

DECLARATION OF KENAN M. CETIN

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Kenan M. Cetin. I am over twenty-one years of age and have personal knowledge of the matters set forth herein. I reside at [REDACTED].

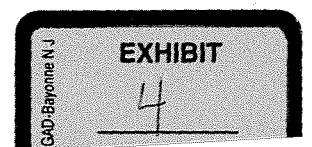
2. In or around November or December 2012, I was approached by Gaeton "Guy" S. Della Penna, who attends the same church as me in Sarasota, to investment in a fund he told me he had just started.

3. Della Penna told me he planned on doubling everyone's profits through a technique utilizing options trading of exchange traded funds such as the NASDAQ 100 QQQ. He promised he would only invest 50% of the money in options and the other 50% would remain in an FDIC insured escrow account, therefore limiting the risk. Della Penna explained to me that I would receive 5% annual interest on my money to be paid quarterly, and that investors would receive 80% of the trading profits.

4. Della Penna gave me a Private Offering Memorandum for the New Economy Fund, LLC, a copy of which is attached as Exhibit A. He also gave me a one sheet summary of the New Economy Fund, LLC, a copy of which is attached as Exhibit B.

5. Della Penna told me that the minimum investment was \$250,000. I told Della Penna I only had \$100,000 to invest and he said he would allow me to invest \$100,000 because he considered me as a friend.

6. On January 13, 2013, I signed a New Economy Fund, LLC Subscription Agreement, a copy of which is attached as Exhibit C. On that same day, I wrote a check to the New Economy Fund, LLC for \$100,000, a copy of which is attached as Exhibit D. On January



14, 2013, Della Penna gave me a signed promissory note for my \$100,000 investment, a copy of which is attached as Exhibit E.

7. In April 2013, I told my father, Mehmet Cetin, about this investment opportunity and he invested \$350,000. In August 2013, my mother, Linda Cetin Peterson, invested \$50,000.

8. After we had not received any statements about our investments, I became concerned about our investments. I asked Della Penna to send statements about our investments and he told me that I was the first person to ever ask him for a statement and that his lawyer said he was not obligated to provide statements to investors. He also told me that he had raised the entire \$10 million to close the fund.

*He gave me an incomplete statement in June, but none of our names were represented.
(KC)*

9. As I grew more concerned about our investments, I told Della Penna that my mom needed to undergo medical treatments and needed to cash out her investment. He then told me

that he was "short" in the market at the moment and that my mom had to wait. Della Penna told me that he had segregated my family's investment to an account at Optionshouse and he showed

me a statement from Optionshouse with redacted account identification numbers. He claimed that this statement represented my family's \$500,000 investment, which he said had grown to over \$1.5 million. A copy of the Optionshouse statement is attached as Exhibit F.

But he promised to get it to us very shortly, a week or two (KC)

10. I continued to try to get our money back from Della Penna by calling him and sending him emails. He eventually stopped responding to my attempts to contact him.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

*Also, recently my mom got a bounced check for an interest payout around the end of Nov or early December 2013
(KC)*


Kenan M. Cetin

Executed on this 20 day of December 2013.

PRIVATE OFFERING MEMORANDUM

NO. _____

NEW ECONOMY FUND, LLC
(a Florida limited liability company
in formation and capitalization)

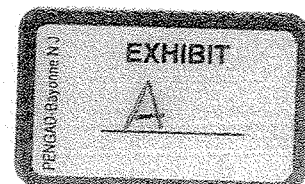
\$10,000,000 principal amount
of 5% Participating Promissory Notes

NEW ECONOMY FUND, LLC (the "Fund") is a limited liability company formed pursuant to the provisions of 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") and will be responsible for Note Holder relations and the administration of the general affairs of the Fund. Mr. Della Penna is sometimes referred to herein as the "Managing Member".

The Fund is privately offering to suitable, sophisticated and Accredited Investors its 5% Participating Promissory Notes (the "Notes") in maximum principal amount of \$10,000,000. The Notes will be offered directly by the Fund through 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. 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 Fund may also receive assistance in connection with the private offer and sale of the Notes from persons or entities acting as finders. The Fund expects to compensate any Placement Agent assisting the Fund in the private offer and sale of the Notes and will compensate finders on a case-by-case basis as determined appropriate by the Managing Member.

The Note proceeds, net of any placement fees and finders' fees (where appropriate) 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.

The date of this Memorandum is January 2, 2013



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

The information presented in this Memorandum is as of January 2, 2013. To the extent that events occur which materially relate to the capitalization and activities of the Fund, this Memorandum will be supplemented as appropriate. The Memorandum is also expected to be supplemented with respect to the progress of the private offering of the Notes and the time of the conclusion of such offering.

An investment in the Notes and the investment activities of the Fund involves substantial risk. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED", page 13.

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 REGISTRATON PROVIDED IN SUCH ACT AND REGULATON 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 (THE "SEC") OR ANY STATE SECURITY REGULATORY AUTHORITY OR THAT THE SEC OR ANY SUCH STATE AUTHORITY HAS CONSIDERED THE ACCURACY OR COMPLETENESS OF THE STATEMENTS MADE HEREIN.

On April 5, 2012, President Obama signed the JOBS Act into law. JOBS is an acronym for Jump Start Our Business Start-ups Act (herein the "JOBS Act"). The JOBS Act makes substantive changes to the Federal securities laws, including the manner in which the Notes may be offered on and after the time that the provisions of the JOBS Act become effective. Such effectiveness is anticipated to occur at the time that the SEC adopts implementing rules and regulations for the

issuance of this Note to the Payee as the term "Claims" is defined in the referenced Note Subscription Agreement are subject to resolution first by a non-binding Mediation process which, if not successful, shall be followed by a binding Arbitration process, the Award resulting from such being duly enforceable by an action for confirmation upon such Award commence 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 Member of the Fund of any change in record ownership of a Note.

The 5% Participating Promissory Notes of NEW ECONOMY 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 NEW ECONOMY 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__.

NEW ECONOMY FUND, LLC

By _____
Guy S. Della Penna, Managing Member

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 qualified in its entirety by and reference is made to the more detailed information contained subsequently in this Memorandum.

The Fund

The Fund will be 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 Fund will maintain its offices at 3438 North Salford Boulevard, North Port, Florida 34286. The purchasers of the Notes being private offered by this Memorandum will not become Members of the Fund. Interested investors may direct questions concerning the Notes, the Fund and the intended activities of the Fund to Mr. Guy S. Della Penna at 941/350-0919.

Capital received by the Fund from the private offer and sale of the Notes will be invested in equity securities, exchange traded funds and derivatives thereof, as well as put and call options involving such securities and funds on 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. 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 initially in a Note proceeds increment of \$250,000 and thereafter in Note proceeds increments expected to be in the amount of \$100,000 (an "Increment" or "Increments"). Until an appropriate time, separate record keeping 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 purchases are treated equitably. The Managing Member reserves the right to alter such Incremental amounts upward or downward.

Mr. Della Penna is not registered as an investment advisor under the Federal Investment Advisors Act or the Florida Securities and Investor Protection Act. Such registration is not required as a result of exemptions from the registration requirements of such statutes relating to advisors who have a limited number of clients.

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 distribution to the holders of the Notes in the form of interest at the stated Note Rate (5% annually not compounded) 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 Considerations

The Managing Member has been informally advised that the Fund will be treated as a non-taxable entity under the Internal Revenue Code, as amended to date. Note interest at the Note Rate (5% annually, not compounded) when paid to the Note Holders is anticipated to constitute ordinary income to the Note Holders. Trading Profits, if any, as experienced by the Fund for any accounting period will be distributed to the Note Holders in accordance with the allocations subsequently described in this Memorandum as Additional Interest. Such Additional Interest may also constitute ordinary income to the Note Holders unless the Trading Profits which are the source of such Additional Interest are classified at Fund level as capital gain eligible for capital gain treatment under the Internal Revenue Code, as amended to date.

Interested investors are encouraged to visit with their own tax advisors with respect to the possible Federal income tax consequences of an investment in the Notes being privately offered hereby.

The Note Offering

Solely by means of this Memorandum, the Fund is offering on a limited and private basis a maximum of \$10,000,000 principal amount of Notes. The Notes will be offered in a minimum principal purchase amount of \$250,000 and thereafter, in minimum principal amounts 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 this private offering of the Notes.

The Notes will be privately offered and sold only to suitable, sophisticated and Accredited Investors. The term "Accredited Investors" is a term 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 Financial Industry Regulatory Authority (FINRA). Such assisting Placement Agents will be entitled to receive placement fees not to exceed 10% charged against the proceeds realized by the Fund as a result of such Placement Agent assistance. Accordingly, if the entire \$10,000,000 principal amount of Notes being privately offered were to be sold solely by such Placement Agents, the Fund would pay aggregate maximum placement fees of \$1,000,000. Reasonable expense reimbursement to assisting selling Placement Agents may also occur. No assurance can be given that the Fund will receive any meaningful assistance from any Placement Agent.

The Managing Member (Mr. Della Penna) will also assist the Fund in the private sale of the Notes to suitable, sophisticated and Accredited Investors. As a result of such assistance, the Managing Member will be entitled to receive fees equal to those payable to the aforementioned FINRA Placement Agent, but may elect to defer such fees of the Note proceeds resulting from such placement efforts. Placement fees to any assisting Placement Agent or the Managing Member will only be paid upon the completion of the initial and each subsequent Note offering increment and the receipt by the Fund of the representative Note subscription proceeds. The Managing Member has substantial, additional duties presently owing to the Fund and such will be the case upon the completion of the private offering 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 or any escrow agent. The Fund will not commit Note proceeds, however, until such time as Note proceeds in the initial Increment of \$250,000 are received by the Fund. The second and subsequent Note offering increments are expected to be in the amount of \$100,000, subject to the Managing Member's determinations during the course of the Note offering. As each offering increment 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 to assisting Placement Agents and to the Managing Member.

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 with respect to the Fund investments utilizing such investment proceeds in order that Note purchasers in such increment receive appropriate and equitable allocations of the Trading Profits resulting from such investment activities. 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 calculation purposes.

The Note offering will be conducted until the earlier of (i) the sale of the entire \$10,000,000 principal amount of Notes are sold; (ii) the Note offering is earlier terminated by the Managing Member or (iii) July 1, 2013, subject to 90 day extensions as determined appropriate by the Managing Member.

In addition to the payment of placement fees to assisting qualified Placement Agents and to the Managing Member as the case may be, the Fund is also authorized to pay "finder's fees" to persons or entities acting as finders. To be recognized as a finder, such person or entity must function solely in the capacity as an introductory source whereby a prospective Note investor is introduced to the investment possibility represented by the Fund's Notes. Any such finder so recognized by the Fund will not be authorized to participate in the private offer and sale of the Notes. It is not expected that any finder's fee paid will exceed 1% charged against the aggregate Note subscription proceeds realized by the Fund as a result of such finder's introductory activities. Any finder's fees paid will be reallocated from the placement fees payable to the Managing Member and will not result in an additional deduction from the proceeds realized in any Note offering Increment. Finders may or may not be registered as securities broker-dealers under applicable Federal or state law.

The Fund will also recognize the assistance of a Note investor Purchaser Representative as such term is utilized in Regulation D as promulgated under the Act. See "PLAN, TERMS AND NATURE OF THE OFFERING".

Risk Factors

The Fund's investment activities and the ownership of its Notes are subject to significant risks. Interested 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 at the time that the private Note offering is successfully completed (the "Term"). Such Term may be extended one or more times by the sole action of the Managing Member when such extension is deemed to be in the collective best interests of the Note Holders. 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, non-compounded rate of 5% (the "Note interest"). Note interest will be payable on a calendar quarterly basis. 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 realized Trading Profits during its term of existence, Additional Interest constituted by an 80% allocation of the Trading Profits (as defined herein) which have been realized by the Fund until such time as each Note Holder has received Additional Interest representing a 100% return of the original principal amount of each Note Holder's Note. The initial principal amount of each Note subscriber's Note will be equal to the subscription obligation of each Note investor. 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".

The Managing Member of the Fund have determined to use the Participating Promissory Notes as the vehicle for investment by qualified investors in the investment trading activities of the Fund as opposed to a form of equity interest in the Fund such as a membership interest. As indicated, the Notes are unsecured and are not issued pursuant to the provisions of any Note Agreement or Trust Indenture. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED" subsequently in this Memorandum. The 5% Participating Note investment vehicle has been chosen in order to afford Note investors, to the extent that the Fund experiences Trading Profits (as defined below) a periodic, regular receipt of Note Interest at an annual, non-compounded rate of 5% calculated against the principal amount of each Note outstanding payable on a calendar quarterly basis (the "Note Rate"). Note Interest at the Note Rate will be paid as determined solely by the Managing Member from sources other than Trading Profits, including any interest reserve. See "USE OF PROCEEDS". The Additional Interest will be exclusively sourced from the Trading Profits experienced by the Fund, if any, and may or may not be paid. While the Note Rate Interest will most likely constitute ordinary income to the Note Holders, the Additional Interest may constitute capital gain if that is the source of payment of such Additional Interest, as determined at the Fund level. As indicated, 80% of such Trading Profits will be allocated to the Note Holders until they receive Additional Interest in an amount equal to their original Note investment amount. Trading losses, of course, may occur as a result of the Fund's investment activities. Trading losses will be allocated entirely to the Fund.

Interested investors should realize that the Notes being privately offered hereby are not comparable to debt instruments offered under more customary circumstances involving more traditional creditor-debtor transactions and there is the on-going risk that the Notes, during the course of the Fund's existence and at its termination, will be without value.

Definition of Trading Profits

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

- transactional commissions attendant to the purchase and liquidation of the Fund's Investments over the course of the Fund's term;
- accrued but unpaid Note interest at the Note Rate and accrued but unpaid operating expenses of the Fund;
- accrued but unpaid items of compensation or expense reimbursement items owing to the Managing Member, 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 calculated at the time that the Fund is being terminated, there shall be deducted from such Trading Profits the aggregate Note offering proceeds received by the Fund (without any deduction for placement fees paid to assisting Placement Agents or the Managing Member) from this limited and private offering of Notes (a "Positive Balance"). Such Positive Balance will be utilized to repay the then outstanding Note principal to the Note Holders. Any remaining amount of such Positive Balance will constitute "Trading Profits" from which any accrued, but unpaid interest at the Note Rate will be paid to the Note Holders. Eighty percent (80%) of such Positive Balance remaining will be allocated to the Note Holders as a group and will be paid to Note Holders as Additional Interest until an amount equal to the Note Holder's original investment in Notes has been paid with credit being given for any prior repayments of Note principal by the Fund to Note Holders.

If the calculation described in the immediately preceding paragraph indicates that a trading loss has occurred as a result of the Fund's investment activities, any cash available to the Fund will be utilized to pay in whole or in part the then outstanding aggregate principal obligation of the Notes. Interest at the Note Rate and Additional Interest most probably will not be paid. Under these circumstances, Note investors may not receive a repayment of their entire principal amount of their Notes and the possibility exists that there will be no repayment of such Note principal amount by the Fund.

At the discretion of the Managing Member, the Fund's investment activities may be terminated and the Fund's portfolio liquidated prior to the conclusion of the Notes' Term. Resulting proceeds will be applied to repayment of Note principal and if Trading Profits exist, to interest at the Note Rate and, possibly, 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 they have 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 or has paid legal fees which have been incurred in connection with the organization of the Fund and the preparation of this Memorandum and the related Offering Documents. Such legal fees and any other costs paid by Mr. Della Penna will be reimbursed by the Fund utilizing Note proceeds received at the completion of the first Increment of Note offering, as well as during the remaining course of and at the conclusion of the offering. While payment of such legal fees is expected to utilize the proceeds received in the first Increment of the Note offering, the first Increment will receive reimbursement as is determined equitable by the Managing Member from the second and subsequent Note offering Increments as such Increments are successfully completed.

As Managing Member of the Fund, Mr. Della Penna will be entitled to receive items of compensation which are in addition to placement fees. In that regard, the Managing Member will be entitled to receive in the aggregate a one-time 3% organizational fee charged against the Note proceeds received by the Fund as a result of this private and limited offering of Notes without deduction of placement fees or other charges. Additionally, an annual 3% management fee will be paid to the Managing Member 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.

The Managing Member will also receive a monthly administrative fee of \$800 which is expected to be substantially if not entirely utilized in the costs and expenses incurred in the administration of the Fund's affairs (accounting, bookkeeping, general and administrative costs, research and market reports, etc.). Transactional costs and expenses incurred by the Fund in its investment activities will be charged against Note Increment proceeds and appropriately allocated among the anticipated several Note offering increments.

Mr. Della Penna will be the only Member of the Fund. Note Holders will not be Members of the Fund but will be in the status of creditors.

For additional information concerning the Managing Member, see "FUND MANAGEMENT".

Procedure to Acquire Participating Notes

Investors determined by the Managing Member to be qualified to acquire Notes may effect a Note subscription by executing both copies of the Subscription Agreement which are included with this Memorandum as Exhibit A. The Subscription Agreement solicits information concerning each Note subscriber's Accredited Investor status and such investor's investment experience and risk tolerance. Both copies of the Subscription Agreement, fully executed by the subscriber with a check representing the Note 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 of Notes. Thereafter, qualified investors may subscribe to Notes in Note principal amounts of \$1,000. The Managing Member may increase or decrease such minimum subscription requirement as they deem appropriate.

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 Note subscription proceeds will be accumulated until the then established Note offering Increment amount has been attained at which time such Note subscription proceeds, net of any placement fees and other fees paid, 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 5% Participating Notes being privately offered hereby (the "Notes") and the intended purchase, sale and dealing in Investments by the Funds under the direction of Managing Member Guy S. Della Penna, may be adversely affected by certain risks and other factors. Set forth below are the risks and other factors which should be considered by interested, qualified Note investors and which have been identified as of the date of this Memorandum by the Managing Member. During the process of the private offer of the Notes, the Managing Member or authorized Persons may orally describe additional risks and factors which interested investors should take into account in making their investment decision. Accordingly, the risk factors described below are not necessarily inclusive of all of the risks and other factors which may adversely affect Note ownership and the Investment activities of the Fund.

The private Note offering is being conducted on a best efforts basis without the assistance of any underwriter or, as of the date of this Memorandum, qualified Placement Agents. It is expected that the primary, private sales effort of the Notes to qualified investors will be conducted through the efforts of the Managing Member, Mr. Guy S. Della Penna. The Managing Member is entitled to receive compensation for such Note sales efforts. While the Managing Member expects that the Fund will receive meaningful assistance from Placement Agents and possibly finders (as earlier described in this Memorandum), such may not be the case. The Fund may not realize the entire \$10 million principal amount of Notes being privately offered. In the view of the Managing Member, there is an optimum amount of capital which the Fund should receive in order to carry out the Fund's intended Investment activities on the economic scale desired.

The terms of the Notes being privately offered to qualified investors have been solely determined by the Managing Member. Such terms have not resulted from any arm's length negotiation process nor have such Note terms been reviewed as to fairness by sources independent of the Managing Member. Such Note terms are summarized below:

- Note Maturity. The term to maturity of the Notes is 18 months from the date that the private Note offering is concluded (the "Term"). As of the date of this Memorandum, such Term cannot be precisely determined. The Managing Member, acting alone, and without the consent of the holders of the Notes then outstanding, may extend the Term of the Notes one or more times when such extension is deemed appropriate and in the best interests of the holders of outstanding Notes. Accordingly, purchasers of Notes may be required to hold the Notes for a period longer than the 18 month Term.
- Note Interest. Interest at the Note Rate of 5% per annum not compounded (referred to as the "Note Rate" or the "Note Interest") is intended to be paid by the Fund on a calendar quarterly basis in order to provide a fixed, regular return on each Note Holder's initial investment.

In that regard, the Managing Member is expected to establish an interest payment reserve from the Note proceeds received by the Fund from Note subscribers. See "USE OF PROCEEDS". Such Note interest reserve will be utilized in the payment of Note Interest until exhausted or until the Fund experiences Trading Profits in amounts sufficient to pay the Note Interest when due. There can be no assurance that the Note Interest will be paid on a regular, quarterly basis after the exhaustion of any established Note Interest reserve.

Additional Interest. Note Holders are also entitled to receive Additional Interest, which will be derived from the Trading Profits if any are realized by the Fund over its term of existence. The method to be utilized in the calculation of Trading Profits at the termination of the Fund is explained in the Memorandum section captioned "SUMMARY - Definition of Trading Profits". No assurance can be given that Additional Interest will be paid to the Holders of Notes at Fund termination.

No Early Note Redemption. The terms of the Notes do not involve any early redemption provisions when early repayment of a Note obligation is made to a Note Holder prior to Note maturity. The Fund is not required to effect the early payment of any of the principal or Note Interest obligations of any of the Notes outstanding, although the Managing Member may in their discretion effect such earlier redemption (in whole or in part) in the case of Note Holder hardship circumstances. Any early Note redemption will result in the forfeiture of the right of the affected Note Holder to receive Additional Interest.

Note Obligation Unsecured. The Notes, when outstanding, will constitute an unsecured obligation of the Fund.

Absence of Trust Indenture or Note Agreement. The Notes will not be issued pursuant to any Trust Indenture or Note Agreement. Purchasers of debt securities issued under a Trust Indenture or a Note Agreement would be afforded certain protective measures such as periodic and annual certifications as to adequacy of collateral, etc. and the presence of an Indenture Trustee or other representative (under a Note Agreement) acting for the collective benefit of the holders of the debt security in the event of the occurrence of events of default with respect to the debt securities issued under such Trust Indenture or Note Agreement.

Notes Will be Restricted Securities. As indicated earlier in this Memorandum, the Notes are being privately offered to qualified investors in reliance upon exemptions from registration under the Act and Regulation D promulgated thereunder. As a result, Notes outstanding will constitute Restricted Securities under such authorities and Note Holders will not be able to transfer or sell a Note or Notes held except

upon the approval of the Managing Member and only then upon very restrictive circumstances. Even though the provisions of the JOBS Act discussed elsewhere in this Memorandum may permit acts of general solicitation in connection with the initial offer and sale of the Notes, the Notes will continue to be classified as Restricted Securities, subsequent to the sale thereof. No public market will exist with respect to outstanding Notes.

The Fund is in the process of formation and capitalization and is wholly dependent upon the receipt of significant proceeds from the private offer and sale of the Notes. The Fund is a start-up venture has no history of conducting the intended investment activities of the Fund. No assurance can be given that the Fund will be successful in its investment activities to any degree, if at all, and the Notes may become without value. Note Holders will be entirely dependent upon the success of Mr. Della Penna's conduct with respect to the Fund's investments in order to receive periodic Note Interest at the Note Rate, Additional Interest and a repayment of the principal amount of each holder's Note. Holders of outstanding Notes will not have any voice in the investment decisions made by Mr. Della Penna or in the general management of the Fund's affairs, the latter being exclusively vested in Mr. Della Penna.

In carrying out the Fund's investment activities, Managing Member Guy S. Della Penna intends to utilize index funds listed on the nation's major exchanges and put and call option contracts. Margin will not be utilized. In such investment activities, Mr. Della Penna, on behalf of the Fund, will utilize a trading approach which is largely based upon the analysis of technical and fundamental information generally available with respect to such securities (and underlying securities) as traded on the securities markets of the United States. Qualified interested Note investors may request further information concerning such techniques from Mr. Della Penna. Any such information furnished by Mr. Della Penna to any Note investors will be unaudited and provided on a confidential basis.

As indicated earlier in this Memorandum, Note offering proceeds will be accumulated until the established Increment amount has been received from Note purchasers. As each Increment amount is attained, such Increment shall be committed to the investment activities of the Fund. To the extent that the Fund sells less than the entire \$10 million principal amount of Notes, its investment activities may be adversely affected as a result of a reduction in the amount of capital available for the Fund's investment activities and factors relating to economies of scale. Moreover, the organizational costs and fees relating to the formation and capitalization of the Fund, including legal fees, will be paid upon attainment of the first Increment and are estimated to be in an amount of \$20,000. Such organizational costs and fees are intended to be equitably and proportionally allocated over the number of Note Increments actually sold in this limited Note offering. To the extent that less than all Increments of the Note offering are successfully completed, the completed Increment amounts will bear an increased amount of the organizational costs and fees.

The Managing Member has been advised that the Fund, when capitalized and at the time that it commences its investment activities, will meet the definitional test of an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"). However, the Fund will not register as an investment company under the 1940 Act in reliance upon an exemption from such registration requirement set forth in Section 3(c)(1) of the 1940 Act which, generally, exempts from the registration requirement an entity such as the Fund which does not intend to conduct a public offering of its equity securities and the equity securities of which are held of record and beneficially by 100 or less persons. Accordingly, Note Holders will not have any of the protective provisions provided by the 1940 Act.

The Fund is expected to be recognized under the Internal Revenue Code, as amended (and Regulations thereunder), as a "pass through" entity, which means that income, loss and credit will be determined at the Fund level and will be attributed to the Managing Member with the exception of the allocation of any Trading Profits to the Note Holders as Additional Interest. The Fund should not be viewed by interested Note investors as a "tax shelter".

By virtue of the terms set forth in the Note Subscription Agreement (Exhibit A to this Memorandum), Note Holders with respect to any disputes or claims arising between such Holders and the Fund and/or the Managing Member, will be resolved in accordance with a binding arbitration process. Note investors with respect to such disputes and claims will not have access to the courts. In summary, such arbitration requirement will require a Note Holder and the Fund and, as applicable, the Managing Member, to engage in an initial mediation process with a view to resolving any such disputes or claims prior to engaging in binding arbitration. If such mediation process is not successful, then such Note Holder, the Fund, and, as applicable, the Managing Member, are required to engage in binding arbitration in accordance with the Rules of Arbitration set forth in the Code of Arbitration obtaining from FINRA Dispute Resolution, Inc. (FINRA). While such arbitration process will utilize such Code as the governing authority for such arbitration, the arbitration process will be private and not conducted under the auspices and jurisdiction of FINRA. See the Note Subscription Agreement which is Exhibit "A" to this Memorandum.

WHO SHOULD INVEST

The Notes being privately offered by this Memorandum to qualified 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 in the investment activities to be conducted by the Fund with a view to realizing Additional Interest derived from Trading Profits, as well as quarterly Note Interest payments at the Note Rate. The Fund's planned payment of quarterly Note Interest at the normal, simple Interest Rate of five percent (5%) is intended to permit Note Holders to receive a fixed, periodic return on their investment over the term of the Notes. The Fund will be required

to realize Trading Profits in order to pay such Note Interest after full utilization of any Interest reserve established by the Managing Member utilizing Note subscription proceeds. The possibility exists that Trading Profits will only be sufficient to pay the interest at the Note Rate but not any Additional Interest.

The Notes are not a suitable investment for persons desiring to assure, to the extent possible, the safety of their invested principal, the receipt on a continuous 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 Perna. Mr. Della Perna is entitled to receive placement fees equal to those payable to the FINRA Placement Agent, but may elect to defer such fees of the Note proceeds received from their offering efforts upon the attainment of each Note offering Increment. The Managing Member has substantial additional duties to the Fund. It is anticipated that such placement fees paid to the Managing Member will only be paid with respect to Note investments which occur in the State of Florida or in states where the Notes can be lawfully offered and sold, with respect to Note purchases made by individuals or entities resident or domiciled in foreign countries and as permitted under the Federal securities laws. 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 are unable to predict to what extent the Fund will receive assistance from securities broker-dealers in the private sale of the Notes. 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 estimate that such placement fees payable to any assisting Placement Agent will not exceed 10% 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 10% placement fee amount, maximum placement fees of \$1,000,000 would be paid by the Fund.

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 \$10 million. The Managing Member may also establish a maximum Note purchase amount. The Managing Member, on behalf of the Fund, also reserve the right to refuse any subscription to Notes for any reason, 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 have 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, however, provide that Note proceeds shall be accumulated until such time as the then established Note proceed Increment (prior to the payment of any placement and other fees and organizational expenses) 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 fund for accounting purposes. For information as to the duration of the Offering Period, see the Memorandum section captioned "SUMMARY INFORMATION". Pending the accumulation of each Note proceeds Increment, the Managing Member, on behalf of the Fund, will accumulate Note subscription proceeds in a Sarasota, Florida FDIC insured institution. Upon the attainment of each Increment, each Increment amount (net of fees and expenses payable) will be directed to a selected independent securities broker-dealer that is a member of FINRA, the SIPC and the New York Stock Exchange, as 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 rule 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 does not impose any dollar limitation on the amount of securities which may be offered without registration pursuant to the Rule, 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 the Rule 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 investment matters that such purchaser (acting alone or with his Purchaser Representative) is capable of evaluating the merits and risks of the investment.

(ii) The Regulation and the Rule 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 amount and quality of information as would be required of the issuer if the securities being offered were registered under the Act, in order to afford prospective investors accurate and complete disclosure of all material information concerning the issuer, the securities being offered and other material matters. Such information delivery requirements are, as to format, less stringent when an issuer offers and sells the securities only to Accredited Investors (see below).

(iii) At the conclusion of the offering of its securities under the Regulation and the Rule, 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" which include but are 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 amount requirements (only under 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(1).

(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. However, this prohibition may be substantially eliminated by the provisions of the JOBS Act which is discussed below.

(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 any certificate evidencing ownership of the issuer's securities. See "DESCRIPTION OF THE NOTES".

(vi) Regulation D requires that the issuer of the securities claimed exempt from registration pursuant to the Regulation will comply with certain notice requirements with the SEC. The Fund will comply with such notice provisions of Regulation D.

The JOBS Act described on cover page 2 of this Memorandum was signed into law by President Obama on April 5, 2012 (the "Effective Date"). The JOBS Act requires that the SEC adopt enabling and interpreting Regulations and Rules with respect to certain provisions of the JOBS Act 90 days from such April 5, 2012 date. No assurance can be given that the SEC will complete its Regulation and Rule formulation and adoption process by the end of such period.

(1) The provisions of the 1940 Act which exempt the Fund from the registration requirements imposed by the 1940 Act as earlier explained in this Memorandum require that the equity securities of an entity otherwise required to register as an investment company be held beneficially by not more than 100 persons and that such entity not plan to have a public offering. All of the equity securities (membership interests) of the Fund will be held by the Managing Member and holders of outstanding Notes will be general creditors of the Fund not holders of any equity interest therein. Nevertheless the Managing Member will not accept Note subscriptions from more than 99 qualified investors, 69 of whom will be Accredited Investors.

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(1).

(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. However, this prohibition may be substantially eliminated by the provisions of the JOBS Act which is discussed below.

(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 any certificate evidencing ownership of the issuer's securities. See "DESCRIPTION OF THE NOTES".

(vi) Regulation D requires that the issuer of the securities claimed exempt from registration pursuant to the Regulation will comply with certain notice requirements with the SEC. The Fund will comply with such notice provisions of Regulation D.

The JOBS Act described on cover page 2 of this Memorandum was signed into law by President Obama on April 5, 2012 (the "Effective Date"). The JOBS Act requires that the SEC adopt enabling and interpreting Regulations and Rules with respect to certain provisions of the JOBS Act 90 days from such April 5, 2012 date. No assurance can be given that the SEC will complete its Regulation and Rule formulation and adoption process by the end of such period.

(1) The provisions of the 1940 Act which exempt the Fund from the registration requirements imposed by the 1940 Act as earlier explained in this Memorandum require that the equity securities of an entity otherwise required to register as an investment company be held beneficially by not more than 100 persons and that such entity not plan to have a public offering. All of the equity securities (membership interests) of the Fund will be held by the Managing Member and holders of outstanding Notes will be general creditors of the Fund not holders of any equity interest therein. Nevertheless the Managing Member will not accept Note subscriptions from more than 99 qualified investors, 69 of whom will be Accredited Investors.

The JOBS Act, when effective, makes substantial changes to the Federal securities laws. Important to this private offering of Notes is the elimination of the prohibition against general solicitation and advertising presently set forth in Regulation D and as discussed above. When the general solicitation and advertising is permitted as a result of the implementation of those provisions of the JOBS Act, such solicitation methods with respect to the offer of the Notes will be limited solely to Accredited Investors as defined subsequently herein. The possibility also exists that the SEC in its Regulation and Rule making activity could also amend the present criteria for classification as an Accredited Investor, possibly making such criteria more stringent by either raising the net worth or income requirement, or other present Accredited Investor criteria. Until the adoption of such implementing Regulations and Rules, the Managing Member intend to conduct the private offering of the Notes in accordance with the provisions of Regulation D as presently in force.

The provisions of the JOBS Act will not change the status of the Notes as Restricted Securities. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED".

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 (expected to be preempted by the JOBS Act), (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. The right of rescission provided by FIPA is described in the Note Subscription Agreement (Exhibit "A" to this Memorandum) and below. Florida has adopted the definition of an Accredited Investor as utilized in the Federal securities laws and Regulation D.

The ability of the several states, including Florida, to regulate the private offer and sale of securities in their respective states has been substantially preempted by amendments to the Act which became law in late 1996. In that regard, the National Securities Markets Improvement Act of 1996 (herein "NSMIA") introduced the concept of a "Federal covered security". Present Section 18 of the Act defines a "Federal covered security", among other things, as being a security which is offered under the provisions of Section 4(2) of the Act and Rules and Regulations promulgated by the SEC under that Section. Among the Rules promulgated under that Section is Rule 506 of Regulation D which is the exemptive Rule being relied upon by the Fund with respect to the private offer and sale of the Notes. Accordingly, the Managing Member believes that the Fund's

Notes are properly classified as "Federal covered securities" and, accordingly, the private offer and sale of such is substantially exempt from state regulation, the only exception being that the states are still empowered to require an informational sales report and may continue to engage in enforcement action intended to prevent fraudulent practices in the sale of securities.

