

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

Administrative Proceeding
File No. 3-16217

:
In the Matter of :
:
:
:
THRASOS TOMMY :
PETROU, :
:
Respondent. :
:

DECLARATION OF ELZBIETA WRAGA

I, Elzbieta Wraga, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am a staff accountant employed by the Division of Enforcement of the Securities and Exchange Commission, at its New York Regional Office, where I have been employed since April 2001. I submit this declaration in support of the Division's motion for summary disposition against Respondent Thrasos Tommy Petrou ("Respondent" or "Petrou"). Specifically, I submit this declaration to state and set forth the basis for the Division's calculations of the amounts gained by Petrou as a result of the twenty-eight trading violations at issue in this proceeding between December 16, 2009 and January 12, 2012 (the "Relevant Period"), and the amount of pre-judgment interest on those gains.
2. I have attached as Exhibit A a table entitled "Petrou's Violative Trading and Ill-Gotten Gains." With the exception of the additional, final three columns, this exhibit is substantively identical to the Appendix to the Order Instituting Proceedings in the pending proceeding (attached for comparison purposes as Exhibit B hereto). Both tables present an

itemized breakdown of Petrou's 28 violative trades in connection with the specified follow-on stock offerings, the relevant and undisputed quantities and prices of Petrou's short sales, the volume and price of Petrou's participation in the offerings, and the volume weighted average price ("VWAP") of the offered securities. Exhibit A adds the final three columns, which present the Division's computations of Petrou's gains on his violative trades -- all of which are the product of the information contained in Exhibit B. I set forth below an explanation of Exhibit A, and the method by which the Division calculated the gains obtained on Petrou's violative trades, and Petrou's share of those gains.

3. During the Relevant Period, Petrou traded for two different private trading firms, Worldwide Capital, Inc. ("Worldwide") and War Chest Capital Partners LLC ("War Chest"). Worldwide and War Chest both used the same clearing firm, Penson Financial Services ("Penson"), and the same prime broker, Montecito Advisors Inc. ("Montecito"). During the Division's investigation, Penson (now Apex Clearing) and Montecito provided the Division staff with data files containing the trades in Worldwide's and War Chest's main accounts for the Relevant Period. I examined these to identify (1) all of the purchases by Worldwide and War Chest traders in the specific follow-on stock offerings that the staff focused on in its investigation, as well as (2) all sales, including short sales, in those same issuers, made by each firm's individual traders. I also examined execution data provided by the executing broker that handled these firms' sales -- du Pasquier & Co. -- and by its clearing firm, Pershing LLC, to identify the intra-day times of certain transactions, where that was relevant to determine the existence and amount of short sales made by Petrou in advance of his participation in the offerings at issue, and to determine whether these were in violation of Rule 105.

4. Exhibit A (and Exhibit B) reflect the result of the examination described above.

The first column of the exhibit identifies the firm (Worldwide by “WW” and War Chest by “WC”) for whom Petrou made the trades in question (at times, Petrou committed violative trades for both Worldwide and War Chest in the same stock offering). The following two columns identify the issuer of the follow-on stock offering by trading symbol and full name. The next column, “Pricing Date & Time,” lists the date the offering in question was priced by the underwriters, and whether it occurred before or after the close of trading that day.

5. The next six columns of Exhibits A and B identify the undisputed material terms of Petrou’s violative trades, which I identified through my examination of the materials described above. The column entitled “Matching Restrict Period Short Position” identifies the net amount of shares Petrou sold short in the issuers in the restricted period before the follow-on offerings were priced, and the column entitled “Average Price of Short Position” identifies the average price for which those shares were sold short – generally, Petrou’s short sales were sold in multiple lots, with different sale prices. The column entitled “Offering Shares Purchased” represents the amount of offering shares Petrou then obtained from the deal underwriters in the offerings at issue through the accounts he opened at various broker-dealers. The column “Overage” identifies the amount by which the shares Petrou obtained in the offerings exceeded the number of shares he sold short beforehand – *i.e.*, the difference between the prior two columns. The following column, “Offering Price per Share,” represents the price at which Petrou purchased those offering shares. These are typically at a discount to the volume weighted average price (“VWAP”), a figure I obtained for each issuer by consulting Bloomberg price information for the issuer in question.

