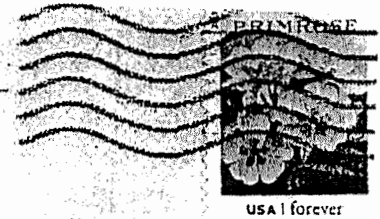
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Mr. A. Louis Parker, TTEE  
The A. Louis Parker Rev. Living Trust  
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