The Fund intends to offer the Notes primarily, if not entirely, to Accredited Investors. On a case-by-case basis, the Managing Member will permit investors not qualifying as Accredited Investors to acquire Notes if such investors are sufficiently sophisticated and experienced in investment and financial matters as determined in the exclusive judgment of the Managing Member.

Regulation D classifies an investor as an Accredited Investor by utilizing specified objective criteria. The principal Accredited Investor criteria believed most applicable to the Fund's private offering of its Notes are:

1. An individual investor who has a net worth or joint net worth with his spouse which, as of the time of the investment in the securities claimed exempt from registration exceeds \$1 million with a reasonable expectation that such level of net worth will continue during the future time; OR
2. An individual investor who is a natural person and whose individual, annual income has exceeded \$200,000 in each of the two most recent years prior to the purchase of a Note and who reasonably expects that his individual income amount will exceed \$200,000 in the current year or is an individual who has a joint income with his or her spouse in excess of \$300,000 annually for such years with the reasonable expectation of the continuance of such income amount.

Definitions 1 and 2 are applied in the alternative. There are other objective criteria used in determining Accredited Investor status and such are set forth in the Annex to the Note Subscription Agreement included with this Memorandum as Exhibit "A".

Use of a Purchaser Representative

Interested investors not vested with knowledge and experience with respect to financial and investment 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 utilizing the services of a qualified Purchaser Representative who provides competent assistance to such investor in evaluating 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. Upon 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.

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 EFFECTIVE 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 Purchasers by Foreign Individuals of Entities

The Notes may be privately offered and sold to qualified, sophisticated investors who are individuals or entities resident or domiciled in foreign countries. The Fund's private Note offering activities may be subject to the securities laws and regulations of any such foreign countries.

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 the initial increment of Note subscription proceeds from which will be deducted any placement fees payable to assisting broker-dealers and to the Managing Member, other fees payable at such time, as well as the organizational expenses of the Fund. Such charges will be made with respect to each Note Increment which is realized by the Fund. 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 \$10 million.

The Note proceeds constituting the initial or second and subsequent increments 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 required amount or more, the Managing Member of the Fund will commit such increment proceeds to the investment activities of the Fund. See "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 Rate of 5% per annum) with respect to each increment achieved. During the course of the Note offering, the Managing Member is expected to effect their reimbursement for the organizational costs and which they may have advanced and paid. Such organizational costs and fees are anticipated and constituted primarily by legal fees in the approximate amount of \$20,000.

The organizational costs and fees incidental to the Fund's formation and capitalization achieved as a result of this Note offering are expected to be equitably apportioned and allocated among the several Note offering increments.

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. The Managing Member, Guy S. Della Penna, is acting as the promoter of the Fund as that term is used in the Act. The Fund, in the carrying out of its investment 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 as such 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 the required increment amount less fees payable, 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 Mr. Della Penna is not a computer driven "trading system". Essentially the investment approach in the Fund's investment activities can be considered fundamental and one that will utilize technical tools, along with informational considerations. Mr. Della Penna, in conducting Fund trading, expects to utilize exchange traded funds such as NASDAQ 100 QQQ'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 and 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 investment 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 Mr. Della Penna. Such identification process is

highly judgmental, subjective and discretionary and Mr. Della Penna may not always accurately identify a market value trend which has indications of being 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 of 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 ("QQQ"). The NASDAQ 100 Index Tracking 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 negative performance of the NASDAQ Index or other referenced indices. The Fund may deal 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 purchases or sale on an instantaneous basis. Such is also the case with respect to put and call options contracts of index fund shares. In the opinion of Mr. Della Penna, 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, Mr. Della Penna believes that the Fund will enhance its ability to realize Trading Profits in both upward and downward market value circumstances. Interested Note 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. Mr. Della Penna, on behalf of the Fund, has or will identify several securities broker-dealers which he believes will permit execution of the Fund's purchase and sale transactions at minimal transaction commissions and costs. Mr. Della Penna, 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. Mr. Della Penna will not participate in or receive any portion of such transactional commissions.

Mr. Della Penna has participated in the decision making process with respect to other private funds which engaged in investment activities similar to or the same as those intended for the Fund. Over time, 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 additional information

with respect to such techniques as permitted by applicable privacy restrictions. In examining such results, interested investors should keep in mind that any such information is unaudited and that such information 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 prior to the end of the Fund's Term.

FUND MANAGEMENT

The Fund formed under the Florida Limited Liability Company Act during the Offering Period. The Articles of Organization and the Operating Agreement of the Fund will designate Guy S. Della Penna as the Managing Member of the Fund. Mr. Della Penna will be responsible for the investment activities of the Fund, for Note Holder relations and the administration and record keeping responsibilities attendant to the Fund's existence and activities. In addition, Mr. Della Penna will be responsible for Fund compliance matters and the capitalization of the Fund. Purchasers of Notes will not have any management powers with respect to the Fund's activities and administration.

Information Concerning the Managing Member

Mr. Della Penna, age 60, resides in Sarasota, Florida. Mr. Della Penna has been active in the financial industry for over 35 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 acquired Executive Securities, Inc., a securities broker-dealer member firm based in Sarasota, Florida. In 1999, Executive Securities, Inc., as a result of a business combination transaction, 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 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. Mr. Della Penna served as President and Chief Executive Officer of both entities until 2002 when he resigned such positions.

As a controlling shareholder and investment banker, Mr. Della Penna founded or co-founded, formed, structured and capitalized various public and private corporate 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 1978, Mr. Della Penna trained in the underwriting and secondary market trading department of municipal bonds at Wertheim and Co. in New York City. During the period April 1978 through January 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 licenses are no longer active.

Compensation of the Managing Member

The Managing Member in connection with the formation, capitalization and investment activities of the Fund will be entitled to receive the following items of compensation:

- As a result of the private sale of Notes effected by the Managing Member, the Managing Member will be entitled to receive but may elect to defer such placement fees equal to 10% of the proceeds realized by the Fund as a result of such private sales efforts. To the extent that Notes are privately sold by qualified Placement Agents, such placement fees will be reduced by the amount of placement fees paid to Placement Agents.
- The Managing Member will also be entitled to receive in the aggregate a one time 3% organizational fee which will be charged and paid against the gross Note subscription proceeds received by the Fund during the course of the Note offering. Accordingly, if the entire principal amount of the Notes are sold, the Managing Member will receive an organizational fee in the amount of \$30,000.
- The Managing Member will also be entitled to receive a 3% management fee which will be charged against the market value of the Fund's Investments at the conclusion of each calendar year or partial calendar year of the Fund. Such management fee may be calculated and paid on a calendar quarter basis by the Fund to the Managing Member with an appropriate adjustment being made at the conclusion of the fourth calendar quarter of each year in order to assure that such management fee does not exceed an annual amount of 3%.

In addition to the foregoing items of compensation, the Managing Member, as indicated elsewhere in this Memorandum, is entitled to receive (by virtue of allocation to them by the Fund) 20% of the Trading Profits which may be experienced by the Fund as calculated at the time of termination of the Fund's existence. Such 20% allocation will increase to 100% on and subsequent to the time that Note Holders have received Additional Interest equal to their initial principal investment in Notes.

While not viewed by the Managing Member as compensation, the Fund will also pay to the Managing Member or to persons or entities that they direct, a monthly administration fee of \$1,500, which will be used primarily to pay the fees and costs of various services (such as accounting, bookkeeping, market research and reports and general and administrative costs, etc.) who provide required services to the Fund in connection with its administration and record keeping. As of the dated date of this Memorandum, such cumulative accrued monthly fees due and payable are \$9,000 and accrue at the fixed rate of \$1,500 per month, thereafter.

DESCRIPTION OF THE NOTES

In General

As indicated on the cover page and elsewhere in this Memorandum, the Fund is privately offering without registration under the Act its 5% Participating Notes (the "Notes") in aggregate principal amount of \$10 million. The Notes will be offered in increments as earlier explained in this Memorandum. As an Increment is attained, each Increment proceeds amount will be committed to the investment activities of the Fund (net of fees and costs then payable). 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. The General Partner will not be personally responsible for the principal and Note Interest obligation represented by outstanding Notes.

The Note Holders are entitled to receive Note Interest calculated on the outstanding principal amount of Notes at an annual rate of 5% which interest will be payable quarterly and will commence to accrue with respect to each Note from the date that the Note subscription is accepted by the Managing Member acting on behalf of the Fund. Such Note Interest will be annual, simple interest calculated on the basis of a 365 day year. Note Holders are also entitled to participate in Trading Profits, as such are earned as a result of the investment activities of the Fund, 80% of which will be paid to Note Holders as Additional Interest until Note Holders have received an amount equal to their investment in Notes.

The term to maturity of each Note to be outstanding will be 18 months calculated from the date that the Note offering is concluded (the "Term"). Accordingly, the actual Term to maturity of the Notes is expected to be more than 18 months from the time of acceptance of each Note subscription since the Note offering may not terminate until July 1, 2013, subject to any extensions. When deemed in the best interests of the Fund and the holders of outstanding Notes, such Term may be extended one or more times by the sole action of the Managing Member.

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 Additional Interest derived from 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.

As indicated in the Memorandum section captioned "THE RISKS AND OTHER FACTORS TO BE CONSIDERED" and in the Note Subscription Agreement (Exhibit A to this Memorandum), Note investors having claims or disputes with the Fund and/or the Managing Member such as claims arising from the occurrence and continuance of events of default relating to outstanding Notes will be required to submit such claims and disputes to binding arbitration subsequent to the time that a Note Holder or Note Holders participate in a mediation procedure with a view to resolving such claims and/or disputes. Holders of Notes will not have access to the courts as a result of such arbitration provisions.

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 Notes of NEW ECONOMY 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 NEW ECONOMY 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.

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 and if permitted by the Managing Member of the Fund.

FEDERAL INCOME TAX MATTERS

The Fund is expected to be viewed as a "pass through" entity. This means that items of income, loss, credit, etc. will be determined at the Fund level but will be imputed to the Managing Member who will be the sole holder of an equity-membership interest in the Fund. Note Holders will not be members of the Fund and, therefore, Federal income tax consequences attributable to Note Holders are expected to result from their receipt of Note Interest paid which is expected to be taxed at ordinary income rates and Additional Interest which is expected to be paid if the Fund realizes Trading Profits. Additional Interest received may also constitute ordinary income to Note Holders or, depending on the nature of the source of the Trading Profits from which such Additional Interest is paid, may constitute capital gain taxed at appropriate capital gain rates. The Fund should not be viewed by interested Note investors as a "tax shelter". Interested Note investors with respect to Federal income tax consequences attributable to the ownership of a Note should consult with their own tax advisors.

At appropriate times during the Fund's existence, the Managing Member may cause reports to be provided to Note Holders reflecting the Fund's investment activities, its status with respect to Trading Profits earned and other matters. In the event that Additional Interest is paid sourced from Trading Profits to Note Holders, the nature of such Additional Interest (ordinary income, capital gain, whether short, mid or long term) will be timely directed to Note Holders.

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 have been filed with the Department of State, State of Florida and will name Guy S. Della Penna Managing Member of the Fund.

Current Code Regulations, sometimes referred to as "check the box", provide that 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.

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 Holder 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 Holder 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 connected with the conduct by the Note Holder of a U.S. Business (and is attributable to a permanent establishment maintained in the United States by such Note Holder, if any applicable income tax treaty so requires as a condition for such Note Holder 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 Holder 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 Holder, 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 Holders may be required to establish their exemption from information reporting and back-up withholding by certifying their status on IRA 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 Holder 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 (2) and certain other conditions are met or the Note Investor or beneficial owner otherwise establishes an exemption.

Amounts withheld under the backup withholding rules may be credited against a Note investor's tax liability and a Note Holder 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 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 with 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 decisions 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 INVESTMENT ACTIVITIES. SUCH SUMMARY SHOULD NOT BE RELIED ON AS TAX ADVICE. ADDITIONALLY, SUCH SUMMARY DOES NOT

(2) As used in Regulation S as promulgated under the Securities Act of 1933, as amended.

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 OWNERSHIP 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 all of those authorized to issue instructions. The two partners and authorized person 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 shareholders, details on that entity until the identifies 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 governing 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 investors and if a corporation, the applicable information as noted above together with information on settlers 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 them as aforesaid, they may, in their absolute discretion, refuse to issue the Notes subscribed to in which event all subscription proceeds will be returned to the Note subscriber without interest (including Note Interest).

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 named 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 on a semi-annual basis. Such reports may 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 may also indicate the amount of accrued 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 may also be included in such reports, as will be the items of compensation and reimbursement paid to the Managing Member. Other reports will be furnished to Note Holders, including reports containing information necessary and required to permit Note Holders to prepare their Federal income tax returns.

SUPPLEMENTAL INFORMATION

The Managing Member on behalf of the Fund may deliver to interested investors supplemental information which is descriptive of the Fund's intended investment activities and other 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 and should be considered for illustration purposes only and should not be viewed as an indication of the possible investment performance of the Fund. The offering of the Notes is made only by this Memorandum and to the persons to whom such Memorandum is delivered.

NEW ECONOMY FUND, LLC

SUBSCRIPTION AGREEMENT
TO 5% PARTICIPATING PROMISSORY NOTES
IN MAXIMUM PRINCIPAL AMOUNT OF
\$10,000,000

EXHIBIT A

NEW ECONOMY FUND, LLC
(a Florida limited liability company
in Formation and Capitalization)

\$10,000,000 principal amount
5% Participating Promissory Notes

SUBSCRIPTION AGREEMENT
TO 5% PARTICIPATING PROMISSORY NOTES

Guy S. Della Penna, Managing Member
NEW ECONOMY FUND, LLC
3438 North Salford Boulevard
North Port, Florida 34286

Gentlemen:

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated January 2, 2013 with Exhibits thereto (the "Memorandum") of NEW ECONOMY FUND, LLC, a Florida limited liability company in the process of organization and capitalization (the "Fund") relating to the private 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 each of you as Managing Member of the Fund and the Fund that:

1. The undersigned understands that an investment in Notes and the 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 Notes proceeds, without interest, tendered herewith, by the undersigned to the Fund, all of which is in accordance with Section 517.061(1)(a)(5), Florida Statutes, as amended (the Florida Securities and Investor Protection Act, as amended) ("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 will be compensated in the manner described in the Memorandum section captioned "FUND MANAGEMENT" and by way of receipt of placement fees, organizational fees and other fees over the term of the Fund's existence.

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 \$1,000 increments.

5. The undersigned understands that by virtue of the execution and delivery of this Subscription Agreement, the undersigned 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 member of the Fund being the Managing Member, Guy S. Della Penna.

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 explained in the Memorandum 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. 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. From the initial Note offering increment and subsequent increments, there shall be deducted placement fees, Managing Member organizational and other fees, as well as the organizational costs attendant to the Fund's organization and capitalization.

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 the Managing Member and that Note Holders will not be members of the Fund but will be general creditors thereof and as such, will have no rights to participate in the management of the Investment activities of the Fund.

8. (a) The undersigned understands and agrees that all disputes, claims and controversies (herein "Claims") arising between the undersigned (the "Asserting Note Holder") and the Fund and/or the Managing Member as a result of the undersigned's investment in a Note or Notes and/or arising from the

Fund's Investment activities shall, if possible, be resolved pursuant to a mandatory, non-binding mediation process (the "Mediation") or if such Mediation is not successful, pursuant to binding arbitration ("Arbitration").

(b) Any Claim arising shall be express in writing by the Asserting Note Holder and shall be served upon the Managing Member promptly upon the Note Holder becoming cognizant of such Claim. Such service shall be effected by United States Certified Mail, Return Receipt Requested.

(c) Within thirty (30) days of the accomplishment of Claim service ("Service"), the Asserting Note Holder and the Fund and/or the Managing Member, as the case may be, shall promptly, mutually select a qualified mediator and shall engage in the Mediation within 45 days of Service. The Mediation shall be conducted by the Asserting Note Holder, the Fund and/or the Managing Member, as the case may be (collectively the "Parties"), with the objective of achieving a complete resolution of the Claim (a "Resolution"). The Resolution, if achieved, shall be memorialized by a written instrument signed by all of the Parties to the Mediation. However, if Resolution is not achieved, the Mediation shall be non-binding on the Parties and the Parties shall, within 30 days of the conclusion of the Mediation proceed to Claim Resolution in accordance with subpart (d) below. The mediator selected by the Parties shall be a mediator qualified to conduct mediations and recognized as such by the Financial Industry Regulatory Authority ("FINRA") or shall be a mediator providing mediation services with respect to commercial claims in the greater Sarasota-Bradenton, Florida area.

(d) As indicated in subpart (c) above, if the Mediation is not successful in achieving a Resolution of the Claim, the Parties shall proceed within the time specified in subpart (c) above to mutually select an arbitrator who shall hear the claims and the defenses thereto as asserted by the Parties. The Arbitration shall be conducted in accordance with the provisions of the Code of Arbitration obtaining from FINRA as such as in force presently and from time to time, which relates to disputes arising between public customers and members of FINRA. It is acknowledged that the Fund and the Managing Member are not members of FINRA or subject to its jurisdiction. Accordingly, the Arbitration, while conducted in accordance with the Code of Arbitration mentioned, shall not be conducted under the jurisdiction of FINRA nor shall same be administered by the Arbitration staff of FINRA. The Arbitration shall be private and confidential in character. During the 30 day period subsequent to the conclusion of the unsuccessful Mediation, the Managing Member shall submit to the Asserting Note Holder a list of ten arbitrators who are recognized as arbitrators by FINRA and who have experience in arbitrating commercial disputes. From such list of ten arbitrators, the Parties shall mutually select one arbitrator who shall hear the Claim and the defenses thereto and shall render a binding award with respect to

the Claim (the "Award"). If, within the 30 day period specified the Parties fail to mutually select an arbitrator, then the Asserting Note Holder and the Managing Member acting on behalf of the Fund and themselves, shall each select an arbitrator from the list provided by the Managing Member and such two arbitrators selected shall then select a single arbitrator from such list and such selected arbitrator shall serve as the sole arbitration with respect to the Arbitration of the Claim. The cost of this process, if any, shall be borne equally by the Asserting Note Holder and the Fund. The Award may include monetary damages, as well as an assessment of costs with respect to the Fund and/or the Managing Member (who may not be found liable in conjunction with default by the Fund in the payment of Note principal and/or Note Interest), as the case may be, for the harm found by the Arbitrator to have been involved in the Claim or the arbitrator may assess costs against the Asserting Note Holder. Each of the Parties, however, shall bear their own respective attorney's fees. Such Award as earlier indicated herein shall be binding upon the Parties and may be enforced by bringing an action for confirmation of such Award in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida. Such court shall also have jurisdiction to issue a binding order compelling the Parties to Arbitration pursuant to this Section 8.

(e) Any claim of an Asserting Note Holder must be timely brought with any applicable period of limitation as set forth in Florida Statutes as amended and which period of limitation relates to the nature of the Claim of the Asserting Note Holder. Claims not asserted during any applicable period of limitation shall be completely time barred.

In accordance with the terms hereof, the undersigned hereby subscribes to \$ _____ principal amount of Notes. With respect 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 NEW ECONOMY FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned subscriber further represents to the 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 NEW ECONOMY FUND, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or any state securities statutes, including the Florida Securities and Investor Protection Act, as amended, in reliance upon exemptions from registration provided by the Act and such statutes. 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), and/or the receipt by NEW ECONOMY 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 Securities Act of 1933, as amended (the "Act") by reason of exemptions provided by such Act, including, without limitation, the exemption provided by Section 4(2) of the Act and 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 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 conclusion of the interest offering.

Initial

Description

- _____ 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 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-SBEN

<http://www.irs.gov/pub/irs-soi/03/wsben.pdf>

Instructions for W-SBEN

<http://www.irs.gov/pub/irs-soi/03/wsben.pdf>

Form W-SECI

<http://www.irs.gov/pub/irs-soi/03/wseci.pdf>

Instructions for W-SECI

<http://www.irs.gov/pub/irs-soi/03/wseci.pdf>

Form W-SEXP

<http://www.irs.gov/pub/irs-soi/03/wsexp.pdf>

Instructions for W-SEXP

<http://www.irs.gov/pub/irs-soi/03/wsexp.pdf>

Form W-SIMY

<http://www.irs.gov/pub/irs-soi/03/wsimy.pdf>

Instructions for W-SIMY

<http://www.irs.gov/pub/irs-soi/03/wsimy.pdf>

Such identified 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 fall within the definition of an investment company as such term is utilized in the Investment Company Act of 1940 (the "1940 Act"), the 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, 64 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 respect 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 furnished 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 documents 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 _____, 20 ____.

Subscriber

Title (if Entity)

Social Security Number or
Employer Identification Number

ISSUE INSTRUCTIONS
(Please Print)

1. SUBSCRIBER _____
2. SUBSCRIBER _____
3. ADDRESS _____
4. CITY/STATE/ZIP CODE _____
5. HOME PHONE _____ BUSINESS PHONE _____

INSTRUCTIONS TO NEW ECONOMY 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 _____, 2012 by Guy S. Della Penna the Managing Member of the NEW ECONOMY FUND, LLC.

NEW ECONOMY FUND, LLC

By _____
Managing Member

APPENDIX A
TO 5% PARTICIPANT PROMISSORY
NOTES SUBSCRIPTION AGREEMENT

"Accredited Investor" shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

<u>Initial</u>	<u>Description</u>
_____	(1) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, as amended (the "Act"), or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development as defined in section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employee, if such plan has total assets in excess of \$5,000,000; employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are Accredited Investors;
_____	(2) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000;
_____	(3) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated under the Act.

NEW ECONOMY FUND, LLC

FORM OF 5% PARTICIPATING PROMISSORY NOTES

EXHIBIT B

EXHIBIT B

FORM OF 5% PARTICIPATING PROMISSORY NOTE

NO. _____

NEW ECONOMY FUND, LLC
(a Florida limited liability company)

5% PARTICIPATING PROMISSORY NOTES
\$10,000,000 MAXIMUM PRINCIPAL AMOUNT

This Note evidences the obligation of NEW ECONOMY 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 January 2, 2013 (the "Term" and the "Memorandum" respectively). The Payee shall be promptly advised as to the Term 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 existence. 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 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, which payment default has continued for a period of 90 consecutive days. Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. It is acknowledged by the Fund and the Payee that, in accordance with the provisions and terms of the Note Subscription Agreement which is Exhibit "A" to the Memorandum and which has been duly executed and delivered by the Payee to the Fund (and such subscription to a Note has been accepted by the Fund), that any Claims arising out of the

JOBBS Act which was expected to be 90 days from April 5, 2012. For more information concerning the JOBS Act, see the Memorandum section captioned "PLAN, TERMS AND NATURE OF THE OFFERING".

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 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

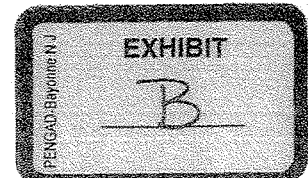
NEW ECONOMY FUND, L.L.C.

- An *alternative long/short* growth and income investment approach
- Risk management versus reward chasing
- Diversified (NASDAQ 100/QQQ) exchange traded fund
- New Economy, fundamentally stable companies
- 100 companies such as Apple, Google, Microsoft, Amgen, Starbucks
- Strong, liquid, low or no debt balance sheets
- Rising revenues potential
- Technical analysis complementing fundamental analysis
- No leverage utilized
- Finite investment time horizon (18 +/- months)
- Quarterly distributions with 1099 annual reporting (no K-1's)
- Capped at \$10 million for diligent ease of management
- Periodic reports, compilations and independent CPA audit
- Assets held at third party national brokerage firm
- Cash held at federally-insured commercial banking institution
- Participation by referral only
- 5% annual distributions payable quarterly to investors
- 80/20 split of profits with investors and Fund up to a 100% ROC/ROI

FOR DISCUSSION PURPOSES ONLY

The foregoing does not constitute an offer to sell nor the solicitation of an offer to purchase any security. Such offer is only made by Private Offering Memorandum of the Fund.

Memorandum dated January 2, 2013

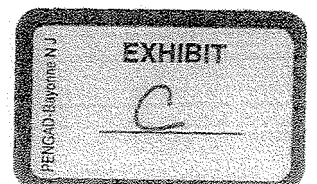


NEW ECONOMY FUND, LLC

**SUBSCRIPTION AGREEMENT
TO 5% PARTICIPATING PROMISSORY NOTES
IN MAXIMUM PRINCIPAL AMOUNT OF
\$10,000,000**

EXHIBIT A

Copy



**NEW ECONOMY FUND, LLC
(a Florida limited liability company
in Formation and Capitalization)**

**\$10,000,000 principal amount
5% Participating Promissory Notes**

**SUBSCRIPTION AGREEMENT
TO 5% PARTICIPATING PROMISSORY NOTES**

Guy S. Della Penna, Managing Member
NEW ECONOMY FUND, LLC
3438 North Salford Boulevard
North Port, Florida 34286

Gentlemen:

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated January 2, 2013 with Exhibits thereto (the "Memorandum") of NEW ECONOMY FUND, LLC, a Florida limited liability company in the process of organization and capitalization (the "Fund") relating to the private 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 each of you as Managing Member of the Fund and the Fund that:

1. The undersigned understands that an investment in Notes and the 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 Noted proceeds, without interest, tendered herewith, 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, as amended) ("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 will be compensated in the manner described in the Memorandum section captioned "FUND MANAGEMENT" and by way of receipt of placement fees, organizational fees and other fees over the term of the Fund's existence.

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 \$1,000 Increments.

5. The undersigned understands that by virtue of the execution and delivery of this Subscription Agreement, the undersigned 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 member of the Fund being the Managing Member, Guy S. Della Penna.

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 explained in the Memorandum 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. 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. From the initial Note offering Increment and subsequent Increments, there shall be deducted placement fees, Managing Member organizational and other fees, as well as the organizational costs attendant to the Fund's organization and capitalization.

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 the Managing Member and that Note Holders will not be members of the Fund but will be general creditors thereof and as such, will have no rights to participate in the management of the Investment activities of the Fund.

8. (a) The undersigned understands and agrees that all disputes, claims and controversies (herein "Claims") arising between the undersigned (the "Asserting Note Holder") and the Fund and/or the Managing Member as a result of the undersigned's investment in a Note or Notes and/or arising from the

Fund's Investment activities shall, if possible, be resolved pursuant to a mandatory, non-binding mediation process (the "Mediation") or if such Mediation is not successful, pursuant to binding arbitration ("Arbitration").

(b) Any Claim arising shall be express in writing by the Asserting Note Holder and shall be served upon the Managing Member promptly upon the Note Holder becoming cognizant of such Claim. Such service shall be effected by United States Certified Mail, Return Receipt Requested.

(c) Within thirty (30) days of the accomplishment of Claim service ("Service"), the Asserting Note Holder and the Fund and/or the Managing Member, as the case may be, shall promptly, mutually select a qualified mediator and shall engage in the Mediation within 45 days of Service. The Mediation shall be conducted by the Asserting Note Holder, the Fund and/or the Managing Member, as the case may be (collectively the "Parties"), with the objective of achieving a complete resolution of the Claim (a "Resolution"). The Resolution, if achieved, shall be memorialized by a written instrument signed by all of the Parties to the Mediation. However, if Resolution is not achieved, the Mediation shall be non-binding on the Parties and the Parties shall, within 30 days of the conclusion of the Mediation proceed to Claim Resolution in accordance with subpart (d) below. The mediator selected by the Parties shall be a mediator qualified to conduct mediations and recognized as such by the Financial Industry Regulatory Authority ("FINRA") or shall be a mediator providing mediation services with respect to commercial claims in the greater Sarasota-Bradenton, Florida area.

(d) As indicated in subpart (c) above, if the Mediation is not successful in achieving a Resolution of the Claim, the Parties shall proceed within the time specified in subpart (c) above to mutually select an arbitrator who shall hear the claims and the defenses thereto as asserted by the Parties. The Arbitration shall be conducted in accordance with the provisions of the Code of Arbitration obtaining from FINRA as such as in force presently and from time to time, which relates to disputes arising between public customers and members of FINRA. It is acknowledged that the Fund and the Managing Member are not members of FINRA or subject to its jurisdiction. Accordingly, the Arbitration, while conducted in accordance with the Code of Arbitration mentioned, shall not be conducted under the jurisdiction of FINRA nor shall same be administered by the Arbitration staff of FINRA. The Arbitration shall be private and confidential in character. During the 30 day period subsequent to the conclusion of the unsuccessful Mediation, the Managing Member shall submit to the Asserting Note Holder a list of ten arbitrators who are recognized as arbitrators by FINRA and who have experience in arbitrating commercial disputes. From such list of ten arbitrators, the Parties shall mutually select one arbitrator who shall hear the Claim and the defenses thereto and shall render a binding award with respect to

the Claim (the "Award"). If, within the 30 day period specified the Parties fail to mutually select an arbitrator, then the Asserting Note Holder and the Managing Member acting on behalf of the Fund and themselves, shall each select an arbitrator from the list provided by the Managing Member and such two arbitrators selected shall then select a single arbitrator from such list and such selected arbitrator shall serve as the sole arbitration with respect to the Arbitration of the Claim. The cost of this process, if any, shall be borne equally by the Asserting Note Holder and the Fund. The Award may include monetary damages, as well as an assessment of costs with respect to the Fund and/or the Managing Member (who may not be found liable in conjunction with default by the Fund in the payment of Note principal and/or Note Interest), as the case may be, for the harm found by the Arbitrator to have been involved in the Claim or the arbitrator may assess costs against the Asserting Note Holder. Each of the Parties, however, shall bear their own respective attorney's fees. Such Award as earlier indicated herein shall be binding upon the Parties and may be enforced by bringing an action for confirmation of such Award in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida. Such court shall also have jurisdiction to issue a binding order compelling the Parties to Arbitration pursuant to this Section 8.

(e) Any claim of an Asserting Note Holder must be timely brought with any applicable period of limitation as set forth in Florida Statutes as amended and which period of limitation relates to the nature of the Claim of the Asserting Note Holder. Claims not asserted during any applicable period of limitation shall be completely time barred.

In accordance with the terms hereof, the undersigned hereby subscribes to \$100,000.00 principal amount of Notes. With respect to such Note subscription, the undersigned, in accordance with the terms of the Note offering, tenders herewith his check in the aggregate amount of \$100,000.00 to the order of NEW ECONOMY FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned subscriber further represents to the 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 NEW ECONOMY FUND, LLC represented by this Note have not been registered under the Securities Act of 1933, as amended, or any state securities statutes, including the Florida Securities and Investor Protection Act, as amended, in reliance upon exemptions from registration provided by the Act and such statutes. 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), and/or the receipt by NEW ECONOMY 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 Securities Act of 1933, as amended (the "Act") by reason of exemptions provided by such Act, including, without limitation, the exemption provided by Section 4(2) of the Act and 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 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 conclusion of the Interest offering. |
|-------|--|

Initial

Description

KC
1/13/2013

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 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-SBEN

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8ben.pdf>

Instructions for W-SBEN

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8ben.pdf>

Form W-SECI

<http://www.irs.ustreas.gov/pub/irs-pdf/fw8eci.pdf>

Instructions for W-SECI

<http://www.irs.ustreas.gov/pub/irs-pdf/iw8eci.pdf>

Form W-SEXP

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Instructions for W-SEXP

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Instructions for W-8IMY

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Such identified 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 fall within the definition of an investment company as such term is utilized in the Investment Company Act of 1940 (the "1940 Act"), the 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, 64 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 respect 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 furnished 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 documents 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 authorize 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 13 day of Jan, 2013.

Ken Cet
Subscriber

Title (if Entity)

086-38-8036
Social Security Number or
Employer Identification Number

ISSUE INSTRUCTIONS

(Please Print)

- 1. SUBSCRIBER Kenan Murat Cetin Revocable Trust
- 2. SUBSCRIBER _____
- 3. ADDRESS 6231 Aventura Drive
- 4. CITY/STATE/ZIP CODE Sarasota, FL 34241
- 5. HOME PHONE 941 927 9766 BUSINESS PHONE 941 993 0766

INSTRUCTIONS TO NEW ECONOMY 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 Ken Cetin Trustee

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 13th day of January, 2013 by Guy S. Della Penna the Managing Member of the NEW ECONOMY FUND, LLC.

NEW ECONOMY FUND, LLC

By Guy S. Della Penna, Managing Member
Managing Member

Bank of America Business

Ken Cetin, Trustee
Dale Cetin, Trustee
6231 Aventura Drive
Sarasota, FL 34241

5585
63-27/831 R
73322

Jan 13, 2013
Date

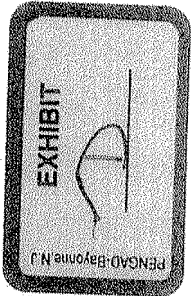
Pay to the order of New Economy Fund, LLC \$ 100,000.00
One hundred thousand and 00/100 Dollars ACH

Bank of America

ACH RUT 06210027

Investment
Memo New Economy Fund LLC Ken Cetin

⑆063100277⑆ 802291889575⑆5585



NEW ECONOMY FUND, LLC

FORM OF 5% PARTICIPATING PROMISSORY NOTES

EXHIBIT B



EXHIBIT B

FORM OF 5% PARTICIPATING PROMISSORY NOTE

NO. 14

**NEW ECONOMY FUND, LLC
(a Florida limited liability company)**

**5% PARTICIPATING PROMISSORY NOTES
\$10,000,000 MAXIMUM PRINCIPAL AMOUNT**

This Note evidences the obligation of NEW ECONOMY FUND, LLC (the "Fund") to pay to Kenan Murat Cetin Revocable Trust ("Payee") the principal sum of One Hundred Thousand Dollars (\$100,000.00) 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 January 2, 2013 (the "Term" and the "Memorandum" respectively). The Payee shall be promptly advised as to the Term 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 existence. 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 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, which payment default has continued for a period of 90 consecutive days. Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. It is acknowledged by the Fund and the Payee that, in accordance with the provisions and terms of the Note Subscription Agreement which is Exhibit "A" to the Memorandum and which has been duly executed and delivered by the Payee to the Fund (and such subscription to a Note has been accepted by the Fund), that any Claims arising out of the

issuance of this Note to the Payee as the term "Claims" is defined in the referenced Note Subscription Agreement are subject to resolution first by a non-binding Mediation process which, if not successful, shall be followed by a binding Arbitration process, the Award resulting from such being duly enforceable by an action for confirmation upon such Award commence 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 Member of the Fund of any change in record ownership of a Note.