6. The final three columns of Exhibit A present the profit Petrou gained from the violative trades. These consist of two categories. First, Petrou profited by the difference between the average price of his short sales, and the offering price he obtained on his participation in the follow-on offerings in question, multiplied by the number of shares he sold short. This dollar amount is presented in the Column entitled “Gain on Matching Short.”

7. Second, in those cases where the number of offering shares Petrou obtained exceeded the number of shares he sold short (amounts presented in the “Overage” column), Petrou profited by receiving shares at a discount to the VWAP, reflected in the column entitled “Gain on Overage.” The final column represents a total of those two sums.

8. Thus, for example, in the first offering listed on Exhibit A – Citigroup – Petrou sold short 868,300 shares of that issuer before the follow-on offering was priced, at an average price of \$3.56. Petrou then obtained 2,500,000 shares in the offering, at a price of \$3.15 per share. Petrou thus profited directly on his short sales in the amount of \$356,003 (868,300 shares multiplied by \$0.41, the per-share difference between the short-sale price and the offering price). In addition, Petrou received an “overage” profit of \$48,951 on the number of shares he obtained in the offering that exceeded his short position – 1,631,700. This was computed by multiplying those excess shares by the difference between the offering price and the higher prevailing price, or VWAP – in this case, \$0.03 per share. The total of both categories of gain on all of the 28 violative trades amounted to \$509,711.31. As Petrou retained 50% of trading profits earned on his Worldwide and War Chest trades, Petrou’s share of those gains is \$254,855.66.

9. I have also attached as Exhibit C a chart reflecting prejudgment interest on the unlawful gains, using the rate employed by the Internal Revenue Service to calculate underpayment penalties. Exhibit C presents two alternative figures: (1) \$42,982.77, the

appropriate amount calculated through February 28, 2014; and (2) \$43,738.00, the appropriate amount calculated through March 31, 2015.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Dated: February 4, 2015
New York, NY