The 5% Participating Promissory Notes of NEW ECONOMY 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 NEW ECONOMY 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 14th day of January, 2013.

NEW ECONOMY FUND, LLC

By 
Gay S. Della Penna, Managing Member

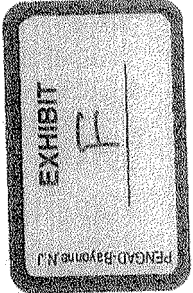
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APEX CLEARING CORPORATION

[REDACTED]

optionshouse 

141 W Jackson Blvd., Suite 800 Chicago, IL, 60604, USA
Member of FINRA and SIPC Tel: 877-422-8880 Fax: 312-422-8879



June 1, 2013 - June 30, 2013

ACCOUNT NUMBER [REDACTED] 2083 [REDACTED]

NEW ECONOMY FUND
ATTN: GUY S DELLA PENNA

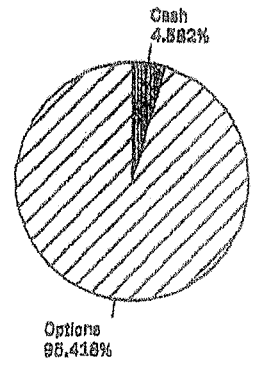
Your Registered Representative
OPTIONSHOUSE LLC
(877) 653-2500

[REDACTED]

ACCOUNT SUMMARY

	OPENING BALANCE	CLOSING BALANCE
Margin account	\$115,913.11	\$89,884.78
NET ACCOUNT BALANCE	115,913.11	89,884.78
Securities	188,900.00	1,455,000.00
TOTAL PRICED PORTFOLIO	188,900.00	1,455,000.00
Total Equity Holdings	\$302,813.11	\$1,524,884.78

PORTFOLIO EQUITY ALLOCATION



ACCOUNT CARRIED BY:
APEX CLEARING CORPORATION
MEMBER FINRA, SIPC and SIPC

See Reverse Side for important Tax Information. This statement shall be conclusive if not objected to in writing within 90 days, errors and omissions excepted. Please address all communications to the firm and not to individuals. Address changes or other requests in regards to your account should be directed to the office servicing your account. Kindly mention your account number. This statement should be retained for income tax purposes.

DECLARATION OF BRADLEY SPRINGSTEAD

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Bradley Springstead. 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 a meeting at a church over three years ago. We developed a friendly relationship over the years.

3. In or around September 2013, my fiancé, Agata Dolski, and I went out to dinner with Della Penna. We told Della Penna that we were looking for a good investment, and he told us about his New Economy Fund, LLC, which he said primarily traded in options in the QQQ market and Exchange Traded Funds. Della Penna told us that we could expect about a 7% annual return on our investment, to be paid quarterly.

4. Prior to our investment in the New Economy Fund, Della Penna gave us the following documents: a private offering memorandum for the New Economy Fund, a copy of which is attached as Exhibit A; a one page sheet summarizing the New Economy Fund, a copy of which is attached as Exhibit B; and a trade statement analysis for the New Economy Fund, a copy of which is attached as Exhibit C.

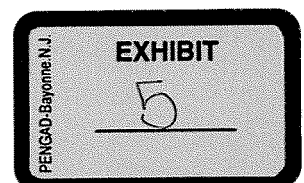
5. On September 26, 2013, we invested \$30,000 with the New Economy Fund. On October 1, 2013, we received a participating promissory note signed by Della Penna evidencing our investment, a copy of which is attached as Exhibit D.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.



Bradley Springstead

Executed on this 18 day of January 2014.



PRIVATE OFFERING MEMORANDUM

NO. 16

NEW ECONOMY FUND, LLC
(a Florida limited liability company
in formation and capitalization)

\$10,000,000 principal amount
of 5% Participating Promissory Notes

NEW ECONOMY FUND, LLC (the "Fund") is a limited liability company formed pursuant to the provisions of 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") and will be responsible for Note Holder relations and the administration of the general affairs of the Fund. Mr. Della Penna is sometimes referred to herein as the "Managing Member".

The Fund is privately offering to suitable, sophisticated and Accredited Investors its 5% Participating Promissory Notes (the "Notes") in maximum principal amount of \$10,000,000. The Notes will be offered directly by the Fund through 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. 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 each such Placement Agent. The Fund may also receive assistance in connection with the private offer and sale of the Notes from persons or entities acting as finders. The Fund expects to compensate any Placement Agent assisting the Fund in the private offer and sale of the Notes and will compensate finders on a case-by-case basis as determined appropriate by the Managing Member.

The Note proceeds, net of any placement fees and finders' fees (where appropriate) 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 activities the Fund will generally utilize technical, as well as fundamental approaches and intuitive discretionary investment techniques and analyses subsequently described herein. The Fund will not utilize margin in its investment and reinvestment activities.

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

information presented in this Memorandum is as of January 2, 2013. To the extent that events occur which materially relate to the capitalization and activities of the Fund, this Memorandum will be supplemented as appropriate. The Memorandum is also supplemented with respect to the progress of the private offering of the Fund to the conclusion of such offering.

Investment in the Notes and the investment activities of the Fund involves risk. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED" on page 13.

Notes offered hereby will only be offered and sold to suitable, qualified Accredited Investors, as determined in the exclusive judgment of the Managing Member of the Fund. Persons who are not deemed suitable, qualified Accredited Investors will not be permitted to purchase Notes. The Notes offered hereby may also be offered and sold to qualified 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 individual has the necessary qualifications to acquire and own

THE FUND HAS NOT REGISTERED THE NOTES OFFERED HEREBY UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") IN RELIANCE ON THE EXEMPTIONS FROM REGISTRATION PROVIDED IN SECTION 3(b) OF THE 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. THE FUND IS NOT A COMPANY EXEMPT FROM REGISTRATION PROVIDED UNDER THE ACT, HOWEVER, DOES NOT INDICATE IN ANY WAY WHETHER THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR THAT THE SEC HAS CONSIDERED THE COMPLETENESS OF THE STATEMENTS MADE HEREIN.

On July 15, 2012, President Obama signed the JOBS Act into law. JOBS is the Jump Start Our Business Start-ups Act (herein the "JOBS Act"). The JOBS Act makes substantive changes to the Federal securities laws, including those which govern the offering of the Notes. The time that the JOBS Act become effective. Such effectiveness is anticipated to be on September 8, 2012. The SEC has adopted implementing rules and regulations for the

issuance of this Note to the Payee as the term "Claims" is defined in the referenced Subscription Agreement are subject to resolution first by a non-binding Mediation process which, if not successful, shall be followed by a binding Arbitration process, the Award rendered from such being duly enforceable by an action for confirmation upon such Award commenced 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 ownership 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 issue of the Notes must be reflected in such register in order that the transferee of a Note 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 Member of the Fund of any change in record ownership of a

The 5% Participating Promissory Notes of NEW ECONOMY 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 NEW ECONOMY 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____.

NEW ECONOMY FUND, LLC

By _____
Guy S. Della Penna, Managing Member

EXHIBIT B

MEMORANDUM OF 5% PARTICIPATING PROMISSORY NOTE

NO. _____

NEW ECONOMY FUND, LLC
(a Florida limited liability company)

5% PARTICIPATING PROMISSORY NOTES
\$10,000,000 MAXIMUM PRINCIPAL AMOUNT

Witnesses the obligation of NEW ECONOMY FUND, LLC (the "Fund") to _____ ("Payee") the _____ (\$ _____)

hereon at the annual rate of 5% (the "Note Interest"). The principal sum due and payable on a date which is 18 months from the conclusion of the offering of the 5% Participating Promissory Notes of the Fund (the "Notes") by the Private Offering Memorandum of the Fund dated January 2, 2013 Memorandum" respectively). The Payee shall be promptly advised as to upon the completion of the limited and private offering of the Notes as memorandum. The Note Interest shall commence to accrue on this Note on the scripition made by a Note purchaser is accepted by the Managing Member be paid to the Payee on a calendar quarter basis, with the first calendar being possibly less than a full calendar quarter Note Interest amount. The entitled to receive Additional Interest which shall be allocated from the which are earned by the Fund during its existence. Additional Interest and defined terms, with such definitions being set forth in the Memorandum and specifically incorporated in this Note. Any Additional Interest to which the Payee be entitled shall be determined and paid in the manner set forth in the Memorandum proceeds received by the Fund as a result of the issuance of this Note may be paid in increments, all as is more fully explained in the Memorandum.

The obligation and the obligation of the Fund to pay the Note Interest represent the obligations of the Fund equal to the obligations of the Fund owing to its general and Notes of like kind are not being issued pursuant to the provisions of a subscription agreement. The Fund will only have defaulted with respect to its obligation to pay the Note and all Notes of like kind in the event that it fails to pay the principal amount when due or fails to pay Note Interest at the times when such Note amount is payable, which payment default has continued for a period of 90 days on the part of the Fund to pay Additional Interest shall not constitute a default if it is acknowledged by the Fund and the Payee that, in accordance with the provisions of the Note Subscription Agreement which is Exhibit "A" to the Memorandum which has been duly executed and delivered by the Payee to the Fund (and the Note has been accepted by the Fund), that any Claims arising out of the

JOBS Act which was expected to be 90 days from April 5, 2012. For more information concerning the JOBS Act, see the Memorandum section captioned "PLAN, TERMS AND NATURE OF THE OFFERING".

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 133 thereunder.

THE DELIVERY OF THIS MEMORANDUM SHALL NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANY PERSON IN ANY JURISDICTION IN WHICH SUCH 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 OR 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 CONSTRUCTIVE 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 AN

ONS OTHER THAN THOSE CONTAINED IN THIS
AND, IF GIVEN OR MADE, SUCH INFORMATION OR
ONS MUST NOT BE RELIED UPON AS HAVING BEEN
THE MANAGING MEMBER.

THIS OFFERING ITS NOTES SUBJECT TO PRIOR SALE,
CANCELLATION OR MODIFICATION OF THE OFFER
E, AND TO THE FURTHER CONDITIONS SET FORTH IN THIS
4.

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NEW ECONOMY FUND, LLC

FORM OF 5% PARTICIPATING PROMISSORY NOTES

EXHIBIT B

SUMMARY

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

The Fund

The Fund will be a limited liability company formed under the Florida Limited Liability Company Act. The Managing Member of the Fund is Guy S. Della Penna, Sarasota, Florida. The Fund will maintain its offices at 3438 North Salford Boulevard, North Port, Florida 34286. The purchasers of the Notes being private offered by the Memorandum will not become Members of the Fund. Interested investors may direct questions concerning the Notes, the Fund and the intended activities of the Fund to Mr. Guy S. Della Penna at 941/350-0919.

Capital received by the Fund from the private offer and sale of the Notes will be invested in equity securities, exchange traded funds and derivatives thereof, as well as put and call options involving such securities and funds on 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. 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 initially in a Note proceeds increment of \$250,000 and thereafter in Note proceeds increments expected to be in the amount of \$100,000 (an "Increment" or "Increments"). Until an appropriate time, separate record keeping 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 Increment amounts upward or downward.

Mr. Della Penna is not registered as an investment advisor under the Federal Investment Advisors Act or the Florida Securities and Investor Protection Act. Such registration is not required as a result of exemptions from the registration requirements of such statutes relating to advisors who have a limited number of clients.

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 matter affecting the Fund.

has been formed to realize Trading Profits (as subsequently defined) and to the holders of the Notes in the form of interest at the stated rate (usually not compounded) and Additional Interest and to the Managing Member. Insurance can be given that the Fund will be successful in its investments and losses may occur.

Federal Income Tax Considerations

The Managing Member has been informally advised that the Fund will be treated as a partnership under the Internal Revenue Code, as amended to date. Note interest (5% annually, not compounded) when paid to the Note Holders will constitute ordinary income to the Note Holders. Trading Profits, if any, for any accounting period will be distributed to the Note Holders in accordance with the allocations subsequently described in this Memorandum. Such Additional Interest may also constitute ordinary income to the Note Holders unless the Trading Profits which are the source of such Additional Interest are treated at Fund level as capital gain eligible for capital gain treatment under the Internal Revenue Code, as amended to date.

Investors are encouraged to visit with their own tax advisors with respect to the possible Federal income tax consequences of an investment in the Notes described hereby.

The Note Offering

In accordance with this Memorandum, the Fund is offering on a limited and exclusive basis a maximum of \$10,000,000 principal amount of Notes. The Notes will be offered in minimum principal purchase amounts of \$250,000 and thereafter, in minimum principal purchase amounts of \$1,000. As of the date of this Memorandum, the Fund has not received any minimum Note subscription amount but reserves the right to do so. The Fund, on behalf of the Fund, may waive the minimum Note principal purchase amount of \$250,000 in order to facilitate the completion of this private offering.

The offering will be privately offered and sold only to suitable, sophisticated and accredited investors. The term "Accredited Investors" is a term utilized in Regulation D under the Act and is subsequently explained in this Memorandum in the section captioned "PLAN, TERMS AND NATURE OF THE OFFERING".

APPENDIX A
TO 5% PARTICIPANT PROMISSORY
NOTES SUBSCRIPTION AGREEMENT

"Accredited Investor" shall mean any person who comes within any of the following categories, or who the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

<u>Initial</u>	<u>Description</u>
_____	(1) Any bank as defined in section 3(a)(2) of the Securities Act of 1933, as amended (the "Act"), or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; any insurance company as defined in section 2(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company defined in section 2(a)(48) of that Act; Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employee, if such plan has total assets in excess of \$5,000,000; employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are Accredited Investors;
_____	(2) Any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000;
_____	(3) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D promulgated under the Act.

CTIONS

B
BER _____

TE/ZIP CODE _____
ONE _____ BUSINESS PHONE _____

TO NEW ECONOMY FUND, LLC

6 Participating Promissory Notes:
ividually to the name on line _____;
h names on Lines 1 and 2 as
NT TENANTS with right of survivorship
VANTS IN COMMON
VANTS BY THE ENTIRETIES
therwise _____

NOTE IF APPLICABLE:

ing to invest in the Notes of the Fund, the advisory services of the
lized:

TION: _____

his ____ day of _____, 2012 by Guy S. Della Penna the
of the NEW ECONOMY FUND, LLC.

NEW ECONOMY FUND, LLC

By _____
Managing Member

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 Financial Industry Regulatory Authority (FINRA). Such assisting Placement Agents will be entitled to receive placement fees not to exceed 10% charged against the proceeds realized by the Fund as a result of such Placement Agent assistance. Accordingly, if the entire \$10,000,000 principal amount of Notes being privately offered were to be sold solely by such Placement Agents, the Fund would pay aggregate maximum placement fees of \$1,000,000. Reasonable expense reimbursement to assisting selling Placement Agents may also occur. No assurance can be given that the Fund will receive any meaningful assistance from any Placement Agent.

The Managing Member (Mr. Della Penna) will also assist the Fund in the private sale of the Notes to suitable, sophisticated and Accredited Investors. As a result of such assistance, the Managing Member will be entitled to receive fees equal to those payable to the aforementioned FINRA Placement Agent, but may elect to defer such fees of the Note proceeds resulting from such placement efforts. Placement fees to any assisting Placement Agent or the Managing Member will only be paid upon the completion of the initial and each subsequent Note offering Increment and the receipt by the Fund of the representative Note subscription proceeds. The Managing Member has substantial additional duties presently owing to the Fund and such will be the case upon the completion of the private offering 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 or any escrow agent. The Fund will not commit Note proceeds, however, until such time as Note proceeds in the initial Increment of \$250,000 are received by the Fund. The second and subsequent Note offering Increments are expected to be in the amount of \$100,000, subject to the Managing Member determinations during the course of the Note offering. As each offering Increment 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 to assisting Placement Agents and to the Managing Member.

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 with respect to the Fund Investments utilizing such Investment proceeds in order that Note purchasers in such Increment receive appropriate and equitable allocations of the Trading Profits resulting from such Investment activities. 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 Profit calculation purposes.

offering will be conducted until the earlier of (i) the sale of the entire principal amount of Notes are sold; (ii) the Note offering is earlier than the date of the next meeting of the Managing Member or (iii) July 1, 2013 subject to 90 day extensions as determined in writing by the Managing Member.

In addition to the payment of placement fees to assisting qualified Placement Agents, if the Fund is also authorized to pay to persons or entities acting as finders. To be recognized as a finder, an entity must function solely in the capacity as an introductory source and no active Note investor is introduced to the investment possibility of the Fund's Notes. Any such finder so recognized by the Fund will not be entitled to participate in the private offer and sale of the Notes. It is not expected that any finder's fee will exceed 1% charged against the aggregate Note subscription by the Fund as a result of such finder's introductory activities. Any fee will be reallocated from the placement fees payable to the Managing Member and will not result in an additional deduction from the proceeds realized in any offering. Finders may or may not be registered as securities broker-dealers under applicable Federal or state law.

The Fund will also recognize the assistance of a Note investor Purchaser and such term is utilized in Regulation D as promulgated under the Act. **AS AND NATURE OF THE OFFERING**".

Risk Factors

All investment activities and the ownership of its Notes are subject to the risks set forth in the Memorandum. Interested investors are urged to carefully read the Memorandum titled **THE RISKS AND OTHER FACTORS TO BE CONSIDERED**".

Description of the Notes

The Notes being privately offered by this Memorandum will represent the entire principal amount of the Fund and will have a term to maturity of 18 months. The term of the Notes privately sold will be calculated from the date that the Note is sold. Note purchasers will be promptly advised of the Note maturity date at the private Note offering is successfully completed (the "Term"). The Term may be extended one or more times by the sole action of the Managing Member and such extension is deemed to be in the collective best interests of the Noteholders. Interest on the simple interest will be paid on the outstanding principal amount of the Notes at the rate of Note subscription acceptance by the Managing Member at an annualized rate of 5% (the "Note Interest"). Note Interest will be payable on a quarterly basis. The principal amount of the Notes will be paid at Note maturity or if so determined at the sole discretion of the Managing Member.

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 _____, 20____.

Subscriber

Title (if Entity)

Social Security Number or
Employer Identification Number

forms are available from the United States Treasury web sites listed. It should be noted that with respect to Note subscribers subscribing to a Note as tenants in common, each individual must complete the appropriate IRS Form.

The undersigned further understands that while the Fund may fall within the definition of an investment company as such term is utilized in the Investment Company Act of 1940 ("1940 Act"), the Fund will not be registered as such under the 1940 Act and will rely on certain exemptive provisions contained therein. Reliance on such provisions will preclude the Fund from having more than 99 beneficial owners, 64 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 may elicit certain information concerning the subscriber relative to his investment and business experience and other information which is required by the Managing Member, and provided by the subscriber to the Managing Member and the Fund, the undersigned warrants that the information contained in such questionnaire is true and correct in all material respect and does not omit to state any information relevant to any question 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 subscribers provide the following documentation:

For Note investors that are entities (corporations, 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 documents and (ii) a mandate or certificate of authority of such entity authorizing the Note subscription or a certified resolution that includes naming authorized signatories and a list of authorized signatory list;

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;

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 realized Trading Profits during its term of existence, Additional Interest constituted by an 80% allocation of the Trading Profits (as defined herein) which have been realized by the Fund until such time as each Note Holder has received Additional Interest representing a 100% return of the original principal amount of each Note Holder's Note. The initial principal amount of each Note subscriber's Note will be equal to the subscription obligation of each Note investor. Thereafter, all Trading Profits will be retained by the Fund. The allocation 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".

The Managing Member of the Fund has determined to use the Participating Promissory Notes as the vehicle for investment by qualified investors in the investment trading activities of the Fund as opposed to a form of equity interest in the Fund such as a membership interest. As indicated, the Notes are unsecured and are not issued pursuant to the provisions of any Note Agreement or Trust Indenture. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED" subsequently in this Memorandum. The 5% Participating Note investment vehicle has been chosen in order to afford Note investors, to the extent that the Fund experiences Trading Profits (as defined below), a periodic, regular receipt of Note Interest at an annual, non-compounded rate of 5% calculated against the principal amount of each Note outstanding payable on a calendar quarterly basis (the "Note Rate"). Note Interest at the Note Rate will be paid to Note investors determined solely by the Managing Member from sources other than Trading Profits, including any interest reserve. See "USE OF PROCEEDS". The Additional Interest will be exclusively sourced from the Trading Profits experienced by the Fund, if any, and may or may not be paid. While the Note Rate interest will most likely constitute ordinary income to the Note Holders, the Additional Interest may constitute capital gain if that is the source of payment of such Additional Interest, as determined at the Fund level. As indicated, 80% of such Trading Profits will be allocated to the Note Holders until they receive Additional Interest in an amount equal to their original Note investment amount. Trading losses, of course, may occur as a result of the Fund's investment activities. Trading losses will be allocated entirely to the Fund.

Interested investors should realize that the Notes being privately offered hereby are not comparable to debt instruments offered under more customary circumstances involving more traditional creditor-debtor transactions and there is the on-going risk that the Notes, during the course of the Fund's existence and at its termination, will be without value.

Such minimum Note subscription requirement may be waived in the Managing Member when such waiver will, in the opinion of the Managing Member, facilitate the successful conclusion of a Note offering Increment or offering in maximum principal amount of \$10 million. The Managing Member shall establish a maximum Note purchase amount. The Managing Member, also reserve the right to refuse any subscription to Notes for any subscription to Notes to a principal amount less than subscribed for offering at any time without notice. In the event of such reduction subscribers will receive prompt, appropriate refunds of Note subscription cost.

The Managing Member on behalf of the Fund have not established any formal escrow whereby Note proceeds will be accumulated pursuant to an escrow agent by an independent escrow agent until certain specified amounts are received.

The offering terms, however, provide that Note proceeds shall be held in escrow at the time as the then established Note proceed Increment (prior to the payment and other fees and organizational expenses) have been further explained in this Memorandum, Note proceeds Increments will be separately accounted for until the Note offering is concluded and it is then all Increments into a single fund for accounting purposes. For the duration of the Offering Period, see the Memorandum section "KEY INFORMATION". Pending the accumulation of each Note the Managing Member, on behalf of the Fund, will accumulate Note proceeds in a Sarasota, Florida FDIC insured institution. Upon the completion, each Increment amount (net of fees and expenses payable) selected independent securities broker-dealer that is a member of the New York Stock Exchange, as selected by the Managing Member, during a period of Increment accumulation, the Managing Member may use the subscription proceeds in investments assuring the integrity of the

For each Note proceeds Increment, the Managing Member, on behalf of the Fund, shall execute and deliver the form of Note evidencing the 5% yield Notes being privately offered by this Memorandum. The Note shall include restrictive endorsement. See "DESCRIPTION OF THE NOTES".

Offering

The offering hereby have not been registered pursuant to the registration requirements of the Federal Securities Act of 1933, as amended (the "Act") or the states in which Notes may be offered and sold in reliance upon

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 individual investor or, if a corporate shareholders, details on that entity until the identity 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 governing 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 investors 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 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 a 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 them as aforesaid, they may, in their absolute discretion, refuse to issue the Notes subscribed to which event all subscription proceeds will be returned to the Note subscriber with interest (including Note Interest).

The Managing Member also reserves the right to request such information as 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 named on an OFA

Forms are available from the United States Treasury web sites listed and it is noted that with respect to Note subscribers subscribing to a Note as tenants in common, each individual must file the appropriate IRS Form.

The undersigned further understands that while the Fund may fall within the definition of an investment company as such term is utilized in the Investment Company Act of 1940 ("1940 Act"), the Fund will not be registered as such under the 1940 Act and reliance on certain exemptive provisions contained therein. Reliance on such provisions will preclude the Fund from having more than 99 beneficial owners, 64 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 request the undersigned subscriber to complete and furnish to the Managing Member a questionnaire which may elicit certain information concerning the subscriber relative to his investment and business experience and other information. Such questionnaire is required by the Managing Member, and provided by the Managing Member to the subscriber and the Fund, the undersigned warrants and represents that the information contained in such questionnaire is true and correct in all material respect and does not omit to state any information material to any question set forth and contained in the questionnaire.

As indicated in the Memorandum section captioned "ANTI-MONEY LAUNDERING", the Managing Member, on behalf of the Fund, may require that Note subscribers provide the following documentation:

Note investors that are entities (corporations, partnerships, limited liability companies, trusts, etc.) such entities may be required to include two copies of (i) a certificate of incorporation, partnership agreement, limited liability company agreement or other similar documents and (ii) a mandate or certificate of authority of such entity authorizing the Note subscription as a certified resolution that includes naming authorized signatories and a list of authorized signatories;

Note investors that are individuals, such investors may be required to provide 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 had a current relationship for at least two years or from a respected professional;

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 realized Trading Profits during its term of existence, Additional Interest constituted by an 80% allocation of the Trading Profits (as defined herein) which have been realized by the Fund until such time as each Note Holder has received Additional Interest representing a 100% return of the original principal amount of each Note Holder's Note. The initial principal amount of each Note subscriber's Note will be equal to the subscription obligation of each Note investor. 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".

The Managing Member of the Fund have determined to use the Participating Promissory Notes as the vehicle for investment by qualified investors in the investment trading activities of the Fund as opposed to a form of equity interest in the Fund such as a membership interest. As indicated, the Notes are unsecured and are not issued pursuant to the provisions of any Note Agreement or Trust Indenture. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED" subsequently in this Memorandum. The 5% Participating Note investment vehicle has been chosen in order to afford Note investors, to the extent that the Fund experiences Trading Profits (as defined below) a periodic, regular receipt of Note Interest at an annual, non-compounded rate of 5% calculated against the principal amount of each Note outstanding payable on a calendar quarterly basis (the "Note Rate"). Note Interest at the Note Rate will be paid as determined solely by the Managing Member from sources other than Trading Profits including any interest reserve. See "USE OF PROCEEDS". The Additional Interest will be exclusively sourced from the Trading Profits experienced by the Fund, if any, and may or may not be paid. While the Note Rate interest will most likely constitute ordinary income to the Note Holders, the Additional Interest may constitute capital gain if that is the source of payment of such Additional Interest, as determined at the Fund level. As indicated, 80% of such Trading Profits will be allocated to the Note Holders until they receive Additional Interest in an amount equal to their original Note investment amount. Trading losses, of course, may occur as a result of the Fund's investment activities and Trading losses will be allocated entirely to the Fund.

Interested investors should realize that the Notes being privately offered hereby are not comparable to debt instruments offered under more customary circumstances involving more traditional creditor-debtor transactions and there is the on-going risk that the Notes, during the course of the Fund's existence and at its termination, will be without value.

Definition of Trading Profits

clusion of the Fund's Term, the Managing Member will liquidate the
eld in the Fund's portfolio, if any. Deducted from such liquidation

commissions attendant to the purchase and liquidation of the Fund's
over the course of the Fund's term;

unpaid Note Interest at the Note Rate and accrued but unpaid
penses of the Fund;

unpaid items of compensation or expense reimbursement items owing
ing Member; and

ing unamortized costs relating to the organization of the Fund and this
ing of Notes.

it will be further adjusted for investment profits or losses experienced
ult of prior investment purchases and liquidations, if any, which prior
or losses will have been determined in a manner consistent with the
computation.

ing Profits calculated at the time that the Fund is being terminated,
sted from such Trading Profits the aggregate Note offering proceeds
and (without any deduction for placement fees paid to assisting
or the Managing Member) from this limited and private offering of
Balance"). Such Positive Balance will be utilized to repay the then
incipal to the Note Holders. Any remaining amount of such Positive
ute "Trading Profits" from which any accrued, but unpaid interest at
be paid to the Note Holders. Eighty percent (80%) of such Positive
will be allocated to the Note Holders as a group and will be paid to
ditional Interest until an amount equal to the Note Holder's original
s has been paid with credit being given for any prior repayments of
e Fund to Note Holders.

ulation described in the immediately preceding paragraph
rading loss has occurred as a result of the Fund's investment
available to the Fund will be utilized to pay in whole or in part
ing aggregate principal obligation of the Notes. Interest at the
ditional Interest most probably will not be paid. Under these
te investors may not receive a repayment of their entire principal
otes and the possibility exists that there will be no repayment of
il amount by the Fund.

Initial

Description

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 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-SBEN

<http://www.irs.gov/pub/irs-pdf/wsben.pdf>

Instructions for W-SBEN

<http://www.irs.gov/pub/irs-pdf/wsben.pdf>

Form W-SECI

<http://www.irs.gov/pub/irs-pdf/wseci.pdf>

Instructions for W-SECI

<http://www.irs.gov/pub/irs-pdf/wseci.pdf>

Form W-SEXP

<http://www.irs.gov/pub/irs-pdf/wsexp.pdf>

Instructions for W-SEXP

<http://www.irs.gov/pub/irs-pdf/wsexp.pdf>

Form W-8IMY

<http://www.irs.gov/pub/irs-pdf/w8imy.pdf>

Instructions for W-8IMY

<http://www.irs.gov/pub/irs-pdf/w8imy.pdf>

d to such transfer restrictions, the undersigned understands that the consent will be affixed on the Notes:

participating Promissory Notes of NEW ECONOMY FUND, consented by this Note have not been registered under the Act of 1933, as amended, or any state securities statutes. The Florida Securities and Investor Protection Act, as amended, upon exemptions from registration provided by the Act and rules. The Notes have been acquired by the registered holder on his own account, for investment, and may not be sold or transferred in the absence of an effective registration statement for such transfer under the Securities Act of 1933, as amended (and/or the various state securities statutes as required), and/or the receipt by NEW ECONOMY FUND, LLC of an opinion of its legal counsel to the effect that the 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 requirements of the Securities Act of 1933, as amended (the "Act") by the exemptions provided by such Act, including, without limitation, the exemption under Section 4(2) of the Act and Regulation D and Rule 506 contained therein. The undersigned is a person whose net worth or joint net worth with that of his or her spouse as of the date of the offering exceeds \$1,000,000 and will continue to exceed \$1,000,000 through the conclusion of the offering. The undersigned is qualified to invest in the Notes by reason of other information made the subject of the representations and warranties in this Subscription Agreement.

Description

An individual whose net worth or joint net worth with that of his or her spouse currently exceeds \$1,000,000 and will continue to exceed \$1,000,000 through the conclusion of the Interest offering.

At the discretion of the Managing Member, the Fund's Investment activities may be terminated and the Fund's portfolio liquidated prior to the conclusion of the Note Term. Resulting proceeds will be applied to repayment of Note principal and if Trading Profits exist, to interest at the Note Rate and, possibly, 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 cost and expenses which they have 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 or has paid legal fees which have been incurred in connection with the organization of the Fund and the preparation of this Memorandum and the related Offering Documents. Such legal fees and any other cost paid by Mr. Della Penna will be reimbursed by the Fund utilizing Note proceeds received at the completion of the first Increment of Note offering, as well as during the remaining course of and at the conclusion of the offering. While payment of such legal fees is expected to utilize the proceeds received in the first Increment of the Note offering, the first Increment will receive reimbursement as is determined equitable by the Managing Member from the second and subsequent Note offering Increments as such Increment are successfully completed.

As Managing Member of the Fund, Mr. Della Penna will be entitled to receive items of compensation which are in addition to placement fees. In that regard, the Managing Member will be entitled to receive in the aggregate a one-time 3% organizational fee charged against the Note proceeds received by the Fund as a result of this private and limited offering of Notes without deduction of placement fees or other charges. Additionally, an annual 3% management fee will be paid to the Managing Member 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.

ng Member will also receive a monthly administrative fee of \$800 to be substantially if not entirely utilized in the costs and expenses administration of the Fund's affairs (accounting, bookkeeping, general costs, research and market reports, etc.). Transactional costs and by the Fund in its Investment activities will be charged against Note s and appropriately allocated among the anticipated several Note

enna will be the only Member of the Fund. Note Holders will not Fund but will be in the status of creditors.

nal information concerning the Managing Member, see 'FUND

Procedure to Acquire Participating Notes

terminated by the Managing Member to be qualified to acquire Notes subscription by executing both copies of the Subscription Agreement with this Memorandum as Exhibit A. The Subscription Agreement concerning each Note subscriber's Accredited Investor status and investment experience and risk tolerance. Both copies of the Subscription executed by the subscriber with a check representing the Note tion, should be directed to the Managing Member at the address I in the Subscription Agreement or may be delivered to any assisting The minimum subscription to Notes which will be accepted by the acting on behalf of the Fund is to \$250,000 principal amount of qualified investors may subscribe to Notes in Note principal amounts naging Member may increase or decrease such minimum subscription deem appropriate.

nt of a Note Subscription Agreement, the Managing Member, on will either accept or reject such subscription. If acceptance occurs, ion proceeds will be accumulated until the then established Note amount has been attained at which time such Note subscription y placement fees and other fees paid, will be utilized in the Fund's s. If Note subscription rejection occurs, the Note subscription amount funded to the subscriber without reduction, but also without interest

[END OF SUMMARY]

the Claim (the "Award"). If, within the 30 day period specified the Parties fail to mutually select an arbitrator, then the Asserting Note Holder and the Managing Member acting on behalf of the Fund and themselves, shall each select an arbitrator from the list provided by the Managing Member and such two arbitrators selected shall then select a single arbitrator from such list and such selected arbitrator shall serve as the sole arbitration with respect to the Arbitration of the Claim. The cost of this process, if any, shall be borne equally by the Asserting Note Holder and the Fund. The Award may include monetary damages as well as an assessment of costs with respect to the Fund and/or the Managing Member (who may not be found liable in conjunction with default by the Fund in the payment of Note principal and/or Note Interest), as the case may be, for the harm found by the Arbitrator to have been involved in the Claim or the arbitrator may assess costs against the Asserting Note Holder. Each of the Parties, however, shall bear their own respective attorney's fees. Such Award as earlier indicated herein shall be binding upon the Parties and may be enforced by bringing an action for confirmation of such Award in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida. Such court shall also have jurisdiction to issue a binding order compelling the Parties to Arbitration pursuant to this Section 8.

(e) Any claim of an Asserting Note Holder must be timely brought with any applicable period of limitation as set forth in Florida Statutes as amended and which period of limitation relates to the nature of the Claim of the Asserting Note Holder. Claims not asserted during any applicable period of limitation shall be completely time barred.

In accordance with the terms hereof, the undersigned hereby subscribes to \$ _____ principal amount of Notes. With respect 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 NEW ECONOMY FUND, LLC.

In connection with the subscription to Notes herein effected, the undersigned subscriber further represents to the 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.

vestment activities shall, if possible, be resolved pursuant to a non-binding mediation process (the "Mediation") or if such is not successful, pursuant to binding arbitration ("Arbitration").

(b) Any Claim arising shall be express in writing by the Note Holder and shall be served upon the Managing Member promptly upon the Note Holder becoming cognizant of such Claim. Such service shall be by United States Certified Mail, Return Receipt Requested.

(c) Within thirty (30) days of the accomplishment of Claim ("Service"), the Asserting Note Holder and the Fund and/or the Managing Member, in the case may be, shall promptly, mutually select a qualified mediator to engage in the Mediation within 45 days of Service. The Mediation shall be conducted by the Asserting Note Holder, the Fund and/or the Managing Member, in the case may be (collectively the "Parties"), with the objective of complete resolution of the Claim (a "Resolution"). The Resolution, if achieved, shall be memorialized by a written instrument signed by all of the Parties to the Mediation. However, if Resolution is not achieved, the Mediation shall be non-binding on the Parties and the Parties shall, within 30 days of the expiration of the Mediation proceed to Claim Resolution in accordance with the provisions set forth below. The mediator selected by the Parties shall be a mediator who is not a member of FINRA and who is recognized as such by the Financial Industry Regulatory Authority ("FINRA") or shall be a mediator providing mediation services with respect to commercial claims in the greater Sarasota-Bradenton, Florida area.

(d) As indicated in subpart (c) above, if the Mediation is not successful in achieving a Resolution of the Claim, the Parties shall proceed within the time period specified in subpart (c) above to mutually select an arbitrator who shall hear the claims and the defenses thereto as asserted by the Parties. The Arbitration shall be conducted in accordance with the provisions of the Code of Arbitration for Public Customers adopted by FINRA and in force from time to time. The Arbitration relates to disputes arising between public customers and members of FINRA. It is acknowledged that the Fund and the Managing Member are not members of FINRA or subject to its jurisdiction. Accordingly, the Arbitration, conducted in accordance with the Code of Arbitration mentioned, shall not be subject to the jurisdiction of FINRA nor shall same be administered by any staff of FINRA. The Arbitration shall be private and confidential. During the 30 day period subsequent to the conclusion of the Mediation, the Managing Member shall submit to the Asserting Note Holder a list of ten arbitrators who are recognized as arbitrators by FINRA and who have extensive experience in arbitrating commercial disputes. From such list of ten arbitrators, the Parties shall mutually select one arbitrator who shall hear the claims and the defenses thereto and shall render a binding award with respect to

THE RISKS AND OTHER FACTORS TO BE CONSIDERED

The ownership of the 5% Participating Notes being privately offered hereby (the "Notes") and the intended purchase, sale and dealing in Investments by the Funds under the direction of Managing Member Guy S. Della Penna, may be adversely affected by certain risks and other factors. Set forth below are the risks and other factors which should be considered by interested, qualified Note investors and which have been identified as of the date of this Memorandum by the Managing Member. During the process of the private offer of the Notes, the Managing Member or authorized Person may orally describe additional risks and factors which interested investors should take into account in making their investment decision. Accordingly, the risk factors described below are not necessarily inclusive of all of the risks and other factors which may adversely affect Note ownership and the Investment activities of the Fund.

The private Note offering is being conducted on a best efforts basis without the assistance of any underwriter or, as of the date of this Memorandum, qualified Placement Agents. It is expected that the primary, private sales effort of the Notes to qualified investors will be conducted through the efforts of the Managing Member, Mr. Guy S. Della Penna. The Managing Member is entitled to receive compensation for such Note sales efforts. While the Managing Member expects that the Fund will receive meaningful assistance from Placement Agents and possibly finders (as earlier described in this Memorandum), such may not be the case. The Fund may not realize the entire \$1 million principal amount of Notes being privately offered. In the view of the Managing Member, there is an optimum amount of capital which the Fund should receive in order to carry out the Fund's intended Investment activities on the economic scale desired.

The terms of the Notes being privately offered to qualified investors have been solely determined by the Managing Member. Such terms have not resulted from any arm's length negotiation process nor have such Note terms been reviewed as to fairness by sources independent of the Managing Member. Such Note terms are summarized below:

- **Note Maturity.** The term to maturity of the Notes is 18 months from the date that the private Note offering is concluded (the "Term"). As of the date of this Memorandum, such Term cannot be precisely determined. The Managing Member, acting alone, and without the consent of the holders of the Notes then outstanding, may extend the Term of the Note one or more times when such extension is deemed appropriate and in the best interests of the holders of outstanding Notes. Accordingly, purchasers of Notes may be required to hold the Notes for a period longer than the 18 month Term.
- **Note Interest.** Interest at the Note Rate of 5% per annum, compounded (referred to as the "Note Rate" or the "Note Interest") is intended to be paid by the Fund on a calendar quarterly basis in order to provide a fixed, regular return on each Note Holder's initial investment.

in that regard, the Managing Member is expected to establish an interest reserve from the Note proceeds received by the Fund from Note subscribers. See "USE OF PROCEEDS". Such Note Interest reserve will be utilized in the payment of Note Interest until exhausted or until the Fund experiences Trading Profits in amounts sufficient to pay the Note Interest when due. There can be no assurance that the Note Interest will be paid on a regular, quarterly basis after the exhaustion of any established Note Interest reserve.

Additional Interest. Note Holders are also entitled to receive Additional Interest, which will be derived from the Trading Profits if any are realized by the Fund over its term of existence. The method to be utilized in the allocation of Trading Profits at the termination of the Fund is explained in the Memorandum section captioned "SUMMARY - Definition of Trading Profits". No assurance can be given that Additional Interest will be paid to the Holders of Notes at Fund termination.

Early Note Redemption. The terms of the Notes do not involve any early redemption provisions when early repayment of a Note obligation is made to a Note Holder prior to Note maturity. The Fund is not required to make the early payment of any of the principal or Note Interest obligations of any of the Notes outstanding, although the Managing Member may in their discretion effect such earlier redemption (in whole or in part) in the case of Note Holder hardship circumstances. Any early redemption will result in the forfeiture of the right of the affected Note Holder to receive Additional Interest.

Obligation Unsecured. The Notes, when outstanding, will constitute an unsecured obligation of the Fund.

Force of Trust Indenture or Note Agreement. The Notes will not be governed pursuant to any Trust Indenture or Note Agreement. Purchasers of the securities issued under a Trust Indenture or a Note Agreement would not be afforded certain protective measures such as periodic and annual audits, specifications as to adequacy of collateral, etc. and the presence of an independent Trustee or other representative (under a Note Agreement) acting for the collective benefit of the holders of the debt security in the event of occurrence of events of default with respect to the debt securities issued under such Trust Indenture or Note Agreement.

Notes Will be Restricted Securities. As indicated earlier in this Memorandum, the Notes are being privately offered to qualified Investors in reliance upon exemptions from registration under the Act and the regulations promulgated thereunder. As a result, Notes outstanding will constitute Restricted Securities under such authorities and Note Holders will not be able to transfer or sell a Note or Notes held except

3. The undersigned understands that the Managing Member will be compensated in the manner described in the Memorandum section captioned "FUND MANAGEMENT" and by way of receipt of placement fees, organizational fees and other fees over the term of the Fund's existence.

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 \$1,000 increments.

5. The undersigned understands that by virtue of the execution and delivery of this Subscription Agreement, the undersigned 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 member of the Fund being the Managing Member Guy S. Della Penna.

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 explained in the Memorandum 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 into a single investment fund for accounting purposes and for purposes of calculating Trading Profits. 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. From the initial Note offering in increments and subsequent increments, there shall be deducted placement fees, Managing Member organizational and other fees, as well as the organizational costs attendant to the Fund's organization and capitalization.

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 the Managing Member and that Note Holders will not be members of the Fund but will be general creditors thereof and as such, will have no rights to participate in the management of the investment activities of the Fund.

8. (a) The undersigned understands and agrees that all disputes, claims and controversies (herein "Claims") arising between the undersigned (the "Asserting Note Holder") and the Fund and/or the Managing Member as a result of the undersigned's investment in a Note or Notes and/or arising from the

NEW ECONOMY FUND, LLC
(a Florida limited liability company
in Formation and Capitalization)

\$10,000,000 principal amount
5% Participating Promissory Notes

SUBSCRIPTION AGREEMENT
FOR 5% PARTICIPATING PROMISSORY NOTES

_____, Managing Member
NEW ECONOMY FUND, LLC

The undersigned has received, read and understood a copy of the Private Offering Memorandum dated January 2, 2013 with Exhibits thereto (the "Memorandum") of NEW ECONOMY FUND, LLC, a Florida limited liability company in the process of formation and capitalization (the "Fund") relating to the private offering of 5% Participating Promissory Notes (the "Notes") of the Fund, the intended investment Fund and other material information. In connection with the execution of the Memorandum, the undersigned represents to each of the subscribers of the Fund and the Fund that:

The undersigned understands that an investment in Notes and the activities of the Fund are subject to certain risks and other factors beyond the control of the Fund.

The undersigned understands that if the undersigned's Note purchase is consummated within the State of Florida, the undersigned has the right to rescind such Note purchase transaction by directing notice to you in writing to rescind within three (3) days of the undersigned's payment for the receipt of the Memorandum, whichever last occurs and that, upon the expiration of the period, the undersigned shall receive a full refund of all Notes purchased, interest, tendered herewith, by the undersigned to the Fund, all of which shall be in accordance with Section 517.061(11)(a)(5), Florida Statutes, as amended (the "Florida Securities and Investor Protection Act, as amended") ("FIPA"). With respect to such right of rescission, the undersigned understands that the Fund shall be bound by the provisions of the referenced section, even though it may not be able to do so in accordance with the provisions of the National Securities Investor Protection Act of 1996, as described in the Memorandum.

upon the approval of the Managing Member and only then upon very restrictive circumstances. Even though the provisions of the JOBS Act discussed elsewhere in this Memorandum may permit acts of general solicitation in connection with the initial offer and sale of the Notes, the Notes will continue to be classified as Restricted Securities, subsequent to the sale thereof. No public market will exist with respect to outstanding Notes.

The Fund is in the process of formation and capitalization and is wholly dependent upon the receipt of significant proceeds from the private offer and sale of the Notes. The Fund is a start-up venture and has no history of conducting the intended investment activities of the Fund. No assurance can be given that the Fund will be successful in its investment activities to any degree, if at all, and the Notes may become worthless. Note Holders will be entirely dependent upon the success of Mr. Della Penna's conduct with respect to the Fund's investments in order to receive periodic Note Interest at the Note Rate, Additional Interest and a repayment of the principal amount of each holder's Note. Holders of outstanding Notes will not have any voice in the investment decisions made by Mr. Della Penna or in the general management of the Fund's affairs, the latter being exclusively vested in Mr. Della Penna.

In carrying out the Fund's investment activities, Managing Member Guy S. Della Penna intends to utilize index funds listed on the nation's major exchange and put and call option contracts. Margin will not be utilized. In such investment activities, Mr. Della Penna, on behalf of the Fund, will utilize a trading approach which is largely based upon the analysis of technical and fundamental information generally available with respect to such securities (and underlying securities) as traded on the securities markets of the United States. Qualified interested Note investors may request further information concerning such techniques from Mr. Della Penna. Any such information furnished by Mr. Della Penna to any Note investors will be unaudited and provided on a confidential basis.

As indicated earlier in this Memorandum, Note offering proceeds will be accumulated until the established Increment amount has been received from Note purchasers. As each Increment amount is attained, such Increment shall be committed to the investment activities of the Fund. To the extent that the Fund sells less than the entire \$10 million principal amount of Notes, its investment activities may be adversely affected as a result of a reduction in the amount of capital available for the Fund's investment activities and factors relating to economies of scale. Moreover, the organizational costs and fees relating to the formation and capitalization of the Fund including legal fees, will be paid upon attainment of the first Increment and are estimated to be in an amount of \$20,000. Such organizational costs and fees are intended to be equitably and proportionally allocated over the number of Note Increments actually sold in this limited Note offering. To the extent that less than all Increments of the Note offering are successfully completed, the completed Increment amounts will bear an increased amount of the organizational costs and fees.

ging Member has been advised that the Fund, when capitalized at it commences its Investment activities, will meet the definitional "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act"). However, the Fund will not register as an investment company under the 1940 Act in reliance upon an exemption from such registration provided in Section 3(c)(1) of the 1940 Act which, generally, exempts from registration an entity such as the Fund which does not intend to conduct a business in selling its equity securities and the equity securities of which are held beneficially by 100 or less persons. Accordingly, Note Holders will not have the benefit of the provisions provided by the 1940 Act.

The Fund is expected to be recognized under the Internal Revenue Code, as amended (the "Code"), as a "pass through" entity, which means that the Fund's income and credit will be determined at the Fund level and will be allocated to the Managing Member with the exception of the allocation of any income to the Note Holders as Additional Interest. The Fund should not be treated as a "tax shelter".

Under the terms set forth in the Note Subscription Agreement (Exhibit A), Note Holders with respect to any disputes or claims arising between them and the Fund and/or the Managing Member, will be resolved through a binding arbitration process. Note investors with respect to such claims will not have access to the courts. In summary, such investors will be required to engage in an initial mediation process with a view to resolving any claims prior to engaging in binding arbitration. If such mediation is unsuccessful, then such Note Holder, the Fund, and, as applicable, the Managing Member, are required to engage in binding arbitration in accordance with the rules set forth in the Code of Arbitration obtaining from FINRA Dispute Resolution (FINRA). While such arbitration process will utilize such Code as the rules of procedure for such arbitration, the arbitration process will be private and not held under the auspices and jurisdiction of FINRA. See the Note Subscription Agreement, Exhibit "A" to this Memorandum.

WHO SHOULD INVEST

The investment being privately offered by this Memorandum to qualified investors and entities resident or domiciled in foreign nations, are only suitable if investors are able to assume, on a continuing basis, the risks inherent in the investment to be conducted by the Fund with a view to realizing Additional Investment Trading Profits, as well as quarterly Note Interest payments at the Fund's planned payment of quarterly Note Interest at the annual, simple interest rate of five percent (5%) is intended to permit Note Holders to receive a fixed return on their investment over the term of the Notes. The Fund will be required

NEW ECONOMY FUND, LLC

**SUBSCRIPTION AGREEMENT
TO 5% PARTICIPATING PROMISSORY NOTES
IN MAXIMUM PRINCIPAL AMOUNT OF
\$10,000,000**

EXHIBIT A

dealings are prohibited under any OFAC regulations. Such Note be required to represent to the Fund that amounts contributed by it to directly or indirectly derived from activities that may contravene U.S. international laws and regulations, including, without limitation, anti-nd anti-terrorism laws and regulations.

REPORTS TO NOTE HOLDERS

ing Member will cause the Fund to provide periodic reports to the on a semi-annual basis. Such reports may contain information stment securities portfolio of the Fund or, if the Fund is still investing increments, the information will relate to each Increment. The reports the amount of accrued Trading Profits (losses) which have been Fund in the various Increments and during the period covered by such ses of the Fund relating to administration and investing activities may such reports, as will be the items of compensation and reimbursement ing Member. Other reports will be furnished to Note Holders, ontaining information necessary and required to permit Note Holders eral income tax returns.

SUPPLEMENTAL INFORMATION

ng Member on behalf of the Fund may deliver to interested investors mation which is descriptive of the Fund's intended Investment matters. Such supplemental information, if any, does not constitute solicitation of an offer to purchase the Notes being privately offered um and should be considered for illustration purposes only and should a indication of the possible Investment performance of the Fund. The s is made only by this Memorandum and to the persons to whom such liered.

to realize Trading Profits in order to pay such Note Interest after full utilization of any Interest reserve established by the Managing Member utilizing Note subscription proceeds. The possibility exists that Trading Profits will only be sufficient to pay the interest at the Note Rate but not any Additional Interest.

The Notes are not a suitable investment for persons desiring to assure, to the extent possible, the safety of their invested principal, the receipt on a continuous 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. Mr. Della Penna is entitled to receive placement fees equal to those payable to the FINRA Placement Agent, but may elect to defer such fees of the Note proceeds received from their offering efforts upon the attainment of each Note offering Increment. The Managing Member has substantial additional duties to the Fund. It is anticipated that such placement fees paid to the Managing Member will only be paid with respect to Note investments which occur in the State of Florida or in states where the Notes can be lawfully offered and sold, with respect to Note purchases made by individuals or entities resident or domiciled in foreign countries and as permitted under the Federal securities laws. 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 are unable to predict to what extent the Fund will receive assistance from securities broker-dealers in the private sale of the Notes. 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 estimate that such placement fees payable to any assisting Placement Agent will not exceed 10% 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 10% placement fee amount, maximum placement fees of \$1,000,000 would be paid by the Fund.

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

Such minimum Note subscription requirement may be waived in the discretion of the Managing Member when such waiver will, in the opinion of the Managing Member, facilitate the successful conclusion of a Note offering having a maximum principal amount of \$10 million. The Managing Member shall establish a maximum Note purchase amount. The Managing Member, however, also reserves the right to refuse any subscription to Notes for any reason, including but not limited to, a subscription to Notes for a principal amount less than subscribed for in the offering at any time without notice. In the event of such reduction in subscriptions, subscribers will receive prompt, appropriate refunds of Note subscription amounts.

The Managing Member on behalf of the Fund have not established any formal escrow arrangement whereby Note proceeds will be accumulated pursuant to an escrow agreement entered into with an independent escrow agent until certain specified amounts of Note proceeds have been received.

The offering terms, however, provide that Note proceeds shall be held in escrow at such time as the then established Note proceeds (prior to the payment of interest and other fees and organizational expenses) have been fully received. As further explained in this Memorandum, Note proceeds will be accumulated in separate increments and will be separately accounted for until the Note offering is concluded and it is then accumulated into a single fund for accounting purposes. For the duration of the Offering Period, see the Memorandum section entitled "OFFERING INFORMATION". Pending the accumulation of each Note offering, the Managing Member, on behalf of the Fund, will accumulate Note proceeds in a Sarasota, Florida FDIC insured institution. Upon the completion of each increment, each increment amount (net of fees and expenses payable) shall be deposited with a selected independent securities broker-dealer that is a member of the New York Stock Exchange, as selected by the Managing Member. During each period of increment accumulation, the Managing Member may use the Note subscription proceeds in investments assuring the integrity of the

of each Note proceeds increment, the Managing Member, on behalf of the Fund, shall prepare, execute and deliver the form of Note evidencing the 5% interest on the principal amount of any Notes being privately offered by this Memorandum. The Note shall be subject to restrictive endorsement. See "DESCRIPTION OF THE NOTES".

Offering

The offering hereby have not been registered pursuant to the registration requirements of the federal Securities Act of 1933, as amended (the "Act") or the states in which Notes may be offered and sold in reliance upon

Private Corporations. Private corporations may be required to provide additional information to that required for corporations, including a list of names and addresses of all 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 governing 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 investors 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 them as aforesaid, they may, in their absolute discretion, refuse to issue the Notes subscribed to in which event all subscription proceeds will be returned to the Note subscriber without interest (including Note Interest).

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 from 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 named on an OFAC

DO NOT IGNORE ANY TAX CONSEQUENCES RESULTING FROM THE FLORIDA OR OTHER STATE LAW OR THE TAXATION LAWS IN ANY JURISDICTION. ACCORDINGLY, INVESTORS SHOULD CONSULT THEIR OWN TAX COUNSEL OR ADVISOR CONCERNING THE TAX CONSEQUENCES OF THE OWNERSHIP OF A NOTE.

ANTI-MONEY LAUNDERING

This discussion is a summary of the Managing Member's understanding of the responsibility to assure compliance with that body of statutory law (and regulations thereunder) and which are commonly referred to as "anti-money

compliance with such statutory requirements relating to anti-money laundering initiatives, the Managing Member may require verification of the identity of prospective Note investors. Depending on the circumstances of each investor, it may be normally necessary to obtain full documentary evidence of identity, such as a driver's license, a passport or national identity card, or other government-issued identification. If a prospective Note investor makes the subscription payment from an account in their own name in a jurisdiction recognized by the Managing Member, or if the Note investor is introduced by a qualified financial institution, then the investor is not required to provide the documentation described below, as is relevant to their

Individual Note investors. Individual Note investors may be required to provide a copy of their passport or national identity card (with a clear copy of the photo and 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 the investor to execute the subscription agreement, a certified copy of the partnership agreement, a certificate of existence and good standing, as well as the identities of at least two of those authorized to issue instructions. The two partners and the investor 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 same as a quoted corporation may be required to provide the original or a certified copy of the certificate of incorporation and information as required for individual investors on at least two of their directors, an authorized signature list, a certified resolution of the directors authorizing the subscription and the investor on those persons executing the Note Subscription Agreement.

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 of securities as defined in Regulation D promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to its authority under the Act provides within the rule contained therein specific requirements to be met by issuers engaged in the offer and sale of securities that are unregistered securities claimed exempt from the registration requirements of the Act and which the issuer 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 does not impose any dollar limitation on the amount of securities which may be offered without registration pursuant to the Rule, 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 the Rule 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 investment matters that such purchaser (acting alone or with his Purchaser Representative) is capable of evaluating the merits and risks of the investment.

(ii) The Regulation and the Rule 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 amount and quality of information as would be required of the issuer if the securities being offered were registered under the Act, in order to afford prospective investors accurate and complete disclosure of all material information concerning the issuer, the securities being offered and other material matters. Such information delivery requirements are, as to format, less stringent when an issuer offers and sells the securities only to Accredited Investors (see below).

(iii) At the conclusion of the offering of its securities under the Regulation and the Rule, 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" which include but are 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 amount requirements (only under Florida law), (e) persons meeting specified current and anticipated income requirements and (f) purchasing entities

solely of Accredited Investors. See the Subscription Agreement Exhibit A to this Memorandum, which includes a description of Accredited Investor categories(1).

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. However, this prohibition may be substantially modified by the provisions of the JOBS Act which is discussed below.

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. Any restrictions on any subsequent resale or transfer of securities must be affixed on any certificate evidencing ownership of securities. See "DESCRIPTION OF THE NOTES".

Regulation D requires that the issuer of the securities claimed to be exempt from registration pursuant to the Regulation will comply with certain requirements with the SEC. The Fund will comply with such notice requirements under Regulation D.

The JOBS Act described on cover page 2 of this Memorandum was signed into law on April 5, 2012 (the "Effective Date"). The JOBS Act requires the SEC to promulgate enabling and interpreting Regulations and Rules with respect to the JOBS Act 90 days from such April 5, 2012 date. No assurance can be given that the SEC will complete its Regulation and Rule formulation and promulgation by the end of such period.

The provisions of the 1940 Act which exempt the Fund from the registration requirements of the 1940 Act as earlier explained in this Memorandum require that the Fund be an investment company which is not an investment company as defined in the 1940 Act and that such entity not plan to have more than 100 persons and that such entity not plan to offer or sell securities. All of the equity securities (membership interests) of the Fund will be held by the Managing Member and holders of outstanding Notes will be general partners and not holders of any equity interest therein. Nevertheless the Fund will not accept Note subscriptions from more than 99 qualified investors and all will be Accredited Investors.

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 (2) and certain other conditions are met or the Note Investor or beneficial owner otherwise establishes an exemption.

Amounts withheld under the backup withholding rules may be credited against a Note investor's tax liability and a Note Holder 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 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 with 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 decisions 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 INVESTMENT ACTIVITIES. SUCH SUMMARY SHOULD NOT BE RELIED ON AS TAX ADVICE. ADDITIONALLY, SUCH SUMMARY DOES NOT

(2) As used in Regulation S as promulgated under the Securities Act of 1933, as amended.

state chartered bank, state owned business entity and certain foreign entities. Moreover, most "eligible entities" are classified by default as pass-through entities if they do not choose to make an election. For the purposes of the check-the-box regulations, a partnership (a pass-through entity) will be treated as a partnership if it has more than one owner and is disregarded as an entity separate from its owner if it has not made an election under the check-the-box regulations to assure its status as a partnership (pass-through entity) under the Internal Revenue Code. This will not alter the Fund's status as a limited liability company formed under Florida Statutes, as amended.

U.S. Federal Income Tax. The Fund has been advised that it will not be subject to any U.S. Federal income tax.

Are Other Than United States Citizens or Domestic Entities

Note Holder not subject to United States taxation will not be subject to U.S. Federal income tax on Note Interest or Additional Interest paid to such holder in respect to gains realized on the sale or other disposition of a Note or Notes. Interest or Additional Interest or gain is connected with the conduct of a U.S. Business (and is attributable to a permanent establishment in the United States by such Note Holder, if any applicable income tax treaty conditions for such Note Holder to be subject to United States taxation on such interest or gain from the sale of a Note or Notes), in the absence of which the Note Holder generally will be subject to tax in respect of such Note Interest or gains in the same manner as a U.S. Investor, or (ii) in the absence of which, if the Note investor is present in the United States for the specified number of days or more during the taxable year of the sale of the Note or Notes, the conditions are met.

Withholding and Information Reporting. In general, information reporting requirements will not apply to Note Interest and Additional Interest (including taxable distributions) in respect of Notes, although Note Holders may be required to establish their exemption from information reporting and back-up withholding by filing their status on IRA Form W-8 BEN or other applicable Form.

Payment of the proceeds from the sale of a Note or Notes to or through the office of a broker is subject to both United States back-up withholding and information reporting unless the Note Holder or beneficial owner certifies his or her status under penalties of perjury or otherwise establishes an exemption. Information reporting and back-up withholding generally will not apply to a sale outside the United States if the proceeds of a sale of a Note or Notes are received outside the United States of a non-U.S. broker. However, U.S. Federal income tax requirements (but not back-up withholding) will apply to a sale of a Note or Notes outside the United States of the proceeds of a sale of a Note or Notes

The JOBS Act, when effective, makes substantial changes to the Federal securities laws. Important to this private offering of Notes is the elimination of the prohibition against general solicitation and advertising presently set forth in Regulation D and as discussed above. When the general solicitation and advertising is permitted as a result of the implementation of those provisions of the JOBS Act, such solicitation methods with respect to the offer of the Notes will be limited solely to Accredited Investors as defined subsequently herein. The possibility also exists that the SEC in its Regulation and Rule making activity could also amend the present criteria for classification as an Accredited Investor, possibly making such criteria more stringent by either raising the net worth or income requirement, or other present Accredited Investor criteria. Until the adoption of such implementing Regulations and Rules, the Managing Member intend to conduct the private offering of the Notes in accordance with the provisions of Regulation D as presently in force.

The provisions of the JOBS Act will not change the status of the Notes as Restricted Securities. See "THE RISKS AND OTHER FACTORS TO BE CONSIDERED".

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 (expected to be preempted by the JOBS Act), (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. The right of rescission provided by FIPA is described in the Note Subscription Agreement (Exhibit "A" to this Memorandum) and below. Florida has adopted the definition of an Accredited Investor as utilized in the Federal securities laws and Regulation D.

The ability of the several states, including Florida, to regulate the private offer and sale of securities in their respective states has been substantially preempted by amendments to the Act which became law in late 1996. In that regard, the National Securities Markets Improvement Act of 1996 (herein "NSMIA") introduced the concept of a "Federal covered security". Present Section 18 of the Act defines a "Federal covered security", among other things, as being a security which is offered under the provisions of Section 4(2) of the Act and Rules and Regulations promulgated by the SEC under that Section. Among the Rules promulgated under that Section is Rule 506 of Regulation D which is the exemptive Rule being relied upon by the Fund with respect to the private offer and sale of the Notes. Accordingly, the Managing Member believes that the Fund's

classified as "Federal covered securities" and, accordingly, the private placement is substantially exempt from state regulation, the only exception is that the issuer is still empowered to require an informational sales report and may in enforcement action intended to prevent fraudulent practices in the

intends to offer the Notes primarily, if not entirely, to Accredited Investors. On a case-by-case basis, the Managing Member will permit investors not otherwise Accredited Investors to acquire Notes if such investors are sufficiently experienced in investment and financial matters as determined in the discretion of the Managing Member.

The Fund classifies an investor as an Accredited Investor by utilizing the following criteria. The principal Accredited Investor criteria believed most applicable to the Fund's private offering of its Notes are:

OR
An individual investor who has a net worth or joint net worth with his or her spouse which, as of the time of the investment in the securities claimed exempt from registration, exceeds \$1 million with a reasonable expectation that such level of net worth will continue during the future time; OR

An individual investor who is a natural person and whose individual annual income has exceeded \$200,000 in each of the two most recent years prior to the purchase of a Note and who reasonably expects that his or her individual income will exceed \$200,000 in the current year or is an individual who has a joint income with his or her spouse in excess of \$300,000 annually for such years with the reasonable expectation of the maintenance of such income amount.

Other criteria are applied in the alternative. There are other objective criteria used to determine Accredited Investor status and such are set forth in the Annex to the Note offering memorandum included with this Memorandum as Exhibit "A".

Representative

Investors not vested with knowledge and experience with respect to investment matters sufficient to allow them to evaluate the proposed offering 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 utilizing the services of a Purchaser Representative who provides competent assistance to the investor in evaluating the appropriateness of an investment in the Notes, taking into account the factors and characteristics attributable to the person's financial and personal situation. Such Purchaser Representative must be independent of the Fund, the issuer and their affiliates. Upon certain circumstances and on a case-by-case basis, the issuer and may pay the reasonable fees (as determined in the exclusive discretion of the Managing Member) of a Note investor's Purchaser Representative.

or the receipt by NEW ECONOMY 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.

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 and if permitted by the Managing Member of the Fund.

FEDERAL INCOME TAX MATTERS

The Fund is expected to be viewed as a "pass through" entity. This means that the items of income, loss, credit, etc. will be determined at the Fund level but will be imputed to the Managing Member who will be the sole holder of an equity-membership interest in the Fund. Note Holders will not be members of the Fund and, therefore, Federal income tax consequences attributable to Note Holders are expected to result from their receipt of Note Interest paid which is expected to be taxed at ordinary income rates and Additional Interest which is expected to be paid if the Fund realizes Trading Profits. Additional Interest received may also constitute ordinary income to Note Holders or, depending on the nature of the source of the Trading Profits from which such Additional Interest is paid, may constitute capital gain taxed at appropriate capital gain rates. The Fund should not be viewed by interested Note investors as a "tax shelter". Interested Note investors with respect to Federal income tax consequences attributable to the ownership of a Note should consult with their own tax advisors.

At appropriate times during the Fund's existence, the Managing Member may cause reports to be provided to Note Holders reflecting the Fund's investment activities and its status with respect to Trading Profits earned and other matters. In the event that Additional Interest is paid sourced from Trading Profits to Note Holders, the nature of such Additional Interest (ordinary income, capital gain, whether short, mid or long term) will be timely directed to Note Holders.

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 have been filed with the Department of State, State of Florida and will name Guy S. Della Penna Managing Member of the Fund.

Current Code Regulations, sometimes referred to as "check the box", provide that 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

maturity of each Note to be outstanding will be 18 months calculated from the date the Note offering is concluded (the "Term"). Accordingly, the actual term of the Notes is expected to be more than 18 months from the time of Note subscription since the Note offering may not terminate until July 2017 by extensions. When deemed in the best interests of the Fund and the offering Notes, such Term may be extended one or more times by the sole Managing Member.

The part of the Fund with respect to the outstanding Notes will only be at risk in the event that the Fund fails to pay Note-Interest within 90 days of a payment date which is at the end of each calendar quarter commencing with the first quarter subsequent to the conclusion of the Note offering or failure to make payment of the Notes when due. Each Note Holder's entitlement to interest derived from Trading Profits is contingent and the failure to earn interest on the part of the Fund for allocation and distribution to the holders of the Notes will not constitute an event of default.

As set forth in the Memorandum section captioned "THE RISKS AND OTHER MATTERS TO BE CONSIDERED" and in the Note Subscription Agreement (Exhibit A), Note investors having claims or disputes with the Fund and/or the Managing Member, such as claims arising from the occurrence and continuance of events related to outstanding Notes will be required to submit such claims and disputes to arbitration subsequent to the time that a Note Holder or Note Holders initiate an arbitration procedure with a view to resolving such claims and/or disputes. Note investors will not have access to the courts as a result of such arbitration.

Investment

As set forth in "PLAN, TERMS AND NATURE OF THE OFFERING", the Notes will be registered under the Act or FIPA. The Notes will primarily be offered to Accredited Investors in Florida and other states in which the Notes are offered and sold, as well as to individuals or entities who are residents of other states in addition to the United States. In recognition of the restricted offering of the Notes to the private offer and sale of the Notes, the following legend shall apply to each Note issued to a suitable or Accredited Investor:

Participating Notes of NEW ECONOMY 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 Investor Protection Act, as amended. The Notes have been sold to the registered holder hereof for his own account, for his own use and may not be sold or transferred in the absence of an offering statement for such Notes under the Securities Act of 1933, as amended (and/or the various state securities statutes as required),

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 EFFECTIVE 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 OF 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 Purchasers by Foreign Individuals of Entities

The Notes may be privately offered and sold to qualified, sophisticated investors who are individuals or entities resident or domiciled in foreign countries. The Fund's private Note offering activities may be subject to the securities laws and regulations of any such foreign countries.