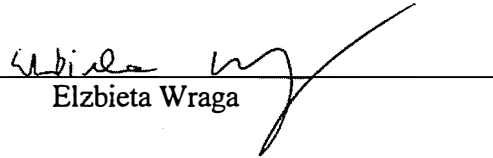

Elzbieta Wraga

EXHIBIT A

Petrou's Violative Trading and Ill-Gotten Gains

FUNDING ENTITY	TICKER	NAME	PRICING DATE & TIME	MATCHING RESTRICTED		OFFERING SHARES PURCHASED	OVERAGE	OFFERING PRICE PER SHARE	VWAP	GAIN ON MATCHING SHORT	GAIN ON OVERAGE	TOTAL ILL GOTTEN GAIN	
				PERIOD SHORT POSITION	AVERAGE PRICE OF SHORT POSITION								
WW	IC	Citigroup, Inc. (C)	12/16/2009 After Close	868,300	\$ 3.56	2,500,000	1,631,700	3.15	\$ 3.18	\$ 356,003.00	\$ 48,951.00	\$ 404,954.00	
WW	GNK	Genco Shipping & Trading Ltd. (GNK)	7/21/2010 After Close	8,000	\$ 16.37	8,000	0	16	\$ 16.52	\$ 2,960.00	0	\$ 2,960.00	
WW	GOV	Government Properties Income (GOV)	8/5/2010 After Close	3,300	\$ 25.90	170,900	167,600	25	\$ 25.01	\$ 2,970.00	\$ 1,676.00	\$ 4,646.00	
WW	PBR	Petroleo Brasileiro (PBR)	9/23/2010 After Close	17,200	\$ 35.40	17,200	0	34.49	\$ 35.39	\$ 15,652.00	0	\$ 15,652.00	
WW	NOR	Noranda Aluminum Holding Corp. (NOR)	12/6/2010 After Close	320	\$ 11.56	320	0	11.35	\$ 11.53	\$ 67.20	0	\$ 67.20	
WW	SWC	Stillwater Mining Company (SWC)	12/7/2010 After Close	3,000	\$ 20.61	3,000	0	19.5	\$ 19.15	\$ 3,330.00	0	\$ 3,330.00	
WW	AGNC	American Capital Agency Corp. (AGNC)	1/13/2011 After Close	12,500	\$ 28.88	22,000	9,500	28	\$ 28.77	\$ 11,000.00	\$ 7,315.00	\$ 18,315.00	
WC	AGNC	American Capital Agency Corp. (AGNC)	1/13/2011 After Close	4,600	\$ 28.85	4,600	0	28	\$ 28.77	\$ 3,910.00	0	\$ 3,910.00	
WW	LDK	LDK Solar Co., Ltd. (LDK)	1/27/2011 Before Open	2,000	\$ 12.60	2,000	0	12.4	\$ 12.73	\$ 400.00	0	\$ 400.00	
WW	MCP	Molycorp, Inc. (MCP)	2/11/2011 After Close	600	\$ 51.00	600	0	50	\$ 48.52	\$ 600.00	0	\$ 600.00	
WW	YPF	YPF Sociedad Anonima (YPF)	3/22/2011 After Close	800	\$ 42.15	800	0	41	\$ 41.35	\$ 920.00	0	\$ 920.00	
WW	NCT	Newcastle Investment Corporation (NCT)	3/23/2011 After Close	14,357	\$ 6.10	25,000	10,643	6	\$ 5.96	\$ 1,435.70	0	\$ 1,435.70	
WC	ETP	Energy Transfer Partners, L.P. (ETP)	3/29/2011 Before Open	8,000	\$ 51.01	10,500	2,500	50.52	\$ 50.68	\$ 3,920.00	\$ 400.00	\$ 4,320.00	
WC	CIE	Cobalt International Energy Inc. (CIE)	4/11/2011 After Close	1,000	\$ 15.04	1,000	0	14	\$ 14.08	\$ 1,040.00	0	\$ 1,040.00	
WW	CIE	Cobalt International Energy Inc. (CIE)	4/11/2011 After Close	200	\$ 15.41	200	0	14	\$ 14.08	\$ 282.00	0	\$ 282.00	
WW	AIG	American International Group, Inc. (AIG)	5/24/2011 After Close	19,500	\$ 29.58	19,500	0	29	\$ 28.21	\$ 11,310.00	0	\$ 11,310.00	
WC	AIG	American International Group, Inc. (AIG)	5/24/2011 After Close	7,500	\$ 29.59	8,200	700	29	\$ 28.21	\$ 4,425.00	0	\$ 4,425.00	
WW	ACI	Arch Coal, Inc. (ACI)	6/2/2011 After Close	400	\$ 27.45	400	0	27	\$ 27.16	\$ 180.00	0	\$ 180.00	
WC	ACI	Arch Coal, Inc. (ACI)	6/2/2011 After Close	12,700	\$ 27.56	12,700	0	27	\$ 27.16	\$ 7,112.00	0	\$ 7,112.00	
WW	FVE	Five Star Quality Care, Inc. (FVE)	6/15/2011 After Close	15,300	\$ 5.43	15,300	0	5	\$ 5.06	\$ 6,579.00	0	\$ 6,579.00	
WC	FVE	Five Star Quality Care, Inc. (FVE)	6/15/2011 After Close	5,700	\$ 5.48	5,700	0	5	\$ 5.06	\$ 2,736.00	0	\$ 2,736.00	
WW	EXL	Excel Trust, Inc. (EXL)	6/23/2011 After Close	300	\$ 10.96	300	0	10.94	\$ 11.24	\$ 6.00	0	\$ 6.00	
WC	EXL	Excel Trust, Inc. (EXL)	6/23/2011 After Close	500	\$ 10.96	500	0	10.94	\$ 11.24	\$ 10.00	0	\$ 10.00	
WW	CLMT	Calumet Specialty Products Partners, LP (CLMT)	9/8/2011 After Close	2,500	\$ 18.17	5,000	2,500	18	\$ 17.37	\$ 425.00	0	\$ 425.00	
WC	CLMT	Calumet Specialty Products Partners, LP (CLMT)	9/8/2011 After Close	2,500	\$ 18.17	2,500	0	18	\$ 17.37	\$ 425.00	0	\$ 425.00	
WC	NCT	Newcastle Investment Corporation (NCT)	9/21/2011 After Close	33,300	\$ 4.73	33,300	0	4.55	\$ 4.41	\$ 5,994.00	0	\$ 5,994.00	
WW	NCT	Newcastle Investment Corporation (NCT)	9/21/2011 After Close	14,477	\$ 4.88	20,000	5,523	4.55	\$ 4.41	\$ 4,777.41	0	\$ 4,777.41	
WW	LINE	Linn Energy, LLC (LINE)	11/12/2012 After Close	10,000	\$ 36.24	20,200	10,200	35.95	\$ 35.93	\$ 2,900.00	0	\$ 2,900.00	
Total											\$ 451,369.31		\$ 509,711.31
Petrou' Share											\$ 225,684.66		\$ 254,855.66