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 the initial Increment of Note subscription proceeds from which will be deducted any placement fees payable to assisting broker-dealers and to the Managing Member, other fees payable at such time, as well as the organizational expenses of the Fund. Such charges will be made with respect to each Note Increment which is realized by the Fund. 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 \$10 million.

The Note proceeds constituting the initial or second and subsequent Increments 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 required amount or more, the Managing Member of the Fund will commit such Increment proceeds to the investment activities of the Fund. See "INVESTMENT ACTIVITIES OF THE FUND".

nined by the Managing Member, a capitalized interest reserve may be Note proceeds equal to 12 months Note Interest (at the Note Rate of 5% respect to each Increment achieved. During the course of the Note offering Member is expected to effect their reimbursement for the s and which they may have advanced and paid. Such organizational anticipated and constituted primarily by legal fees in the approximate

izational costs and fees incidental to the Fund's formation and eved as a result of this Note offering are expected to be equitably ocated among the several Note offering Increments.

INVESTMENT ACTIVITIES OF THE FUND

I earlier in this Memorandum, the Fund is being organized pursuant to ie Florida Limited Liability Company Act. The Managing Member, t, is acting as the promoter of the Fund as that term is used in the Act. urying out of its investment activities, will be a non-diversified fund will be concentrated. The Fund will also be closed end.

will be formed and capitalized to purchase, sell and deal in equity all/ straddle/spread option contracts relating to such equity securities, ng in indices relating to equity securities which are listed for trading rges of the United States, including, without limitation, the New York NYSE"), the American Stock Exchange ("ASE") and the various ilities operated by NASDAQ (collectively "NASDAQ"), as well as nstruments of deposit. The Fund will not at any time during the stment activities deal in the securities of any registered investment gistered as such under the 1940 Act.

totally dependent upon the sale of the Notes being privately offered auspices of this Memorandum in order to commence its investment proceeds will only be committed to such investment activities in the amount less fees payable, as well as the organizational expenses of nd will engage in its investment activities in accordance with the l system described below with a view to realizing Trading Profits.

out the investment activities of the Fund, Guy S. Della Penna, as will be rendering investment advice to the Fund. Mr. Della Penna, d, directly and indirectly, Federal and state registered investment it, such is not presently the case and he is not registered as an under Federal law or the Florida Securities and Investor Protection

In addition to the foregoing items of compensation, the Managing Member, as indicated elsewhere in this Memorandum, is entitled to receive (by virtue of allocation to them by the Fund) 20% of the Trading Profits which may be experienced by the Fund as calculated at the time of termination of the Fund's existence. Such 20% allocation will increase to 100% on and subsequent to the time that Note Holders have received Additional Interest equal to their initial principal investment in Notes.

While not viewed by the Managing Member as compensation, the Fund will also pay to the Managing Member or to persons or entities that they direct, a monthly administrative fee of \$1,500, which will be used primarily to pay the fees and costs of various service (such as accounting, bookkeeping, market research and reports and general administrative costs, etc.) who provide required services to the Fund in connection with its administration and record-keeping. As of the dated date of this Memorandum, such cumulative accrued monthly fees due and payable are \$9,000 and accrue at the fixed rate of \$1,500 per month, thereafter.

DESCRIPTION OF THE NOTES

In General

As indicated on the cover page and elsewhere in this Memorandum, the Fund is privately offering without registration under the Act its 5% Participating Notes (the "Notes") in aggregate principal amount of \$10 million. The Notes will be offered in Increments as earlier explained in this Memorandum. As an Increment is attained, each Increment proceeds amount will be committed to the investment activities of the Fund (net of fees and costs then payable). 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. The General Partner will not be personally responsible for the principal and Note Interest obligation represented by outstanding Notes.

The Note Holders are entitled to receive Note Interest calculated on the outstanding principal amount of Notes at an annual rate of 5% which interest will be payable quarterly and will commence to accrue with respect to each Note from the date that the Note subscription is accepted by the Managing Member acting on behalf of the Fund. Such Note Interest will be annual, simple interest calculated on the basis of a 365 day year. Note Holders are also entitled to participate in Trading Profits, as such are earned as a result of the investment activities of the Fund, 80% of which will be paid to Note Holders as Additional Interest until Note Holders have received an amount equal to their investment in Notes.

ent business franchise. While with such firm, Mr. Della Penna also member of the Executive, Acquisition and Pension and Profit Sharing. Della Penna also served as the personal business manager and financial advisor to the family and affiliated entities and in such capacity, was responsible for legal, tax and investment analysis and commitments.

Through 1978, Mr. Della Penna trained in the underwriting and trading department of municipal bonds at Wertheim and Co. in New York. During the period April 1978 through January 1980, Mr. Della Penna was an analyst with Lehman Brothers, New York, New York, where he was involved in the 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 Science degree in Finance from the State University of New York, Binghamton. He has held the NASD Series 7, 22, 24, 27, 39 and 63 securities licenses. These licenses are no longer active.

Managing Member

The Managing Member in connection with the formation, capitalization and operation of the Fund will be entitled to receive the following items of

As a result of the private sale of Notes effected by the Managing Member, the Managing Member will be entitled to receive but may elect to defer the placement fees equal to 10% of the proceeds realized by the Fund as a result of such private sales efforts. To the extent that Notes are privately sold by qualified Placement Agents, such placement fees will be reduced to the amount of placement fees paid to Placement Agents.

The Managing Member will also be entitled to receive in the aggregate a one-time 3% organizational fee which will be charged and paid against the first Note subscription proceeds received by the Fund during the course of the Note offering. Accordingly, if the entire principal amount of the Notes are sold, the Managing Member will receive an organizational fee in the amount of \$30,000.

The Managing Member will also be entitled to receive a 3% management fee which will be charged against the market value of the Fund's investments at the conclusion of each calendar year or partial calendar year of the Fund. Such management fee may be calculated and paid on a calendar quarter basis by the Fund to the Managing Member with an appropriate adjustment being made at the conclusion of the fourth calendar quarter of each year in order to assure that such management fee does not exceed an annual amount of 3%.

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 Mr. Della Penna is not a computer driven "trading system". Essentially the investment approach in the Fund's investment activities can be considered fundamental and one that will utilize technical tools, along with informational considerations. Mr. Della Penna, in conducting Fund trading, expects to utilize exchange traded funds such as NASDAQ 100 QQQ'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 and 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 investment 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 traded 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 Mr. Della Penna. Such identification process is

subjective and discretionary and Mr. Della Penna may not always follow a market value trend which has indications of being on-going.

The Fund may use index funds and put and call options contracts relating to such index funds may mirror or mimic an entire market performance of a significant segment thereof. One index fund which may be utilized is the Diamonds Series I ("DIA") which mirrors and mimics the common stocks of the Dow Jones Indices (sometimes called the "Diamonds"). A second index fund which may be utilized will be the NASDAQ 100 Index Tracking Stock ("QQQ"). A third index tracking fund may also utilize the Standard and Poors S&P 500 Index ("SPY") (sometimes called "Spiders"). The Fund may also seek to invest in securities which may be inverse to the negative performance of the NASDAQ 100 Index Tracking Stock. The Fund may deal in securities related to stock exchange traded funds thereof, but primarily in the option contracts of such exchange traded funds.

Index funds which only permit share purchases or sales at the close of a trading day and most recent net asset value per share, shares of index funds and their option contracts permit share purchases or sale on an instantaneous basis. In the case with respect to put and call options contracts of index fund shares, as managed by Mr. Della Penna, these features present an effective means to manage liquidity risks regardless of whether a market trend is upward or downward.

In this investment approach, Mr. Della Penna believes that the Fund will be able to realize Trading Profits in both upward and downward market value trends. Note investors should realize that such investment approach is enhanced during the time of its utilization by the Fund and should be characterized with flexibility.

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

Mr. Della Penna has participated in the decision making process with respect to the Fund which engaged in investment activities similar to or the same as those described above. Over time, Mr. Della Penna, for his own account and utilizing his experience, has endeavored to more fully perfect and develop the trading techniques and strategies intended for the Fund. Upon request of any sophisticated and experienced Note Investor, Mr. Della Penna will provide additional information

with respect to such techniques as permitted by applicable privacy restrictions. In examining such results, interested investors should keep in mind that any such information is unaudited and that such information 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 prior to the end of the Fund's Term.

FUND MANAGEMENT

The Fund formed under the Florida Limited Liability Company Act during the Offering Period. The Articles of Organization and the Operating Agreement of the Fund will designate Guy S. Della Penna as the Managing Member of the Fund. Mr. Della Penna will be responsible for the investment activities of the Fund, for Note Holder relations and the administration and record keeping responsibilities attendant to the Fund's existence and activities. In addition, Mr. Della Penna will be responsible for Fund compliance matters and the capitalization of the Fund. Purchasers of Notes will not have any management powers with respect to the Fund's activities and administration.

Information Concerning the Managing Member

Mr. Della Penna, age 60, resides in Sarasota, Florida. Mr. Della Penna has been active in the financial industry for over 35 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 acquired Executive Securities, Inc., a securities broker-dealer member firm based in Sarasota, Florida. In 1999, Executive Securities, Inc., as a result of a business combination transaction, 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 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. Mr. Della Penna served as President and Chief Executive Officer of both entities until 2002 when he resigned such positions.

As a controlling shareholder and investment banker, Mr. Della Penna founded or co-founded, formed, structured and capitalized various public and private corporate 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

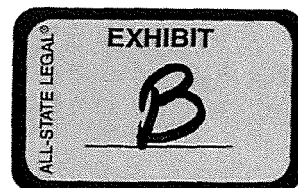
NEW ECONOMY FUND, L.L.C.

- An *alternative long/short* growth and income investment approach
- Risk management versus reward chasing
- Diversified (NASDAQ 100/QQQ) exchange traded fund
- New Economy, fundamentally stable companies
- 100 companies such as Apple, Google, Microsoft, Amgen, Starbucks
- Strong, liquid, low or no debt balance sheets
- Rising revenues potential
- Technical analysis complementing fundamental analysis
- No leverage utilized
- Finite investment time horizon (18 +/- months)
- Quarterly distributions with 1099 annual reporting (no K-1's)
- Capped at \$10 million for diligent ease of management
- Periodic reports, compilations and independent CPA audit
- Assets held at third party national brokerage firm
- Cash held at federally-insured commercial banking institution
- Participation by referral only
- 5% annual distributions payable quarterly to investors
- 80/20 split of profits with investors and Fund up to a 100% ROC/ROI

FOR DISCUSSION PURPOSES ONLY

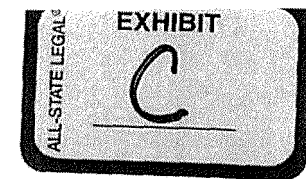
The foregoing does not constitute an offer to sell nor the solicitation of an offer to purchase any security. Such offer is only made by Private Offering Memorandum of the Fund.

Memorandum dated January 2, 2013



FOR
INFORMATION
PURPOSES ONLY

NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013



Date	Description	# of Contracts	Price	Commission	Reg Fee	Net +/-	Profit
1/30/2013	Bought to Open 100 QQQ Apr 13 68.00 Puts	100	(22,000.00)		(3.77)	(22,003.77)	
2/5/2013	Sold to Close 100 QQQ Apr 13 68.00 Puts	-100	25,100.00		(4.54)	25,095.46	
		0	3,100.00		(8.31)	3,091.69	3,091.69
1/31/2013	Sold to Open 100 QQQ Feb 13 67.00 Puts	-100	7,500.00		(4.14)	7,495.86	
2/4/2013	Bought to Close 100 QQQ Feb 13 67.00 Puts	50	(2,450.00)		(1.89)	(2,451.89)	
2/4/2013	Bought to Close 100 QQQ Feb 13 67.00 Puts	50	(2,300.00)		(1.89)	(2,301.89)	
		0	2,750.00		(7.92)	2,742.08	2,742.08
2/4/2013	Bought to Open 500 QQQ Feb 13 67.00 Puts	500	(23,500.00)		(18.85)	(23,518.85)	
2/5/2013	Sold to Close 200 QQQ Feb 13 67.00 Puts	-200	11,200.00		(8.20)	11,191.80	
2/5/2013	Sold to Close 100 QQQ Feb 13 67.00 Puts	-100	7,200.00		(4.14)	7,195.86	
2/5/2013	Sold to Close 100 QQQ Feb 13 67.00 Puts	-100	7,700.00		(4.15)	7,695.85	
2/5/2013	Sold to Close 100 QQQ Feb 13 67.00 Puts	-100	8,000.00		(4.15)	7,995.85	
		0	10,600.00		(39.49)	10,560.51	10,560.51
2/4/2013	Bought to Open 100 QQQ Feb 13 67.00 Puts	100	(4,200.00)		(3.77)	(4,203.77)	
2/5/2013	Sold to Close 100 QQQ Feb 13 67.00 Puts	-100	8,300.00		(4.16)	8,295.84	
		0	4,100.00		(7.93)	4,092.07	4,092.07
2/5/2013	Bought to Open 500 QQQ Mar 13 67.00 Calls	500	(49,000.00)		(18.85)	(49,018.85)	
2/6/2013	Sold To Close 200 QQQ Mar 13 67.00 Calls	-200	25,200.00		(8.51)	25,191.49	
2/6/2013	Sold To Close 200 QQQ Mar 13 67.00 Calls	-200	25,200.00		(8.51)	25,191.49	
2/6/2013	Sold To Close 100 QQQ Mar 13 67.00 Calls	-100	12,900.00		(4.26)	12,895.74	
		0	14,300.00		(40.13)	14,259.87	14,259.87
2/5/2013	Bought To Open 100 QQQ Mar 13 66.00 Calls	100	(15,400.00)		(3.77)	(15,403.77)	
2/6/2013	Sold to Close 1 QQQ Mar 13 66.00 Calls	-1	195.00		(0.06)	194.94	
2/6/2013	Sold to Close 99 QQQ Mar 13 66.00 Calls	-99	19,602.00		(4.37)	19,597.63	
		0	4,397.00		(8.20)	4,388.80	4,388.80
2/6/2013	Bought To Open 400 QQQ Mar 13 69.00 Puts	400	(87,600.00)		(15.08)	(87,615.08)	
2/21/2013	Sold To Close 100 QQQ Mar 13 69.00 Puts	-100	22,100.00		(4.47)	22,095.53	
2/26/2013	Sold To Close 100 QQQ Mar 13 69.00 Puts	-100	24,000.00		(4.51)	23,995.49	
2/26/2013	Sold To Close 100 QQQ Mar 13 69.00 Puts	-100	26,600.00		(4.51)	26,595.49	
2/26/2013	Sold To Close 100 QQQ Mar 13 69.00 Puts	-100	26,900.00		(4.58)	26,895.42	
		0	12,000.00		(33.15)	11,966.85	11,966.85

LEJ SERVICES
9/3/2013

NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013

3/7/2013 Bought To Open 100 QQQ Apr 13 68.00 Puts	100	(11,500.00)		(3.77)	(11,503.77)	
3/20/2013 Sold To Close 100 QQQ Apr 13 68.00 Puts	-100	10,800.00		(4.22)	10,795.78	
	0	(700.00)		(7.99)	(707.99)	(707.99)
3/8/2013 Bought To Open 150 QQQ Apr 13 68.00 Puts	150	(16,350.00)		(5.66)	(16,355.66)	
3/20/2013 Sold To Close 150 QQQ Apr 13 68.00	-150	16,800.00		(6.34)	16,793.66	
	0	450.00		(12.00)	438.00	438.00
3/4/2013 Bought to Open 200 QQQ Mar 13 69.00 Puts	200	(37,000.00)		(7.54)	(37,007.54)	
3/7/2013 Sold To Close 200 QQQ Mar 13 69.00 Puts	-200	18,800.00		(8.37)	18,791.63	
	0	(18,200.00)		(15.91)	(18,215.91)	(18,215.91)
3/5/2013 Bought To Open 150 QQQ Mar 13 69.00 Puts	150	(27,000.00)		(5.66)	(27,005.66)	
3/7/2013 Sold To Close 150 QQQ Mar 13 69.00 Puts	-150	14,100.00		(6.28)	14,093.72	
	0	(12,900.00)		(11.94)	(12,911.94)	(12,911.94)
3/26/2013 Bought To Open 100 QQQ May 13 69.00 Puts	100	(15,000.00)		(3.77)	(15,003.77)	
3/26/2013 Sold To Close 100 QQQ May 13 69.00 Puts	-100	19,200.00		(4.41)	19,195.59	
	0	4,200.00		(8.18)	4,191.82	4,191.82
2/26/2013 Bought To Open 100 QQQ Apr 13 69.00 Puts	100	(21,200.00)		(3.77)	(21,203.77)	
3/20/2013 Sold To Close 100 QQQ Apr 13 69.00	-100	17,000.00		(4.36)	16,995.64	
	0	(4,200.00)		(8.13)	(4,208.13)	(4,208.13)
3/27/2013 Bought To Open 200 QQQ Apr 13 69.00 Puts	200	(19,800.00)		(7.54)	(19,807.54)	
4/2/2013 Sold To Close 100 QQQ Apr 13 69.00 Puts	-100	9,400.00	(23.50)	(4.19)	9,372.31	
3/28/2013 Sold To Close 100 QQQ Apr 13 69.00 Puts	-100	12,500.00		(4.25)	12,495.75	
	0	2,100.00	(23.50)	(15.98)	2,060.52	2,060.52
3/28/2013 Bought To Open 100 QQQ May 13 69.00 Puts	100	(15,000.00)		(3.77)	(15,003.77)	
3/28/2013 Sold To Close 50 QQQ May 13 69.00 Puts	-50	8,750.00		(2.19)	8,747.81	
4/19/2013 Sold To Close 50 QQQ May 13 69.00 Puts	-50	10,050.00	(16.00)	(2.22)	10,031.78	
	0	3,800.00	(16.00)	(8.18)	3,775.82	3,775.82
4/1/2013 Bought To Open 50 QQQ May 13 69.00 Puts	50	(6,850.00)		(1.89)	(6,851.89)	
4/2/2013 Sold To Close 50 QQQ May 13 69.00 Puts	-50	7,800.00	(16.00)	(2.17)	7,781.83	
	0	950.00	(16.00)	(4.06)	929.94	929.94

LEJ SERVICES

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NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013

4/3/2013 Bought To Open 100 QQQ May 13 89.00 Puts	100	(12,700.00)	(23.50)	(3.77)	(12,727.27)	
4/4/2013 Sold To Close 100 QQQ May 13 89.00 Puts	-100	16,500.00	(23.50)	(4.34)	16,472.16	
	0	3,800.00	(47.00)	(8.11)	3,744.89	3,744.89
3/20/2013 Bought To Open 200 QQQ May 13 89.00 Puts	200	(38,400.00)		(7.54)	(38,407.54)	
3/22/2013 Sold To Close 50 QQQ May 13 89.00 Puts	-50	10,000.00		(2.22)	9,997.78	
4/5/2013 Sold To Close 100 QQQ May 13 89.00 Puts	-100	17,500.00	(23.50)	(4.37)	17,472.13	
	50	(10,900.00)	(23.50)	(14.13)	(10,937.83)	(10,937.83)
4/4/2013 Sold To Open 100 QQQ Apr 13 87.00 Puts ("Note Exp @ 0.00 as Friday 4/19 Profit \$3500 less commission)	100	3,500.00	(23.50)	(4.05)	3,472.45	3,472.45
4/8/2013 Bought To Open 250 QQQ May 13 87.00 Calls	250	(39,250.00)	(46.00)	(9.43)	(39,305.43)	
4/9/2013 Sold To Close 100 QQQ May 13 87.00 Calls	-100	19,500.00	(23.50)	(4.41)	19,472.09	
4/9/2013 Sold To Close 50 QQQ May 13 87.00 Calls	-50	9,850.00	(16.00)	(2.22)	9,831.78	
4/9/2013 Sold To Close 100 QQQ May 13 87.00 Calls	-100	20,000.00	(23.50)	(4.42)	19,972.08	
	0	10,100.00	(109.00)	(20.48)	9,970.52	9,970.52
4/17/2013 Bought To Open 100 QQQ May 13 89.00 Puts	100	(11,500.00)	(23.50)	(3.77)	(11,527.27)	
4/11/2013 Bought To Open 2 QQQ May 13 89.00 Puts	2	(180.00)	(8.80)	(0.08)	(188.86)	
4/16/2013 Sold To Close 102 QQQ May 13 89.00 Puts	-102	14,076.00	(23.50)	(4.38)	14,048.12	
	0	2,396.00	(55.80)	(8.23)	2,331.97	2,331.97
4/10/2013 Bought To Open 200 QQQ May 13 89.00 Puts	200	(29,000.00)	(38.50)	(7.54)		
4/17/2013 Bought To Open 50 QQQ May 13 89.00 Puts	50	(5,000.00)	(16.00)	(1.89)		
4/16/2013 Bought To Open 75 QQQ May 13 88.00 Calls	75	(11,700.00)	(19.75)	(2.83)	(11,722.58)	
4/17/2013 Sold To Close 75 QQQ May 13 88.00 Calls	-75	13,500.00	(19.75)	(3.29)	13,476.96	
	0	1,800.00	(39.50)	(6.12)	1,754.38	1,754.38
4/17/2013 Sold To Open 200 QQQ Apr 13 88.00 Puts	200	1,800.00	(38.50)	(7.99)	1,753.51	
4/22/2013 Bought To Close 100 QQQ Apr 13 88.00 Puts	-100	(3,700.00)	(23.50)	(3.77)	(3,727.27)	
4/22/2013 Bought To Close 100 QQQ Apr 13 88.00 Puts	-100	(2,300.00)	(23.50)	(3.77)	(2,327.27)	
	0	(4,200.00)	(85.50)	(15.53)	(4,301.03)	(4,301.03)

NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013

4/19/2013 Bought to Open 100 QQQ May 13 68.00 Calls	100	(10,000.00)	(23.50)	(3.77)	(10,027.27)	
4/22/2013 Sold To Close 100 QQQ May 13 68.00 Calls	-100	10,400.00	(23.50)	(4.21)	10,372.29	
	0	400.00	(47.00)	(7.98)	345.02	345.02
5/20/2013 Bought To Open 500 QQQ Jul 13 74.00 Puts	500	(87,500.00)	(83.50)	(18.85)	(87,602.35)	
5/28/2013 Sold To Close 200 QQQ Jul 13 74.00 Puts	-200	48,800.00	(38.50)	(9.04)	48,752.46	
6/4/2013 Sold To Close 300 QQQ Jul 13 74.00 Puts	-300	70,500.00	(53.50)	(13.14)	70,433.36	
	0	31,800.00	(175.50)	(41.03)	31,583.47	31,583.47
5/28/2013 Bought To Open 250 QQQ Jul 13 73.00 Puts	250	(46,500.00)	(46.00)	(9.43)	(46,555.43)	
5/28/2013 Sold To Close 250 QQQ Jul 13 73.00 Puts	-250	46,250.00	(46.00)	(10.97)	46,193.03	
	0	(250.00)	(92.00)	(20.40)	(362.40)	(362.40)
5/17/2013 Bought To Open 1000 QQQ Jul 13 73.00 Puts	1000	(140,000.00)	(158.50)	(37.70)	(140,196.20)	
5/28/2013 Sold To Close 231 QQQ Jul 13 73.00 Puts	-231	42,042.00	(43.15)	(10.13)	41,988.72	
5/23/2013 Sold To Close 19 QQQ Jul 13 73.00 Puts	-19	2,964.00	(11.35)	(0.83)	2,951.82	
6/4/2013 Sold To Close 400 QQQ Jul 13 73.00 Puts	-400	72,000.00	(68.50)	(17.14)	71,914.36	
6/4/2013 Sold To Close 350 QQQ Jul 13 73.00 Puts	-350	63,350.00	(81.00)	(15.01)	63,273.99	
	0	40,356.00	(342.50)	(80.81)	39,932.69	39,932.69
6/4/2013 Bought To Open 600 QQQ Aug 13 73.00 Calls	600	(112,200.00)	(98.50)	(22.62)	(112,321.12)	
6/4/2013 Sold To Close 200 QQQ Aug 13 73.00 Calls	-200	42,000.00	(38.50)	(8.68)	41,952.82	
6/4/2013 Sold To Close 250 QQQ Aug 13 73.00 Calls	-250	53,250.00	(46.00)	(10.86)	53,193.14	
6/5/2013 Sold To Close 500 QQQ Aug 13 73.00 Calls	-150	34,650.00	(83.50)	(21.86)	34,544.64	
	0	17,700.00	(266.50)	(64.02)	17,369.48	17,369.48
6/4/2013 Bought to Open 1000 QQQ Aug 13 73.00 Calls	1000	(185,000.00)	(158.50)	(37.70)	(185,196.20)	
6/5/2013 Sold To Close 500 QQQ Aug 13 73.00 Calls	-350	80,850.00			80,850.00	
6/5/2013 Sold To Close 500 QQQ Aug 13 73.00 Calls	-500	115,000.00	(83.50)	(21.86)	114,894.64	
6/5/2013 Sold To Close 250 QQQ Aug 13 73.00 Calls	-150	33,600.00	(46.00)	(10.91)	33,543.09	
	0	44,450.00	(129.50)	(32.77)	44,091.53	44,091.53
6/4/2013 Bought To Open 100 QQQ Aug 13 73.00 Calls	100	(17,500.00)	(23.50)	(3.77)	(17,527.27)	
6/5/2013 Sold To Close 250 QQQ Aug 13 73.00 Calls	-100	56,000.00	(46.00)	(10.91)	55,943.09	
	0	38,500.00	(69.50)	(14.68)	38,415.82	38,415.82
6/5/2013 Bought to Open 1000 QQQ Jul 13 74.00 Puts	1000	(180,000.00)	(158.50)	(37.70)	(180,196.20)	
6/6/2013 Sold To Close 500 QQQ Jul 13 74.00 Puts	-500	125,000.00	(83.50)	(22.03)	124,894.47	
6/6/2013 Sold To Close 250 QQQ Jul 13 74.00 Puts	-250	67,750.00	(46.00)	(11.11)	67,692.89	

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NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013

6/6/2013 Sold To Close 250 QQQ Jul 13 74.00 Puts	-250	70,250.00	(46.00)	(11.16)	70,192.84	
	0	83,000.00	(334.00)	(82.00)	82,584.00	82,584.00
6/5/2013 Bought To Open 500 QQQ Jul 13 74.00 Puts	500	(88,500.00)	(83.50)	(18.85)	(88,602.35)	
6/7/2013 Sold To Close 150 QQQ Jul 13 74.00 Puts	-150	45,600.00	(31.00)	(6.76)	45,562.24	
6/7/2013 Sold To Close 250 QQQ Jul 13 74.00 Puts	-250	75,000.00	(46.00)	(11.24)	74,942.76	
6/7/2013 Sold To Close 100 QQQ Jul 13 74.00 Puts	-100	36,300.00	(23.50)	(4.61)	36,271.89	
	0	68,400.00	(184.00)	(41.46)	68,174.54	68,174.54
6/5/2013 Bought To Open 500 QQQ Aug 13 74.00 Puts	500	(112,500.00)	(83.50)	(18.85)	(112,602.35)	
6/7/2013 Sold To Close 250 QQQ Aug 13 74.00 Puts	-250	86,250.00	(46.00)	(11.44)	86,192.56	
6/7/2013 Sold To Close 150 QQQ Aug 13 74.00 Puts	-150	52,500.00	(31.00)	(6.88)	52,462.12	
6/7/2013 Sold To Close 100 QQQ Aug 13 74.00 Puts	-100	31,500.00	(23.50)	(4.52)	31,471.98	
	0	57,750.00	(184.00)	(41.69)	57,524.31	57,524.31
6/7/2013 Bought To Open 1000 QQQ Aug 13 71.00 Puts	1000	(242,000.00)	(156.50)	(37.70)	(242,196.20)	
6/7/2013 Sold To Close 250 QQQ Aug 13 71.00 Puts	-250	69,000.00	(46.00)	(11.14)	68,942.86	
6/10/2013 Sold To Close 250 QQQ Aug 13 71.00 Puts	-250	74,250.00	(46.00)	(11.23)	74,192.77	
6/10/2013 Sold To Close 250 QQQ Aug 13 71.00 Puts	-250	74,500.00	(46.00)	(11.23)	74,442.77	
6/10/2013 Sold To Close 150 QQQ Aug 13 71.00 Puts	-150	45,450.00	(31.00)	(6.76)	45,412.24	
6/10/2013 Sold To Close 100 QQQ Aug 13 71.00 Puts	-100	30,700.00	(23.50)	(4.51)	30,671.99	
	0	51,900.00	(351.00)	(82.57)	51,466.43	51,466.43
6/10/2013 Bought To Open 900 QQQ Jul 13 74.00 Puts	900	(182,700.00)	(143.50)	(33.93)	(182,877.43)	
6/13/2013 Sold To Close 500 QQQ Jul 13 74.00 Puts	-500	140,000.00	(83.50)	(22.29)	139,894.21	
6/13/2013 Sold To Close 500 QQQ Jul 13 74.00 Puts	-400	118,000.00	(83.50)	(22.42)	117,894.08	
	0	75,300.00	(310.50)	(78.64)	74,910.86	74,910.86
6/11/2013 Bought To Open 100 QQQ Jul 13 74.00 Puts	100	(16,500.00)	(23.50)	(3.77)	(16,527.27)	
6/13/2013 Sold To Close 500 QQQ Jul 13 74.00	-100	29,500.00			29,500.00	
	0	13,000.00	(23.50)	(3.77)	12,972.73	12,972.73
6/10/2013 Bought To Open 1000 QQQ Aug 13 74.00 Puts	1000	(255,000.00)	(158.50)	(37.70)	(255,196.20)	
6/17/2013 Sold To Close 100 QQQ Aug 13 74.00 Puts	-100	30,000.00	(23.50)	(4.50)	29,972.00	
6/21/2013 Sold to Close 400 QQQ Aug 13 74.00 Puts	-400	142,000.00	(68.50)	(18.36)	141,913.14	
6/21/2013 Sold to Close 500 QQQ Aug 13 74.00 Puts	-500	185,000.00	(83.50)	(23.07)	184,893.43	
	0	102,000.00	(334.00)	(83.63)	101,582.37	101,582.37
6/11/2013 Bought To Open 1000 QQQ Aug 13 74.00 Puts	1000	(218,000.00)	(158.50)	(37.70)	(218,196.20)	

LEJ SERVICES

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NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013

6/21/2013 Sold to Close 500 QQQ Aug 13 74.00 Puts	-500	190,000.00	(83.50)	(23.16)	189,893.34	
6/24/2013 Sold to Close 500 QQQ Aug 13 74.00 Puts	-500	214,000.00	(83.50)	(23.58)	213,892.92	
	0	186,000.00	(325.50)	(84.44)	185,590.08	185,590.08
6/14/2013 Bought To Open 1000 QQQ Aug 13 74.00 Puts	1000	(287,000.00)	(158.50)	(37.70)	(287,196.20)	
6/25/2013 Sold to Close 500 QQQ Aug 13 74.00 Puts	-500	240,000.00	(83.50)	(24.03)	239,892.47	
6/25/2013 Sold to Close 500 QQQ Aug 13 74.00 Puts	-500	245,500.00	(83.50)	(24.13)	245,392.37	
	0	198,500.00	(325.50)	(85.86)	198,088.64	198,088.64
6/24/2013 Bought to Open 2000 QQQ Aug 13 70.00 Calls	2000	(450,000.00)	(308.50)	(75.40)	(450,383.90)	
6/28/2013 Sold to Close 500 QQQ Aug 13 70.00 Calls	-500	125,000.00	(83.50)	(22.03)	124,894.47	
6/28/2013 Sold to Close 500 QQQ Aug 13 70.00 Calls	-500	125,000.00	(83.50)	(22.03)	124,894.47	
6/28/2013 Sold to Close 500 QQQ Aug 13 70.00 Calls	-500	127,500.00	(83.50)	(22.07)	127,394.43	
6/28/2013 Sold to Close 1000 QQQ Aug 13 70.00 Calls	-500	130,500.00	(79.25)	(22.12)	130,398.63	
	0	58,000.00	(638.25)	(163.65)	57,198.10	57,198.10
6/24/2013 Bought to Open 400 QQQ Aug 13 70.00 Calls	400	(82,800.00)	(68.50)	(15.08)	(82,883.58)	
6/24/2013 Bought to Open 1100 QQQ Aug 13 70.00 Calls	1100	(220,000.00)	(173.50)	(41.47)	(220,214.97)	
6/28/2013 Sold to Close 1000 QQQ Aug 13 70.00 Calls	-500	130,500.00	(79.25)	(22.13)	130,398.62	
6/28/2013 Sold to Close 500 QQQ Aug 13 70.00 Calls	-500	127,500.00	(83.50)	(22.07)	127,394.43	
6/27/2013 Sold to Close 500 QQQ Aug 13 70.00 Calls	-500	111,500.00	(83.50)	(21.80)	111,394.70	
	0	66,700.00	(488.25)	(122.55)	66,089.20	66,089.20
6/25/2013 Bought to Open 1000 QQQ Aug 13 70.00 Calls	1000	(175,000.00)	(158.50)	(37.70)	(175,196.20)	
6/27/2013 Sold to Close 1000 QQQ Aug 13 70.00 Calls	-1000	230,000.00	(158.50)	(43.71)	229,797.79	
	0	55,000.00	(317.00)	(81.41)	54,601.59	54,601.59
6/25/2013 Bought to Open 1000 QQQ Aug 13 70.00 Calls	1000	(170,000.00)	(158.50)	(37.70)	(170,196.20)	
6/27/2013 Sold to Close 1000 QQQ Aug 13 70.00 Calls	-1000	231,000.00	(158.50)	(43.72)	230,797.78	
	0	61,000.00	(317.00)	(81.42)	60,601.58	60,601.58
6/25/2013 Bought to Open 500 QQQ Aug 13 70.00 Calls	500	(82,500.00)	(83.50)	(18.85)	(82,602.35)	
6/28/2013 Sold to Close 500 QQQ Aug 13 70.00 Calls	-500	132,500.00	(83.50)	(22.16)	132,394.34	
	0	50,000.00	(167.00)	(41.01)	49,791.99	49,791.99
						1,325,041.56

NEW ECONOMY FUND LLC
TRADE STATEMENT ANALYSIS
2013

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TOTAL INVESTED

1,916,780.00

RETURN ON INVESTMENT



IBIT B

FORM OF 5% PARTICIPATING PROMISSORY NOTE

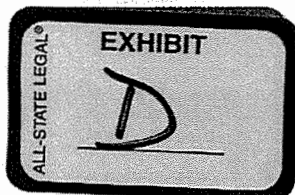
NO. 16

NEW ECONOMY FUND, LLC
(a Florida limited liability company)

5% PARTICIPATING PROMISSORY NOTES
\$10,000,000 MAXIMUM PRINCIPAL AMOUNT

This Note evidences the obligation of NEW ECONOMY FUND, LLC (the "Fund") to pay to Agata Joanna Dolski and Bradley Frederick Springstead ("Payee") the principal sum of Thirty Thousand Dollars (\$30,000.00) 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 January 2, 2013 (the "Term" and the "Memorandum" respectively). The Payee shall be promptly advised as to the Term 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 existence. 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 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, which payment default has continued for a period of 90 consecutive days. Failure on the part of the Fund to pay Additional Interest shall not constitute an event of default. It is acknowledged by the Fund and the Payee that, in accordance with the provisions and terms of the Note Subscription Agreement which is Exhibit "A" to the Memorandum and which has been duly executed and delivered by the Payee to the Fund (and such subscription to a Note has been accepted by the Fund), that any Claims arising out of the



issuance of this Note to the Payee as the term "Claims" is defined in the referenced Note Subscription Agreement are subject to resolution first by a non-binding Mediation process which, if not successful, shall be followed by a binding Arbitration process, the Award resulting from such being duly enforceable by an action for confirmation upon such Award commence 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 Member of the Fund of any change in record ownership of a Note.

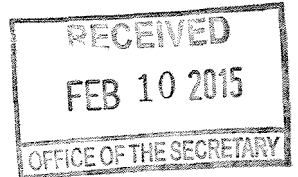
The 5% Participating Promissory Notes of NEW ECONOMY FUND, LLC represented by this Note instrument have not been registered under the Securities Act of 1933, as amended, or various state statutes, including the Florida Securities and Investor Protection Act, as amended. The Notes have been acquired by 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 NEW ECONOMY 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 15th day of October, 2013.

NEW ECONOMY FUND, LLC

By Guy S. Della Penna, MGRG-MBR.
Guy S. Della Penna, Managing Member

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.

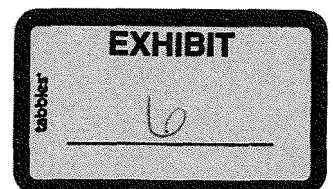
DECLARATION OF MARK DEE

Pursuant to 28 U.S.C. § 1746, the undersigned states as follows:

1. My name is Mark Dee; I am over twenty-one years of age and have personal knowledge of the matters set forth herein.
2. I am employed as an Accountant, with the United States Securities and Exchange Commission ("Commission"). I am also a retired state police lieutenant of a fraud unit and a Certified Fraud Examiner.

Documents Reviewed

3. This declaration is based upon my personal review of the following records:
 - a. With respect to account No. XXXXXX0476 in the name of A-G Hedge Group, LLC Fund, at Bank of America (the "A-G BoA Account"), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period January 2010 through September 2013.



b. With respect to account number XXXXXX2418 in the name of AG Hedge Group, LLC, at E*TRADE Securities, LLC (the “A-G ET Account”), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period November 2008 through May 2014.

c. With respect to account number XXXXXX9777 in the name of The Contrarian Fund, LLC, at Bank of America (the “CF BoA Account”), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period August 2010 through October 2013.

d. With respect to account number XXXXXX5405 in the name of The Contrarian Fund, LLC, at E*TRADE Securities, LLC (the “CF ET Account”), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period September 2010 through October 2013.

e. With respect to account number XXXXXX1375 in the name of New Economy Fund, LLC, at Bank of America (the “NEF BoA Account”), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period June 2012 through October 2013.

c. With respect to account number XXXXXX2083 in the name of New Economy Fund, LLC, at Apex Clearing Corporation (the “NEF APX Account”), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period January 2013 through October 2013.

d. With respect to account No. XXXXXX1221 in the name of Gaeton Capital Advisors, LLC, at Regions Bank (the “OIF RB Account”), signature card, monthly statements, checks

written, deposited items, and wire transfer information for the period January 2010 through March 2013.

e. With respect to account number XXXXXX4492 in the name of Gaeton Capital Advisors, LLC, at Synovus Bank (the “OIF SB Account”), signature card, monthly statements, checks written, deposited items, and wire transfer information for the period March 2013 through October 2013.

f. Accounting records, spreadsheet summaries and investor information of the A-G, CF and NEF Fund records under the possession of Gaeton Della Penna’s, which were obtained from the United State Secret Service. Copies of two of those documents, QuickBooks reports for A-G Hedge Group and Contrarian Fund, are attached as Exhibits A and B respectively.

The Funds

4. A-G Hedge Fund

a. A summary of the A-G ET Account for the years 2008 through 2010:

		2008		
Date	A - G ET	Quarterly	Year to Date	Profit (Loss)
12/31/2008	Securities Purchased	\$ (481,662.40)	\$ (481,662.40)	
12/31/2008	Securities Sold	\$ 293,144.90	\$ 293,144.90	
12/31/2008	Fourth Quarter	\$ (188,517.50)		\$ (188,517.50)
			Portfolio Value	\$ 331,786.95
		2009		
Date	A - G ET	Quarterly	Year to Date	Profit (Loss)
3/31/2009	Securities Purchased	\$ (6,000,735.36)	\$ (6,000,735.36)	
3/31/2009	Securities Sold	\$ 6,081,262.18	\$ 6,081,262.18	
3/31/2009	First Quarter	\$ 80,526.82		\$ 80,526.82
			Portfolio Value	\$ 39,348.11
6/30/2009	Securities Purchased	\$ (517,279.09)	\$ (6,518,014.45)	
6/30/2009	Securities Sold	\$ 455,421.11	\$ 6,536,683.29	
6/30/2009	Second Quarter	\$ (61,857.98)		\$ 18,668.84
			Portfolio Value	\$ 214,994.18
9/30/2009	Securities Purchased	\$ (502,434.88)	\$ (7,020,449.33)	

9/30/2009	Securities Sold	\$ 514,763.76	\$ 7,051,447.05	
9/30/2009	Third Quarter	\$ 12,328.88		\$ 30,997.72
			Portfolio Value	\$ 824.07
12/31/2009	Securities Purchased	\$ -	\$ (7,020,449.33)	
12/31/2009	Securities Sold	\$ -	\$ 7,051,447.05	
12/31/2009	Fourth Quarter	\$ -		\$ 30,997.72
			Portfolio Value	\$ 74.08
2010				
Date	A - G ET	Quarterly	Year to Date	Profit (Loss)
3/31/2010	Securities Purchased	\$ (1,542,495.68)	\$ (1,542,495.68)	
3/31/2010	Securities Sold	\$ 1,336,360.85	\$ 1,336,360.85	
3/31/2010	First Quarter	\$ (206,134.83)		\$ (206,134.83)
			Portfolio Value	\$431.19
6/30/2010	Securities Purchased	\$ (37,850.92)	\$ (1,580,346.60)	
6/30/2010	Securities Sold	\$ (33,529.29)	\$ 1,369,890.14	
6/30/2010	Second Quarter	\$ (4,321.63)		\$ (210,456.46)
			Portfolio Value	\$9.76
9/30/2010	Securities Purchased	\$ -	\$ (1,580,346.60)	
9/30/2010	Securities Sold	\$ -	\$ 1,369,890.14	
9/30/2010	Third Quarter	\$ -		\$ (210,456.46)
			Portfolio Value	\$9.76
12/31/2010	Securities Purchased	\$ -	\$ (1,580,346.60)	
12/31/2010	Securities Sold	\$ -	\$ 1,369,890.14	
12/31/2010	Fourth Quarter	\$ -		\$ (210,456.46)
			Portfolio Value	\$9.76

- b. Overall investment losses for the A-G ET Account were \$367,976.24;
- c. A summary of the A-G BoA Account for the years 2010 through 2011:

A-G BoA	
Date	Amount
3/31/2010	\$ 72.66
6/30/2010	\$ 45.16
9/30/2010	\$ 44.16

1/30/2010	\$ 224.02
3/31/2011	\$ 52.02
6/30/2011	\$ 9.02
9/30/2011	\$ (0.26)
12/31/2011	\$ (1.26)
3/30/2012	\$ (14.26)
6/30/2012	\$ 69.74
9/30/2012	\$ 6.74
12/31/2012	\$ 5.74
2/28/2013	\$ (0.00)

5. Contrarian Fund

a. A summary of the CF ET Account for the years 2010 through 2013 as follows:

	2010			
Date	CF ET	Quarterly	Year to Date	Profit (Loss)
3/31/2010	Securities Purchased	Not Opened	Not Opened	
3/31/2010	Securities Sold	Not Opened	Not Opened	
3/31/2010	First Quarter			
6/30/2010	Securities Purchased	Not Opened	Not Opened	
6/30/2010	Securities Sold	Not Opened	Not Opened	
6/30/2010	Second Quarter			
9/30/2010	Securities Purchased	\$ (347,654.77)	\$ (347,654.77)	
9/30/2010	Securities Sold	\$ 108,227.41	\$ 108,227.41	

9/30/2010	Third Quarter			\$ (239,427.36)
			Portfolio Value	\$96,323.15
12/31/2010	Securities Purchased	\$ (597,695.49)	\$ (945,350.26)	
12/31/2010	Securities Sold	\$ 602,177.16	\$ 710,404.57	
12/31/2010	Fourth Quarter	\$ 4,481.67		\$ (234,945.69)
			Portfolio Value	\$ 13,755.26
	2011			
Date	CF ET	Quarterly	Year to Date	Profit (Loss)
3/31/2011	Securities Purchased	\$ (1,400,939.42)	\$ (1,400,939.42)	
3/31/2011	Securities Sold	\$ 1,175,787.62	\$ 1,175,787.62	
3/31/2011	First Quarter	\$ (225,151.80)		\$ (225,151.80)
			Portfolio Value	\$ 88,810.10
6/30/2011	Securities Purchased	\$ (294,338.07)	\$ (1,695,277.49)	
6/30/2011	Securities Sold	\$ 363,719.59	\$ 1,539,507.21	
6/30/2011	Second Quarter	\$ 69,381.52		\$ (155,770.28)
			Portfolio Value	\$ 24,438.82
9/30/2011	Securities Purchased	\$ (697,921.53)	\$ (2,393,199.02)	
9/30/2011	Securities Sold	\$ 616,048.58	\$ 2,155,555.79	
9/30/2011	Third Quarter	\$ (81,872.95)		\$ (237,643.23)
			Portfolio Value	\$ 54,317.25
12/31/2011	Securities Purchased	\$ (362,461.38)	\$ (2,755,660.40)	
12/31/2011	Securities Sold	\$ 299,462.46	\$ 2,455,018.25	
12/31/2011	Fourth Quarter	\$ (62,998.92)		\$ (300,642.15)
			Portfolio Value	\$ 83,019.29
	2012			
Date	CF ET	Quarterly	Year to Date	Profit (Loss)
3/31/2012	Securities Purchased	\$ (793,445.07)	\$ (793,445.07)	
3/31/2012	Securities Sold	\$ 704,618.66	\$ 704,618.66	

3/31/2012	First Quarter	\$ (88,826.41)		\$ (88,826.41)
			Portfolio Value	\$ 126,972.22
6/30/2012	Securities Purchased	\$ (498,673.36)	\$ (1,292,118.43)	
6/30/2012	Securities Sold	\$ 454,197.59	\$ 1,158,816.25	
6/30/2012	Second Quarter	\$ (44,475.77)		\$ (133,302.18)
			Portfolio Value	\$ 18.95
9/30/2012	Securities Purchased	\$ -	\$ (1,292,118.43)	
9/30/2012	Securities Sold	\$ -	\$ 1,158,816.25	
9/30/2012	Third Quarter	\$ -		\$ (133,302.18)
			Portfolio Value	\$ 18.95
12/31/2012	Securities Purchased	\$ -	\$ (1,292,118.43)	
12/31/2012	Securities Sold	\$ -	\$ 1,158,816.25	
12/31/2012	Fourth Quarter	\$ -		\$ (133,302.18)
			Portfolio Value	\$ 18.95
	2013			
Date	CF ET	Quarterly	Year to Date	Profit (Loss)
3/31/2013	Securities Purchased	\$ -	\$ -	
3/31/2013	Securities Sold	\$ -	\$ -	
3/31/2013	First Quarter	\$ -		\$ -
6/30/2013	Securities Purchased	\$ -	\$ -	
6/30/2013	Securities Sold	\$ -	\$ -	
6/30/2013	Second Quarter	\$ -		\$ -
9/30/2013	Securities Purchased	\$ -	\$ -	
9/30/2013	Securities Sold	\$ -	\$ -	
9/30/2013	Third Quarter	\$ -		\$ -

12/31/2013	Securities Purchased	\$ (315,892.33)	\$ (315,892.33)	
12/31/2013	Securities Sold	\$ 117,840.80	\$ 117,840.80	
12/31/2013	Fourth Quarter	\$ (198,051.53)		\$ (198,051.53)
	Reflects only the month of October		Portfolio Value	\$ 83,717.72

b. A summary of the CF BoA Account for the years 2010 through 2013:

CF BoA	
Date	Amount
9/30/2010	\$483.92
12/31/2010	\$427.80
3/31/2011	\$1,247.80
6/30/2011	\$291.97
9/30/2011	\$5,052.64
12/31/2011	\$4,936.49
3/31/2012	\$15,031.43
6/30/2012	\$16.63
9/30/2012	\$144.87
12/31/2012	\$3.07
1/31/2013	\$996.42
2/28/2013	\$229.42
5/31/2013	\$73.42
6/30/3013	\$4,056.42
7/31/2013	\$618.03
9/30/2013	\$10,044.03
10/31/2013	\$7,572.87

- c. Contrarian raised \$1.6 million from ten separate investors in wire transfers and checks; and
- d. On July 23, 2013, Louis Parker, was paid \$289,531.28 in the form of a Contrarian check, #1087, drawn on the CF BoA Account. Immediately preceding the writing of this check, New Economy transferred \$290,000 from the NEF BoA Account to the OF SB Account of Gaeton Capital Advisors, which in turn transferred that same amount to the CF BoA Account.

6. The New Economy Fund

a. A summary of the NEF ET Account:

2013				
Date	NEF ET	Quarterly	Year to Date	Profit (Loss)
1/31/2013	Securities Purchased	\$ (22,003.77)		
1/31/2013	Securities Sold	\$ 7,495.86		
2/28/2013	Securities Purchased	\$ (205,717.86)	\$ (227,721.63)	
2/28/2013	Securities Sold	\$ 250,123.86	\$ 257,619.72	
3/31/2013	Securities Purchased	\$ (180,095.26)	\$ (407,816.89)	
3/31/2013	Securities Sold	\$ 127,907.37	\$ 385,527.09	
3/31/2013	First Quarter	\$ (22,289.80)		\$ (22,289.80)
			Portfolio Value	\$ 40,565.20
4/30/2013	Securities Purchased	\$ (132,469.05)	\$ (540,285.94)	
4/30/2013	Securities Sold	\$ 153,529.21	\$ 539,056.30	
5/31/2013	Securities Purchased	\$ (274,353.98)	\$ (814,639.92)	
5/31/2013	Securities Sold	\$ 139,886.73	\$ 678,943.03	

6/30/2013	Securities Purchased	\$ (4,740,059.20)	\$ (5,554,699.12)	
6/30/2013	Securities Sold	\$ 4,755,040.84	\$ 5,433,983.87	
6/30/2013	Second Quarter	\$ (98,425.45)		\$ (120,715.25)
			Portfolio Value	\$ 1,524,864.75
7/31/2013	Securities Purchased	\$ (190,392.40)	\$ (5,745,091.52)	
7/31/2013	Securities Sold	\$ 459,319.97	\$ 5,893,303.84	
8/31/2013	Securities Purchased	\$ (57,584.57)	\$ (5,802,676.09)	
8/31/2013	Securities Sold	\$ 21,358.90	\$ 5,914,662.74	
9/30/2013	Securities Purchased	\$ -	\$ (5,802,676.09)	
9/30/2013	Securities Sold	\$ 11,972.73	\$ 5,926,635.47	
9/30/2013	Third Quarter	\$ 244,674.63		\$ 123,959.38
			Portfolio Value	\$ 22,994.38
12/31/2013	Securities Purchased	\$ (156,554.01)	\$ (5,959,230.10)	
12/31/2013	Securities Sold	\$ 137,672.82	\$ 6,064,308.29	
12/31/2013	Fourth Quarter	\$ (18,881.19)		\$ 105,078.19

	Reflects only the month of October		Portfolio Value	\$ 19,613.19
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- b. On April 30, 2013, the portfolio value was \$10,880.36; and
- c. On August 31, 2013, the portfolio value was \$80,196.65.

7. The NEF BoA Account

- a. A summary of the NEF BoA Account for the year 2013:

NEF BoA	
Date	Amount
6/30/2012	\$1.00
9/30/2012	\$17.00
12/31/2012	\$1.00
3/31/2013	\$18.00
6/30/2013	\$5,585.45
9/30/2013	\$2,931.78
10/31/2013	\$1,306.78

- b. On April 29, 2013, the NEF BoA had a cash balance of \$51.45;
- c. On August 22, 2013, the NEF BoA had a cash balance of \$2,302.78; and
- d. On September 3, 2013, the NEF BoA had a cash balance of \$2,260.78.

8. The OIF RB Account

- a. \$553,000 in deposits from five separate investors; and
- b. \$40,000 for the purchase of stock in the Energy Materials Corporation.

Misappropriation

- 9. The following is a summary of the investor funds from Gaeton Della Penna's QuickBooks records, and the account statement documents. Fees applicable for managing the fund and for any profit were calculated:

	Investor Funds Misappropriated		
Fund	Source	Amount	Net
A-G BoA	**2008-2009 Management Fees	\$ (552,450.00)	
	Gaeton Della Penna Reposted Check(S)	\$ 5,000.00	
	Inbound Wire Transfers from Gaeton Della Penna Regions Account XXXXXX1221	\$ 25,050.00	
	Inbound Wire Transfer from Gaeton Della Penna and Sharon Nizolek Regions Account XXXXXX8709	\$ 16,250.00	
	Inbound Wire Transfers from Gaeton Della Penna Synovus Bank Account XXXXXX3085	\$ 39,685.00	
	Payments by check to Gaeton Della Penna	\$ (5,200.00)	
	Outbound Wire Transfers to Gaeton Della Penna and Sharon Nizolek Regions Account XXXXXX8709	\$ (150,250.00)	
			\$ (621,915.00)
CF BoA	Deposit and Reposted Check by Gaeton Della Penna	\$ 4,000.00	
	Wire and Check Deposits from Gaeton Della Penna's Synovus Bank account XXXXXX3085	\$ 270,925.00	
	Check Payments to Gaeton-Guy Della Penna on Contrarian Bank of America account	\$ (12,940.00)	
	Wire Transfers to Gaeton Della Penna Synovus Bank account XXXXXX3085	\$ (535,645.08)	
			\$ (273,660.08)
NEF BoA	Reposting of Check Payable to Gaeton Della Penna	\$ 3,000.00	
	Checks from the Gaeton Della Penna Synovus Bank account XXXXXX3085	\$ 85.00	
	Check Payments to Gaeton Della Penna	\$ (22,075.00)	
	Wire Transfers to Gaeton Della Penna's Synovus Bank account XXXXXX3085	\$ (73,000.00)	
			\$ (91,990.00)
OIF SB	Funds Transfers from Gaeton Della Penna Synovus Bank account XXXXXX3085	\$ 8,800.00	

	Wire and Funds Transfers to Gaeton Della Penna Synovus Bank account XXXXXX3085	\$ (145,430.00)	
	Check Paid to Gaeton Della Penna	\$ (2,000.00)	
			\$ (138,630.00)
OIF RB	Wire and Check Deposits from a Gaeton S. Della Penna Unidentified Account	\$ 52,780.18	
	Deposits from Gaeton S. Della Penna Synovus Bank Account XXXXXX3085	\$ 1,000.00	
	Electronic Deposits from a Gaeton S. Della Penna Regions Checking Account XXXXXX1032	\$ 45.18	
	Electronic Deposits from a Gaeton S. Della Penna Regions Checking Account XXXXXX1035	\$ 8,714.71	
	Electronic Deposits from a Gaeton S. Della Penna Regions Checking Account XXXXXX1248	\$ 5.98	
	Electronic Deposits from a Gaeton S. Della Penna Regions Checking Account XXXXXX8709	\$ 7,975.00	
	Funds Paid to Gaeton S. Della Penna	\$ (275,573.46)	
	Funds Paid to Gaeton S. Della Penna's Synovus Bank Account XXXXXX3085	\$ (1,850.00)	
	Electronic Withdrawals to a Gaeton S. Della Penna Regions Checking Account XXXXXX1032	\$ (35.00)	
	Electronic Withdrawals to a Gaeton S. Della Penna Regions Checking Account XXXXXX1035	\$ (41.87)	
	Electronic Withdrawals to a Gaeton S. Della Penna Regions Checking Account XXXXXX1248	\$ (60.00)	
	Electronic Withdrawals to a Gaeton S. Della Penna Regions Checking Account XXXXXX8709	\$ (125.00)	
			\$ (207,164.28)
		Total Net	\$ (1,333,359.36)
		Total Admin/Legal & POM Fees Allowable	\$ 141,050.00

		Total of Net & Allowable Fees	\$ (1,192,309.36)
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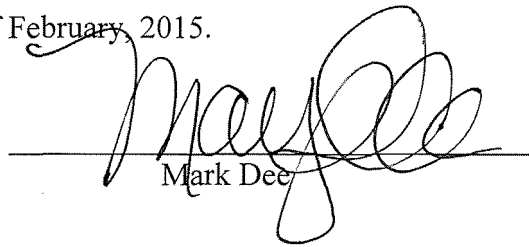
- b. For the comingled funds to have earned \$1,192,000 in commission (at 20%), the assets invested would have had to increase over principal in the amount of approximately \$5,960,000 (.20 X \$5,960,000 = \$1,192,000);
- c. For the comingled funds to have earned \$1,192,000 in commission (at 25%), the assets invested would have had to increase over principal in the amount of approximately \$4,768,000 (.25 X \$4,768,000 = \$1,192,000);
- d. The Funds would have had to earn over principal invested between \$4.7 million and \$6 million for Gaeton Della Penna to entitle himself to a total commission between \$1.1 and \$1.2 million.

Summary

Source	Totals	
Investor Funds Deposited in Current Review	\$ 3,832,500.00	
Investor Return of Principal	\$ (1,234,166.28)	
POM Fees	\$ (87,550.00)	
Admin/Legal Fee	\$ (53,500.00)	
*Interest & Dividend Payments to Investors	\$ (177,220.81)	
EMC Investment Loss	\$ (40,000.00)	
Net Investment Losses (three funds)	\$ (1,129,839.60)	
	Grand Total	\$ 1,110,223.31
*Interest payments from 2009 obtained from Quick Books General Ledger		\$26,201.59

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

Executed on this 6 day of February, 2015.



Mark De

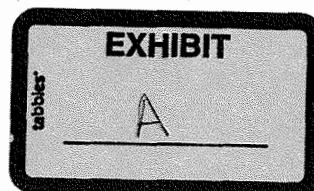
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Accrual Basis

A-G Hedge Group LLC Account QuickReport All Transactions

Type	Date	Num	Name	Memo	Split	Amount	Balance
Note Payable							
Clifford Scholz							
Deposit	12/8/2008		Clifford M. and Susan...	Deposit	Bank of America	100,000.00	100,000.00
Check	2/28/2011	1050	Clifford M. and Susan...	VOID: stop py...	Bank of America	0.00	100,000.00
General Journal	5/6/2011	9R	Clifford M. and Susan...	Paid in full the ...	Paid in Capital	-100,000.00	0.00
Total Clifford Scholz						0.00	0.00
Hadern							
Deposit	6/5/2009		Dr. Ronald Hadam	Deposit	Bank of America	220,000.00	220,000.00
Deposit	1/5/2010		Entrust	Deposit	Bank of America	400,000.00	620,000.00
Total Hadern						620,000.00	620,000.00
Sloan							
General Journal	11/24/2008	1	Michael J. Sloan IRA	VOID:	Opening Bal Eq...	0.00	0.00
Deposit	11/24/2008		Michael J. Sloan IRA	Deposit	Bank of America	400,000.00	400,000.00
Check	2/25/2010		Michael J. Sloan IRA	Partial Payment	Bank of America	-40,000.00	360,000.00
Check	3/15/2011		Michael J. Sloan IRA	Return of Capi...	Bank of America	-25,000.00	335,000.00
Check	7/30/2011	1059	Trust Industrial Bank		Bank of America	-25,000.00	310,000.00
Deposit	8/29/2011		Trust Industrial Bank	Return of che...	Bank of America	25,000.00	335,000.00
Check	8/31/2011	1060	Michael J. Sloan IRA	Return of Prin...	Bank of America	-25,000.00	310,000.00
Check	8/31/2011	1059	Trust Industrial Bank	Check Resub...	Bank of America	-25,000.00	285,000.00
Deposit	9/1/2011		Trust Industrial Bank	check 1059 ret...	Bank of America	25,000.00	310,000.00
General Journal	4/6/2012	10R	Lincoln Trust Company		Michael J. Sloan...	-50,000.00	260,000.00
Deposit	4/10/2012		Lincoln Trust Company	Check 1067 R...	Bank of America	50,000.00	310,000.00
Check	4/11/2012	1067	Lincoln Trust Company	Resubmitted	Bank of America	-50,000.00	260,000.00
Deposit	4/12/2012		Lincoln Trust Company	Check 1067 re...	Bank of America	50,000.00	310,000.00
Total Sloan						310,000.00	310,000.00
Susan Scholz							
Deposit	12/9/2008		David S. Olson	Deposit	Bank of America	25,000.00	25,000.00
Check	1/31/2011	1049	David S. Olson		Bank of America	-25,000.00	0.00
Total Susan Scholz						0.00	0.00
Note Payable - Other							
Bill	1/1/2009		Trust Industrial Bank	52 days interest	Michael J. Sloan...	2,889.12	2,889.12
Bill Pmt -Check	1/1/2009	1005	Trust Industrial Bank	VOID:	Bank of America	0.00	2,889.12
Bill	1/1/2009		Clifford M. and Susan...	24 days interest	Clifford & Susa...	333.36	3,222.48
Bill Pmt -Check	1/1/2009	1008	Trust Industrial Bank	52 days interest	Bank of America	-2,889.12	333.36
Bill Pmt -Check	1/1/2009	1009	Clifford M. and Susan...	VOID: 24 days...	Bank of America	0.00	333.36
Bill	1/1/2009		David S. Olson	24 days interest	David S. Olson	83.28	416.64
Bill Pmt -Check	1/1/2009	1010	David S. Olson	VOID: 24 days...	Bank of America	0.00	416.64
Bill Pmt -Check	1/2/2009	1006	Trust Industrial Bank	VOID:	Bank of America	0.00	416.64
Bill Pmt -Check	1/2/2009		Trust Industrial Bank	VOID:	Bank of America	0.00	416.64
Bill Pmt -Check	1/2/2009	1006	Trust Industrial Bank	VOID:	Bank of America	0.00	416.64
Bill Pmt -Check	1/2/2009	1007	Trust Industrial Bank	VOID: 52 days...	Bank of America	0.00	416.64
Bill Pmt -Check	1/2/2009		Clifford M. and Susan...	VOID: 24 days...	Bank of America	0.00	416.64
Bill Pmt -Check	1/12/2009	1011	Clifford M. and Susan...	24 days interest	Bank of America	-333.36	83.28
Bill Pmt -Check	1/12/2009	1012	David S. Olson	24 days interest	Bank of America	-83.28	0.00
Bill	2/5/2009		Andrea Smeltzer	Administrative ...	Administrative ...	1,000.00	1,000.00
Bill Pmt -Check	2/5/2009	1013	Andrea Smeltzer	Administrative ...	Bank of America	-1,000.00	0.00
Bill Pmt -Check	2/25/2009	1014	Gaeton S. Della Penna		Bank of America	-9,500.00	-9,500.00
Deposit	2/26/2009		Gaeton S. Della Penna	Return of chec...	Bank of America	9,500.00	0.00
Bill	4/1/2009		Trust Industrial Bank	First Quarter I...	Michael J. Sloan...	5,000.00	5,000.00
Bill	4/1/2009		David S. Olson	First Quarter I...	David S. Olson	312.50	5,312.50
Bill	4/1/2009		Clifford M. and Susan...	First Quarter I...	Clifford & Susa...	1,250.00	6,562.50
Bill Pmt -Check	4/1/2009	1015	Clifford M. and Susan...	First Quarter I...	Bank of America	-1,250.00	5,312.50
Bill Pmt -Check	4/1/2009	1015	David S. Olson	First Quarter I...	Bank of America	-312.50	5,000.00
Bill Pmt -Check	4/1/2009	1017	Trust Industrial Bank	First Quarter I...	Bank of America	-5,000.00	0.00
Bill	4/24/2009		Gaeton S. Della Penna		Management F...	850.00	850.00
Bill Pmt -Check	4/24/2009	1018	Gaeton S. Della Penna		Bank of America	-850.00	0.00
Bill	5/1/2009		Gaeton S. Della Penna		Paid Out Capital	1,000.00	1,000.00
Bill Pmt -Check	5/1/2009	1019	Gaeton S. Della Penna	VOID:	Bank of America	0.00	1,000.00
Bill Pmt -Check	5/4/2009	1019	Gaeton S. Della Penna		Bank of America	-1,000.00	0.00
Bill	6/15/2009		Dr. Ronald Hadam	Two weeks int...	Ronald Hadam	458.33	458.33
Bill	6/15/2009		Trust Industrial Bank	Interest for sec...	Michael J. Sloan...	5,000.00	5,458.33
Bill	6/15/2009		Clifford M. and Susan...	Interest for sec...	Clifford & Susa...	1,250.00	6,708.33
Bill	6/15/2009		David S. Olson	Interest for sec...	David S. Olson	312.50	7,020.83
Bill Pmt -Check	6/30/2009		Dr. Ronald Hadam	VOID: Two we...	Bank of America	0.00	7,020.83
Bill Pmt -Check	6/30/2009	1020	Dr. Ronald Hadam	Two weeks int...	Bank of America	-458.33	6,562.50
Bill Pmt -Check	6/30/2009	1021	Trust Industrial Bank	Interest for sec...	Bank of America	-5,000.00	1,562.50
Bill Pmt -Check	6/30/2009	1022	Clifford M. and Susan...	Interest for sec...	Bank of America	-1,250.00	312.50
Bill Pmt -Check	6/30/2009	1023	David S. Olson	Interest for sec...	Bank of America	-312.50	0.00
Bill	10/1/2009		Dr. Ronald Hadam	Third Quarter I...	Ronald Hadam	2,750.00	2,750.00
Bill	10/1/2009		David S. Olson	Third Quarter I...	David S. Olson	312.50	3,062.50
Bill	10/1/2009		Trust Industrial Bank	Third Quarter I...	Michael J. Sloan...	5,000.00	8,062.50
Bill	10/1/2009		Clifford M. and Susan...	Third Quarter I...	Clifford & Susa...	1,250.00	9,312.50
Bill Pmt -Check	10/1/2009	1025	Dr. Ronald Hadam	Third Quarter I...	Bank of America	-2,750.00	6,562.50
Bill Pmt -Check	10/1/2009	1026	David S. Olson	Third Quarter I...	Bank of America	-312.50	6,250.00



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12/29/13

Accrual Basis

A-G Hedge Group LLC
Account QuickReport
 All Transactions

Type	Date	Num	Name	Memo	Split	Amount	Balance
Bill Pmt -Check	10/1/2009	1027	Trust Industrial Bank	Third Quarter I...	Bank of America	-5,000.00	1,250.00
Bill Pmt -Check	10/1/2009	1028	Clifford M. and Susan...	Third Quarter I...	Bank of America	-1,250.00	0.00
Bill	10/5/2009		Andrea Smeltzer		Management F...	850.00	850.00
Bill Pmt -Check	10/5/2009	1029	Andrea Smeltzer		Bank of America	-850.00	0.00
Bill	1/1/2010		Dr. Ronald Hadam	Fourth Quarter...	Ronald Hadam	2,750.00	2,750.00
Bill	1/1/2010		David S. Olson	Fourth Quarter...	David S. Olson	312.50	3,062.50
Bill	1/1/2010		Clifford M. and Susan...	Fourth Quarter...	Clifford & Susa...	1,250.00	4,312.50
Bill	1/1/2010		Trust Industrial Bank	VOID: Fourth ...	Michael J. Sloan ..	0.00	4,312.50
Bill Pmt -Check	1/1/2010	1030	Dr. Ronald Hadam	Fourth Quarter...	Bank of America	-2,750.00	1,562.50
Bill Pmt -Check	1/1/2010	1031	Clifford M. and Susan...	Fourth Quarter...	Bank of America	-1,250.00	312.50
Bill Pmt -Check	1/1/2010	1032	David S. Olson	Fourth Quarter...	Bank of America	-312.50	0.00
Bill	1/14/2010		William T. Kirtley, P.A.	VOID:	Legal Fees	0.00	0.00
Total Note Payable - Other						0.00	0.00
Total Note Payable						930,000.00	930,000.00
TOTAL						930,000.00	930,000.00