EXHIBIT B

Appendix
Petrou's Violative Trading

FUNDING ENTITY	ISSUER	PRICING DATE & TIME	MATCHING	AVERAGE	OFFERING	OFFERING		VWAP
			RESTRICTED PERIOD SHORT POSITION	PRICE OF SHORT POSITION	SHARES PURCHASED	OVERAGE	PRICE PER SHARE	
WW	Citigroup, Inc. (C)	12/16/2009 After Close	868,300	\$ 3.56	2,500,000	1,631,700	\$ 3.15	\$ 3.18
WW	Genco Shipping & Trading Ltd. (GNK)	7/21/2010 After Close	8,000	\$ 16.37	8,000	0	\$ 16.00	\$ 16.52
WW	Government Properties Income (GOV)	8/5/2010 After Close	3,300	\$ 25.90	170,900	167,600	\$ 25.00	\$ 25.01
WW	Petroleo Brasileiro (PBR)	9/23/2010 After Close	17,200	\$ 35.40	17,200	0	\$ 34.49	\$ 35.39
WW	Noranda Aluminum Holding Corp. (NOR)	12/6/2010 After Close	320	\$ 11.56	320	0	\$ 11.35	\$ 11.53
WW	Stillwater Mining Company (SWC)	12/7/2010 After Close	3,000	\$ 20.61	3,000	0	\$ 19.50	\$ 19.15
WW	American Capital Agency Corp. (AGNC)	1/13/2011 After Close	12,500	\$ 28.88	22,000	9,500	\$ 28.00	\$ 28.77
WC	American Capital Agency Corp. (AGNC)	1/13/2011 After Close	4,600	\$ 28.85	4,600	0	\$ 28.00	\$ 28.77
WW	LDK Solar Co., Ltd. (LDK)	1/27/2011 Before Open	2,000	\$ 12.60	2,000	0	\$ 12.40	\$ 12.73
WW	Molycorp, Inc. (MCP)	2/11/2011 After Close	600	\$ 51.00	600	0	\$ 50.00	\$ 48.52
WW	YPF Sociedad Anonima (YPF)	3/22/2011 After Close	800	\$ 42.15	800	0	\$ 41.00	\$ 41.35
WW	Newcastle Investment Corporation (NCT)	3/23/2011 After Close	14,357	\$ 6.10	25,000	10,643	\$ 6.00	\$ 5.96
WC	Energy Transfer Partners, L.P. (ETP)	3/29/2011 Before Open	8,000	\$ 51.01	10,500	2,500	\$ 50.52	\$ 50.68
WC	Cobalt International Energy Inc. (CIE)	4/11/2011 After Close	1,000	\$ 15.04	1,000	0	\$ 14.00	\$ 14.08
WW	Cobalt International Energy Inc. (CIE)	4/11/2011 After Close	200	\$ 15.41	200	0	\$ 14.00	\$ 14.08
WW	American International Group, Inc. (AIG)	5/24/2011 After Close	19,500	\$ 29.58	19,500	0	\$ 29.00	\$ 28.21
WC	American International Group, Inc. (AIG)	5/24/2011 After Close	7,500	\$ 29.59	8,200	700	\$ 29.00	\$ 28.21
WW	Arch Coal, Inc. (ACI)	6/2/2011 After Close	400	\$ 27.45	400	0	\$ 27.00	\$ 27.16
WC	Arch Coal, Inc. (ACI)	6/2/2011 After Close	12,700	\$ 27.56	12,700	0	\$ 27.00	\$ 27.16
WW	Five Star Quality Care, Inc. (FVE)	6/15/2011 After Close	15,300	\$ 5.43	15,300	0	\$ 5.00	\$ 5.06
WC	Five Star Quality Care, Inc. (FVE)	6/15/2011 After Close	5,700	\$ 5.48	5,700	0	\$ 5.00	\$ 5.06
WW	Excel Trust, Inc. (EXL)	6/23/2011 After Close	300	\$ 10.96	300	0	\$ 10.94	\$ 11.24
WC	Excel Trust, Inc. (EXL)	6/23/2011 After Close	500	\$ 10.96	500	0	\$ 10.94	\$ 11.24
WW	Calumet Specialty Products Partners, LP (CLMT)	9/8/2011 After Close	2,500	\$ 18.17	5,000	2,500	\$ 18.00	\$ 17.37
WC	Calumet Specialty Products Partners, LP (CLMT)	9/8/2011 After Close	2,500	\$ 18.17	2,500	0	\$ 18.00	\$ 17.37
WC	Newcastle Investment Corporation (NCT)	9/21/2011 After Close	33,300	\$ 4.73	33,300	0	\$ 4.55	\$ 4.41
WW	Newcastle Investment Corporation (NCT)	9/21/2011 After Close	14,477	\$ 4.88	20,000	5,523	\$ 4.55	\$ 4.41
WW	Linn Energy, LLC (LINE)	1/12/2012 After Close	10,000	\$ 36.24	20,200	10,200	\$ 35.95	\$ 35.93