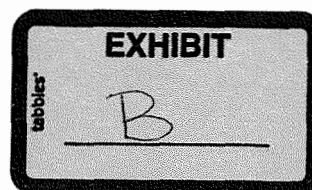
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12/29/13

Accrual Basis

The Contrarian Fund Account QuickReport All Transactions

Type	Date	Num	Name	Memo	Split	Amount	Balance
Note Payables							
A. Louis Parker							
Deposit	3/10/2011		A. Louis Parker, TTEE	Deposit	Bank of America	250,000.00	250,000.00
General Journal	7/22/2013	11RR...	A. Louis Parker, TTEE	Paid principal...	miscellaneous	289,531.28	539,531.28
General Journal	7/22/2013	12RR...	A. Louis Parker, TTEE	Correct last jo...	miscellaneous	-579,062.56	-39,531.28
General Journal	7/23/2013	13RR...	A. Louis Parker, TTEE	For Interest	Parker	39,531.28	0.00
Deposit	10/11/2013		A. Louis Parker, TTEE	Deposit	Bank of America	250,000.00	250,000.00
Total A. Louis Parker						250,000.00	250,000.00
Arthur H. Hobson III							
Deposit	3/5/2012		Arthur H. Hobson III	Deposit	Bank of America	300,000.00	300,000.00
Check	5/16/2013	1087	Advanta IRA Services	Redemption of...	Bank of America	-10,000.00	290,000.00
Check	7/2/2013		Advanta IRA Services	Redemption of...	Bank of America	-10,000.00	280,000.00
Check	9/30/2013	1085	Advanta IRA Services	Redemption of...	Bank of America	-10,000.00	270,000.00
Check	10/17/2013	1094	Advanta IRA Services	VOID: Redem...	Bank of America	0.00	270,000.00
Total Arthur H. Hobson III						270,000.00	270,000.00
Conrad Penner							
Deposit	2/2/2010		Conrad Penner	Deposit	Bank of America	215,000.00	215,000.00
Total Conrad Penner						215,000.00	215,000.00
Jordan Lee Penner							
Deposit	12/8/2011		Jordan Lee Penner G...	Deposit	Bank of America	100,000.00	100,000.00
Total Jordan Lee Penner						100,000.00	100,000.00
Madison Nicole Penner							
Deposit	12/8/2011		Madison Nicole Penn...	Deposit	Bank of America	100,000.00	100,000.00
Total Madison Nicole Penner						100,000.00	100,000.00
Nancy and Douglas Downs							
Deposit	8/1/2011		Nancy and Douglas ...	Deposit	Bank of America	60,000.00	60,000.00
Total Nancy and Douglas Downs						60,000.00	60,000.00
Nancy Hadam Downs IRA							
Deposit	11/2/2010		Nancy Hadam Downs	Deposit	Bank of America	50,000.00	50,000.00
Total Nancy Hadam Downs IRA						50,000.00	50,000.00
Sue Ellen Penner							
Check	8/24/2011		Sue Ellen Penner	VOID: Original...	Bank of America	0.00	0.00
Deposit	8/24/2011		Sue Ellen Penner	Original Invest...	Bank of America	200,000.00	200,000.00
Deposit	5/30/2012		Sue Ellen Penner	Deposit	Bank of America	50,000.00	250,000.00
Total Sue Ellen Penner						250,000.00	250,000.00
Valerie Lynch							
Deposit	9/13/2010		Valerie Lynch	Principal Amt L...	Bank of America	50,000.00	50,000.00
General Journal	2/28/2011	5RRR	Valerie Lynch	second Note	Ask My Accoun...	50,000.00	100,000.00
General Journal	12/30/2011	14RR...	Valerie Lynch		paid in capital	-100,000.00	0.00
Total Valerie Lynch						0.00	0.00
Total Note Payables						1,295,000.00	1,295,000.00
TOTAL						1,295,000.00	1,295,000.00



DECLARATION OF SUE ELLEN PENNER

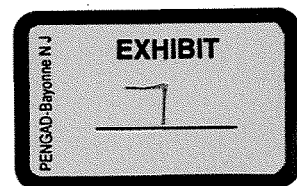
Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Sue Ellen Penner. I am over twenty-one years of age and have personal knowledge of the matters set forth herein. I reside at [REDACTED]

2. After seeing the success my husband, Conrad Penner, was having with his investment with Gaeton "Guy" Della Penna's fund, I spoke to Della Penna about getting my money and our children's trust fund money into appropriate investments. Della Penna told me that I would make 5% on my investment in his fund, to be paid quarterly. He said that I would make additional returns on my investments if the fund was successful. Based on what Della Penna told me, in August 2011, I invested \$200,000 in The Contrarian Fund, LLC. In May 2012, I made an additional investment of \$50,000 into the fund.

3. In addition, in December 2011, I invested \$100,000 each on behalf of our daughter's and son's trust funds in the Contrarian Fund.

4. During a later conversation I had with Della Penna, I informed him that I had approximately 8 different investment accounts for myself and my two children. Della Penna suggested that I consolidate my different investment accounts into one Charles Schwab account for myself and my children in order to simplify our investments. Della Penna accompanied me to a Charles Schwab office and assisted me in opening these accounts. At Della Penna's request, I also gave him the password to the newly opened Charles Schwab accounts. Della Penna explained to me that such an arrangement would allow him to execute trades in our accounts on a timely basis and when he thought it was appropriate.



5. Between June 2012 and March 2013, I invested an additional \$170,500 with Della Penna, which he explained would be invested in his other private investment ventures. On several occasions, Della Penna initiated wire transfers out of my Charles Schwab account using the password I provided him to make these investments.

6. On behalf of my son's trust fund, I invested an additional \$7,000 in June 2012, \$25,000 in November 2012, \$7,500 in January 2013, and \$20,000 in March 2013. Della Penna explained to me that these funds were being invested in his private investment ventures.

7. On behalf of my daughter's trust fund, I invested an additional \$10,000 in November 2012, \$7,500 in January 2013, and \$20,000 in March 2013. Della Penna explained to me that these funds were also being invested in his private investment ventures.

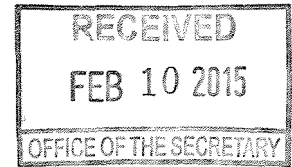
8. Since investing with Della Penna, through both the Contrarian Fund and the private investment ventures, I have only received a few quarterly interest payments. In or around October 2013, my husband and I called Della Penna about getting our money back. To date, we have not received any of our money back.



Sue Ellen Penner

Executed on this 28th day of February 2014.

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-16198

In the Matter of

GAETON DELLA PENNA,

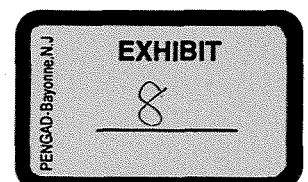
Respondent.

DECLARATION OF ANDREW O. SCHIFF

Andrew O. Schiff states the following:

1. I am employed by the Securities and Exchange Commission as the Regional Trial Counsel in the Miami Regional Office.
2. I have been the attorney responsible for representing the Commission in the matter *SEC v. Gaeton Della Penna*, No. 8:14-cv-1203-T-30MAP (M.D. Fla.) (the “District Court Litigation”).
3. Attached as Exhibits to this Declaration are copies of the following documents from the District Court Litigation:

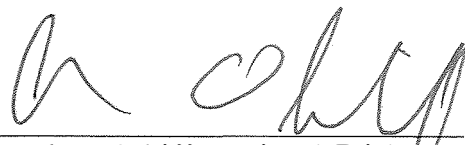
Exh.	Date	Docket No.	Description
A	May 14, 2014	1	Complaint
B	Sept. 10, 2014	8	Commission’s Motion for Entry of Clerk’s Default
C	Sept. 18, 2014	10	Clerk’s Minutes: Proceedings of Telephonic Motion Hearing
D	Sept. 19, 2014	12	Clerk’s Entry of Default
E	Sept. 23, 2014	13	Commission’s Motion for Entry of Default Judgment of Permanent Injunction and Other Relief Against Defendant



			Gaeton
F	Sept. 24, 2014	14	Order Granting SEC's Motion for Entry of Default Judgment of Permanent Injunction and Other Relief Against Defendant Gaeton

4. I declare under penalty of perjury that the foregoing statements are true and correct.

Executed on February 5, 2015



Andrew Schiff, Regional Trial Counsel
United States Securities and Exchange Commission

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.:

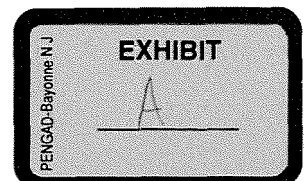
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges:

I. INTRODUCTION

1. From 2008 through 2013, Defendant Gaeton S. Della Penna defrauded investors in three companies he controlled. Della Penna solicited individuals to purchase notes in these companies on the representation the companies would use the money to trade in securities, in which Della Penna claimed to have been engaging in successfully. In fact, Della Penna lost almost all of the money through a combination of unsuccessful investments, use of investor money to pay Della Penna’s personal expenses, including mortgage payments and payments to his girlfriend, and, in Ponzi-scheme fashion, use of later investors’ money to pay fake “returns” to prior investors. Della Penna covered up his fraud by sending investors documents falsely showing positive returns at a time when they were losing money. Della Penna also solicited money from other investors on the representation he would use their money to invest in small



companies, but he stole most of that money as well. In total, of the approximately \$3.8 million Della Penna raised, he pocketed \$1.1 million and used \$1.4 million to pay prior investors.

2. By engaging in this conduct, Della Penna violated, and unless enjoined, is reasonably likely to continue to violate, Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(a); Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5; and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”), 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and Advisers Act Rule 206(4)-8(a), 17 C.F.R. § 275.206(4)-8(a).

3. The Commission respectfully requests that the Court enter: (a) a permanent injunction restraining and enjoining Della Penna from violating the federal securities laws; (b) an order directing Della Penna and his company Gaeton Capital Advisors, LLC (“Gaeton Capital”) to pay disgorgement with prejudgment interest; and (c) an order directing Della Penna to pay civil money penalties.

II. DEFENDANT AND RELIEF DEFENDANT

A. Defendant

4. Della Penna, 61, resides in Sarasota, Florida. Della Penna formed and is 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”).

B. Relief Defendant

5. Gaeton Capital is a Florida Limited Liability Company formed by Della Penna in 2000 with its registered address in North Port, Florida.

III. JURISDICTION AND VENUE

6. The Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1), and 22(a) of the Securities Act, 15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a); Sections 21(d), 21(e), and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d), 78u(e), and 78aa; and Sections 209(d) and 214 of the Advisers Act, 15 U.S.C. §§ 80b-9(d) and 80b-14.

7. This Court has personal jurisdiction over the Defendants, and venue is proper in the Middle District of Florida, because many of the acts and transactions constituting violations of the Securities Act, the Exchange Act, and the Advisers Act occurred in the Middle District of Florida. In addition, Della Penna's residence and Gaeton Capital's principal place of business were both located in the Middle District of Florida.

8. In connection with the conduct alleged in this Complaint, Della Penna, directly and indirectly, made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails.

IV. DELLA PENNA'S ACTS IN VIOLATION OF THE SECURITIES LAWS

A. Investments in the Funds

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

A-G

10. Between 2008 and 2010, Della Penna distributed to prospective purchasers of A-G notes a private offering memorandum, 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;
 - 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.

11. Between November 2008 and June 2009, Della Penna sold to three separate investors A-G notes totaling \$745,000. By December 31, 2009, all but \$125 of these funds had been depleted, either lost through trading or used by Della Penna for personal expenses far in excess of any amount to which he was entitled under the terms of the offering memorandum, including payments to his girlfriend and payments on the mortgage on the 10,000 square foot house where he and his girlfriend resided.

12. On or about January 5, 2010, the individual who had invested in June 2009 purchased an additional \$400,000 in A-G notes. Della Penna did not disclose to this individual A-G's insolvency and its need for investor money to fund payments to prior investors and to

support Della Penna's spending. A-G ultimately depleted the January 2010 investment as well due to trading losses and payments to Della Penna, and A-G's noteholders suffered significant losses.

Contrarian

13. Della Penna solicited investors to purchase Contrarian notes, distributing between August 2010 and October 2013 a private offering memorandum 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;
- 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.

14. In or about August 2010, Della Penna falsely told a prospective investor he had a formula for successful trading, when in fact Contrarian had not yet done any trading and A-G had consistently suffered trading losses. In September 2010, this individual purchased \$215,000 in Contrarian notes. After the 18-month term of the notes expired, Della Penna told this individual he was extending the term but did not disclose Contrarian's insolvency. In October 2012, Della Penna sent this individual a letter falsely stating his investment was now worth \$257,513.50. In fact, at the time, Contrarian had approximately \$1 million in debt and less than \$5,000 in assets.

15. In September 2010, Della Penna sold an investor \$50,000 in Contrarian notes. By October 31, 2010, Contrarian had depleted through trading losses all but \$5,000 of the \$265,000 invested by the two initial note buyers.

16. Between November 2010 and October 2013, Della Penna continued to sell Contrarian notes, never disclosing Contrarian's insolvency and its continued dissipation of investor money due to trading losses, payments to Della Penna, and payments to earlier investors.

17. In or about March 2011, Della Penna told a prospective investor to expect an annual return on Contrarian notes of 20% to 30%. Della Penna provided this individual a document purporting to show profitable trading by an unidentified person during a two-month period in 2007 without disclosing the more recent trading losses suffered by A-G and Contrarian. This individual purchased \$250,000 in Contrarian notes, received quarterly interest payments, and, on or about July 22, 2013, cashed out, receiving \$289,531.28. The payout was funded from monies raised through the sale of New Economy notes. On October 10, 2013—a time when

Contrarian had at least \$1 million in debt and only \$10,000 in assets—Della Penna again asked this individual to invest, and he agreed, purchasing \$250,000 in Contrarian notes. Della Penna failed to disclose to the investor (a) the source of the July 2013 payment, (b) the state of Contrarian’s finances, and (c) Della Penna’s need for new investor money to keep the scheme afloat.

18. Della Penna sold \$1,625,000 worth of Contrarian notes to approximately 10 investors, who suffered significant losses.

New Economy

19. Della Penna sold New Economy notes to two investor groups, both of whom received private offering memoranda, 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;
- 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.

20. The first investor group consisted of members of a family and the family's trust entities. In or about Fall 2012, Della Penna told one of the family members he planned on doubling investors' profits by trading options on exchange traded funds. Della Penna did not disclose A-G and Contrarian's recent history of unsuccessful trading. The family invested as follows:

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

At the time of the family's initial investment, Della Penna failed to disclose he was already in the middle of Ponzi schemes involving A-G and Contrarian. With respect to the latter two investments, Della Penna also failed to disclose New Economy's insolvency. Specifically, as of April 30, 2013, New Economy had \$100,000 in debt and approximately \$11,000 in assets. As of August 22, 2013, New Economy had \$450,000 in debt and less than \$85,000 in assets. With respect to the last investment, Della Penna additionally failed to disclose that in July 2013, he had used approximately \$290,000 of New Economy's funds to make a payment to a Contrarian investor, as described in paragraph 17 of this Complaint.

21. The second group was an engaged couple. In or about 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. Della Penna failed to disclose that as of September 3, 2013, all those profits had been lost, New Economy was insolvent, with debt of \$500,000 and assets of less than \$85,000, and Della Penna needed the couple's money to keep the scheme going.

22. On September 26, 2013, the couple jointly purchased \$30,000 in New Economy notes.

23. Both groups of New Economy note purchasers suffered significant losses.

B. Other Investments

24. 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 small private companies. Della Penna promised investors a 10% return on their investment. Della Penna failed to disclose to these investors the losses the Funds had been suffering, the insolvency of those Funds, and his intent to use a significant portion of the invested funds to keep his Ponzi schemes afloat.

25. Della Penna raised approximately \$532,000 from five investors through these solicitations, depositing the funds in bank accounts in the name of Gaeton Capital. Della Penna used only \$40,000 of these funds for investment purposes, spending the balance on payments to earlier investors and for personal expenses.

26. Of the approximately \$3.8 million Della Penna raised in total from investors, he converted \$1.1 million to his own use and paid \$1.4 million to earlier investors.

V. CLAIMS FOR RELIEF

COUNT 1

Section 17(a)(1) of the Securities Act

27. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

28. Della Penna, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly employed devices, schemes, or artifices to defraud.

29. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1).

COUNT 2

Section 17(a)(2) of the Securities Act

30. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

31. Della Penna, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

32. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a)(2).

COUNT 3

Section 17(a)(3) of the Securities Act

33. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

34. Della Penna, in the offer or sale of securities by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly engaged in transactions, practices, or courses of business which operated or would have operated as a fraud or deceit upon the purchasers.

35. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Section 17(a)(3) of the Securities Act, 15 U.S.C. § 77q(a)(3).

COUNT 4

Section 10(b) and Rule 10b-5(a) of the Exchange Act

36. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

37. Della Penna, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, employed devices, schemes or artifices to defraud in connection with the purchase or sale of securities.

38. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(a), 17 C.F.R. § 240.10b-5(a).

COUNT 5

Section 10(b) and Rule 10b-5(b) of the Exchange Act

39. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

40. Della Penna, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

41. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(b), 17 C.F.R. § 240.10b-5(b).

COUNT 6

Section 10(b) and Rule 10b-5(c) of the Exchange Act

42. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

43. Della Penna, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, engaged in acts, practices, and courses of business which have operated, are now operating and will operate as a fraud upon the purchasers of such securities.

44. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5(c), 17 C.F.R. § 240.10b-5(c).

COUNT 7

Section 206(1) of the Advisers Act

45. The Commission adopts by reference paragraphs 1 through 26 of this Complaint.

46. Della Penna, for compensation, engaged in the business of directly advising the Funds as to the value of securities or as to the advisability of investing in, purchasing, or selling securities. Della Penna was therefore an “investment adviser” within the meaning of Section 202(a)(11) of the Advisers Act, 15 U.S.C. § 80b-2(a)(11).

47. Della Penna, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly employed a device, scheme, or artifice to defraud the Funds.

48. By reason of the foregoing, Della Penna directly or indirectly violated and, unless enjoined, is reasonably likely to continue to violate, Section 206(1) of the Advisers Act, 15 U.S.C. § 80b-6(1).

COUNT 8

Section 206(2) of the Advisers Act

49. The Commission adopts by reference paragraphs 1 through 26 and 46 of this Complaint.

50. Della Penna, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly engaged in transactions, practices, or courses of business which operated as a fraud or deceit upon the Funds.

51. By reason of the foregoing, Della Penna directly or indirectly violated and, unless enjoined, is reasonably likely to continue to violate, Section 206(2) of the Advisers Act, 15 U.S.C. § 80b-6(2).

COUNT 9

Section 206(4) and Rule 206(4)-8(a)(1) of the Advisers Act

52. The Commission adopts by reference paragraphs 1 through 26 and 46 of this Complaint.

53. The Funds were “pooled investment vehicles” within the meaning of Rule 206(4)-8(b) of the Advisers Act.

54. Della Penna made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, to investors or prospective investors in the Funds.

55. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate Section 206(4) of the Advisers Act, 15 U.S.C. § 80b-6(4), and Advisers Act Rule 206(4)-8(a)(1), 17 C.F.R. § 275.206(4)-8(a)(1).

COUNT 10

Section 206(4) and Rule 206(4)-8(a)(2) of the Advisers Act

56. The Commission adopts by reference paragraphs 1 through 26, 46, and 53 of this Complaint.

57. Della Penna engaged in acts, practices, or course of business that were fraudulent, deceptive, or manipulative with respect to investors or prospective investors in the Funds.

58. By reason of the foregoing, Della Penna directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate Section 206(4) of the Advisers Act, 15 U.S.C. § 80b-6(4), and Advisers Act Rule 206(4)-8(a)(2), 17 C.F.R. § 275.206(4)-8(a)(2).

VI. RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests the Court:

Declaratory Relief

Declare, determine and find that Della Penna committed the violations of the federal securities laws alleged in this complaint.

Permanent Injunction

Issue a Permanent Injunction, restraining and enjoining Della Penna, his agents, servants, employees, attorneys, and representatives, and all persons in active concert or participation with them, and each of them, from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5, and Sections 206(1), 206(2), and 206(4) and Rule 206(4)-8(a) of the Advisers Act, 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and 17 C.F.R. § 275.206(4)-8(a).

Disgorgement

Issue an Order directing Della Penna and Gaeton Capital to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts and/or courses of conduct alleged in this Complaint.

Penalty

Issue an Order directing Della Penna to pay a civil money penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e).

Further Relief

Grant such other and further relief as may be necessary and appropriate.

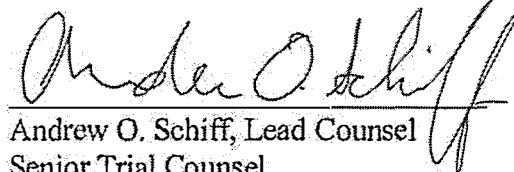
Retention of Jurisdiction

Further, the Commission respectfully requests the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

May 21, 2014

Respectfully submitted,

By:



Andrew O. Schiff, Lead Counsel
Senior Trial Counsel
Direct Dial: (305) 982-6390
Facsimile (305) 536-4154
E-mail: schiffa@sec.gov

Attorney for Plaintiff
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, FL 33131

JS44 (Rev 12/12)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.*

I. (a) PLAINTIFFS Securities & Exchange Commission (b) County of Residence of First Listed Plaintiff _____ (EXCEPT IN U.S. PLAINTIFF CASES) (c) Attorneys (Firm Name, Address, and Telephone Number) Andrew O. Schiff Securities and Exchange Commission 801 Brickell Avenue, Suite 1800, Miami, FL 33131 305-982-6390	DEFENDANTS Gaeton S. Della Penna Gaeton Capital Advisors, LLC County of Residence of First Listed Defendant <u>Sarasota</u> (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED. Attorneys (If Known)
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II. BASIS OF JURISDICTION (Place an "X" in One Box Only). <input checked="" type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant) (For Diversity Cases Only) <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:33%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:33%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. NATURE OF SUIT (Place an "X" in One Box Only)					
CONTRACT	TORTS		FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input checked="" type="checkbox"/> 850 Securities/Commodities Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS			
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding
 2 Removed from State Court
 3 Remanded from Appellate Court
 4 Reinstated or Reopened
 5 Transferred from Another District (specify)
 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
15USC§77q(a), 15USC§78(b), 15USC§§80b-6(1), (2) and (4), 17CFR§240.10b-5, and 17CFR§275.206(4)-8(a)

Brief description of cause:
Securities Fraud

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ _____
 CHECK YES only if demanded in complaint:
 JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions):

JUDGE _____ DOCKET NUMBER _____

DATE 5/21/14 SIGNATURE OF ATTORNEY OF RECORD Andrew O. Schiff

FOR OFFICE USE ONLY

RECEIPT # _____	AMOUNT _____	APPLYING IFP _____	JUDGE _____	MAG. JUDGE _____
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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

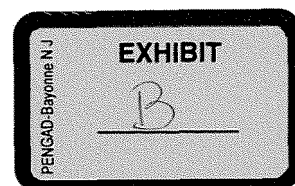
CASE NO.: 8:14-cv-1203-T-30MAP

SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

**PLAINTIFF’S MOTION FOR ENTRY OF CLERK’S DEFAULT
AGAINST DEFENDANTS**

Plaintiff, Securities and Exchange Commission, pursuant to Fed. R. Civ. P. 55(a), hereby moves the Clerk of the Court to enter a default against Defendant Gaeton S. Della Penna and Relief Defendant Gaeton Capital Advisors, LLC for failure to plead or otherwise defend, and states:

1. On May 21, 2014, the Commission filed a complaint for injunctive and other relief against Gaeton S. Della Penna and Gaeton Capital Advisors, LLC (DE 1).
2. The Commission served Gaeton S. Della Penna and Gaeton Capital Advisors, LLC with process on August 7, 2014 (DE 5 and DE 6).
3. On August 25, 2014, Thomas H. Ostrander filed a Notice of Appearance as counsel for the Defendant in the above-referenced case.
4. The Answer was due on August 25, 2014 and undersigned counsel agreed not to object to Defendants obtaining a two week extension in order to respond to the Complaint.



5. As of the date of this filing, Gaeton S. Della Penna and Gaeton Capital Advisors, LLC have not submitted a responsive pleading or other filing.

WHEREFORE, the Commission moves for entry of a Clerk's Default against Defendant Gaeton S. Della Penna and Relief Defendant Gaeton Capital Advisors, LLC

September 10, 2014

Respectfully submitted,

By: s/Andrew O. Schiff
Andrew O. Schiff
Senior Trial Counsel
Direct Dial: (305) 982-6390
Facsimile (305) 536-4154
E-mail: schiffa@sec.gov

Attorney for Plaintiff
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, FL 33131

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

HONORABLE JAMES S. MOODY, JR.

CASE NO. 8:14-cv-1203-T-30MAP	DATE: September 18, 2014
TITLE: Securities and Exchange Commission v. Della Penna et al	
TIME: 10:45 AM – 10:48 AM	TOTAL: 3 minutes
Courtroom Deputy: Ariana Romero	
Court Reporter: Sherrill Jackson	
Counsel for Plaintiff(s): Andrew O Schiff	
Counsel for Defendant(s): Thomas H. Ostrander	

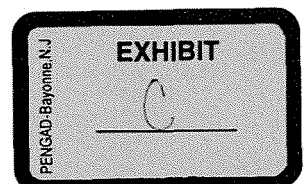
CLERK'S MINUTES: PROCEEDINGS OF TELEPHONIC MOTION HEARING

Defendant has chosen to take a default.

Plaintiff does not object.

An order will be entered directing the Clerk to enter a default.

Court adjourned.



**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Case No: 8:14-cv-1203-T-30MAP

GAETON S. DELLA PENNA and
GAETON CAPITAL ADVISORS, LLC,

Defendants.

CLERK'S ENTRY OF DEFAULT

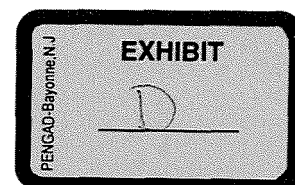
Pursuant to Fed.R.Civ.P. 55(a), default is entered against the defendant **GAETON S. DELLA PENNA and GAETON CAPITAL ADVISORS, LLC** in Tampa, Florida on the 19th day of September, 2014.

SHERYL L. LOESCH, CLERK

s/K. Brophy, Deputy Clerk

Copies furnished to:

Counsel of Record



UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:14-cv-1203-T-30MAP

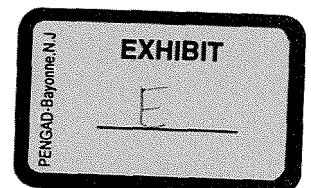
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

**PLAINTIFF’S MOTION FOR ENTRY OF DEFAULT JUDGMENT OF PERMANENT
INJUNCTION AGAINST DEFENDANT GAETON S. DELLA PENNA**

Plaintiff Securities and Exchange Commission, pursuant to Fed. R. Civ. P. 55(b)(2), moves the Court for an order (a) directing the entry of a default judgment imposing a permanent injunction against Defendant Gaeton S. Della Penna, and (b) staying consideration of the Commission’s claims for monetary relief against Della Penna and relief defendant Gaeton Capital Advisors, LLC until ninety days after the conclusion of Della Penna’s criminal case.

I. INTRODUCTION

On May 21, 2014, the Commission filed a Complaint (DE 1) alleging that from 2008 through 2013, Della Penna defrauded investors in three companies he controlled. Della Penna solicited individuals to purchase notes in these companies on the representation the companies would use the money to trade in securities, in which Della Penna claimed to have been engaging successfully. In fact, Della Penna lost almost all of the money through a combination of unsuccessful investments, use of investor money to pay his personal expenses, including



mortgage payments and payments to his girlfriend, and, in Ponzi-scheme fashion, use of later investors' money to pay fake "returns" to prior investors. Della Penna covered up his fraud by sending investors documents falsely showing positive returns at a time when they were losing money. Della Penna also solicited money from other investors on the representation he would use their money to invest in small companies, but he stole most of that money as well. In total, of the approximately \$3.8 million Della Penna raised, he pocketed \$1.1 million and used \$1.4 million to pay prior investors.

The Complaint alleges as a result of this conduct, Della Penna violated Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a); Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b); and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5; Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b-6(4), and Advisers Act Rule 206(4)-8(a), 17 C.F.R. § 275.206(4)-8(a).

As discussed below, the Commission has met the procedural requirements for entry of a default judgment against Della Penna, and the Complaint's factual allegations establish his liability for violating the federal securities laws, as well as the Commission's entitlement to the requested relief.

II. BACKGROUND

On August 4, 2014, the Commission served Della Penna with the summons and complaint. (DE 5) Della Penna did not timely file a responsive pleading, and on September 10, 2014, the Commission moved the Clerk to enter a default against Della Penna. (DE 8) On September 18, 2014, the Court held a hearing on the Commission's motion, at which counsel for Della Penna and Gaeton Capital Advisors stated defendants had elected to default. The Court

therefore entered an order directing the clerk to enter a Clerk's default against both defendants. (DE 10, 11) The Clerk did so on September 19, 2014. (DE 12)

Della Penna is not serving in the United States Military and is neither an infant nor an incompetent person. (Ex. 1, 2).

III. MEMORANDUM OF LAW

A. Legal Standards

"All well-pleaded allegations of fact are deemed admitted upon entry of default" *Jacobs v. Alexander William & Associates*, 2013 WL 1687699, *1 (M.D. Fla. Apr. 18, 2013). The entry of default also establishes "[l]iability, if well-pleaded" *Miller v. Paradise of Port Richey, Inc.*, 75 F. Supp. 2d 1342, 1346 (M.D. Fla. 1999). As discussed below, the factual allegations of the complaint support entry of a default judgment against Della Penna. Those allegations establish Della Penna's liability and the propriety of the relief the Commission seeks.

B. Factual Allegations of the Complaint Deemed Admitted Against Della Penna

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") (DE 1, ¶ 4)

From November 2008 through October 2013, Della Penna solicited investors to purchase promissory notes in the Funds, which would mature in 18 months. (*Id.* ¶ 9) Most investors were personal acquaintances of Della Penna, many of whom he met through his church. (*Id.*)

1. A-G

Between 2008 and 2010, Della Penna distributed to prospective purchasers of A-G notes of a private offering memorandum, 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;
 - 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. (*Id.* ¶¶ 9-10)

Between November 2008 and June 2009, Della Penna sold to three separate investors A-G notes totaling \$745,000. (*Id.* ¶ 11) By December 31, 2009, all but \$125 of these funds had been depleted, either lost through trading or used by Della Penna for personal expenses far exceeding any amount he might have been entitled to, including payments to his girlfriend and

payments on the mortgage on the 10,000 square foot house where he and his girlfriend resided.

(*Id.*)

On January 5, 2010, the individual who had invested in June 2009 purchased an additional \$400,000 in A-G notes. (*Id.* ¶ 12) Della Penna did not disclose to this individual A-G's insolvency and its need for investor money to fund payments to prior investors and to support Della Penna's spending. (*Id.*) A-G ultimately depleted the January 2010 investment due to trading losses and payments to Della Penna, and A-G's noteholders suffered significant losses.

(*Id.*)

2. Contrarian

Della Penna solicited investors to purchase Contrarian notes, distributing between August 2010 and October 2013 a private offering memorandum 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;
- 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. (*Id.* ¶ 13)

In August 2010, Della Penna falsely told a prospective investor he had a formula for successful trading, when in fact Contrarian had not yet done any trading and A-G had consistently suffered trading losses. (*Id.* ¶ 14) In September 2010, this individual purchased \$215,000 in Contrarian notes. (*Id.*) After the 18-month term of the notes expired, Della Penna told this individual he was extending the term but did not disclose Contrarian’s insolvency. (*Id.*) In October 2012, Della Penna sent this individual a letter falsely stating his investment was now worth \$257,513.50. (*Id.*) In fact, at the time, Contrarian had approximately \$1 million in debt and less than \$5,000 in assets. (*Id.*)

In September 2010, Della Penna sold an investor \$50,000 in Contrarian notes. (*Id.* ¶ 15) By October 31, 2010, Contrarian had depleted through trading losses all but \$5,000 of the \$265,000 invested by the two initial note buyers. (*Id.*)

Between November 2010 and October 2013, Della Penna continued to sell Contrarian notes, never disclosing Contrarian’s insolvency and its continued dissipation of investor money due to trading losses, payments to Della Penna, and payments to earlier investors. (*Id.* ¶ 16)

In March 2011, Della Penna told a prospective investor to expect an annual return on Contrarian notes of 20% to 30%. (*Id.* ¶ 17) Della Penna provided this individual a document purporting to show profitable trading by an unidentified person during a two-month period in 2007 without disclosing the more recent trading losses suffered by A-G and Contrarian. (*Id.*) This individual purchased \$250,000 in Contrarian notes, received quarterly interest payments,

and, on July 22, 2013, cashed out, receiving \$289,531.28. (*Id.*) The payout was funded from monies raised through the sale of New Economy notes. (*Id.*) On October 10, 2013—a time when Contrarian had at least \$1 million in debt and only \$10,000 in assets—Della Penna again asked this individual to invest, and he agreed, purchasing \$250,000 in Contrarian notes. (*Id.*) Della Penna failed to disclose to the investor (a) the source of the July 2013 payment, (b) the state of Contrarian’s finances, and (c) Della Penna’s need for new investor money to keep the scheme afloat. (*Id.*)

Della Penna sold \$1,625,000 worth of Contrarian notes to approximately 10 investors, who suffered significant losses. (*Id.* ¶ 18)

3. New Economy

Della Penna sold New Economy notes to two investor groups, both of whom received private offering memoranda, 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;
- 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. (*Id.* ¶ 19)

The first investor group consisted of members of a family and the family's trust entities. (*Id.* ¶ 20) In Fall 2012, Della Penna told one of the family members he planned on doubling investors' profits by trading options on exchange traded funds. (*Id.*) Della Penna did not disclose A-G and Contrarian's recent history of unsuccessful trading. (*Id.*) The family invested as follows:

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

At the time of the family's initial investment, Della Penna failed to disclose he was already in the middle of Ponzi schemes involving A-G and Contrarian. (*Id.*) With respect to the latter two investments, Della Penna also failed to disclose New Economy's insolvency. (*Id.*) Specifically, as of April 30, 2013, New Economy had \$100,000 in debt and approximately \$11,000 in assets. (*Id.*) As of August 22, 2013, New Economy had \$450,000 in debt and less than \$85,000 in assets. (*Id.*) With respect to the last investment, Della Penna additionally failed to disclose that in July 2013, he had used approximately \$290,000 of New Economy's funds to make a payment to a Contrarian investor. (*Id.* ¶¶ 17, 20)

The second group was an engaged couple. (*Id.* ¶ 21) 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. (*Id.*) Della Penna failed to disclose that as of September 3, 2013, all those profits had been lost, New Economy was insolvent, with

debt of \$500,000 and assets of less than \$85,000, and Della Penna needed the couple's money to keep the scheme going. (*Id.*)

On September 26, 2013, the couple jointly purchased \$30,000 in New Economy notes. (*Id.* ¶ 22)

Both groups of New Economy note purchasers suffered significant losses. (*Id.* ¶ 23)

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 small private companies. (*Id.* ¶ 24) Della Penna promised investors a 10% return on their investment. (*Id.*) Della Penna failed to disclose to these investors the losses the Funds had been suffering, the insolvency of those Funds, and his intent to use a significant portion of the invested funds to keep his Ponzi schemes afloat. (*Id.*)

Della Penna raised approximately \$532,000 from five investors through these solicitations, depositing the funds in bank accounts in the name of Gaeton Capital. (*Id.* ¶ 25) Della Penna used only \$40,000 of these funds for investment purposes, spending the balance on payments to earlier investors and for personal expenses. (*Id.*)

Of the approximately \$3.8 million Della Penna raised in total from investors, he converted \$1.1 million to his own use and paid \$1.4 million to earlier investors. (*Id.* ¶ 26)

C. **Della Penna Violated Securities Act Section 17(a), Exchange Act Section 10(b), and Exchange Act Rule 10b-5**

Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), which proscribes fraudulent conduct in the offer or sale of securities, and Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5, which proscribe fraudulent conduct in connection with the purchase or sale of securities, prohibit essentially the same type of conduct. *See SEC v. Monterosso*, 756 F.3d 1326,

1333-34 (11th Cir. 2014). To establish a violation of Exchange Act Section 10(b) and Rule 10b-5, the Commission must show:

- (1) material misrepresentations or materially misleading omissions,
- (2) in connection with the purchase or sale of securities,
- (3) made with scienter.

SEC v. Goble, 682 F.3d 934, 942-43 (11th Cir. 2012).¹ The Commission must also demonstrate the use of the mails or any means or instrumentality of “transportation or communication in interstate commerce,” 15 U.S.C. § 77q(a) (Securities Act), or “interstate commerce,” 15 U.S.C. § 78j (Exchange Act).

1. Della Penna Made Material Misrepresentations and Misleading Omissions

Della Penna made numerous misrepresentations and omitted facts in connection with his sale of notes in the Funds. In particular, he falsely represented that, with the exception of certain fees, investors’ money would be used to trade securities, when in fact he was using a large portion of the funds to pay personal expenses and to make Ponzi payments to earlier investors. He claimed to have been investing successfully when in fact he had been consistently losing money. He sent investors documents falsely showing positive returns. And he accepted investments without disclosing the Funds’ insolvency.

These matters were material. A stated or omitted fact “is material if there is a substantial likelihood that a reasonable purchaser . . . of a security . . . would consider the fact important in deciding whether to buy or sell the security” *Goble*, 682 F.3d at 944 (quotation omitted). Here, the facts Della Penna concealed, which would have made clear to investors their money

¹Only Exchange Act Section 10(b) and Securities Act Section 17(a)(1) require proof of scienter. Violations of Securities Act Sections 17(a)(2) and 17(a)(3) may be established by a showing of negligence. *See Aaron v. SEC*, 446 U.S. 680, 697 (1980); *Monterosso*, 756 F.3d at 1334.

would be taking a one-way trip down the drain, are “so obviously important to the investor, that reasonable minds cannot differ on the question of materiality.” *SEC v. Merkin*, 2012 WL 5245561, *7 (S.D. Fla. Oct. 3, 2012).

2. The Notes Were Securities

The 18-month notes sold by Della Penna in the Funds were securities under the Securities Act and the Exchange Act. *See* 15 U.S.C. §§ 77b(a)(1), 78c(a)(10).

3. Della Penna Acted With Scienter

Scienter is “a mental state embracing intent to deceive, manipulate or defraud.” *Ernst & Ernst v. Hochfelder*, 425 U.S. 185, 193 n.12 (1976). Extreme recklessness also satisfies the scienter requirement. *See McDonald v. Alan Bush Brokerage Co.*, 863 F.2d 809, 814 (11th Cir. 1989). Here, Della Penna controlled the funds, personally solicited investors, and misappropriated the funds for his personal use. Accordingly, he had to know his representations about the Funds were false, and he therefore acted with scienter.

Accordingly, based on the allegations deemed admitted, Della Penna violated the Securities Act and Exchange Act.

4. Della Penna Utilized Interstate Commerce

As deemed admitted by the entry of default, in connection with his misconduct, Della Penna, “directly and indirectly, made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails.” (DE 1, ¶ 8) Therefore, all the elements of an anti-fraud claim against Abatement and Laurer under the Securities Act and the Exchange Act are satisfied here.

D. Della Penna Violated Sections 206(1), (2), and (4) of the Advisers Act and Advisers Act Rule 206(4)-8

Della Penna also violated Sections 206(1), (2), and (4) of the Advisers Act and Rule 206(4)-8 thereunder. *See* 15 U.S.C. §§ 80b-6(1), (2), and (4); 17 C.F.R. §275.206(4)-8. Section 206(1) of the Advisers Act prohibits an investment adviser from using instruments of interstate commerce to employ any device, scheme, or artifice to defraud any client or prospective client. Section 206(2) makes it unlawful for an adviser to use instruments of interstate commerce to engage in any transaction, practice, or course of business that operates as a fraud or deceit upon any client or prospective client. Section 206(1) requires scienter, while Section 206(2) does not. *See Steadman v. SEC*, 603 F.2d 1126, 1134 (5th Cir. 1979), *aff'd*, 450 U.S. 91 (1981); *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (a violation of Section 206(2) “may rest on a finding of simple negligence”). Section 206(4) of the Adviser Act prohibits investment advisers from, directly or indirectly, engaging in any act, practice or course of business which is fraudulent, deceptive or manipulative. Rule 206(4)-8 defines such prohibited conduct to include making false or misleading statements or otherwise defrauding investors or prospective investors in pooled investment vehicles.² *See Prohibition of Fraud by Advisers to Certain Pooled Investment Vehicles*, SEC Release No. IA-2628, 2007 WL 2261336 (Aug. 9, 2007). Scienter is not required for violations of Section 206(4) and Rule 206(4)-8. *Id.*

Della Penna was an investment advisor to the Funds, since he advised the funds of the advisability of investing in, purchasing, or selling securities and did so for compensation. (DE 1,

²Under Rule 206(4)-8(b), a pooled investment vehicle includes any company that would be an investment company under Section 3(a) of the Investment Company Act of 1940 but for the exclusions provided from that definition by Section 3(c)(1) (no public offering and no more than 100 beneficial owners) or (c)(7) (no public offering and all investors are “qualified purchasers”) of that Act. Section 3(a) of the Investment Company Act defines “investment company” to mean, among other things, “any issuer which is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities.”

¶ 46) Della Penna received fees pursuant to the terms of the Funds' offering memoranda, and his misappropriation of the Funds' assets constitutes "compensation" within the meaning of Advisers Act Section 202(a)(11). See *In the Matter of Alexander V. Stein*, SEC Release No. 1497, 1995 WL 358127, *4 n.13 (June 8, 1995). The Funds were also "pooled investment vehicles" within the meaning of Advisers Act Rule 206(4)-8(b). (DE 1, ¶ 53)

The same facts constituting Della Penna's violations of the Securities Act and the Exchange Act also give rise to the Advisers Act violations. Della Penna violated Sections 206(1) and 206(2) of the Advisers Act by engaging in a fraudulent scheme to misappropriate the Funds' assets. He violated Section 206(4) and Rule 206(4)-8(a) by making material misrepresentations and omissions to the Funds' investors and by engaging in a scheme to defraud those same investors, including operating a Ponzi scheme.

E. Permanent Injunctive Relief Against Della Penna Is Warranted

The Commission's complaint seeks judgment permanently enjoining Della Penna from future violations of Securities Act Section 17(a), Exchange Act Section 10(b) and Rule 10b-5, and Advisers Act Sections 206(1), 206(2), and 206(4) and Rule 206(4)-8(a). There is a clear factual and legal basis for such relief. The Commission is entitled to injunctive relief when it establishes: (1) a violation of the federal securities laws; and (2) a reasonable likelihood of future violations. *SEC v. Calvo*, 378 F.3d 1211, 1216 (11th Cir. 2004); *Unique Financial Concepts*, 196 F.3d 1195, 1199 n.2 (11th Cir. 1999). The Commission has already established the first prong by showing Della Penna violated the federal securities laws. In determining whether a defendant is reasonably likely to continue to violate the securities laws, courts consider the following factors:

- (1) the egregiousness of the defendant's actions;
- (2) the isolated or recurrent nature of the violations;

- (3) the degree of scienter involved;
- (4) the sincerity of the defendant's assurances against future violations;
- (5) the defendant's recognition of the wrongful nature of his conduct; and
- (6) the likelihood that the defendant's occupation will present opportunities for future violations.

SEC v. Carriba Air, Inc., 681 F.2d 1318, 1322 (11th Cir. 1982) (citing *SEC v. Blatt*, 583 F.2d 1325 (5th Cir. 1978)); *SEC v. Youmans*, 729 F.2d 413, 415 (6th Cir. 1984).

These factors support the issuance of a permanent injunction. As for the first three factors, Della Penna engaged in egregious, repetitive behavior involving an extremely high level of scienter. He knowingly made false representations to investors in three companies over a five-year period for the purpose of obtaining money for personal use and to make Ponzi payments that helped conceal and extend the fraud.

As to the fourth and fifth factors, Della Penna has pleaded not guilty in a related criminal matter,³ and he has chosen not to defend this lawsuit. With respect to the final factor, although the Commission does not have information regarding Della Penna's employment, he committed the fraud in question while self-employed and could do so again. Therefore, the Court cannot have any assurances that Della Penna will avoid future misconduct. As a result, Della Penna's conduct warrants the Court entering a permanent injunction against him.⁴

IV. The Court Should Defer Consideration of Disgorgement and Civil Penalties

With respect to the monetary relief the Commission seeks (disgorgement, prejudgment interest, and civil penalty), we ask the Court to stay the remainder of this case within which we

³*United States v. Della Penna*, No. 13-cr-60203-KAM.

⁴The injunctive language in the attached proposed Order is consistent with *SEC v. Goble*, 682 F.3d 934 (11th Cir. 2012).

would seek said relief against Della Penna and Relief Defendant Gaeton Capital because of the pendency of a parallel criminal proceeding against Della Penna involving the same facts as this case. *United States v. Della Penna*, 13-cr-60203-KAM. If Della Penna is convicted, a criminal sentence may include restitution or other monetary relief which may impact the amount of, or obviate the need for, disgorgement, prejudgment interest, and/or a civil penalty in this case. We therefore ask the Court to allow us to bring the appropriate disgorgement and civil penalty motion, if necessary, ninety days after Della Penna's criminal case has terminated by sentencing (or not guilty verdict or other termination of the prosecution).

CONCLUSION

For the reasons stated above, the Commission requests that the Court grant its Motion for Entry of Default Judgment of Permanent Injunction against Defendant Gaeton S. Della Penna and enter the proposed form of order submitted herewith.

September 23, 2014

Respectfully submitted,

By: s/Andrew O. Schiff
Andrew O. Schiff
Senior Trial Counsel
Direct Dial: (305) 982-6390
Facsimile (305) 536-4154
E-mail: schiffa@sec.gov

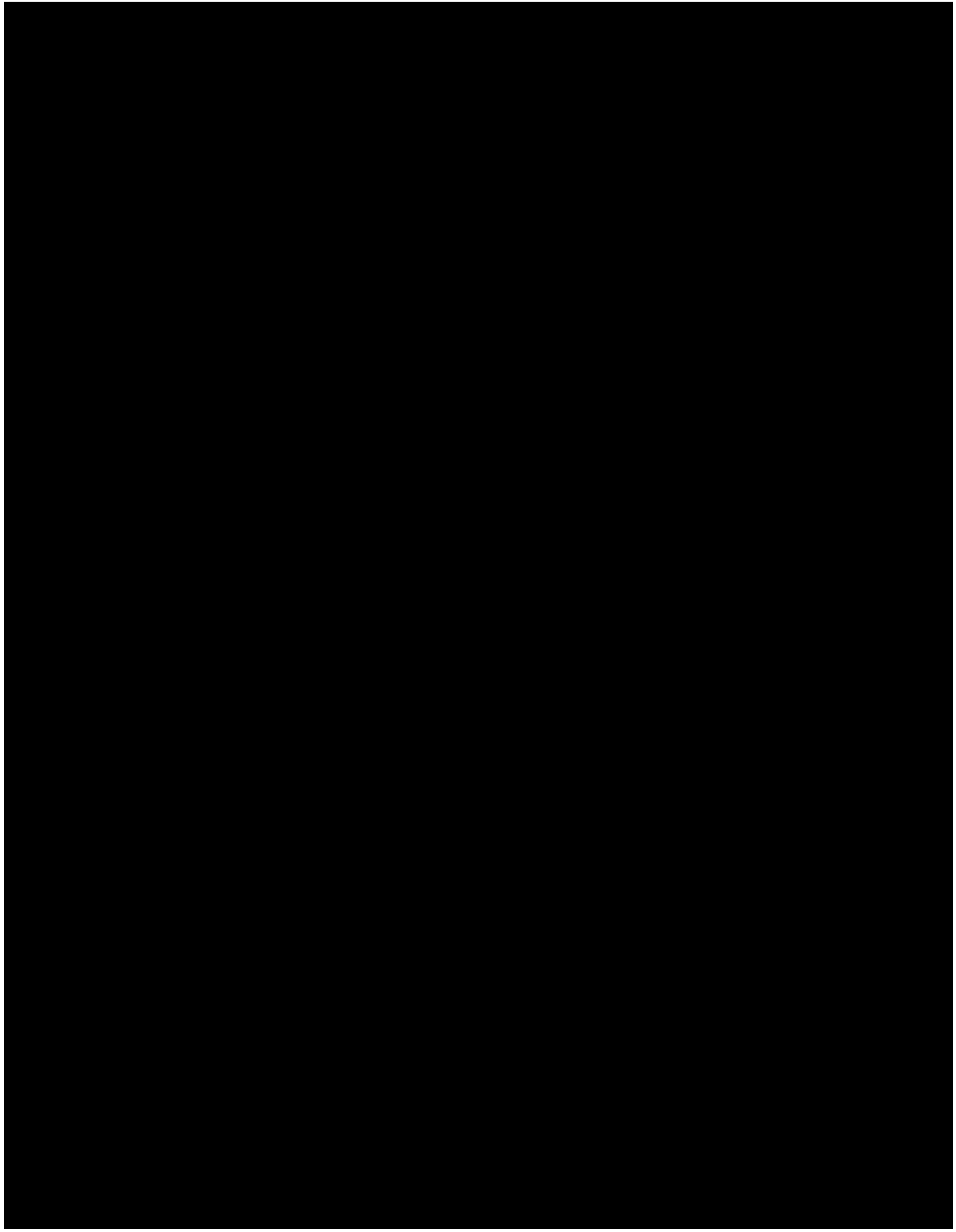
Attorney for Plaintiff
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, FL 33131

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:14-cv-1203-T-30MAP

SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

AFFIDAVIT OF VICTORIA A. JACQMEIN REGARDING
STATUS OF MILITARY SERVICE AS TO GAETON S. DELLA PENNA

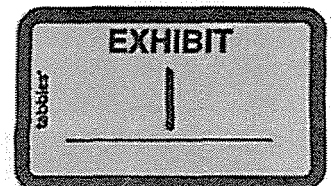
STATE OF FLORIDA)	
)	ss
COUNTY OF MIAMI-DADE)	

BEFORE ME, the undersigned authority, personally appeared Victoria A. Jacqmein, who upon being duly sworn, deposes and says:

1. I am a Paralegal for the Plaintiff Securities and Exchange Commission.

2. On September 23, 2014, Andrew O. Schiff, senior trial counsel for the Commission and lead attorney in this action, asked me to determine whether Gaeton S. Della Penna is in the military service of the United States by searching the Servicemembers' Civil Relief Act of 2003 public website database at :

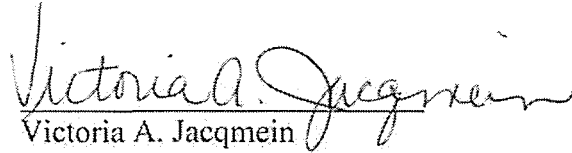
<https://www.dmde.osd.mil/appj/scra/scraHome.do>. The website provides information about the current active military status of an individual.



3. I searched for the status of Gaeton S. Della Penna using his name, date of birth and social security number.

4. The Military Status Report shows Mr. Della Penna is not on active duty (See Status Report attached as Exhibit A).

Dated: September 23, 2014


Victoria A. Jacqmein

The foregoing instrument was sworn and acknowledged before me this 23rd day of September 2014 by Victoria A. Jacqmein, who is personally known to me.


Notary Public, State of Florida

My commission expires:



Department of Defense Manpower Data Center

Results as of: Sep-23-2014 07:48:54 AM

SCRA 3.0



**Status Report
Pursuant to Servicemembers Civil Relief Act**

Last Name: DELLA PENNA

First Name: GAETON

Middle Name: S

Active Duty Status As Of: Sep-23-2014

On Active Duty On Active Duty Status Date			
Active Duty Start Date	Active Duty End Date	Status	Service Component
NA	NA	No	NA
This response reflects the individuals' active duty status based on the Active Duty Status Date			

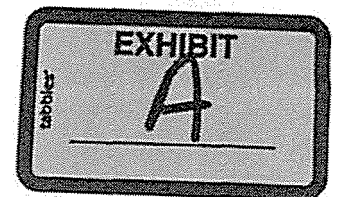
Left Active Duty Within 367 Days of Active Duty Status Date			
Active Duty Start Date	Active Duty End Date	Status	Service Component
NA	NA	No	NA
This response reflects where the individual left active duty status within 367 days preceding the Active Duty Status Date			

The Member or His/Her Unit Was Notified of a Future Call-Up to Active Duty on Active Duty Status Date			
Order Notification Start Date	Order Notification End Date	Status	Service Component
NA	NA	No	NA
This response reflects whether the individual or his/her unit has received early notification to report for active duty			

Upon searching the data banks of the Department of Defense Manpower Data Center, based on the information that you provided, the above is the status of the individual on the active duty status date as to all branches of the Uniformed Services (Army, Navy, Marine Corps, Air Force, NOAA, Public Health, and Coast Guard). This status includes information on a Servicemember or his/her unit receiving notification of future orders to report for Active Duty.

Mary M. Snavelly-Dixon

Mary M. Snavelly-Dixon, Director
 Department of Defense - Manpower Data Center
 4800 Mark Center Drive, Suite 04E25
 Arlington, VA 22350



The Defense Manpower Data Center (DMDC) is an organization of the Department of Defense (DoD) that maintains the Defense Enrollment and Eligibility Reporting System (DEERS) database which is the official source of data on eligibility for military medical care and other eligibility systems.

The DoD strongly supports the enforcement of the Servicemembers Civil Relief Act (50 USC App. § 501 et seq. as amended) (SCRA) (formerly known as the Soldiers' and Sailors' Civil Relief Act of 1940). DMDC has issued hundreds of thousands of "does not possess any information indicating that the individual is currently on active duty" responses, and has experienced only a small error rate. In the event the individual referenced above, or any family member, friend, or representative asserts in any manner that the individual was on active duty for the active duty status date, or is otherwise entitled to the protections of the SCRA, you are strongly encouraged to obtain further verification of the person's status by contacting that person's Service via the "defenselink.mil" URL: <http://www.defenselink.mil/faq/pis/PC09SLDR.html>. If you have evidence the person was on active duty for the active duty status date and you fail to obtain this additional Service verification, punitive provisions of the SCRA may be invoked against you. See 50 USC App. § 521(c).

This response reflects the following information: (1) The individual's Active Duty status on the Active Duty Status Date (2) Whether the individual left Active Duty status within 367 days preceding the Active Duty Status Date (3) Whether the individual or his/her unit received early notification to report for active duty on the Active Duty Status Date.

More information on "Active Duty Status"

Active duty status as reported in this certificate is defined in accordance with 10 USC § 101(d) (1). Prior to 2010 only some of the active duty periods less than 30 consecutive days in length were available. In the case of a member of the National Guard, this includes service under a call to active service authorized by the President or the Secretary of Defense under 32 USC § 502(f) for purposes of responding to a national emergency declared by the President and supported by Federal funds. All Active Guard Reserve (AGR) members must be assigned against an authorized mobilization position in the unit they support. This includes Navy Training and Administration of the Reserves (TARs), Marine Corps Active Reserve (ARs) and Coast Guard Reserve Program Administrator (RPAs). Active Duty status also applies to a Uniformed Service member who is an active duty commissioned officer of the U.S. Public Health Service or the National Oceanic and Atmospheric Administration (NOAA Commissioned Corps).

Coverage Under the SCRA is Broader in Some Cases

Coverage under the SCRA is broader in some cases and includes some categories of persons on active duty for purposes of the SCRA who would not be reported as on Active Duty under this certificate. SCRA protections are for Title 10 and Title 14 active duty records for all the Uniformed Services periods. Title 32 periods of Active Duty are not covered by SCRA, as defined in accordance with 10 USC § 101(d)(1).

Many times orders are amended to extend the period of active duty, which would extend SCRA protections. Persons seeking to rely on this website certification should check to make sure the orders on which SCRA protections are based have not been amended to extend the inclusive dates of service. Furthermore, some protections of the SCRA may extend to persons who have received orders to report for active duty or to be inducted, but who have not actually begun active duty or actually reported for induction. The Last Date on Active Duty entry is important because a number of protections of the SCRA extend beyond the last dates of active duty.

Those who could rely on this certificate are urged to seek qualified legal counsel to ensure that all rights guaranteed to Service members under the SCRA are protected.

WARNING: This certificate was provided based on a last name, SSN/date of birth, and active duty status date provided by the requester. Providing erroneous information will cause an erroneous certificate to be provided.

Certificate ID: EDB8SFD8H0F21C0

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:14-cv-1203-T-30MAP

SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

AFFIDAVIT OF VICTORIA A. JACQMEIN IN SUPPORT OF
AGE AND COMPETENCY REGARDING DEFENDANT GAETON S. DELLA PENNA

Pursuant to 28 U.S.C. § 1746 and Fed. R. Civ. P. 55(b)(2), the undersigned declares as follows:

1. My name is Victoria A. Jacqmein. I am a paralegal in the Miami Regional Office of the United States Securities and Exchange Commission.
2. On September 23, 2014, I reviewed the date of birth and social security number of Defendant Gaeton S. Della Penna. I have confirmed he is neither an infant nor a minor.
3. On September 23, 2013, I attempted to confirm that Della Penna has not been ruled incompetent by any court of law. I ran background checks on Santamaria with his date of birth and social security number using Thomson Reuters' Consolidated Lead Evaluation and Reporting investigative database. I found no indication that he has ever been ruled incompetent. I also searched for Della Penna's name in the Public Access to Court Electronic Records (PACER) database and could not find any evidence that he has ever been ruled incompetent.



Dated: September 23, 2014

Victoria A. Jacqmein
VICTORIA A. JACQMEIN

The foregoing instrument was sworn and acknowledged before me this 23rd day of September 2014 by Victoria A. Jacqmein, who is personally known to me.

Lalaine A. Landau
Notary Public, State of Florida

My commission expires:



LALAINA A. LANDAU
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE089873
Expires 4/26/2015

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:14-cv-1203-T-30MAP

SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

**ORDER GRANTING PLAINTIFF’S MOTION FOR ENTRY OF
DEFAULT JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT GAETON S. DELLA PENNA**

THIS MATTER is before the Court on Plaintiff Securities and Exchange Commission’s Motion for Entry of Default Judgment of Permanent Injunction and Other Relief Against Defendant Gaeton S. Della Penna. Having considered the motion and the entire record, the Court enters the following order granting the Plaintiff’s motion:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has personal jurisdiction over the Defendant and the subject matter of this action. Venue is proper in the Middle District of Florida.
2. Della Penna was served with a copy of the Summons and Complaint on August 4, 2014, by process server.
3. Della Penna’s responsive pleading was due August 25, 2014, but he has not answered or otherwise responded to the Complaint as required by the Federal Rules of Civil Procedure.

4. On September 10, 2014, the Commission filed a Motion for Entry of Clerk's Default against Della Penna.

5. On September 11, 2014, the Court set a telephone hearing for September 18, 2014, on the Commission's Motion for Entry of Clerk's Default against Della Penna.

6. On September 18, 2014, at the telephone hearing, Della Penna, through counsel, advised the court that he and Relief Defendant Gaeton Capital Advisors, LLC had elected to take a default.

7. The Clerk of the Court entered a default against Della Penna on September 19, 2014.

8. By virtue of his default and failure to respond to the complaint, Della Penna is deemed to have admitted the allegations of the Complaint, and liability is established against him. *Jacobs v. Alexander William & Associates*, 2013 WL 1687699, *1 (M.D. Fla. Apr. 18, 2013); *Miller v. Paradise of Port Richey, Inc.*, 75 F. Supp. 2d 1342, 1346 (M.D. Fla. 1999). Accordingly, the Court finds Della Penna committed the violations alleged in the Complaint.

9. Della Penna is not an infant or an incompetent person, has no guardian, committee, conservator or other such person appearing on his behalf, and is not on active duty in the United States military.

Accordingly, it is:

ORDERED AND ADJUDGED that Plaintiff's Motion for Entry of Default Judgment of Permanent Injunction and Other Relief Against Defendant Della Penna is **GRANTED**. Default Judgment is entered against Della Penna as follows:

I.

SECTION 17(A) OF THE SECURITIES ACT OF 1933

IT IS FURTHER ORDERED AND ADJUDGED that Della Penna and his agents, servants, employees, attorneys, representatives, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information, or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor about:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of investor funds,
- (D) compensation to any person,

- (E) Defendant's qualifications to advise investors; or
- (F) the misappropriation of investor funds or investment proceeds.

II.

**SECTION 10(B) OF THE SECURITIES EXCHANGE ACT OF 1934
AND EXCHANGE ACT RULE 10B-5**

IT IS FURTHER ORDERED AND ADJUDGED that Della Penna and his agents, servants, employees, attorneys, representatives, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (A) any investment strategy or investment in securities,

- (B) the prospects for success of any product or company,
- (C) the use of investor funds,
- (D) compensation to any person,
- (E) Defendant's qualifications to advise investors; or
- (F) the misappropriation of investor funds or investment proceeds.

III.

SECTIONS 206(1), 206(2), AND 206(4) OF THE INVESTMENT ADVISERS ACT OF 1940 AND INVESTMENT ADVISERS ACT RULE 206(4)-8(a)

IT IS FURTHER ORDERED AND ADJUDGED that Della Penna and his agents, servants, employees, attorneys, representatives, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, while acting as an investment adviser, Sections 206(1), (2), and (4) of the Investment Advisers Act of 1940 (the "Investment Advisers Act") [15 U.S.C. §§ 80b-6(1), (2), and (4)], and Investment Advisers Act Rule 206(4)-8(a) [17 C.F.R. § 275.206(4)-8(a)(2)], by using the mails or any means or instrumentality of interstate commerce, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud any client or prospective client;
- (b) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client;

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any client or prospective client, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any client or prospective client, about:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of client funds,
- (D) compensation to any person,
- (E) Defendant's qualifications to advise clients; or
- (F) the misappropriation of investor funds or investment proceeds.

IV.

DISGORGEMENT AND PREJUDGMENT INTEREST

IT IS FURTHER ORDERED AND ADJUDGED that Della Penna shall pay disgorgement of ill-gotten gains, prejudgment interest, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e) of the Investment Advisers Act, 15 U.S.C. § 80b-9(e). The Court shall determine the amounts of the disgorgement and civil penalty upon motion of the Commission to be made within 90 days of the date Della Penna is sentenced in the matter *United States v Della Penna*, 14-cr-203-T-17TBM (M.D. Fla.), or that matter otherwise terminates. Prejudgment interest shall be calculated from October 10, 2013, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's motion for disgorgement and/or civil penalty, and at any hearing held on such a motion: (a) Della Penna will be precluded from arguing he did not violate the federal securities laws as alleged in the Complaint; (b) Della Penna may not challenge the validity of this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations,

excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalty, the parties may take discovery, including discovery from appropriate non-parties.

V.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction over this matter and Della Penna in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

VI.

RULE 54(b) CERTIFICATION

IT IS FURTHER ORDERED AND ADJUDGED that there being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

DONE AND ORDERED at Tampa, Florida, this _____ day of _____,
2014.

JAMES S. MOODY, JR.
UNITED STATES DISTRICT JUDGE

cc: counsel of record

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:14-cv-1203-T-30MAP

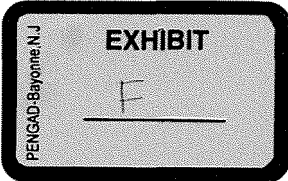
SECURITIES AND EXCHANGE COMMISSION,	:
	:
Plaintiff,	:
	:
v.	:
	:
GAETON S. DELLA PENNA,	:
	:
Defendant, and	:
	:
GAETON CAPITAL ADVISORS, LLC,	:
	:
Relief Defendant.	:

**ORDER GRANTING PLAINTIFF’S MOTION FOR ENTRY OF
DEFAULT JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT GAETON S. DELLA PENNA**

THIS MATTER is before the Court on Plaintiff Securities and Exchange Commission’s Motion for Entry of Default Judgment of Permanent Injunction and Other Relief Against Defendant Gaeton S. Della Penna. Having considered the motion and the entire record, the Court enters the following order granting the Plaintiff’s motion:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has personal jurisdiction over the Defendant and the subject matter of this action. Venue is proper in the Middle District of Florida.
2. Della Penna was served with a copy of the Summons and Complaint on August 4, 2014, by process server.
3. Della Penna’s responsive pleading was due August 25, 2014, but he has not answered or otherwise responded to the Complaint as required by the Federal Rules of Civil Procedure.



4. On September 10, 2014, the Commission filed a Motion for Entry of Clerk's Default against Della Penna.

5. On September 11, 2014, the Court set a telephone hearing for September 18, 2014 on the Commission's Motion for Entry of Clerk's Default against Della Penna.

6. On September 18, 2014, at the telephone hearing, Della Penna, through counsel, advised the court that he and Relief Defendant Gaeton Capital Advisors, LLC had elected to allow a default.

7. The Clerk of the Court entered a default against Della Penna on September 19, 2014.

8. By virtue of his default and failure to respond to the complaint, Della Penna is deemed to have admitted the allegations of the Complaint, and liability is established against him. *Jacobs v. Alexander William & Associates*, 2013 WL 1687699, *1 (M.D. Fla. Apr. 18, 2013); *Miller v. Paradise of Port Richey, Inc.*, 75 F. Supp. 2d 1342, 1346 (M.D. Fla. 1999). Accordingly, the Court finds Della Penna committed the violations alleged in the Complaint.

9. Della Penna is not an infant or an incompetent person, has no guardian, committee, conservator or other such person appearing on his behalf, and is not on active duty in the United States military.

Accordingly, it is:

ORDERED AND ADJUDGED that Plaintiff's Motion for Entry of Default Judgment of Permanent Injunction and Other Relief Against Defendant Della Penna is **GRANTED**. Default Judgment is entered against Della Penna as follows:

I.

SECTION 17(A) OF THE SECURITIES ACT OF 1933

IT IS FURTHER ORDERED AND ADJUDGED that Della Penna and his agents, servants, employees, attorneys, representatives, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information, or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor about:

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IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction over this matter and Della Penna in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

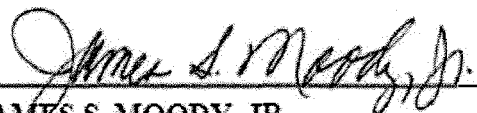
VI.

RULE 54(b) CERTIFICATION

IT IS FURTHER ORDERED AND ADJUDGED that there being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

The Clerk is directed to close this case.

DONE AND ORDERED at Tampa, Florida, this 24th day of September, 2014.



JAMES S. MOODY, JR.
UNITED STATES DISTRICT JUDGE

Copies furnished to:
Counsel/Parties of Record