EXHIBIT C

Prejudgment Interest Calculation

Matter of Thrasos Tommy Petrou AP No. 3-16217

Ticker	Pricing Date	Total Ill-Gotten Gain	Disgorgement Amount	Disgorgement Amount by Year	Interest Through 2/28/2015	Interest Through 3/31/2015
C	12/16/2009	404,954.00	202,477.00			
	2009 total			202,477.00	37,318.75	37,926.79
GNK	7/21/2010	2,960.00	1,480.00			
GOV	8/5/2010	4,646.00	2,323.00			
PBR	9/23/2010	15,652.00	7,826.00			
NOR	12/6/2010	67.20	33.60			
SWC	12/7/2010	3,330.00	1,665.00			
	2010 Total			13,327.60	1,840.56	1,879.02
AGNC	1/13/2011	18,315.00	9,157.50			
AGNC	1/13/2011	3,910.00	1,955.00			
LDK	1/27/2011	400.00	200.00			
MCP	2/11/2011	600.00	300.00			
YPF	3/22/2011	920.00	460.00			
NCT	3/23/2011	1,435.70	717.85			
ETP	3/29/2011	4,320.00	2,160.00			
CIE	4/11/2011	1,040.00	520.00			
CIE	4/11/2011	282.00	141.00			
AIG	5/24/2011	11,310.00	5,655.00			
AIG	5/24/2011	4,425.00	2,212.50			
ACI	6/2/2011	180.00	90.00			
ACI	6/2/2011	7,112.00	3,556.00			
FVE	6/15/2011	6,579.00	3,289.50			
FVE	6/15/2011	2,736.00	1,368.00			
EXL	6/23/2011	6.00	3.00			
EXL	6/23/2011	10.00	5.00			
CLMT	9/8/2011	425.00	212.50			
CLMT	9/8/2011	425.00	212.50			
NCT	9/21/2011	5,994.00	2,997.00			
NCT	9/21/2011	4,777.41	2,388.71			
	2011 Total			37,601.06	3,726.67	3,831.47
LINE	1/12/2012	2,900.00	1,450.00			
	2012 Total			1,450.00	96.79	100.72
Totals		509,711.31	254,855.66	254,855.66	42,982.77	43,738.00

Year	Disgorgement Amount	Interest Through 2/28/2015	Interest Through 3/31/2015
2009	202,477.00	37,318.75	37,926.79
2010	13,327.60	1,840.56	1,879.02
2011	37,601.06	3,726.67	3,831.47
2012	1,450.00	96.79	100.72
Totals	254,855.66	42,982.77	43,738.00
Disgorgement plus Interest		297,838.43	298,593.66